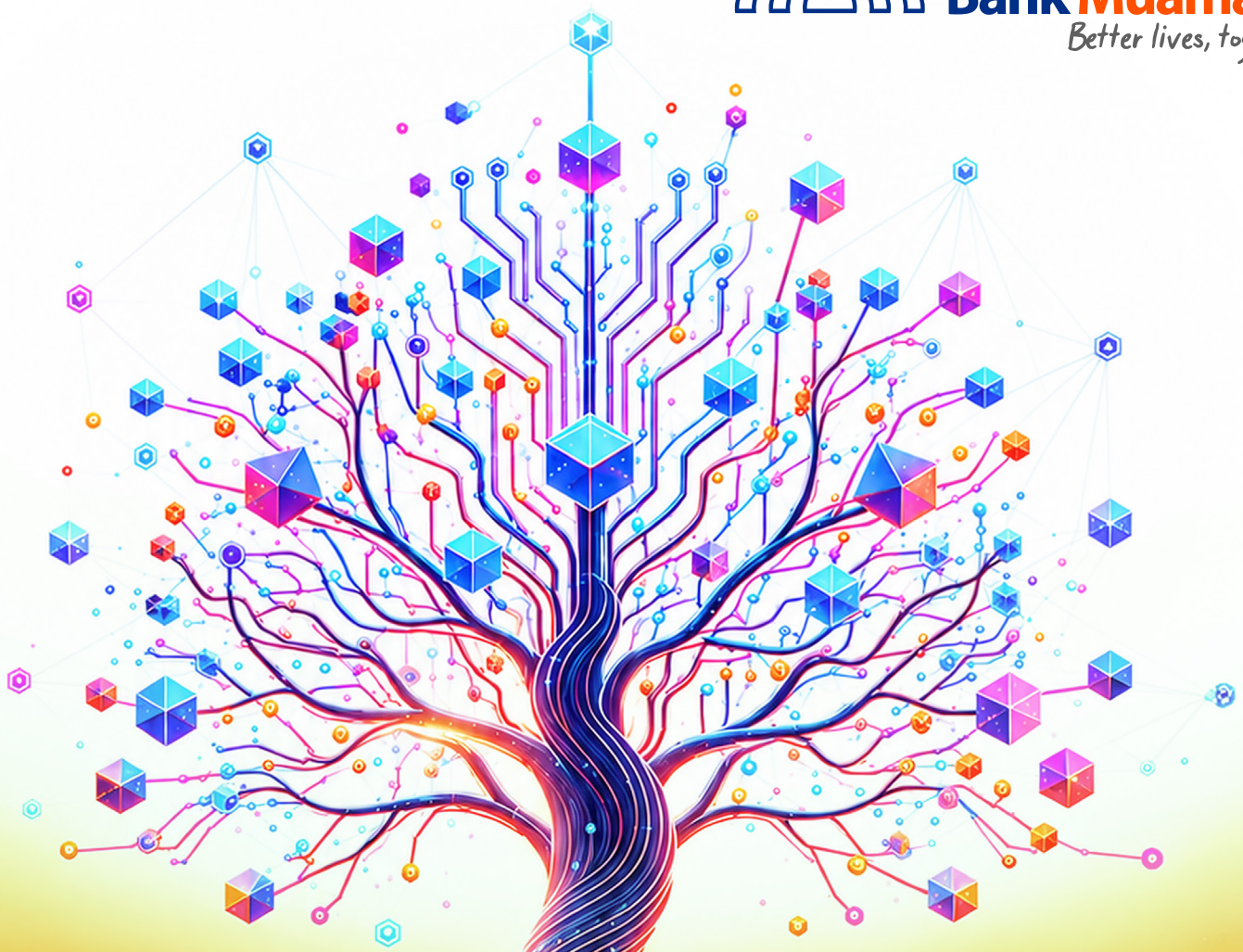
بنك معاملات
Bank Muamalat
Better lives, together



ANNUAL REPORT **2025**

ACCELERATING ASPIRATIONS, ADVANCING TOGETHER

INSIDE THIS REPORT



ACCELERATING ASPIRATIONS. ADVANCING TOGETHER.

Bank Muamalat's 2025 Annual Report theme reflects shared progress focused on delivering stronger growth, deeper innovation, and more meaningful impact. It captures both the ambition of becoming The Strongest Islamic Bank in Malaysia and the belief that this aspiration is best achieved through genuine collaboration with all stakeholders.

The cover brings this to life through the timeless image of a tree reimagined in a digital context. Roots formed from interconnected circuits represent the years of disciplined investment in technology, governance, and operational foundations. A living canopy thrives above with fruitful nodes in glittering hues. This network of connective nodes, represents the Bank's fulfilled relationships with customers, employees, and partners, each benefiting from the sustainable ecosystem the Bank continues to nurture and grow.

This report is supplemented by our full suite of online publications, which caters to the diverse needs of our broad stakeholder base as part of our comprehensive integrated reporting.

These can be accessed at:
www.muamalat.com.my

OVERVIEW 1

4 About Bank Muamalat
6 6 Success Beliefs
7 Performance Highlights for 2025
8 Corporate Structure
9 5 Years Financial Highlights
10 Assets Performance
13 Connected Parties
14 Events & Highlights

MESSAGE FROM LEADERSHIP 2

20 Chairman's Statement: Accelerating Aspirations. Advancing Together.
24 President & Chief Executive Officer's Statement
30 Shariah Committee Chairman's Statement

OUR STRATEGY 3

36 Industry and Market Overview
38 Principal Risks and Uncertainties
42 Our Value Creation Model
46 Our Strategic Direction

OUR BUSINESS PERFORMANCE 4

52 Retail Banking Division
61 Commercial Banking Division
65 Transaction Banking
69 Corporate Banking Division
73 Treasury and Capital Markets
76 Subsidiary: Muamalat Invest Sdn Bhd
80 Investment Banking Division
85 Digital Banking Department

SUSTAINABILITY STATEMENT 5

90 About Our Sustainability Statement
91 Sustainability @ Bank Muamalat
94 Stakeholder Engagement
100 Sustainability Matters
103 Sustainability Governance
105 Economic
116 Social
122 Environmental
132 Data on Material Matters

ABOUT THIS REPORT



GOVERNANCE 6

144 Our Board Diversity
146 Board of Directors' Profile
153 Shariah Committee Profile
157 Senior Management Profile
165 Board of Directors' Composition
166 Board Committees
167 Governance Disclosures
180 Board Audit Committee Report
184 Statement on Compliance
187 Statement on Risk Management
193 Shariah Committee Report

OUR NUMBERS 7

200 Directors' Report
208 Statement by Directors
208 Statutory Declaration
209 Report of the Shariah Committee
210 Independent Auditors' Report
213 Consolidated Statement of Financial Position
215 Statement of Financial Position
217 Statements of Profit or Loss
218 Statements of Other Comprehensive Income
219 Consolidated Statement of Changes in Equity
220 Statement of Changes in Equity
221 Statements of Cash Flows
227 Notes to the Financial Statements
367 Basel II Pillar 3 Disclosure

OTHER INFORMATION 8

432 Corporate Information
433 Branch Network
437 Global Reporting Initiative ("GRI") Content Index

REPORTING FRAMEWORKS

This Annual Report 2025 (AR2025) which is produced and published annually, covers the period from 1 January 2025 to 31 December 2025, unless stated otherwise. The reporting period is in alignment with the reporting of our parent company, DRB-HICOM Berhad.

We have developed this AR2025 with an aim to provide a balanced and comprehensive reporting of the Bank's financial and non-financial performance, benchmarked against our strategy and our delivery of long-term value. This report also contains our forecast for the short, medium and long-term which is based on current assumptions and subject to uncertainty due to potential changes in operating landscape. As such, these forward looking statements about Bank Muamalat's future performance should not be regarded as guarantees or promises.

SCOPE AND BOUNDARY

This report discloses the performance of Bank Muamalat and its subsidiaries, located in Malaysia. In developing this report, we have adhered to the requirements of Bursa Malaysia Securities Berhad's Main Market Listing Requirements and Sustainability Reporting Guide (Second Edition), the Malaysian Code on Corporate Governance (MCCG 2021), Bank Negara Malaysia's Policy Documents and Guidelines, Islamic Financial Services Act 2013, the Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS), the Companies Act 2016, the International Integrated Reporting Council's (IIRC) Integrated Reporting Framework (the Framework) and the Global Reporting Initiative's (GRI) Sustainability Reporting Standards.

NAVIGATION ICONS

In line with the Framework, we have reported on our value creation activities in relation to the Six Capitals.

For ease of reference, the following navigation icons are used to represent each capital and material matter, and will appear at relevant sections across this report:

Our Capitals

- Financial Capital
- Manufactured Capital
- Human Capital
- Intellectual Capital
- Social & Relationship Capital
- Natural Capital

Our Material Matters

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



1

OVERVIEW

4 About Bank Muamalat
6 6 Success Beliefs
7 Performance Highlights for 2025
8 Corporate Structure
9 5 Years Financial Highlights
10 Assets Performance
13 Connected Parties
14 Events & Highlights

Advancing Towards Becoming the Strongest Islamic Bank in Malaysia.



ABOUT BANK MUAMALAT

Established on 1 October 1999, Bank Muamalat Malaysia Berhad (Bank Muamalat) is one of Malaysia's three fully independent Islamic financial institutions, formed through the consolidation of Islamic banking assets from Bank Bumiputra Malaysia Berhad, Bank of Commerce (Malaysia) Berhad, and BBMB Kewangan Berhad. Majority-owned by DRB-HICOM Berhad (70%) and Khazanah Nasional Berhad (30%), the Bank ranked 9th in asset size among 16 Islamic banks in Malaysia as at December 2025.

Operating a nationwide network of 70 branches and 247 self-service terminals, Bank Muamalat delivers a comprehensive range of Shariah-compliant banking and financial solutions for retail and business customers alike. Its commitment to Shariah compliance is upheld by a distinguished panel of scholars providing rigorous oversight across all aspects of product development and advisory.

Beyond banking, Bank Muamalat is a purposeful driver of social finance and sustainable development. It champions initiatives such as iTEKAD microfinance, waqf-based investments, halal industry financing, and zakat distribution to empower underserved communities and small businesses. As the first Islamic bank in Malaysia admitted into the Global Alliance for Banking on Values (GABV), the Bank's ethical leadership is globally recognised. This distinction is further affirmed by recent accolades including "ASEAN Islamic Banking Excellence" and "Fastest Growing Digital Transformation Islamic Bank."

Guided by its tagline, **Better Lives, Together**, Bank Muamalat remains steadfast in its mission to deliver lasting value – through digital transformation, sustainable finance, and meaningful financial inclusion – for every individual, business, and community it serves.



VISION

To become the preferred Islamic financial provider

MISSION

To ethically deliver the best value to stakeholders, society and environment



What differentiates Bank Muamalat?

- **A financial institution that is committed to deliver sustainable growth**

  More details available in our segmental performance from page 52 to page 87.

- **Continuously striving to improve client satisfaction and deliver superior customer experience especially via the digital platform**

  More details available on page 115.

- **Knowledgeable and highly experienced Board Members and Management team**

  Get to know our Board Members from page 144 to 152 and our Management team on pages 157 to 164.

- **A value-driven financial institution that aspires to deliver positive impact to the community and to be an ethical Islamic Bank**

  More details available in our Sustainability Statement from page 116 to page 121.

- **Holistic and sound risk management**

  Read our Principal Risks and Uncertainties from page 38 and our Statement of Risk Management from page 187.

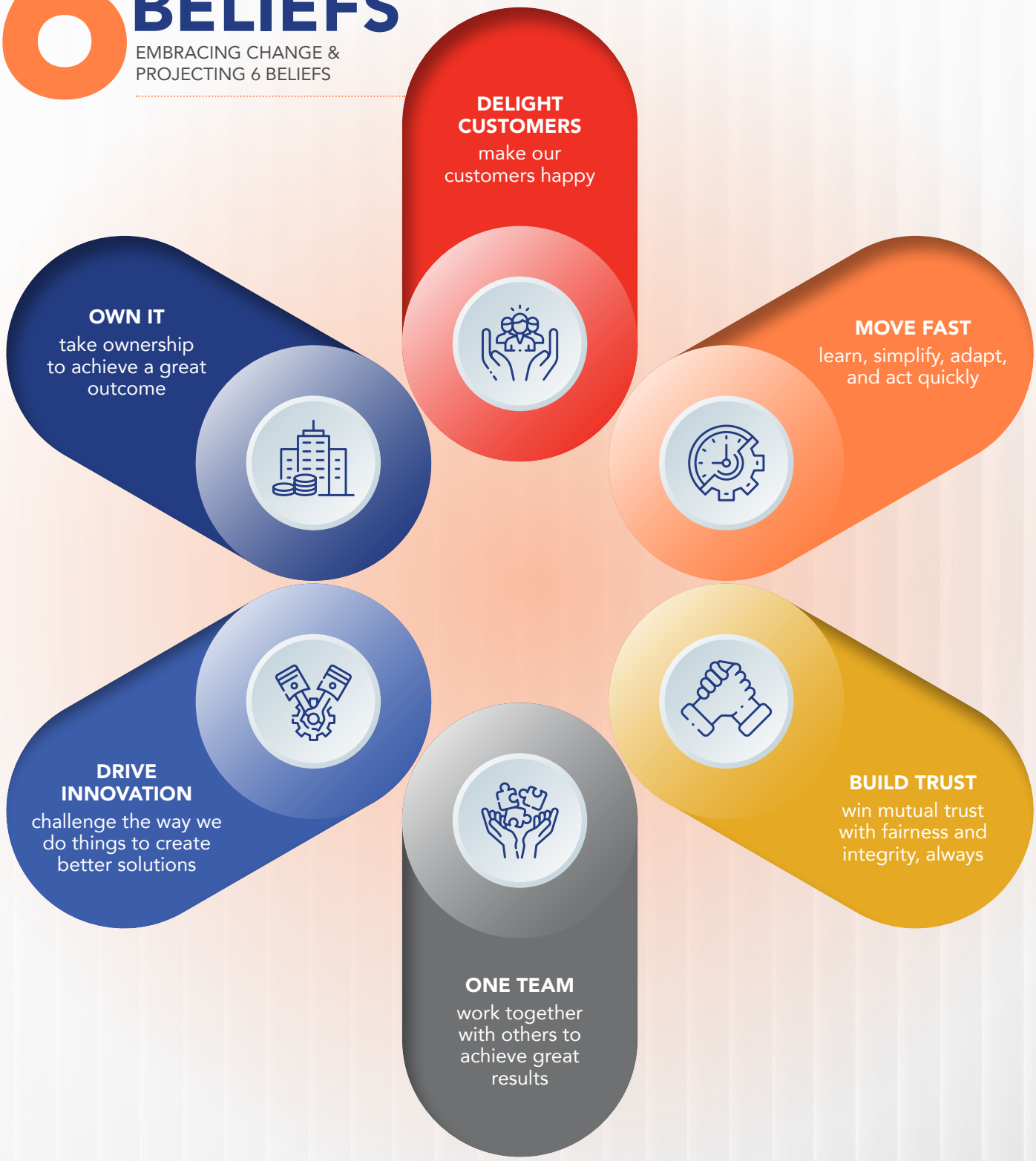
- **Good governance and strong leadership**

  More details in our Statement of Governance from page 144 to page 197.

ABOUT BANK MUAMALAT

6 SUCCESS BELIEFS

EMBRACING CHANGE & PROJECTING 6 BELIEFS



PERFORMANCE HIGHLIGHTS FOR 2025

FINANCIAL (GROUP)

Profit Before Tax and Zakat
RM307.1 million

Total Assets
RM45.67 billion

Return on Equity
6.23%

Deposits*
RM38.6 billion
* includes investment account

Non-funded Income Ratio
17.62%

Net Income Margin
2.02%

NON-FINANCIAL

Launched
ATLAS Digital Banking

Launched
Term Investment Account (TIA)

1st Ar-Rahnu Centre
launched at Sungai Udang, Melaka

MISB, a subsidiary of BMMB, launched

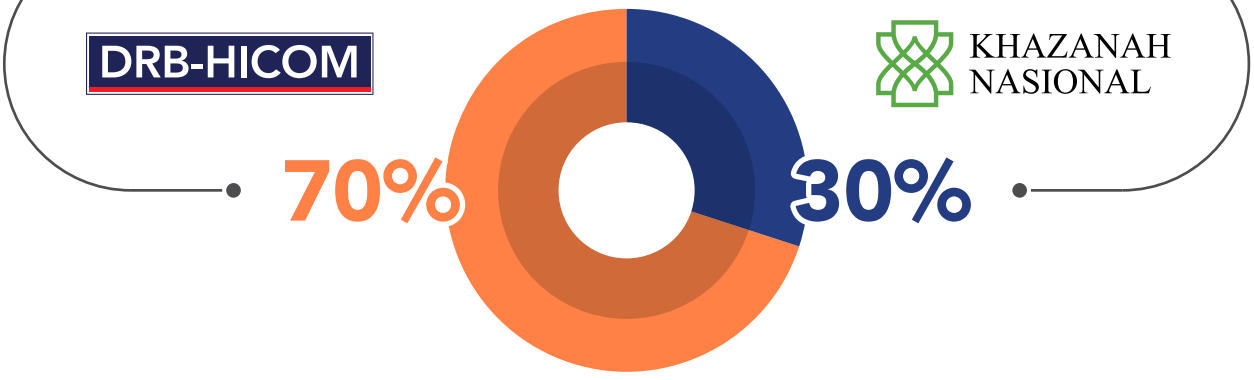
Muamalat-i Gold Fund (MiGOLD), a Shariah-compliant gold investment fund

Muamalat-i Dana Sinar (MiDAS), 1st Shariah-compliant private credit fund of its kind in Malaysia

CORPORATE STRUCTURE

Bank Muamalat
Better lives, together

SHAREHOLDING STRUCTURE



GROUP CORPORATE STRUCTURE

100% OWNED BY BANK MUAMALAT

Muamalat Invest Sdn Bhd

Muamalat Invest Sdn Bhd (MISB)

- Licensed Fund Management company since 2006.
- Accorded Islamic Fund Management licence in September 2010.
- Offers wholesale funds for sophisticated investors and management of discretionary mandates.
- Obtained Capital Market Services Licence (CMSL) in March 2019 for dealing in securities (restricted to unit trust).
- Launches, manages and distributes retail unit trust funds.

Muamalat Venture Sdn Bhd

Muamalat Venture Sdn Bhd (MVSB)

- Engages in private equity and venture capital activities.
- Focuses on medium to long-term funding and/or investment to companies, i.e. equity, mezzanine and structured investments, Musharakah investment for growth, mid and late-stage opportunities.

Muamalat Nominees (TEMPATAN)

Muamalat Nominees (TEMPATAN) Sdn Bhd (Dormant)

Muamalat Nominees (ASING)

Muamalat Nominees (ASING) Sdn Bhd (Dormant)

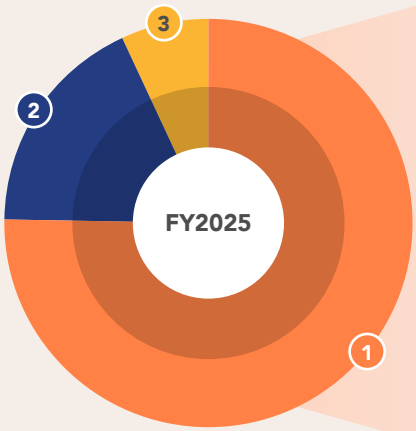
5 YEARS FINANCIAL HIGHLIGHTS

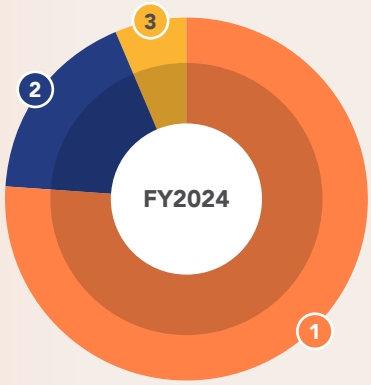
5 YEARS FINANCIAL HIGHLIGHTS (2021-2025) – GROUP

	Dec 2021 FY2021	Dec 2022 FY2022	Dec 2023 FY2023	Dec 2024 FY2024	Dec 2025 FY2025
Operating Result (RM'000)					
Operating Revenue	1,137,230	1,339,885	1,784,654	2,148,112	2,291,389
Income attributable to depositors	338,304	453,026	831,807	1,094,285	1,145,758
Income attributable to investment account holders	22	205	240	209	11,612
Profit Before Tax and Zakat	254,868	306,725	295,583	129,316	307,087
Profit After Tax and Zakat	157,351	222,778	211,815	86,141	223,747
Key Statements of Financial Position (RM'000)					
Total Assets	27,566,391	31,534,217	39,060,277	43,661,856	45,666,226
Financial Investments	5,295,155	5,507,329	6,656,044	7,584,859	7,980,068
Total Financing of Customers	20,671,306	24,017,067	28,347,644	32,349,349	33,770,816
of which: Gross Impaired Financing	*172,073*	*205,957*	*266,229*	*341,179*	*487,292*
Total Deposits from Customers	23,113,166	26,320,609	32,795,736	36,462,088	37,390,060
of which: CASA	*8,152,108*	*8,956,578*	*10,221,422*	*10,617,332*	*12,254,324*
Shareholders' Equity	2,752,787	2,886,604	3,436,501	3,498,939	3,685,801
of which: Share Capital	*1,195,000*	*1,195,000*	*1,195,000*	*1,195,000*	*1,195,000*
Financial Ratios (%)					
Return on Equity - Before Tax and Zakat	9.43%	10.88%	9.35%	3.73%	8.55%
Return on Equity - After Tax and Zakat	5.82%	7.90%	6.70%	2.48%	6.23%
Return on Assets - Before Tax and Zakat	0.96%	1.04%	0.84%	0.31%	0.69%
Return on Assets - After Tax and Zakat	0.59%	0.75%	0.60%	0.21%	0.50%
Cost Income Ratio	51.70%	52.65%	54.59%	58.69%	55.20%
Capital Ratio	17.2%	17.6%	17.3%	16.7%	18.1%
Gross Impaired Financing Ratio	0.83%	0.85%	0.93%	1.05%	1.43%
CASA Composition to Total Deposits	35.3%	34.0%	31.2%	29.1%	32.7%

ASSETS PERFORMANCE

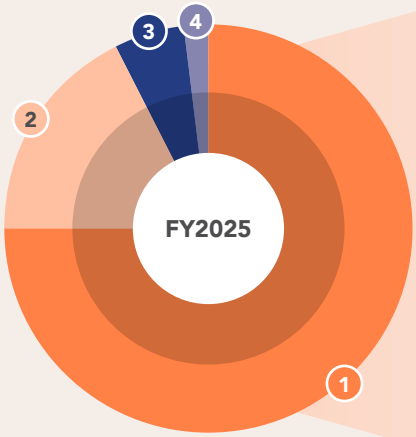
Assets Portfolio (RM'000)

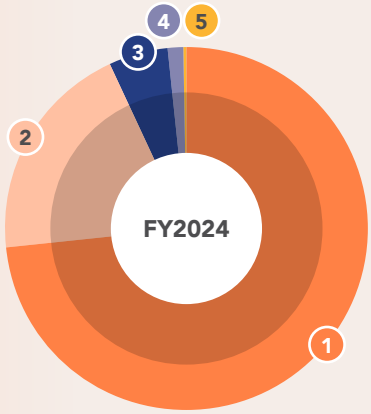




		FY2025 RM'000	FY2024 RM'000
1	Gross Financing	34,107,892	32,593,753
2	Financial Investments	7,980,068	7,584,859
3	Cash & Short-term Funds	3,090,359	2,618,766

Financing by Business Segment

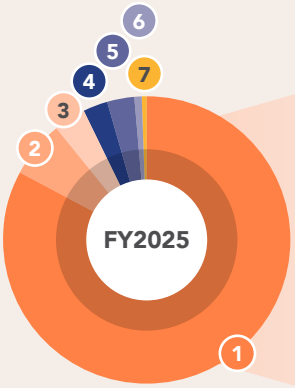


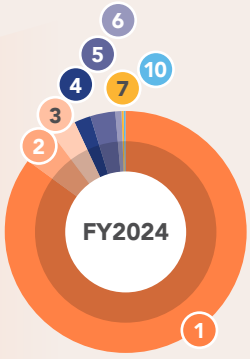


		FY2025	FY2024
1	Consumer	75.01%	73.48%
2	Corporate	17.74%	19.64%
3	Commercial	5.46%	5.23%

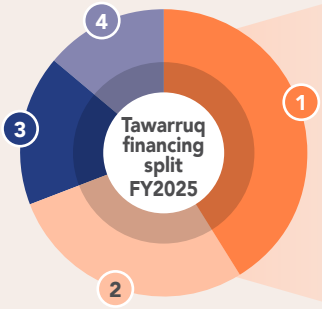
		FY2025	FY2024
4	SME	1.79%	1.52%
5	Treasury & Investment	0.00%	0.12%

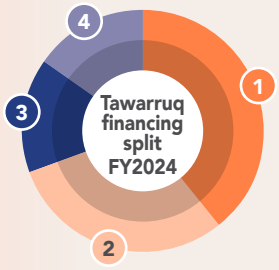
Financing by Islamic Contract





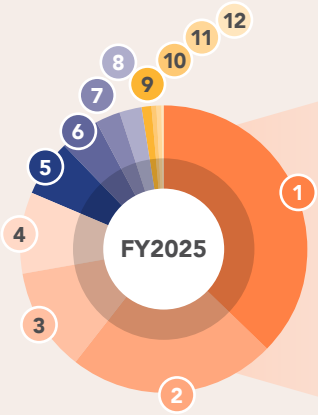
		FY2025	FY2024
1	Tawarruq	82.92%	85.18%
2	Murabahah to the Purchase Orderer	6.24%	4.60%
3	Murabahah	3.68%	3.32%
4	Ijarah Thumma Al-Bai	2.97%	2.23%
5	Bai' Bithaman Ajil	2.97%	3.49%
6	Bai' Al-Dayn	0.72%	0.77%
7	Istisna'	0.49%	0.27%
8	Inah	0.00%	0.00%
9	Qard	0.00%	0.00%
10	Shirkah Mutanaqisah	0.00%	0.14%

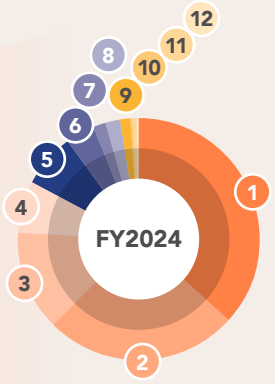




		FY2025	FY2024
1	Home financing	34.23%	33.51%
2	Personal financing	23.36%	25.72%
3	Others	13.92%	13.06%
4	Other term financing	11.42%	12.90%

Financing by Product

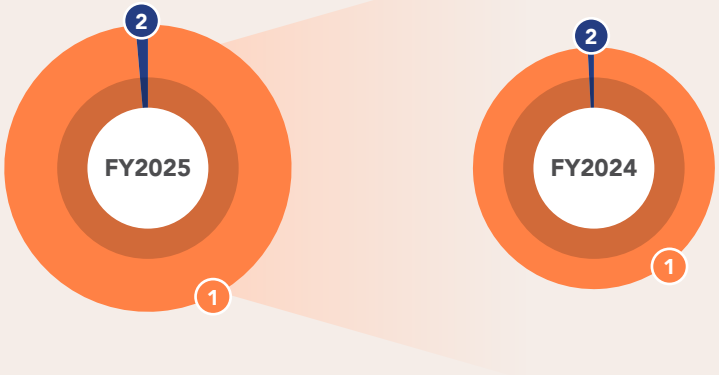




		FY2025	FY2024
1	Home financing	37.37%	36.83%
2	Personal financing	23.42%	25.80%
3	Other term financing	11.58%	13.27%
4	Hire purchase receivables	9.26%	6.91%
5	Revolving credit	6.33%	7.22%
6	Claims on customers under acceptance credits	4.31%	3.93%
7	Ar-Rahnu	2.84%	1.69%
8	Cash line	2.46%	1.96%
9	Syndicated financing	1.30%	1.48%
10	Credit Card	0.54%	0.32%
11	Staff financing	0.49%	0.42%
12	Trust receipts	0.09%	0.16%

ASSETS PERFORMANCE

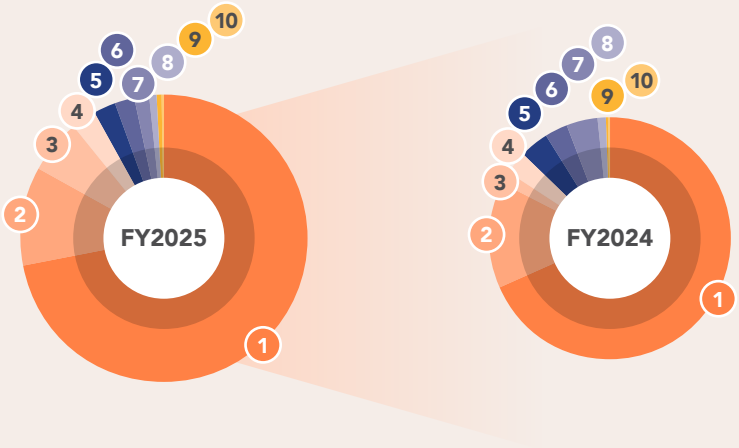
Assets Quality (RM'000)



		FY2025	FY2024
1	Non-Impaired Financing	98.57%	98.95%
2	Impaired Financing	1.43%	1.05%

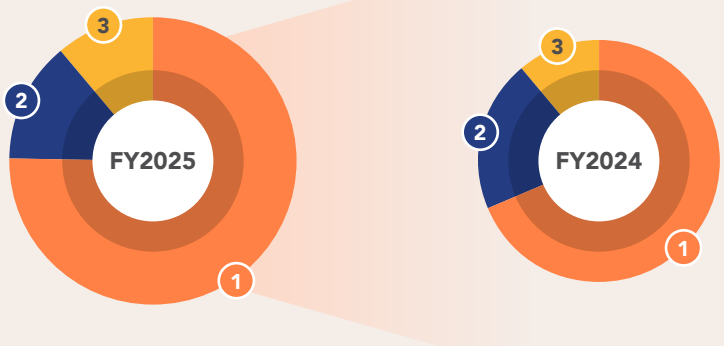
		FY2025	FY2024
1	Gross Impaired Financing (RM'Mil)	487.29	341.18
2	Gross Impaired Financing ratio	1.43%	1.05%
3	Financing loss coverage ratio	72.52%	77.63%
4	Collective assessment ratio	0.90%	0.74%

Impaired Financing by Sector



		FY2025	FY2024
1	Household	75.52%	68.69%
2	Wholesale and retail and restaurant	10.31%	14.00%
3	Construction	5.79%	1.90%
4	Real Estate	2.09%	2.90%
5	Finance, takaful and business services	2.07%	3.93%
6	Transport, storage and communication	1.51%	3.14%
7	Manufacturing	1.48%	4.21%
8	Community, social and personal service	0.98%	1.15%
9	Agriculture	0.19%	0.02%
10	Electricity, Gas and Water	0.05%	0.07%

Impaired Financing by Business Segment

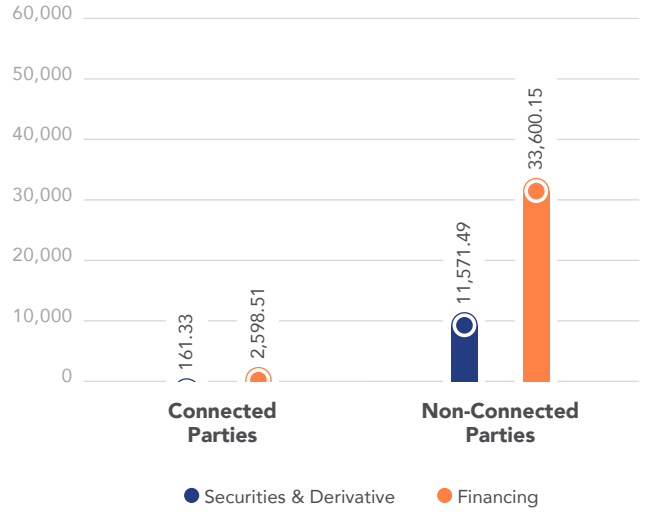


		FY2025	FY2024
1	Consumer	75.52%	68.69%
2	SME	13.46%	20.29%
3	Commercial	11.02%	11.03%
4	Corporate	0.00%	0.00%
5	Treasury & Investment	0.00%	0.00%

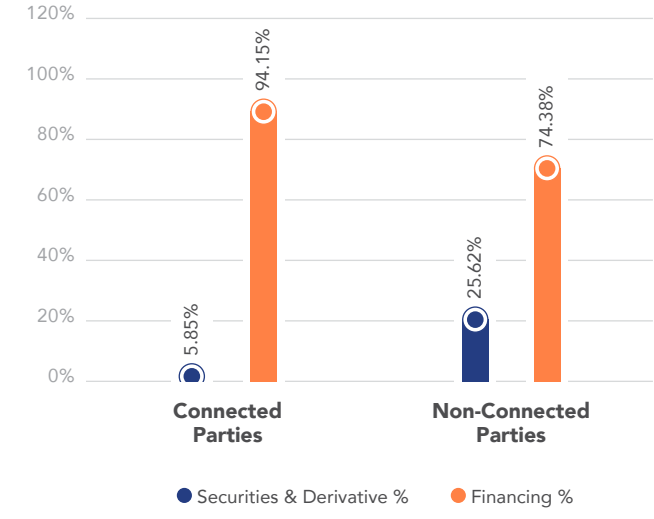
CONNECTED PARTIES

As at end of FY2025, connected parties' exposures accounted for 5.76% (RM2.76 billion) of the total credit exposures of RM47.93 billion. The amount stood at 62.03% against Bank Muamalat's capital fund of RM4.45 billion. Both measurements were well below the threshold limit set by Bank Negara Malaysia.

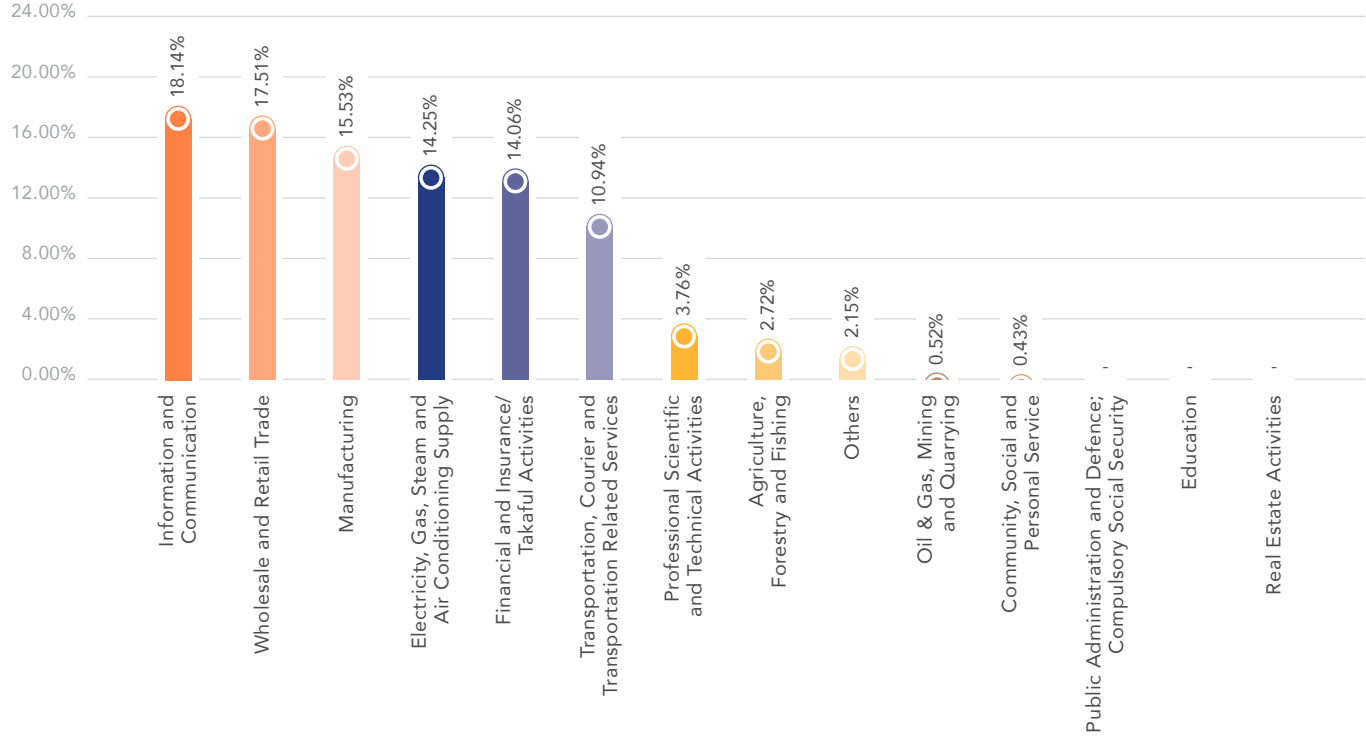
Connected Parties Exposure by Financial Instrument as at December 2025 (RM Million)



Connected Parties VS Non-Connected Parties Exposure as at December 2025



Connected Parties Exposure by Sector as at December 2025



EVENTS & HIGHLIGHTS

DBKL Ramadan Bazaar Opening

5 March 2025 | Kuala Lumpur

In collaboration with Dewan Bandaraya Kuala Lumpur (DBKL), Bank Muamalat supported 3,567 traders across 42 Ramadan bazaar locations by providing complimentary business essentials, including canopies, aprons and bucket hats, alongside cashless payment solutions. The initiative reflects the Bank's commitment to empowering micro-entrepreneurs and promoting greater financial inclusion during the festive season.



Sembang Santai Moreh Media Bersama Bank Muamalat 2025

27 March 2025 | Saloma Bistro, Kuala Lumpur

Bank Muamalat hosted *Sembang Santai Moreh* with the Media, bringing together nearly 30 media representatives in appreciation of their continued partnership and support. The gathering further strengthened the Bank's relationship with the media as valued stakeholders in communicating its purpose, initiatives and achievements.



Hari Raya Aidilfitri Open House with Corporate Partners

24 April 2025 | Sime Darby Convention Centre, Kuala Lumpur

More than 1,500 corporate clients, business partners and stakeholders attended Bank Muamalat's annual Hari Raya Open House, celebrating enduring partnerships built on trust and collaboration. The event reaffirmed the Bank's commitment to fostering meaningful relationships that contribute to sustainable growth and shared success.



Honouring Unsung Heroes (*Hero Tanpa Nama*)

2 May 2025 | Klang Valley

Driven by the generosity of its employees, Bank Muamalat organised the *Hero Tanpa Nama* initiative through an internal donation campaign that funded more than 500 essential care packs alongside 100 food packs for frontline community workers across the Klang Valley. The initiative reflects the Bank's culture of compassion and collective responsibility in supporting everyday heroes who serve the community.



Special Screening of Ejen Ali

29 May 2025 | TGV Sunway Putra Mall

Bank Muamalat hosted a special screening of *Ejen Ali* for 73 children from orphanages, creating a meaningful and memorable experience while reinforcing the Bank's commitment to nurturing young lives and supporting the well-being of underserved communities.



Official Launch Ceremony of Bank Muamalat's Melaka Branch

9 June 2025 | Melaka

Bank Muamalat celebrated the official opening of its Melaka Branch at the Melaka International Bowling Centre (MIBC), officiated by YAB Datuk Seri Utama Ab Rauf Yusoh, Chief Minister of Melaka. The new branch enhances the Bank's accessibility to customers while reinforcing its commitment to expanding inclusive Islamic financial services and creating Better Lives, Together.



Jom Heboh Carnival (Johor and Penang)

27-29 June 2025 | Johor Bahru

7-9 November 2025 | Batu Kawan

Bank Muamalat strengthened its community engagement through participation in Malaysia's premier community carnival, Jom Heboh Carnival, connecting with thousands of visitors through interactive financial education, family-friendly activities and customer engagement initiatives that reinforced the Bank's commitment to creating Better Lives, Together.



MoU Signing Ceremony between Bank Muamalat and AKPK on iTEKAD Initiative

5 July 2025 | Tawau

Held during *Karnival Celik Kewangan* Tawau, Bank Muamalat formalised a Memorandum of Understanding (MoU) with the Credit Counselling and Debt Management Agency (AKPK) to strengthen the iTEKAD programme. The collaboration equips aspiring entrepreneurs with holistic financial education covering budgeting, cash flow management and responsible credit practices, supporting sustainable business growth and long-term financial resilience.



EVENTS & HIGHLIGHTS

Launch of Jariah Fund Campaign in Collaboration with Yayasan Ikhlas

5 July 2025 Tawau

Bank Muamalat and Yayasan Ikhlas launched the "*Pek Ikhlas Sabahan*" Jariah Fund crowdfunding campaign to provide humanitarian assistance to underserved communities in Sabah. The launch was officiated by Adnan Zaylani Mohamad Zahid, Deputy Governor of Bank Negara Malaysia, underscoring the importance of collaborative social finance initiatives in creating lasting community impact.



iTEKAD Muamalat Sabah Certificate Presentation Ceremony

5 July 2025 Tawau

Certificates of participation were presented to 15 selected micro-entrepreneurs under the iTEKAD Muamalat Sabah Programme. Participants from the food and beverage and gig economy sectors received access to microfinancing and grants of up to RM10,000, entrepreneurship training and six months of structured mentoring to strengthen business capabilities and improve long-term economic sustainability.



Launch of Muamalat-i Dana Sinar (MiDAS)

5 August 2025 Bank Muamalat HQ

Muamalat Invest Sdn. Bhd. (MISB), a wholly owned subsidiary of Bank Muamalat, launched Muamalat-i Dana Sinar (MiDAS), Malaysia's pioneering Shariah-compliant private credit fund for qualified investors. The launch represents a significant milestone in expanding innovative Islamic investment solutions while broadening access to alternative financing opportunities.



Muamalat–EON Co-Branded Credit Card Launch

8 August 2025 Wisma EON Glenmarie

Bank Muamalat and EON Berhad introduced the Muamalat EON Visa Infinite-i and Visa Platinum-i, expanding the Bank's lifestyle payment offerings through a strategic partnership. The launch ceremony was witnessed by Tan Sri Syed Faisal Albar, Group Managing Director of DRB-HICOM Berhad, reflecting the strong collaboration between both organisations in delivering greater value to customers.



National Day Corporate Social Responsibility Programme

22 August 2025 Klang Valley

In conjunction with National Day celebrations, Bank Muamalat channelled RM36,500 through strategic partners to benefit 50 families of retired Armed Forces (ATM) and Royal Malaysia Police (PDRM) personnel. The initiative honoured their dedicated service and recognised their invaluable contributions to the nation's peace and security.



MoU Signing Ceremony between Bank Muamalat and TASConnect

3 September 2025 Bank Muamalat HQ

Bank Muamalat entered into a strategic partnership with TASConnect to enhance access to faster, digital and Shariah-compliant financing solutions for SMEs. The collaboration leverages technology to simplify financing accessibility while supporting business growth and advancing Malaysia's digital economy.



Financial Literacy Programme for Kids at Petrosains

29 September 2025 Kuala Lumpur

Through its collaboration with Petrosains, Bank Muamalat organised the *Program Cilik Celik Kewangan Bersama Asnaf dan B40*, integrating financial literacy with STEM learning to equip students from underserved communities with essential life skills, broaden their aspirations and inspire future opportunities.



Launch of Bank Muamalat CGC Business Card

5 November 2025 Selangor

In collaboration with Credit Guarantee Corporation Malaysia Berhad (CGC), Bank Muamalat introduced the CGC Business Card, designed to support SMEs and micro-SMEs with greater payment flexibility, improved cash flow management and practical business financing solutions.





2

MESSAGE FROM LEADERSHIP

20 Chairman's Statement:
Accelerating Aspirations. Advancing Together.

24 President & Chief Executive Officer's Review

30 Shariah Committee Chairman's Statement

Advancing Future-Ready Solutions, while Staying Rooted in Faith.


12.78
73.92
20.83
12.72

CHAIRMAN'S STATEMENT: ACCELERATING ASPIRATIONS. ADVANCING TOGETHER.

بسم الله الرحمن الرحيم

In the name of Allah, the Most Gracious, the Most Merciful

السلام عليكم ورحمة الله وبركاته

Peace Be Upon You and Mercy of Allah and His Blessings

The operating landscape in FY2025 demanded heightened resilience and agility across the banking fraternity. Externally, the environment was unsettled: US tariff measures reshaped trade flows, geopolitical tensions kept risk managers alert, and a domestic monetary policy shift required careful management of margins across the sector. Domestically, Malaysia held firm. The economy grew by 5.2%* for the year, surpassing official forecasts, and the fundamentals that underpin banking confidence, namely stable employment, domestic consumption, and continued government-led investment, remained broadly intact.

Against this backdrop, the Board is satisfied that Bank Muamalat ended the year in a materially stronger position than at the start. This gives the Board confidence that Bank Muamalat is well placed to continue serving its customers even better, and to strengthen its position as the preferred Islamic bank for the Malaysian public.

Our theme for this Annual Report, '*Accelerating Aspirations. Advancing Together*,' reflects our dual commitment to driving commercial excellence through digital and strategic velocity, while remaining steadfastly anchored to the values of Amanah and mutual progress. We have laid the foundations, and they are now bearing fruit.

Receiving the IRBA Excellence Award for Islamic Retail Banking in FY2025 is a testament of our progress. This award affirms that the Bank's retail-first strategy is gaining external credibility and momentum – a confirmation that the Bank's efforts are on the right track. The task ahead is to build on them with greater discipline, sharper focus, and a clearer sense of the institution we intend to become.

THE OPERATING ENVIRONMENT

The market environment of FY2025 presented mixed signals that, on balance, came down on the side of opportunity. Globally, Islamic finance assets exceeded USD 4.5 trillion, with Malaysia retaining approximately 24% of global market share, and institutional interest in values-based finance continued to grow, providing long-run tailwinds for Bank Muamalat. Malaysia's economy performed above expectations, as the 13th Malaysia Plan and the MADANI Economy Framework continued to direct public investment into infrastructure, human capital, and digital connectivity, each of which creates conditions favourable for banking activity. Bank Negara Malaysia's timely and considered measure to reduce the Overnight Policy Rate by 25 basis points to 2.75% on 9 July 2025 also helped ease the financial burden on Malaysian customers and businesses.

Bank Muamalat's strategy throughout the year was one of deliberate balance: pursue growth in segments where fundamentals are sound, and tighten scrutiny where external vulnerabilities could translate into credit deterioration. The Bank continued to manage its margins prudently through



disciplined asset pricing and funding mix optimisation, ensuring we remain well placed to support our customers while maintaining a sound financial footing. A sharper eye was also kept on the potential effects of a global trade slowdown on the corporate and SME credit base. Stress tests were applied across diverse scenarios, capital buffers and liquidity positions were confirmed as adequate, and early warning systems were kept under active review.



TAN SRI TAJUDDIN ATAN, FCB
Chairman

PERFORMANCE – THE BOARD'S VIEW

Bank Muamalat delivered a profit before tax of RM307.1 million in FY2025, more than double the RM129.3 million reported in FY2024. Return on equity improved substantially. The financing portfolio grew. The cost of credit declined. Capital adequacy ratios strengthened, with the Common Equity Tier-1 ratio closing the year at 12.273%, well above regulatory minimums and above the level at the outset of the RISE26+ plan.

The Board is grateful for these achievements, and equally mindful of sustaining them to continue serving the public and our customers even better in the years ahead.

What gives us genuine confidence is the improvement in the quality of earnings, reflected by a stronger CASA ratio, better cost-to-income discipline, and a financing portfolio that continues to grow with more deliberate risk selection than in the initial years of RISE26+. These are encouraging signs of a business that is improving in the right direction.

The Bank's credit ratings were affirmed by RAM at A2/Stable/P1 and MARC at A+/Stable/MARC-1 during the year. These affirmations provide external corroboration of the Bank's financial resilience and the effectiveness of its risk management practices.

GOVERNANCE IN ACTION

Good governance is the bedrock of our operations, setting the conditions for management to execute well and ensuring that the structure is sound enough to absorb setbacks when they arise.

Several specific governance developments in FY2025 warrant mention. We completed the annual Board Effectiveness Evaluation with an external, independent assessor for the first time, providing a more objective lens on the Board's own performance, composition, and working practices.

We also approved strengthened frameworks across technology risk, cyber resilience, remuneration, and compliance risk management. These are the governance foundations that keep the Bank as a whole resilient, well managed, and credible as a regulated institution.

RM307.1 million
FY2025 Profit Before Tax

* Source: Bank Negara Malaysia (BNM), Economic and Monetary Review 2025, released 31 March 2026. Available at: www.bnm.gov.my

CHAIRMAN'S STATEMENT: ACCELERATING ASPIRATIONS. ADVANCING TOGETHER.

The Board Technology Committee deepened its engagement with the Bank's digital agenda during the year. With ATLAS, Bank Muamalat's digital banking app launched in June 2025, the Bank's technology ambitions are becoming a reality. The Committee's oversight shifted accordingly to monitoring execution, customer uptake, and the technology risk posture of a live digital product. Separately, the Board endorsed the Bank's Cyber Security Strategic Plan and reviewed the Technology Risk Management Framework to ensure alignment with BNM's Risk Management in Technology requirements.

The Board's skills matrix is reviewed annually against the strategic capabilities the Bank will require over the next three to five years. As we prepare for the post-RISE26+ period, the Board notes that priority areas include digital banking and financial technology, Islamic finance innovation, and sustainable finance. These represent the terrain on which Bank Muamalat will compete for the next decade, and we must be equipped to oversee that competition with understanding and rigour.

Three changes to Board composition took place during the year. Tan Sri Che Khalib Mohamad Noh and Encik Ainol Roznain Yaacob both retired from the Board in August and September 2025 respectively, having made substantial contributions to the institution during their tenures. Dato' Suhana Dewi Selamat was appointed to the Board with effect from 1 October 2025. Her appointment strengthens the Board's expertise in areas relevant to the Bank's next strategic chapter, and reflects the Board's commitment to diversity of perspective.

RISK OVERSIGHT AND PREPAREDNESS

Our principal risk preoccupations in FY2025 were credit quality, technology and cyber risk, and the management of rate sensitivity following the OPR change. On credit quality, we reviewed the financing portfolio regularly through the Board Risk and Compliance Committee, with particular attention to sectors exposed to external trade pressures and to the pace of impaired financing resolution. The Board continues to monitor the Bank's gross impaired financing ratio closely to keep it at a healthy level.

On technology and cyber risk, the Board recognises that its duty of oversight grows in lockstep with our digital ambitions. As more of our customer interaction and transaction processing migrates to digital channels, the consequences of a cyber incident become more severe and the expectations of regulators and customers more demanding. The Board was pleased that no material cyber incidents were reported during the year, and remains mindful of the broader industry-wide rise in financial scams and fraud. The Bank's investments in fraud monitoring, customer protection, and cyber resilience remain a continuing priority for the Board.

We also note the growing importance of artificial intelligence within banking, and have begun engaging with management on the governance principles that should govern its adoption. AI brings genuine operational opportunity, but it also introduces model risk and data governance considerations. The Board's position is that adoption must be deliberate, governed, and explainable.

SHARIAH GOVERNANCE AND AMANAH

On Shariah governance, the Board is pleased to report that Bank Muamalat recorded no Shariah non-compliance events in FY2025, as in the prior year. This is not a passive outcome; it reflects the structured, year-round engagement between the Shariah Committee, Management, and the Board. The Shariah Committee's role is not limited to product endorsement. It engages on strategic decisions, advises on operational matters, and provides an independent perspective that keeps Islamic principles central to how the Bank conducts itself. The Term Investment Account, introduced during the year, received Shariah Committee validation as part of a thorough product development process.

The Bank's commitment to Maqasid Al-Shariah goes beyond the technical requirements of Shariah compliance. The Board sees the higher objectives of Islamic law, protecting wealth, promoting justice, supporting well-being, as directly relevant to how a bank should behave in practice. The Board expects, and Management has delivered, financing decisions that give weight to social impact alongside commercial return. iTEKAD, Waqf programmes, and the Bank's continuing participation in financial inclusion initiatives are vital expressions of what it means to deliver value as an Islamic bank with genuine purpose.

Underlying all we do is a commitment to Amanah and integrity. Amanah, the quality of trustworthiness and the faithful discharge of responsibility, is not merely an Islamic virtue; it is the foundational obligation of anyone entrusted with the stewardship of a bank. Our depositors place their savings with us in trust. Our financing customers entrust us with their financial futures. Our regulators extend us a licence on the basis that we will conduct ourselves with integrity at all times. The Board's role is to ensure that this trust is honoured, in every decision, at every level of the institution.

WHAT COMES NEXT

Bank Muamalat entered the RISE26+ strategic cycle with a clear ambition: to reposition itself as the foremost, purpose-driven Islamic bank capable of competing on product quality, customer experience, and digital reach. The Board's assessment is that strong progress has been made across the plan's five aspirations.

The area of clearest progress is the digital agenda. The launch of ATLAS as Malaysia's first lifestyle-aligned Islamic digital banking platform was the most visible single milestone of the plan. ATLAS gives customers a single platform to manage their financial needs in a manner aligned with their Islamic lifestyle and values, bringing together everyday banking, savings, and financing in one convenient place. It represents a genuine strategic commitment and a real product in the market, not a concept. Building customer adoption and proving the business model over the next two to three years is the work that follows.

Profitability and capital efficiency must continue to improve. The cost-to-income ratio, though improving, reflects a cost base that has grown substantially with the technology investments of recent years; the task now is to generate the revenue growth that justifies those costs and begins to convert them into productivity gains. The Board also recognises that fee-based income streams require further development to reduce the Bank's dependence on financing margin.

The broad direction is clear. The defining ambition is to consolidate Bank Muamalat's identity as a purpose-driven Islamic bank that is commercially disciplined, digitally capable, and genuinely connected to the communities it serves.

APPRECIATION

On behalf of the Board, I take this opportunity to record our gratitude to the shareholders and investors who have maintained confidence in Bank Muamalat through a period that has required patience as well as faith in the institution's direction. Your continued support is not taken lightly.

To Bank Muamalat's customers, thank you for the trust you place in us with your financial lives, your savings, your businesses, and your ambitions. That trust is the only genuine measure of whether a bank is fulfilling its purpose, and we are conscious of it in every decision we make.

To our regulators, and in particular to Bank Negara Malaysia, thank you for the consistency and rigour of the regulatory framework within which we operate. Sound regulation is a precondition for good banking.

To the Management team and to every member of the Bank Muamalat family, the results this year are a reflection of your effort, your professionalism, and your commitment to the Bank's purpose. The Board recognises that behind every improved ratio and every satisfied customer is a person who showed up and did their work well. Thank you.

I also wish to express the Board's personal appreciation to Tan Sri Che Khalib Mohamad Noh and Encik Ainol Roznain Yaacob, who retired from the Board during the year. Their counsel, their experience, and their dedication to good governance strengthened this institution, and we wish them well in the chapters ahead. In their stead, we warmly welcome Dato' Suhana Dewi Selamat, and look forward to benefitting from her valuable insights and perspectives.

Moving forward, we remain guided by a sound framework, a fortified foundation, and a team that has demonstrated the capability to deliver. This gives us the confidence to pursue and achieve new milestones, as we continue our focus on delivering enduring value to all stakeholders.

Wabillahi taufiq walhidayah wassalamu'alaikum wa rahmatullahi wa barakatuh.

To Allah we surrender.

TAN SRI TAJUDDIN ATAN, FCB
Chairman
Bank Muamalat Malaysia Berhad

PRESIDENT & CHIEF EXECUTIVE OFFICER'S STATEMENT

بسم الله الرحمن الرحيم

In the name of Allah, the Most Gracious, the Most Merciful

السلام عليكم ورحمة الله وبركاته

Peace Be Upon You and Mercy of Allah and His Blessings

Dear Stakeholders,

It is both my privilege and a responsibility to present Bank Muamalat's performance for the financial year ended 31 December 2025. FY2025 was a year in which our commitment to creating Better Lives, Together was demonstrated by real, measurable progress.

STEPPING UP EXECUTION

FY2025 was the year Bank Muamalat moved from building foundations to proving the value they can provide. For several years previously, we have restructured the portfolio, ensured prudent underwriting, invested in digital capabilities, and built the internal disciplines that sustainable earnings require. This year, that work translated into results. Profit Before Tax of RM307.1 million, more than double the RM129.3 million achieved in FY2024, is the clearest evidence that our direction is correct and our execution is strengthening.

The performance was broad-based, with revenue growing across every meaningful income line. Retail Banking delivered disciplined asset growth alongside record performances in Ar-Rahnu, Auto Financing, and Credit Card as a result of both the quality of the portfolio and the strength of customer demand



DATUK KHAIRUL KAMARUDIN
President & Chief Executive Officer

in these segments. In Commercial Banking, targeted sector engagement and guarantee-backed programmes translated into meaningful SME and leasing portfolio growth.

Corporate Banking staged a striking turnaround as PBT rose to RM166.5 million, powered by the recovery of legacy non-performing financing and the deepening of primary banking relationships with key clients. Treasury rounded out the picture with strong fixed income returns, growing revenue by 15.1% year-on-year.

Alongside the revenue improvement, we kept significantly more of what we earned by optimising costs while simultaneously launching our digital banking platform, improving our capital position, and growing the financing portfolio in a disciplined, quality-first manner.

While I am proud of our achievements, I am also clear-eyed about where our performance can be improved, and what the next chapter demands of us.

Note: Detailed reviews of each business segment are set out in the Segmental Performance Reports on pages 52 to 87 of this Annual Report.

CHALLENGES AND OUR RESPONSE

Let me first address the significant challenges faced in FY2025.

The most persistent pressure was the higher cost of funds and margin compression on deposits felt across the sector. This required prudent and active management of our portfolio mix. Our response was validated by revenue still growing meaningfully despite the competitive environment.

The second challenge was competitive intensity, as digital-only banks and larger conventional and Islamic institutions continued to press on both the funding and customer acquisition fronts. Our response was to close the digital capability gap through ATLAS, reposition the Bank as a hybrid physical and digital institution serving all segments, and invest in retail deposit growth as the strategic anchor for funding stability. We chose to compete on service quality, product design, and the distinctive Islamic lifestyle proposition that ATLAS delivers, rather than on deposit pricing alone.

The third was accelerating internal capability across digital, data analytics, AI, and Shariah-technology integration. Our response was to improve the Bank's systems and talent pool. On the systems side, we took early steps this year to lay the groundwork for the more advanced analytics and AI capabilities we plan to scale in the next strategic cycle. On the talent side, this year's investments, including the newly launched Muamalat Young Leaders Programme (MyLEAP) and Future Skills Framework, build on the Digital Academy to further reduce our dependence on a competitive external talent market and strengthen the skills we need from within.

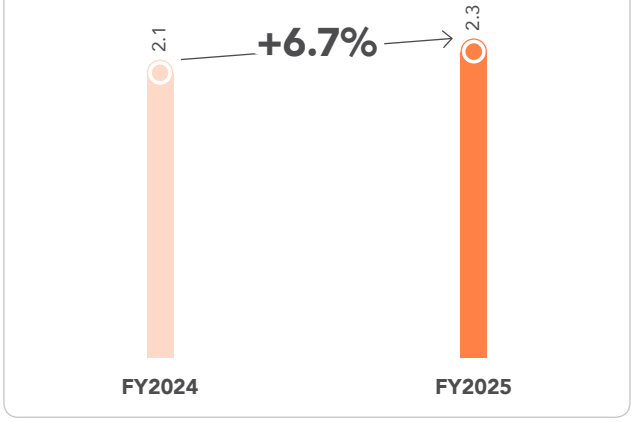
As for customer protection, we continue to strengthen our security posture through the introduction of Personal Cyber Takaful, ongoing anti-phishing and anti-scam education campaigns, and enhanced fraud monitoring across customer-facing platforms.

THE YEAR'S FINANCIAL PERFORMANCE

Our response to the year's challenges helped shape robust financial results.

Total revenue increased 6.7% to RM2.291 billion, reflecting stronger income generation across the Bank's core businesses. Financing income rose 5.5% to RM1.8 billion on the back of disciplined portfolio expansion across retail and business banking. Investment income grew 16.4% to RM291.1 million capitalising on favourable market conditions and an optimised fixed income portfolio. Fee and commission-based activities also improved, reflecting stronger transaction volumes and advisory contributions.

Total Revenue (RM Billion)



This top-line strength was matched by the drop in impairment charges as portfolio quality strengthened and disciplined risk management took hold. Prudent cost management kept overheads in check even as business activity grew. Together, these three drivers delivered a performance that reflects the Bank's underlying strengths.

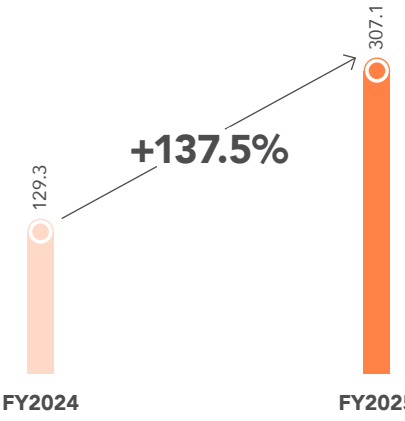
PRESIDENT & CHIEF EXECUTIVE OFFICER'S STATEMENT

Of all the metrics in FY2025, the improvement in Return on Equity to 6.23% from 2.48% previously, is the one I find most encouraging. The stronger ROE tells us that the strategic investments and transformation initiatives of recent years are beginning to translate into tangible shareholder value.

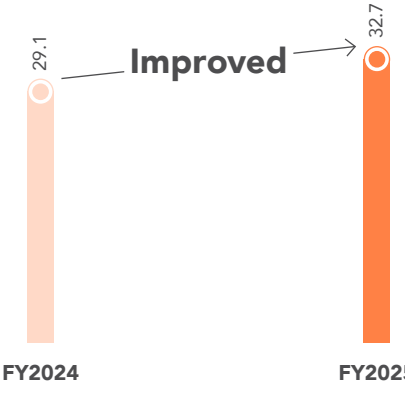
Importantly, this was achieved against a genuinely challenging backdrop, including the OPR reduction in July 2025, continued margin pressure, and intense competition across the sector, which saw net income margin moderating to 2.02% from 2.06%.

Improving margin resilience remains a focused management priority, and the continued progress on funding mix and CASA acquisition positions us well to defend and progressively improve this metric.

Profit Before Tax (RM Million)



CASA Ratio (%)



QUALITY OF OUR BALANCE SHEET

But these income gains are only half the story. Equally important is the strength of the balance sheet that underpins them.

Total assets increased by RM2.0 billion to RM45.67 billion, with gross financing expanding RM1.5 billion to RM34.1 billion. This growth was deliberate and selective. We focused on segments with better risk-adjusted returns while moderating exposure in lower-yield or higher risk areas. These included retail home financing, personal financing, vehicle financing, and Ar-Rahnu.

Liquidity buffers were further reinforced during the year, with cash and short-term funds rising by RM472.4 million and financial investments growing by RM395.2 million. We also introduced new Term Investment Account products to diversify funding sources while offering stable returns to depositors. The overall effect is a balance sheet that is more liquid, better capitalised, and less dependent on wholesale or volatile funding sources than it was at the start of the RISE26+ cycle.

CASA acquisition was one of FY2025's most significant strategic achievements. The CASA ratio improved to 32.7% from 29.1%, underpinned by the soft launch of ATLAS in June 2025, the introduction of the iBiz Muamalat mobile application for business customers, deposit mobilisation campaigns including Save2Win and the Term Investment Account-i programme, and a sustained focus on branch-level CASA accountability. A stronger CASA ratio matters beyond the headline number. It improves funding stability, lowers the cost of funds (which fell from 3.26% to 3.18%) and strengthens balance sheet resilience over time.

Capital strengthened through earnings retention. CET1 rose from 11.0% to 12.3% and Tier-1 capital improved to 13.7%, providing headroom for growth and regulatory compliance across the next strategic cycle. Our capital strategy remains growth-supportive but disciplined as we continue to balance business expansion, optimise risk-weighted assets, and create shareholder value.

STRATEGIC EXECUTION OF RISE26+

FY2025 marked the fourth year of RISE26+, our five-year business plan. Our four primary focus areas for the year were portfolio rebalancing for optimised performance, expansion of income through new growth engines, strategic cost management, and operational finesse in the service of customer experience.

The concentration of effort on high-yield financing segments, alongside a deliberate push to expand savings and current account balances, produced the improved funding mix and margin profile we targeted. Investment income growth of 16.4% reflects the Bank's success in capturing returns from the fixed income portfolio while managing duration and repricing risk. The fee-based income contribution also grew, at 10.0%, which is the early evidence of the diversification we have been building towards.

Cost discipline was equally evident as overheads were kept firmly in check despite higher underlying business activity. The result was a cost to income ratio improvement from 58.7% to 55.2%. We aspire to progressively bring the CIR lower each year as the revenue base scales and the automation investments of recent years begin to generate productivity returns.

ACROSS THE FIVE STRATEGIC ASPIRATIONS

RISE26+ is anchored by five strategic aspirations, and FY2025 saw genuine progress against each.

On Sustainable Shareholders' Return, the discipline described above – in our financing mix, funding base and cost structure – was itself the year's clearest expression of this aspiration; the priority ahead is scaling fee-based income further and broadening the revenue base beyond financing margin.

Progress on Islamic Bank for All was most visible in the breadth of our digital and social finance agenda: the public availability of ATLAS from June 2025 introduced Islamic lifestyle features, such as prayer time tracking, a Zikir Counter, Kiblat direction and a mosque locator, that go meaningfully beyond what a conventional banking application offers. Expanding penetration among underserved segments and strengthening our positioning within an increasingly competitive Islamic banking landscape remain active priorities into 2026.

In advancing Next Generation Banking, the most complex aspiration to execute, we made genuine progress across technology delivery, cultural shift and customer behaviour change. The focus now shifts to generating revenue from the digital platform by deepening relationships with acquired customers through cross-selling, transactions and broader product uptake.

On High Performing Organisation, the launch of the Muamalat Digital Academy in December 2025 was a defining moment, representing a structural commitment to building the digital, data and leadership capabilities our institution requires for its next chapter. We also reinforced our cybersecurity posture and governance frameworks, and continued to broaden succession depth across critical functions. Embedding a consistent digital mindset across all divisions is the cultural imperative for 2026, and the Academy provides the institutional mechanism to drive that change.

Under Value-Based Intermediation (VBI) and Sustainability, the majority of the Bank's financing book is now VBI-aligned. This signals genuine integration into how the Bank does business. The next step in this journey is to embed sustainability considerations more deeply into credit risk assessment and product pricing, and this has been firmly placed within the scope of our 2026 priorities.



51%
of total gross financing is aligned to VBI.



ATLAS acquired
15,569
customers, of whom **61%** were new-to-bank



Contributed
RM3.8
million in iTEKAD Grants for **829 participants**

RM1.3
million in waqf funding for **18 projects**

PRESIDENT & CHIEF EXECUTIVE OFFICER'S STATEMENT

OUR DIGITAL TRANSFORMATION JOURNEY

The Bank's digital transformation made meaningful operational progress in FY2025.

ATLAS became available on iOS and Android in June 2025. Within its first six months of operation, the platform acquired 15,569 customers, of whom 61% were new-to-bank. This was validation that ATLAS is extending the Bank's reach beyond its traditional customer base. Total deposits on the platform reached RM28 million and 35% of customers came through referral initiatives, including the internal ATLAS Pioneers Referral Programme. Account opening takes approximately two minutes, placing it among the fastest onboarding experiences in the Malaysian market.

Beyond ATLAS, the iBiz Muamalat application brought business customers a mobile banking experience designed specifically for SME and corporate needs. Visa Direct went live in October 2025, improving real-time payment experience and cross-border payment convenience. An AI voicebot was deployed for recovery and collections in August 2025, improving operational efficiency where speed of contact matters significantly.

The next phase of the digital agenda operates at the enterprise level. Real-time credit decisioning, advanced analytics and personalisation, API ecosystem connectivity, and the full digitalisation of SME and wealth journeys are the capabilities that will define the Bank's competitive position in the years ahead. Converting digital customer acquisition into primary banking relationships is the commercial objective that follows platform launch, and it is where management's focus will increasingly be directed.

OUR PEOPLE

Our 2,464 employees are the foundation of everything we achieved in FY2025. The investment in their development is substantial, reflecting a deliberate shift from attendance-based training towards certification-driven, role-relevant upskilling tied to our transformation priorities. A growing number of employees are now professionally certified through strategic collaborations with the Asian Institute of Chartered Bankers (AICB) and Islamic Banking and Finance Institute Malaysia (IBFIM), equipping our talent with recognised, industry-grade qualifications in digital and technology skills, Islamic finance, and risk, compliance and governance.

With attracting and retaining talent being a sector-wide challenge, the Muamalat Digital Academy represents our most consequential people investment of the year. It signals that the Bank is building a structured, digital-first learning ecosystem rather than responding reactively to capability gaps. Further, we are positioning Bank Muamalat as an institution where talent can work on genuinely meaningful transformation and contribute to national financial inclusion objectives as part of their day-to-day work.

The leadership pipeline is being actively deepened. We are running a structured set of leadership development programmes throughout the year, and intentionally broadening succession depth across critical functions to reduce over-reliance on individual role criticality. A clear positive signal is the increasing readiness of middle management talent to step into expanded leadership responsibilities as the organisation becomes more digitally driven. The workforce is balanced at 49% male and 51% female, and our commitment to equal opportunity and inclusivity in all its forms is reflected in our practices rather than just our policies.

Further details on our workforce, training and leadership development programmes can be found on pages 117 to 119 and 134 to 139 of the Sustainability Statement.

DELIVERING VALUE TO COMMUNITIES

The VBI and social finance commitments of Bank Muamalat are core to our identity. FY2025 saw several programmes deliver outcomes I am genuinely proud to account for.

iTEKAD continued to transform participants from aid recipients into income generators, in the spirit of Maqasid Al-Shariah, with expanded reach through i-PUSH and partnerships with Yayasan Hijrah Selangor and ANGKASA. Alongside this, our wider social finance ecosystem comprising Wakaf Muamalat, Tabung Mawaddah and the Jariah Fund digital crowdfunding platform, channelled ongoing support towards education, healthcare and economic empowerment.

VBI-aligned financing continued to grow as a share of our overall portfolio, with the strongest gains in financing that raises community standards of living. These movements reflect financing decisions that give deliberate weight to social impact alongside commercial return.

Further details on these programmes can be found on pages 109 to 110 and 119 to 121 of the Sustainability Statement.

PRIORITIES AND OUTLOOK FOR FY2026

As RISE26+ concludes, Bank Muamalat enters its next strategic cycle with a stronger earnings base, a live digital platform, improved capital, and a high-performing team with a proven track record of delivery. Our working base case for the Malaysian economy assumes 2026's gross domestic product (GDP) growth towards a 4.6% projection, with the OPR expected to remain broadly accommodative throughout the year subject to external developments.

Against this backdrop, a key priority for the year ahead is broadening the Bank's revenue base beyond financing margin. Fee-based income, advisory services, ecosystem monetisation, and sustainability-linked financing will all be areas of active focus as we build greater income resilience and move towards a more sustainable, capital-efficient growth profile.

Our posture in 2026 balances prudence with ambition.

On the prudent side, we will maintain capital and funding discipline, exploring further diversification through potential sukuk issuance while keeping adequate regulatory buffers.

On the ambitious side, we will pursue more aggressive digital investment, building on this year's progress to advance cloud migration, modern core banking architecture and specific AI use cases in credit decisioning, customer engagement and fraud detection.

Branches will continue their shift from transactional service points into advisory and sales-focused centres, with automation and straight-through processing extending across back-office functions, while the Muamalat Digital Academy remains our primary vehicle for building the capabilities, culture and succession depth our people need for the next chapter.

CLOSING REFLECTION

This year's theme of 'Accelerating Aspirations, Advancing Together' is not simply a tagline to us; it describes exactly what FY2025 asked of Bank Muamalat, and I believe we lived up to it in the ways that matter most. We strengthened the franchise commercially, deepened our digital capabilities, delivered meaningful community impact, and grew the Bank's confidence in its own ability to execute.

My personal commitment to every stakeholder is this. To our customers, we will continue improving digital experience, service turnaround, and the breadth of our Shariah-compliant solutions. To our employees, we will invest purposefully in skills, leadership, and a culture that rewards accountability and innovation. To our shareholders, we are focused on sustainable returns through disciplined growth. To our regulators, governance, proactive risk management, and operational resilience are foundational priorities. To our communities, we continue to strive to make Islamic banking a force for social mobility and real inclusion. These are commitments that we promise to stay true to as the Bank grows.

I end this review with a most sincere thank you to all our stakeholders. Your confidence and trust are both a privilege and a responsibility that we carry with sincerity into the year ahead.

DATUK KHAIRUL KAMARUDIN
President & Chief Executive Officer
Bank Muamalat Malaysia Berhad



SHARIAH COMMITTEE CHAIRMAN'S STATEMENT

بسم الله الرحمن الرحيم

In the name of Allah, the Most Gracious, the Most Merciful

السلام عليكم ورحمة الله وبركاته

Peace Be Upon You and Mercy of Allah and His Blessings

Rasulullah SAW says, meaning:

"Truth leads to righteousness and righteousness leads to Paradise.

A man continues to tell the truth until he is recorded with Allah as truthful."

[Sahih Muslim, Hadith 2607a]

In reflecting upon the year that has passed and looking ahead with a sense of purpose, the Shariah Committee is grateful to Allah SWT for the continued opportunity to serve Bank Muamalat and its many stakeholders in the capacity that He has appointed for us. This statement is offered in the spirit of the hadith above: truthful in its account, honest in its assessment, and grounded in the principles that define Islamic financial practice.

The theme of this year's Annual Report, 'Accelerating Aspirations, Advancing Together', carries a meaning that resonates with the Shariah Committee's own work. Aspirations, in the context of Islamic finance, are only credible when they are anchored in clear principle. And advancement is only genuine when it is shared, when it reaches those who need it most, when it builds something more durable than a profit figure. These convictions have guided our decisions throughout FY2025.

SHARIAH AS OUR FOUNDATION

"Indeed, Allah commands you to render trusts to whom they are due and when you judge between people, to judge with justice."

[Surah an-Nisa: 58]

Shariah is not a constraint imposed upon banking from the outside. It is the foundation from which every permissible product, every fair contract, and every act of financial service to a customer is built. The verse above speaks directly to the Bank's obligations: to render what is due to those who place their trust in us, and to exercise that trust with justice.

In practical terms, this means that the prohibition of riba (interest), gharar (excessive uncertainty), and maysir (gambling), and the avoidance of haram activities are more than legal compliance requirements. They are moral commitments to customers who trust the Bank to act in accordance with Islamic values. The Shariah Committee's role is to hold that line, with diligence and independence, in every decision we are asked to review.

The Shariah Committee's decisions encompass the full range of the Bank's activities: product structures and contracts, legal documentation, operational processes, marketing materials, and the resolution of issues that arise in the course of day-to-day business. Each matter placed before us carries a real consequence for real people, and we are accountable to them in the sight of Allah SWT.



GOVERNANCE, TRANSPARENCY AND INTEGRITY

> **"O you who have believed, if there comes to you a disobedient one with information, investigate, lest you harm a people out of ignorance and become, over what you have done, regretful."**
>
> [Surah al-Hujurat: 6]

The verse above speaks to a principle that is central to Shariah governance: the obligation to verify, to examine carefully, and not to act on the basis of unexamined assumptions. This is how the Shariah Committee approaches every submission brought before it, whether a new product proposal, a legal document, or a matter of potential Shariah non-compliance.



DR. YUSRI MOHAMAD
Chairman, Shariah Committee

In FY2025, the Shariah Committee maintained its structured and independent oversight of the Bank's Islamic banking activities. All potential Shariah non-compliance events (PSNCEs) reported by the Bank's internal Shariah control functions, namely Shariah Audit, Shariah Review, and Shariah Risk Management, were brought before the Shariah Committee for thorough deliberation. We are pleased to report that, as in the prior year, no Shariah non-compliance events were confirmed during FY2025. This outcome reflects not a passive system but an active one: one in which early identification, careful review, and appropriate remediation are embedded in the Bank's daily operations.

The Shariah Committee's independence is, in our view, the most important single feature of effective Shariah governance. We are composed of scholars with expertise in Islamic jurisprudence and financial practice, and we exercise our judgement free from commercial pressure or conflicts of interest. Our endorsements reflect our honest scholarly opinion.

During the year, the Shariah Committee also deliberated on a matter of takyif fiqhi (fiqh adaptation) concerning the Flexi Personal Financing and Credit Card products. This involved a substantive jurisprudential review of the applicable Shariah contracts and their alignment with contemporary financial practice. The resolution of this matter exemplifies the kind of substantive governance work that is fundamental to the integrity of the Bank's Islamic banking operations.

Transparency remains a constant obligation. We are committed to clear and consistent communication of the Bank's Shariah compliance position to all its stakeholders, including the public. Where issues arise, they are dealt with openly, and where improvements are identified, they are pursued without delay.

> **"Aspirations, in the context of Islamic finance, are only credible when they are anchored in clear principle. And advancement is only genuine when it is shared, when it reaches those who need it most, when it builds something more durable than a profit figure."**

SHARIAH COMMITTEE CHAIRMAN'S STATEMENT

INNOVATION IN SERVICE OF PURPOSE

Rasulullah SAW says, meaning: "He who introduces some good practice in Islam which is followed after him will receive a reward for it and the like of the reward of those who act upon it, without the latter's rewards being diminished in any respect."

[Sahih Muslim, Hadith 1017e]

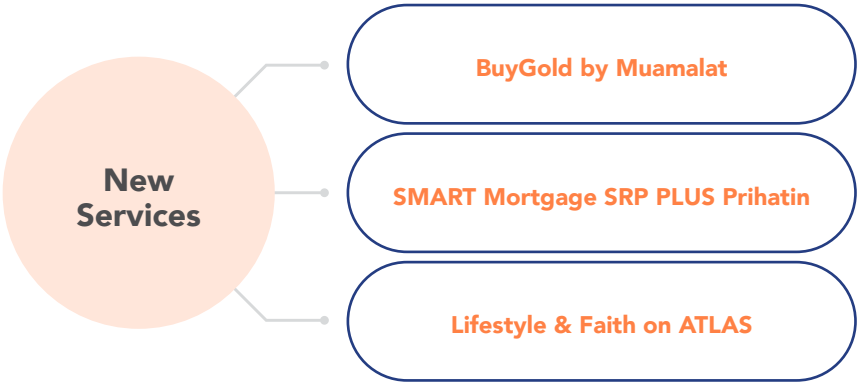
The hadith above reminds us that introducing beneficial practice carries its own reward, provided the practice is genuinely good, genuinely permissible, and genuinely serves those it reaches. This principle guides our approach to Shariah endorsement of new products and services. Innovation that serves customers, broadens access, reduces harm, or promotes financial justice is not merely tolerated by Shariah; it is encouraged by it.

In FY2025, the Shariah Committee reviewed and endorsed a number of new financial products and services. Of particular significance was our endorsement of the ATLAS digital banking platform, which was soft-launched in June 2025 as Malaysia's first faith-focused, digital-only Islamic banking. The launch of ATLAS represents the realisation of an ambition that the Shariah Committee endorsed in principle in the prior year. Seeing it in operation, reaching customers who may not have engaged with formal Islamic banking before, is a meaningful development and one we regard with a sense of shared responsibility.

The Shariah Committee also encouraged the Bank's ongoing efforts to reduce its reliance on the tawarruq contract in favour of a broader range of Shariah contracts. This is a considered direction for the industry as a whole, and one that the Committee believes is in the long-term interest of the authenticity and depth of Islamic finance in Malaysia.

The full list of products and services endorsed by the Shariah Committee during FY2025 is set out below.





Each of these endorsements was preceded by careful review of the underlying Shariah contracts, the product documentation, and the operational processes by which the product is delivered to customers.

ADVANCING TOGETHER: VBI AND SOCIAL FINANCE

Rasulullah SAW says, meaning: "Whoever relieves a Muslim of a burden from the burdens of the world, Allah will relieve him of a burden from the burdens of the Hereafter. And Allah is engaged in helping the worshipper as long as the worshipper is engaged in helping his brother."

[Jami' at-Tirmidhi, Hadith 1425]

The hadith above advises that genuine righteousness, in Islam, is not merely ritual. It is measured in what we do for those around us, particularly those in need. For an Islamic bank, this is a central obligation.

The Shariah Committee has consistently supported the Bank's Value-Based Intermediation (VBI) agenda as both a regulatory requirement and as conduct consistent with Maqasid al-Shariah, the higher purposes of Islamic law. Protecting wealth, promoting justice, preserving life and well-being are objectives that are directly relevant to how a bank decides who to finance, on what terms, and in service of what broader purpose.

The Shariah Committee has supported the Bank's social finance activities, including iTEKAD, the Jariah Fund, and Wakaf Muamalat. These are instruments of real social benefit that reach individuals and communities who cannot access mainstream banking. The endorsement of the Jariah Debit Card-i during the year reflects this same commitment, providing a practical mechanism through which customers can participate in charitable giving as part of their everyday banking life.

We also continued to encourage the use of risk-sharing financing structures, Mudarabah and Musharakah, wherever these are commercially viable and in the genuine interest of customers. Islamic finance is at its most distinctive, and its most beneficial, when the bank and the customer share both the risk and the reward, rather than the customer bearing all the risk through a debt structure that merely avoids the label of interest.

LOOKING AHEAD TO 2026

> **"For indeed, with hardship will be ease. Indeed, with hardship will be ease."**
>
> [Surah as-Sharh: 5-6]

The repetition in this verse is not accidental. In Arabic, when a noun is repeated with the definite article, it refers to the same hardship. When it is repeated without it, it refers to different instances of ease. The scholars of tafsir have noted that this verse therefore contains the reassurance that a single difficulty will be accompanied by more than one ease. We draw comfort and direction from this for the period ahead.

The Shariah Committee's objectives for 2026 are straightforward. We will continue to provide independent Shariah oversight of all the Bank's banking activities, products, and services. We will continue to support the Bank's product development with timely and well-considered scholarly guidance, ensuring that the Bank can innovate within Shariah boundaries rather than despite them. And we will continue to hold the line on the principles that make Islamic banking meaningful: the prohibition of exploitation, the promotion of fairness, and the orientation of financial activity towards genuine benefit.

We are particularly attentive to the governance implications of the Bank's growing digital presence. The Shariah questions raised by digital financial services are not fundamentally different from those raised by conventional ones, but the speed and scale of digital transactions, and the use of automated systems in credit and investment decisions, require the Shariah Committee to remain informed and engaged. Committee members will continue to participate in training on technological developments so that our guidance remains grounded in both classical scholarship and contemporary understanding.

We also intend to sustain the Shariah Committee's strategic engagement with the Bank's longer-term plans. As the RISE26+ cycle draws to a close and the next strategic plan is shaped, the Shariah Committee will seek to ensure that Shariah considerations are embedded from the outset, not addressed as an afterthought.

We ask Allah SWT to grant the Bank's management, staff, and all its stakeholders clarity of purpose, integrity of conduct, and the wisdom to serve those who depend upon them with justice and compassion. We ask that the work of this institution continue to be a source of benefit to the communities it serves, in this world and as a deed that endures beyond it.

Wabillahi taufiq walhidayah wassalamu'alaikum wa rahmatullahi wa barakatuh.

To Allah we surrender.

DR. YUSRI MOHAMAD
Chairman, Shariah Committee
Bank Muamalat Malaysia Berhad



3

OUR STRATEGY

36 Industry and Market Overview
38 Principal Risks and Uncertainties
42 Our Value Creation Model
46 Our Strategic Direction

Advancing with Commitment to Deliver Measurable Progress.


OFFICE
SERVICE
EXCELLENCE
INDUSTRIAL
CORPORATE
SUCCESS
ENTERPRISE
COLLABORATION
PARTNER
BUSINESS

INDUSTRY AND MARKET OVERVIEW

THE GLOBAL ECONOMY

In 2025, the global economy sustained growth at 3.3%, supported by easing inflation amidst continued expansion in world trade growth of 4.1% from 3.6% in the previous year. Growth dynamics remained uneven, with advanced economies experiencing a gradual moderation in growth. In the United States, economic activity was supported by steady private consumption alongside continued investment in technology-related sectors. In Europe, growth showed signs of stabilisation following earlier weakness, supported by improving real incomes and easing price pressures. Meanwhile, across Asia, economic activity remained relatively firmer, underpinned by domestic demand and investment flows, although external demand conditions were uneven and dependent on sector-specific cycles, particularly in electronics.

	01 GDP Growth	02 Trade Activity	03 Inflation	04 Investment Activity
Global	3.3%	World Trade Growth 4.1%	2.9%	Continued Expansion in Technology and AI
Domestic	5.2%	Public Consumption 6.6%	1.4%	9.6%

DOMESTIC ECONOMIC PERFORMANCE

Malaysia's economic growth expanded by 5.2% in 2025, following 5.1% in 2024, surpassing the official forecast of 4.0% to 4.8%. Growth was supported primarily by sustained strength in domestic demand, which continued to anchor overall growth amid a still-uncertain external environment.

Household spending growth was robust during the year at 5.3% compared to 4.8% in the previous year, underpinned by stable labour market conditions and a low inflation environment. Cash transfer programmes and targeted subsidies saw government spending become an increasingly prominent contributor to growth, with public consumption rising to 6.6% from 4.7% previously. Investment activity, meanwhile, gained at a more moderate pace of 9.6% versus 12.1%, as some key infrastructure projects neared completion. Notwithstanding, private sector capital expenditure, particularly in technology-related segments, supported stronger investment performance and contributed meaningfully to overall economic momentum.

Meanwhile, external demand remained more measured. Export growth was modest, reflecting uneven conditions across key markets despite some improvement in the global electronics cycle. As such, the external sector played a more supportive rather than leading role in growth during the year.

On the supply side, the services sector remained the main engine of expansion, supported by consumer-facing activities and tourism-related segments. Construction activity continued to record strong growth, reflecting ongoing project implementation, while manufacturing benefitted from the gradual recovery in the electrical and electronics segment.

Inflation remained low at 1.4% during 2025 from 1.8% previously and manageable throughout the year. Against this backdrop, Bank Negara Malaysia reduced the Overnight Policy Rate by 25 basis points to 2.75% in July 2025. The adjustment was a pre-emptive measure in response to rising external risks, particularly from global trade uncertainties and tariff developments, which could weigh on Malaysia's export outlook, while ensuring that monetary conditions remained supportive of domestic economic activity.

Looking ahead, Malaysia's growth outlook is expected to moderate in 2026 amid a more challenging external environment, particularly as geopolitical tensions in the Middle East and broader global trade uncertainties continue to cloud the global outlook. Beyond weighing on external demand conditions, the conflict has also heightened risks of supply-side disruptions through higher energy prices, transportation costs and tighter financial conditions, which could gradually weigh on regional and global growth momentum should tensions persist. Nevertheless, the domestic economy continues to enter this period from a position of relative strength, supported by steady household spending, continued investment activity and the implementation of multi-year infrastructure projects. While growth is expected to ease from the stronger pace recorded in 2025, domestic demand is expected to remain the key anchor of growth amidst heightened external uncertainties. Against this backdrop, Malaysia's economy is projected to expand by 4.6% in 2026.

BANKING SECTOR OUTLOOK – LOCALLY AND FOR THE REGION

In 2025, Malaysia's banking sector remained stable, supported by strong fundamentals and a resilient domestic economic environment. The sector recorded financing book growth of 4.8% (2024: 5.5%), reflecting a moderate expansion in financing for both households and non-households sectors to 5.3% (2024: 6.0%) and 4.1% (2024: 4.8%).

Asset quality remained sound, with the Gross Impaired Loans/Financing Ratio (GIFR) improving further to 1.37% (2024: 1.44%), indicating no signs of systemic stress. This reflects continued prudent risk management practices across the banking system, despite pockets of pressure in segments more sensitive to cost-of-living adjustments.

Capital and liquidity positions remained strong, with buffers well above regulatory requirements, providing continued resilience against potential shocks. These strong fundamentals continue to underpin confidence in the banking system's ability to support economic activity.

Profitability remained broadly supported in 2025, although earnings performance was more mixed across banks. While lower impairment charges continued to support results in some cases, the reduction in the Overnight Policy Rate in July 2025 and continued competition for deposits pointed to a less favourable margin environment compared with the previous year.

Across the region, banking sectors remained broadly stable despite differing economic conditions. In several ASEAN markets, domestic demand continued to support lending/financing activity, although credit growth varied across jurisdictions. Asset quality generally remained manageable, reflecting sound banking system fundamentals.

Digital transformation continued to reshape the competitive landscape. Banks accelerated investments in digital platforms and customer engagement capabilities, in part responding to increasing competition from digital banks and fintech players. Across the region, regulatory initiatives and new digital entrants continued to reinforce this shift.

OTHER MACROECONOMIC FACTORS IMPACTING BANKS' OPERATING ENVIRONMENT

In 2025, Bank Muamalat Malaysia Berhad ("the Bank") operated in an environment shaped by resilient domestic demand alongside evolving external and policy dynamics. Heightened global trade uncertainty, particularly from tariff-related developments, weighed on external demand conditions and business sentiment, and was a key factor behind Bank Negara Malaysia's pre-emptive reduction of the Overnight Policy Rate in July 2025.

At the domestic level, policy and regulatory developments became more prominent. The implementation of targeted subsidy rationalisation began to influence cost structures and spending patterns, while reforms to the hire purchase framework, including the abolition of the Rule of 78 method under the Hire Purchase (Amendment) Act 2025, marked a structural shift in consumer financing. The transition towards a reducing balance interest/profit framework is expected to improve pricing transparency and alter financing dynamics, particularly within the automotive segment.

At the same time, continued investment activity and recovering tourism flows supported business activity across key sectors, while digitalisation and fintech adoption further reshaped customer expectations and competitive dynamics within the financial sector.

Overall, while macroeconomic conditions remained supportive, the operating environment in 2025 reflected a more complex interplay between external risks, domestic policy recalibration and structural transformation, shaping both risks and opportunities for the Bank.



PRINCIPAL RISKS AND UNCERTAINTIES

Risk identification, analysis and mitigation are continuously practised as key components in building and executing the Bank's sustainable business strategy. Analysis and response are enhanced by understanding the issues that are material to the business and to our stakeholders. Below is an outline of the principal risks within the Bank's operating environment and the ways in which they impact Bank Muamalat and how they are managed or mitigated.

CREDIT RISK

Description and impact of the risk	How we manage or mitigate the risk
The risk of financial loss if a customer or counterparty fails to meet its obligations. It is the primary source of risk to the Bank. *This risk may impact the Bank's profitability, asset quality, liquidity and reputation.*	• Enhance key risk indicators • Ongoing review, enhancements and monitoring of risk appetite • Enhance and tighten risk acceptance criteria • Ongoing monitoring on collaterals, guarantees and risk limits • Conduct periodic stress testing and scenario analysis to assess customer • Diversify into new market segments • Streamline and enhance credit risk policies • Review and validate credit risk models

Link to Material Matter and/or Strategy: M1 M2 M10 M11 M12 M14

Link to Impact on Capitals:

MARKET RISK

Description and impact of the risk	How we manage or mitigate the risk
The risk of potential losses in on- and off-balance sheet positions in the trading and non-trading books arising from movements in market variables, including profit rates, yield curves, foreign exchange rates, equity prices and commodity prices, which may adversely affect the Bank's earnings, capital adequacy and balance sheet resilience under both normal and stressed conditions. *The risk may present an impact on the Bank's profitability, liquidity and capital.*	• Develop hedging strategies against adverse price movements • Enhance monitoring in market risk limits • Enhance monitoring of key risk indicators to better track risk exposures and provide early warning signals • Ongoing review, enhancements and monitoring of risk appetite • Diversification in pricing strategy • Conduct periodic stress testing and scenario analysis • Streamline and enhance Market risk policies

Link to Material Matter and/or Strategy: M1 M10 M14

Link to Impact on Capitals:

Financial Capital | Manufactured Capital | Human Capital | Intellectual Capital | Social & Relationship Capital | Natural Capital

M1 Economic Performance | M2 Entrepreneur Development | M3 Carbon Management | M4 Water Management | M5 Waste Management | M6 Employment | M7 Diversity and Equal Opportunity

M8 Training and Education | M9 Community Development | M10 Financial Inclusion | M11 Customer Experience | M12 Responsible Financing | M13 Procurement Practices | M14 Ethics and Integrity

RATE OF RETURN RISK

Description and impact of the risk	How we manage or mitigate the risk
The risk of variability in returns on assets and liabilities arising from volatility in market benchmark rates, which may result in mismatches between asset returns and funding or liability costs across portfolios. Such volatility may adversely affect both earnings and economic value. *The Bank's capital, liquidity and profitability may be impacted by the risk.*	• Active Asset and Liability Management (ALM) to manage repricing mismatches between assets and liabilities • Regular monitoring of rate-sensitive gaps and repricing profiles • Periodic stress testing and scenario analysis on changes in benchmark rates • Ongoing review of pricing assumptions for assets and liabilities • Clear governance and oversight through ALCO • Review and calibration of pricing strategies for assets and liabilities • Portfolio diversification across asset classes, issuers and tenors • Streamline and enhance Rate of Return Risk policies

Link to Material Matter and/or Strategy M1 M10 M14 Link to Impact on Capitals

LIQUIDITY RISK

Description and impact of the risk	How we manage or mitigate the risk
The risk of being unable to meet financial obligations as they fall due, whether arising from an increase in assets or unexpected demand for funds from depositors, without incurring unacceptable costs or material reputational impact under both normal and stressed conditions. Failure to maintain adequate liquidity may result in serious implications for the Bank's reputation, continued viability and its ability to execute recovery actions. *The risk could impact the Bank's capital, liquidity, profitability and reputation.*	• Enhance liquidity limits and strategy to manage and optimise liquidity position • Enhance monitoring of key risk indicators to better track risk exposures and provide early warning signals • Enhance Liquidity Contingency Funding Plan to manage liquidity crisis • Ongoing monitoring of liquidity crisis early warning signals • Ongoing review, enhancements and monitoring of risk appetite • Diversification of funding sources and tenors • Conduct periodic stress testing and scenario analysis • Streamline and enhance Liquidity risk policies

Link to Material Matter and/or Strategy M1 M10 M14 Link to Impact on Capitals

OPERATIONAL RISK

Description and impact of the risk	How we manage or mitigate the risk
The risk of loss arising from inadequate or failed internal processes, people and systems or from various external events. The effect may extend beyond financial losses and may result in legal, regulatory and reputational risk impacts. *This risk could also create an impact on the Bank's profitability and ability to meet regulatory requirements as well as disrupts the Bank's provision of products and services.*	• Enhance monitoring of key risk indicators to better track risk exposures and provide early warning signals • Ongoing review and validation of operational risk tools, i.e. Risk & Control Self-Assessment (RCSA), Key Risk Indicators (KRI), Control Self-Testing (CST) and Incident Management & Data Collection (IMDC) • Ongoing management of bank-wide operational risks and monitoring of risk ratings • Ongoing management of business continuity strategy and plan • Ongoing management and monitoring of outsourcing arrangements and mitigation strategy • Ongoing review, enhancements and monitoring of risk appetite • Conduct periodic stress testing and scenario analysis • Streamline and enhance Operational risk management policies and procedures

Link to Material Matter and/or Strategy M1 M8 M10 M11 M13 M14 Link to Impact on Capitals

PRINCIPAL RISKS AND UNCERTAINTIES

SHARIAH NON-COMPLIANCE RISK

Description and impact of the risk	How we manage or mitigate the risk
The risk that arises from failure to comply with the Shariah rules and principles as determined by the Shariah Committee (SC) of the Bank and relevant Shariah regulatory councils or committees. *This risk creates regulatory, profitability and reputation impacts.*	• Ongoing Shariah review • Continuous monitoring & reporting of Shariah non-compliances • Ongoing monitoring and tracking of Shariah non-compliance risk exposures via risk tools i.e. Risk & Control Self-Assessment (RCSA), Key Risk Indicators (KRI), Control Self-Testing (CST) and Incident Management & Data Collection (IMDC) • Ongoing review, enhancements and monitoring of risk appetite • Conduct periodic stress testing and scenario analysis • Streamline and enhance Shariah risk management policies and procedures

Link to Material Matter and/or Strategy: M1 M8 M10 M11 M14

Link to Impact on Capitals:

TECHNOLOGY AND CYBERSECURITY RISK

Description and impact of the risk	How we manage or mitigate the risk
Risk arising from technology vulnerabilities which could result in financial loss, disruptions to infrastructure, operations and/or reputational harm. Cybersecurity risk is the probability of operation/ service disruption and loss of customer information as well as banking record due to cyber threat or attack. *This risk creates regulatory, profitability and reputation impacts as well as disrupts the Bank's business.*	• Establishment and operationalisation of Technology Risk Management Framework (TRMF) and Cyber Resilience Framework (CRF) to ensure consistent identification, assessment and management of technology and cyber risks across the Bank • Development and implementation of an IT & Cybersecurity Strategic Plan aligned with business objectives and regulatory requirements to strengthen the Bank's cyber resilience posture • Ongoing review of policies, standards and procedures to ensure continued compliance with evolving regulatory and threat landscapes • Continuous monitoring of key technology and cyber risk indicators to provide early warning signals of emerging threats and control weaknesses • Proactive gathering and analysis of financial-industry threat intelligence to anticipate, detect and respond to cyber threats in a timely manner • Ongoing review and monitoring of technology and cybersecurity risk appetite to ensure risks remain within acceptable tolerance levels • Continuous enhancement of controls and capabilities to sustain the effectiveness and resilience of the Bank's technology environment

Link to Material Matter and/or Strategy: M1 M10 M11 M14

Link to Impact on Capitals:

Financial Capital | Manufactured Capital | Human Capital | Intellectual Capital | Social & Relationship Capital | Natural Capital

M1 Economic Performance | M2 Entrepreneur Development | M3 Carbon Management | M4 Water Management | M5 Waste Management | M6 Employment | M7 Diversity and Equal Opportunity

M8 Training and Education | M9 Community Development | M10 Financial Inclusion | M11 Customer Experience | M12 Responsible Financing | M13 Procurement Practices | M14 Ethics and Integrity

STRATEGIC RISK

Description and impact of the risk	How we manage or mitigate the risk
The risk of unexpected adverse developments in the Bank's performance stemming from fundamental strategic and business decisions and their execution. *The risk may present impacts to the Bank's profitability, capital and reputation.*	• Ongoing review, enhancement and monitoring of the business strategies, risk appetite and capital planning process • Conduct periodic stress testing and scenario analysis • Ongoing review, enhancements and monitoring of risk appetite & business performance

Link to Material Matter and/or Strategy M1 M10 M11 M14 Link to Impact on Capitals

REPUTATIONAL RISK

Description and impact of the risk	How we manage or mitigate the risk
The risk of loss arising from negative perception of the Bank's image by conduct or business practice which adversely impact profitability, operations or shareholder value. *The Bank's reputation, liquidity, capital and profitability may be impacted by this risk.*	• Ongoing monitoring of Bank's risk rating • Perform competitive analysis on industry and market benchmark • Build and protect goodwill • Institutionalise and monitor culture and compliance

Link to Material Matter and/or Strategy M1 M6 M7 M8 M9 M10 M11 M13 M14 Link to Impact on Capitals

CLIMATE RISK

Description and impact of the risk	How we manage or mitigate the risk
Climate risk refers to the financial dangers stemming from climate change impacts and efforts to reduce carbon emissions, like potential losses from financing to industries vulnerable to extreme weather events or policy shifts. *Climate risk poses financial, operational, and reputational threats to the Bank due to increased defaults on financing , reduced asset values, infrastructure disruptions, and reputational damage.*	• Thoroughly evaluating exposure to climate-related risks across portfolios for risk assessment, guided by Climate Risk Management Framework • Integrating climate risks into every aspect of planning and investment decisions • Thoroughly assessing potential impacts of different climate scenarios through Climate Risk Stress Testing • Close collaboration with stakeholders to effectively address climate-related challenges • Enhancing resilience against climate hazards through implementation of strategies • Actively supporting efforts aimed at reducing greenhouse gas emissions • Providing transparent information on climate risk is necessary for informed decision-making • Advocating for policies that promote sustainability and resilience in the face of climate change

Link to Material Matter and/or Strategy M1 M8 M11 M12 M13 Link to Impact on Capitals

OUR VALUE CREATION MODEL

OUR CAPITAL INPUTS

Financial Capital

The financial resources available to the Bank to fund operations, drive growth, and generate returns for stakeholders.

- Total Assets: RM45.67 billion
- Shareholders' equity: RM3.69 billion
- Deposits and Investment Accounts: RM38.6 billion

Manufactured Capital

The physical and digital infrastructure that enables the Bank to deliver banking services to its customers.

- 70 dedicated branches
- 247 self-service terminals nationwide
- ATLAS digital banking platform
- Muamalat Corporate Transaction Banking (MCTB) for cash management and transaction banking
- Other digital channels: i-Muamalat mobile apps, retail and corporate internet banking, QR payment for merchants, and the Muamalat Application Platform (MAP)

Human Capital

The skills, experience, and expertise of the Bank's employees, which enable delivery of its strategy, products, and services to create value for all stakeholders.

- A diverse workforce of 2,464 employees
- Invested RM5.8 million in learning and development programmes

Intellectual Capital

The Bank's institutional knowledge, Islamic banking expertise, innovation capabilities, governance frameworks, and brand reputation that together support sustainable growth and long-term value creation.

- An established full-fledged Islamic bank with over 25 years of operations
- Strong brand reputation in Waqf and social finance

Social & Relationship Capital

The relationships, trust, and engagement built with customers, employees, regulators, shareholders, communities, and business partners.

- Entrepreneurship and community development programmes
- Value-based financing aligned with VBI principles and ESG practices
- Continuous, customer-centric product and service innovation
- High-integrity, transparent communication with all key stakeholders

Natural Capital

The natural resources consumed in the Bank's operations, and the environmental stewardship measures adopted to minimise the Bank's impact.

- Electricity: 8,484,806 kWh
- Water: 64,541 m^3
- Petrol: 560,229 litres
- Diesel: 19,088 litres

STRONG GOVERNANCE OVERSIGHT

Bank Muamalat is committed to the highest standards of governance, ethics and integrity

1. Our diverse and experienced Board of Directors ensures best practices are upheld and provides oversight of the Management Committee in creating long-term value for shareholders and stakeholders.
2. We maintain robust internal and external risk management processes, policies, and frameworks to continuously deliver and sustain the Bank's value propositions.

HOW WE CREATE VALUE

INSPIRED BY RISE26+ ASPIRATIONS

- Sustainable Shareholders' Return
- Islamic Bank for All
- Next Generation and Agile Banking
- High Performing Organisation
- Promote VBI and Sustainability

DRIVEN BY 8 STRATEGIC THRUSTS

- Accelerate Business Growth
- Enable Islamic Bank for All
- Drive Sustainability
- Customer Centricity
- Innovation
- Operational Efficiency
- Strengthen Our Foundation
- High Performing Organisation

OUR BUSINESSES



Retail Banking



Digital Banking



Corporate Banking



Commercial & SME Banking



Transaction Banking



Treasury & Capital Markets

THROUGH OUR BUSINESS ACTIVITIES

1. Deliver products and financial solutions that cut across critical areas as well as penetrating new untapped markets by harnessing digital technologies
2. Expand products and diversify customer base in order to be the preferred provider of investment solutions
3. Maintain, optimise and invest in our operations including technology, marketing and infrastructure
4. Deliver exceptional customer services to optimise customer experience at all times
5. Empower local communities we serve in building more resilient and thriving communities
6. Strengthen our base by complying with all regulatory requirements and ensure high commitment for risk and compliance
7. Identify ideal approaches to sustainability, innovation and leadership in order to be recognised as a socially responsible bank

3 Our shared values of Care, Respect, Integrity, Innovation, and Service define how we serve our stakeholders.

4 Our employees are our greatest asset. We are committed to creating an inspiring, healthy, and inclusive workplace that enables professional growth and effective performance in line with our mission.

OUR VALUE CREATION MODEL

INITIATIVES/VALUE CREATION PROCESS

- Rebalanced the financing portfolio towards higher-yield, better risk-adjusted segments.
- Expanded fee-based and capital-light income streams.
- Optimised capital allocation and balance sheet management.
- Enhanced digitalisation and process automation across operations.

- Introduced ATLAS digital banking.
- Enhanced i-Muamalat mobile applications, internet banking, and QR payment ecosystem to deliver seamless, accessible banking experiences across all customer segments.
- Leveraged on 70 dedicated branches and 247 self-service terminals nationwide to provide integrated physical and digital banking touchpoints.
- Strengthened MCTB capabilities to deliver more efficient cash management and transaction banking solutions for business customers.
- Encouraged customer migration towards digital banking channels through platform enhancements and improved digital service capabilities.

- Invested in structured learning and development programmes to enhance employees' technical, digital, leadership, Shariah, and customer management capabilities.
- Strengthened employee engagement, well-being programmes, and internal communication platforms.
- Invested in leadership development and succession planning to ensure continuity in critical roles and build a pipeline of future leaders.
- Cultivated a culture of continuous learning through professional certifications and digital learning platforms.

- Developed customer-centric, digitally enabled Islamic banking products and services.
- Enhanced Shariah compliance, product structuring, and Islamic finance advisory capabilities.
- Integrated VBI principles, social finance initiatives, and responsible banking practices into the Bank's operating model.
- Strengthened the Bank's reputation as an employer of choice through progressive workplace practices, leadership development and employee engagement initiatives.

- Focused on customer-centric product and service innovation across retail, SME and corporate segments to improve customer experience, accessibility and financial inclusion.
- Strengthened stakeholder engagement and transparent communication to reinforce trust, accountability, and long-term relationships.
- Expanded strategic collaborations and partnerships with government agencies, corporations, NGOs, and community organisations to broaden outreach and maximise social impact.
- Expanded social finance and community upliftment programmes through Tabung Mawaddah, waqf, and sadaqah initiatives.

- Strengthened the Bank's climate risk and environmental governance framework to support responsible financing decisions and sustainable portfolio growth.
- Strengthened internal awareness and employee engagement on environmental sustainability, responsible resource use, and climate-related responsibilities.
- Improved Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions tracking to strengthen carbon management and sustainability reporting.

STAKEHOLDER OUTCOMES

Financial Capital

- RM1,157.4 million of profit distributed to depositors and investment account holders
- Profit Before Tax was RM307.1 million
- Common Equity Tier I at 12.273%
- Return on Equity at 6.23%

Manufactured Capital

- Mobile app subscribers grew by 18.7%
- Active customer penetration across digital platforms:
  - Retail Internet banking – FY2025: 87%
  - Mobile banking – FY2025: 74%

Human Capital

- Workforce: 49% male, 51% female
- Board composition: 29% female directors
- Average training hours per employee: 77 hours

Intellectual Capital

- IRBA Excellence Award for Islamic Retail Banking in Malaysia 2025
- IRBA's special accolade as Best Islamic Retail Bank for Social Finance Initiatives in Malaysia
- Malaysia's Best Employer Brand Award 2025 at the Golden Globe Tigers in Jun'25

Social & Relationship Capital

- Disbursed RM2.67 million from the Tabung Mawaddah Fund to Asnaf and non-Asnaf recipients
- Jariah Fund 2.0 completed 8 campaigns and raised RM71,504 through the crowdfunding portal
- Disbursed RM1.6 million under waqf projects for education, healthcare, and economic empowerment
- Customer Satisfaction Index: 95%
- 51% of total financing outstanding classified as VBI-aligned, generating positive economic, social, and environmental impact

Natural Capital

- Financing for preserving the natural environment: RM978 million
- Improved ESG data collection, monitoring, and reporting processes
- Total Scope 1 GHG emissions: 1,464.81 tCO_2e
- Total Scope 2 GHG emissions: 6,381 tCO_2e
- Total Scope 3 GHG emissions: 3,591 tCO_2e

STAKEHOLDERS IMPACTED	TRADE-OFFS
SI Shareholders & Investors CUS Customers	Continued investment in digital transformation, operational enhancement, and business growth is balanced against disciplined cost optimisation, portfolio rebalancing towards higher-yield segments, and prudent capital allocation across business lines.
SI Shareholders & Investors CUS Customers LC Local Communities RASB Regulatory Agencies & Statutory Bodies BP Business Partners	Sustained investment in digital banking platforms and physical touchpoints is necessary to strengthen customer relationships and improve accessibility, and requires ongoing capital and operational expenditure to support long-term franchise growth.
EMP Employees	Building a high-performing, future-ready workforce requires continuous investment in talent development and retention, particularly in digital and specialised skills, in an increasingly competitive labour market.
CUS Customers LC Local Communities BP Business Partners EMP Employees	Strengthening Islamic banking expertise, innovation capabilities, and institutional knowledge is essential for long-term competitiveness, and requires sustained expenditure on talent development, research, and capability enhancement.
CUS Customers LC Local Communities BP Business Partners EMP Employees	Investment in customer-centric innovation, social finance platforms, and value-based financing is essential to the Bank's commitment to sustainable financial solutions and community impact, and requires sustained capital allocation, technology investment, and operational support.
CUS Customers LC Local Communities BP Business Partners RASB Regulatory Agencies & Statutory Bodies	Strengthening ESG governance, climate risk management, and sustainability reporting capabilities is integral to the Bank's long-term resilience and responsible growth agenda, and requires sustained operational investment, system enhancements, and capability development.

OUR STRATEGIC DIRECTION

RISE26+: OUR FIVE-YEAR BUSINESS PLAN

Launched in 2022, RISE26+ is Bank Muamalat's five-year strategic business plan, conceived in response to a rapidly evolving and increasingly competitive financial landscape. FY2025 marked its fourth year of implementation, and the plan has remained a relevant and living framework that guides resource allocation, business priorities, and investment decisions as the operating environment has evolved. Over this period, RISE26+ has progressively shifted the Bank's emphasis towards growth, digital capability, and sustainable earnings generation.

Within the RISE26+ framework, management sets a specific set of annual focus areas each year to concentrate execution effort. For FY2025, four priorities guided the Bank's operational agenda.

1

Portfolio Rebalancing for Optimised Performance

The Bank strategically rebalanced its financing portfolio towards higher-yield opportunities with stronger risk-adjusted returns especially in the retail segment. The same discipline extended to business banking, where strategic alliances and targeted sector engagement drove SME financing growth. On the funding side, the Bank re-engineered its deposit structure towards lower-cost savings and current accounts, improving the overall funding mix.

2

Expanding Income through New Growth Engines

Alongside the core banking portfolio, the Bank activated two new income engines during the year. Muamalat Corporate Transaction Banking (MCTB) was scaled as a dedicated cash management platform for corporate and commercial clients, deepening fee income and operating account growth. ATLAS, the Bank's Shariah-compliant digital banking moved from internal availability to a soft launch in June 2025, opening a new channel for digital customer acquisition and deposit growth.

3

Strategic Cost Management

Cost management in FY2025 was driven by three disciplines:

- Workforce planning through right-sizing and productivity improvement.
- A return-on-investment approach to operating expenditure that required business cases for spending decisions.
- Disciplined project prioritisation to direct resources towards the highest-impact initiatives.

The combined effect was a reduction in personnel expenses of RM9.0 million and an improvement in the cost-to-income ratio from 58.69% to 55.20%.

4

Operational Finesse for Future Customer Experience

The Bank focused on three dimensions of service delivery under the banner of operational finesse.

- Speed, through accelerating processing and service turnaround times.
- Precision, through reducing errors and improving consistency across all customer touchpoints.
- Finesse, through elevating the overall quality of customer interaction to build trust and loyalty.

Practical outcomes included the maintenance of a strong Customer Satisfaction Index at 95% and the extension of banking services to weekends through the Muamalat BLITZ programme.

STRATEGIC THRUSTS AND FY2025 PRIORITY FOCUS AREAS

RISE26+ is executed through eight strategic thrusts, each with a defined mandate and a set of annual focus areas. The table below summarises the mandate of each thrust and the specific priorities pursued in FY2025.

Strategic thrust	FY2025 priority focus areas
Accelerate Business Growth	
Catalyse growth by transforming core business streams and expanding new growth engines	• Strengthen financing in high-yield, quality segments to sustain earnings momentum • Grow CASA and low-cost deposits to improve the funding mix and underpin margin resilience • Expand fee-based income through transaction banking, digital channels, and advisory services
Enable Islamic Bank for All	
Diversify the customer base and broaden financial solutions across all segments	• Widen the reach of digital Islamic banking solutions across diverse customer segments and lifestyles • Enhance the personalisation of digital banking experiences to deepen customer engagement • Build fintech and ecosystem partnerships to extend the Bank's market reach
Drive Sustainability	
Expand social finance and transition responsibly toward a lower-carbon economy	• Support sustainable economic growth through responsible financing decisions and community programmes • Strengthen ESG reporting frameworks and sustainability performance monitoring • Maintain full compliance with Bank Negara Malaysia's climate risk guidelines
Customer Centricity	
Elevate customer experience through service excellence, digitalisation, and brand transformation	• Improve both branch and digital service channels for greater customer convenience • Strengthen service quality monitoring and the handling of customer feedback • Advance brand transformation with an emphasis on digital presence and accessibility
Innovation	
Drive new products, embed machine learning, and scale digital banking capabilities	• Broaden the application of artificial intelligence and automation across operations and customer servicing • Develop and scale new digital banking products and platforms
Operational Efficiency	
Automate banking operations and embed a cost-disciplined culture	• Improve management reporting and performance monitoring capabilities • Automate banking processes to reduce turnaround times • Reinforce cost controls and sharpen expenditure monitoring across the organisation
Strengthen Our Foundation	
Transform data capabilities, fortify risk management, and modernise technology infrastructure	• Reinforce cybersecurity resilience and strengthen operational continuity capabilities • Continue upgrading the technology infrastructure to support growth and digitalisation • Enhance enterprise risk management frameworks and governance practices
High Performing Organisation	
Transform human capital and embed a performance-driven culture	• Embed a culture of continuous learning and innovation across the organisation • Accelerate upskilling of employees in digital, data, and future-ready capabilities • Strengthen leadership development and succession planning for critical roles

OUR STRATEGIC DIRECTION

ACHIEVEMENTS AGAINST EACH STRATEGIC THRUST

The following summarises what was delivered across each of the eight strategic thrusts during the year.

Strategic thrust	Key achievements in FY2025
Accelerate Business Growth	• ROE (PAT): 6.23% | Gross financing growth: 4.7% | Total revenue growth: 6.7% • Deposit growth (including Investment Accounts): 5.2% | Fee-based income growth: 10.0% • Cost-to-Income Ratio improved to 55.2% • Launched Muamalat CGC Visa Business Platinum-i card in collaboration with CGC to support SMEs and MSMEs (November 2025) • Introduced the Term Investment Account (TIA-i) in May 2025
Enable Islamic Bank for All	• Introduced Islamic lifestyle features within ATLAS including prayer time tracking, Kiblat direction, Zikir Counter, and mosque locator • Extended Ar-Rahnu services to non-individual customers, broadening access to collateralised financing • Opened the first dedicated Ar-Rahnu centre at Sungai Udang, Melaka
Drive Sustainability	• VBI-aligned financing reached 51.0% of total financing outstanding • Launched the enhanced Jariah Fund 2.0 digital crowdfunding platform, completing 14 campaigns with five NGO partners • Expanded the iTEKAD programme by onboarding participants from i-PUSH, Yayasan Hijrah Selangor, and ANGKASA • Delivered financial literacy and STEM programmes for underserved communities • Strengthened Scope 1, Scope 2, and Scope 3 greenhouse gas emissions tracking and reporting
Customer Centricity	• Customer Satisfaction Index (CSI) stayed strong at 95% • Launched Weekend Muamalat BLITZ, extending branch-based banking services to weekends at selected locations
Innovation	• Soft-launched ATLAS, the Bank's Shariah-compliant digital banking platform, for public use in June 2025 • Introduced the iBiz Muamalat Mobile App for business and corporate customers in June 2025 • Launched Visa Direct in October 2025, enabling real-time domestic and cross-border payment capabilities
Operational Efficiency	• Automated selective financial and regulatory reporting processes • Deployed an AI voicebot for collections and recovery operations in August 2025
Strengthen Our Foundation	• Reinforced fraud detection, anti-phishing, and scam response mechanisms across customer-facing channels • Implemented Zero Trust security architecture across identity, device, network, and application layers • Obtained Information Security Management System (ISMS) certification from Cyber Security Malaysia in March 2025 • Completed Risk Management in Technology (RMiT) risk assessment automation in December 2025
High Performing Organisation	• Launched the Muamalat Digital Academy in December 2025 to build a structured internal capability pipeline • Delivered 99 leadership development programmes across the organisation • Achieved a 93.7% completion rate for the Sustainability and Value-Based Intermediation e-learning module

Detailed segmental performance is covered from pages 52 to 89, while sustainability performance is covered from pages 90 to 141.

PRIORITY AREAS FOR FY2026

As the Bank enters the final year of RISE26+, the strategic agenda shifts from building capabilities to scaling them. The five priority areas for FY2026 are designed to sustain the earnings momentum generated in FY2025, deepen the Bank's digital and operational capabilities, and position it for the next strategic cycle.

1

Productivity and Operational Efficiency
Simplify, automate, and strengthen collaboration across the organisation

The Bank will streamline internal processes, accelerate workflow automation, and transform branches to improve efficiency and customer experience. Embedding data-driven decision-making across all business functions will be central to improving how it operates and how quickly it can respond to changing conditions.

2

Digital and Technology Transformation
Strengthen digital capabilities for customer experience and long-term competitiveness

There will be continued investments in modernising the Bank's technology infrastructure, including cloud migration and core banking architecture, whilst enhancing digital banking platforms and omnichannel service capabilities. Strengthening analytics, artificial intelligence, and data management will be equally important, alongside reinforcing cybersecurity resilience and operational continuity planning to ensure the Bank's digital estate remains secure and dependable.

3

Risk Management and Regulatory Readiness
Build governance and risk capabilities for a more complex operating environment

The Bank will modernise its enterprise risk management frameworks and strengthen governance for emerging technologies, including artificial intelligence and digital assets. Predictive and AI-enabled risk monitoring will be progressively embedded across business lines, with cyber resilience and business continuity planning further strengthened to meet the demands of a more complex operating environment.

4

Human Capital Transformation
Build skills, culture, and leadership for a high-performance organisation

Upskilling will be accelerated across digital, analytics, AI, Shariah, and leadership competencies, with a performance-driven, accountable culture embedded at all levels of the organisation. Cross-functional collaboration and agile working practices will be encouraged, and succession planning deepened to ensure leadership pipeline readiness for critical roles as the Bank moves into its next strategic cycle.

5

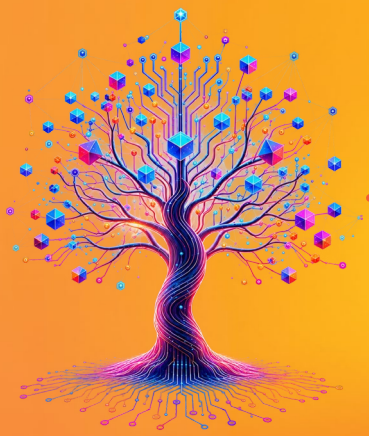
Diversified and Capital-Efficient Growth
Build more resilient, sustainable revenue through broader income streams

The Bank will optimise capital allocation towards higher-return businesses while expanding fee-based income and diversifying revenue streams. At the same time, it will strengthen customer value propositions and pursue new growth opportunities to build a more resilient, sustainable, and balanced earnings profile.

LOOKING AHEAD

Over four years, RISE26+ has moved Bank Muamalat from a bank focused primarily on stabilisation into one with a growing digital presence, a stronger balance sheet, more disciplined risk management, and a clearer sense of the institution it is becoming. The achievements of FY2025 across financial performance, digital delivery, community impact, and organisational capability reflect a strategy that has held its relevance through a rapidly changing environment.

The work ahead in 2026 will consolidate those gains, address the areas where execution has been uneven, and lay the groundwork for the next phase of the Bank's development. The five priorities outlined above provide a clear and actionable agenda for the year, grounded in the same strategic discipline that has guided the Bank through RISE26+.



4

OUR BUSINESS PERFORMANCE

52 Retail Banking Division
61 Commercial Banking Division
65 Transaction Banking
69 Corporate Banking Division
73 Treasury and Capital Markets
76 Subsidiary: Muamalat Invest Sdn Bhd
80 Investment Banking Division
85 Digital Banking Department

Advancing Value for Every Stakeholder.



RETAIL BANKING DIVISION

Growth, Innovation, and Responsible Finance

REVENUE
RM1.44 billion
(+5.4%)

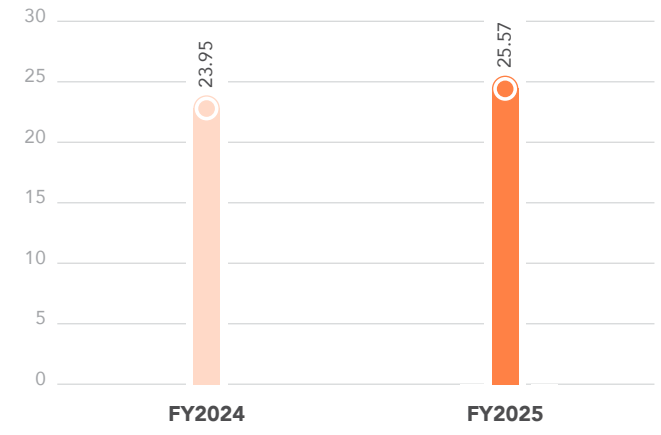


The Retail Banking Division (RBD) plays a pivotal role in serving individual customers through a comprehensive suite of Shariah-compliant financing, deposit, wealth management, and protection solutions. Its offerings include home financing, personal financing, vehicle financing, Amanah Saham Bumiputera (ASB) financing, Ar-Rahnu, credit cards, retail deposits, investment products, and Takaful solutions. Through personalised financial advice, accessible banking channels, and customer-centric service, the Division aims to build long-term relationships while generating sustainable income from financing, deposits, and fee-based earnings.

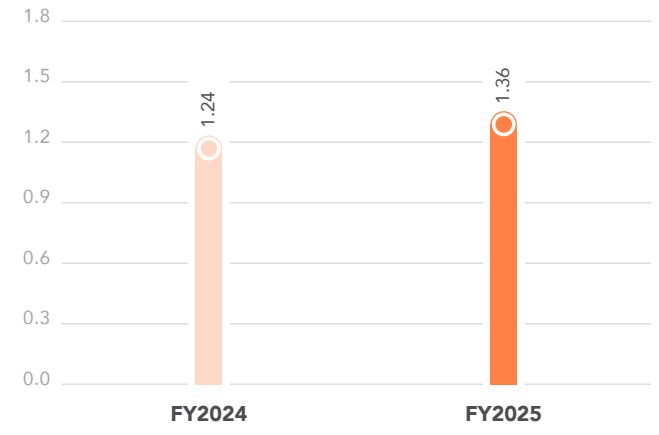
PERFORMANCE REVIEW

FY2025 was a year of purposeful recalibration for RBD as it balanced continued portfolio growth in selected segments with a more deliberate, quality-driven approach to overall origination. Record performances in Ar-Rahnu, Auto Financing, and Credit Card were offset by a managed moderation in Home Financing approvals and a deliberate portfolio adjustment in Personal Financing, reflecting the Bank's focus on prudent, sustainable retail growth.

Financing Portfolio (RM Billion)



Financing Income (RM Billion)



Financing assets	Income	Disbursements	Gross impairment	Year-on-year
Home Financing				
RM13.1 billion	RM570.6 million	RM1,182.0 million	See Note	+5.9%
Personal Financing				
RM8.0 billion	RM546.8 million	RM1,349.0 million	See Note	−5.0%
Auto Financing				
RM3.1 billion	RM129.7 million	RM1,250.0 million	0.2%	+38.1%
Ar-Rahnu				
RM970.0 million	RM79.2 million	RM1,901.7 million	0.3%	+75.9%
Credit Card				
RM184.9 million	RM19.2 million	-	3.3%	+75.8%
ASB Financing				
RM134.1 million	RM6.6 million	RM3.7 million	0.00%	−23.7%

Note: The overall gross impairment ratio for RBD was 1.43% as at 31 December 2025 (FY2024: 1.05%). The increase reflects broader portfolio expansion and a shift in segment mix, and is being actively managed through enhanced credit monitoring and collection strategies.

Home Financing

Home Financing remained the Bank's largest retail asset class, with the portfolio expanding 5.9% to RM13.1 billion (FY2024: RM12.3 billion). Financing income rose 10.5% to RM570.6 million (FY2024: RM516.5 million), reflecting the larger outstanding balance and sustained performance of the existing portfolio.

The Bank sustained its standing in the affordable home ownership segment through the Skim Jaminan Kredit Perumahan (SJKP) programme, receiving the SJKP Best Performance Award for the fifth consecutive year (2021 through 2025), affirming its position as the preferred financing partner for first-time homebuyers under this government-backed initiative.

Under the Bank's PASCAL+ strategy, RBD shifted its origination focus towards higher-yield segments, principally the SJKP SUPER (Step-Up) package, prioritising capital efficiency and portfolio profitability over outright volume.

The portfolio continued to grow, supported by the conversion of a strong FY2024 approval pipeline into disbursements during the year. Combined with selective new approvals, this sustained positive net portfolio growth throughout FY2025.

Looking into 2026, the SJKP SUPER (Step-Up) package offers higher-yield features with government guarantee support of up to RM500,000, whilst the SJKP Youth package targets customers aged 21 to 35 through step-up payment structures aligned to early-career income. In addition, to strengthen future growth momentum, the Bank has introduced Mortgage Specialists in 2026 to enhance pipeline development, improve lead conversion, and drive more focused execution within the Home Financing segment.

Personal Financing

Bank Muamalat's Personal Financing serves an open-market customer base across multinational companies, public-listed corporations, GLCs, private sector organisations, and the salaried workforce.

The portfolio closed FY2025 at RM8.0 billion (FY2024: RM8.4 billion, −5.0%). Financing income held broadly stable at RM546.8 million (FY2024: RM547.8 million). New approvals were RM1.4 billion and disbursements RM1.3 billion.

RETAIL BANKING DIVISION

The portfolio reflects a deliberate strategic repositioning. The Bank shifted its personal financing mix away from the public sector and large corporate (M1) segments, which elevated capital requirements, towards the open-market, risk-based pricing model of Cash-i SMART. The new package targets customers earning RM2,000 and above, and its profit margin is substantially higher. Average disbursements under the new package improved 37% in FY2025.

The Employer Empanelment Programme (EEP) stood at 679 registered entities as at December 2025 (FY2024: 670 entities).

Through the Muamalat First initiative in collaboration with TSM Group, 11,290 credit cards were issued in FY2025, with 2,268 activations (20% activation rate) and an outstanding balance of RM12.6 million as at year end. The programme remains in an early stage; improving the activation rate is the near-term priority.

Auto Financing

Vehicle Financing delivered another strong year, with the portfolio expanding 38.1% to RM3.1 billion (FY2024: RM2.2 billion), extending the strong growth trajectory from the 45.4% expansion recorded in FY2024. Financing income grew 30.7% to RM129.7 million (FY2024: RM99.2 million), and disbursements reached RM1.3 billion.

Malaysia's automotive market provided a supportive backdrop, with the Total Industry Volume (TIV) reaching a new all-time record of 820,752 units in 2025 (FY2024: 816,747 units). National marques Proton and Perodua maintained approximately 60% market share. Early 2026 indicators remained firm, with 60,866 units registered in January 2026 alone.

Asset quality within the vehicle financing portfolio was sound. The net impairment ratio was 0.2%, well below the industry average of 0.6% – reflecting the quality of the origination strategy and the secured nature of the portfolio.

Bank Muamalat's share of the Non-National vehicle segment grew from 52% to 58% during FY2025, affirming its position as the leading Islamic bank within this market segment.

On partnerships, established relationships with CARRO (formerly myTukar) and Carsome continued to provide meaningful deal flow during the year. In FY2025, the Bank added four new dealer partnerships with Sime Darby Auto Selection, Millennium Group, TopMark, and Bermaz Group, across new, pre-owned and used car segment.

In the electric and hybrid vehicle segment, Bank Muamalat financed RM250.9 million in EV and Hybrid vehicles in FY2025, approximately three times the FY2024 volume, reflecting both growing consumer appetite for greener vehicles and the Bank's proactive positioning in this category.

Ar-Rahnu

Ar-Rahnu, the Bank's Shariah-compliant collateralised financing service backed by gold, delivered exceptional results across every performance metric in FY2025. Financing assets grew 75.9% to RM970.0 million. Income grew 67.7% to RM79.2 million (FY2024: RM47.2 million). Disbursements more than doubled to RM1,901.7 million (FY2024: RM902.8 million, +111%). Critically, asset quality improved alongside this growth, with the net impairment ratio declining to 0.28% from 0.64% in FY2024.

Two structural developments reinforced this performance. Ar-Rahnu BIZ, a Shariah-compliant collateralised financing facility for SMEs, partnerships, and corporate entities, was introduced during the year, offering financing of up to RM5 million at up to 80% of gold value. This extends Ar-Rahnu into the business financing segment for the first time.

The Bank's Ar-Rahnu network remained at 70 branches nationwide, supported by one dedicated Ar-Rahnu Service Centre at Sungai Udang, Melaka. Customer engagement was driven during the year by the Gadai Emas Menang Emas 3.0 Campaign (March to December 2025), which offered prizes including a grand prize of RM100,000 and monthly gold bar rewards, supporting customer acquisition and transaction growth across the portfolio.

A pilot programme extending Ar-Rahnu operations to weekends at selected branches concluded in March 2026, generating positive customer feedback. Management is considering the scope and timeline for broader implementation.

"Ar-Rahnu assets grew 75.9% to RM969.96 million from RM551.6 million in FY2024. Combined with disbursements exceeding RM1.9 billion, this was the most significant single-year expansion in the Bank's Ar-Rahnu history."

Credit Card

The Credit Card portfolio recorded strong growth across all key acquisition and financial metrics. Financing assets grew 75.8% to RM184.9 million (FY2024: RM105.2 million) and financing income rose 39.1% to RM19.2 million (FY2024: RM13.8 million).

The merchant acquiring business expanded substantially. ePOS terminals grew to 5,546 (FY2024: 4,486), and 4,314 Soundbox devices were deployed from a zero base, providing small businesses with cost-efficient audio-confirmation payment acceptance.

The net impairment ratio was 3.3% at year end (FY2024: 1.4%). The increase reflects the natural seasoning of a rapidly growing portfolio, with a higher proportion of accounts maturing into more established risk vintages. The Bank is managing this through enhanced credit risk monitoring and collection strategies, in line with the natural behaviour of a rapidly growing portfolio.

On co-brand partnerships, the EON co-brand credit card launched successfully in the third quarter of FY2025. The Pos Malaysia co-brand card remained active throughout the year. Other collaborations remain under evaluation.

Also notable was the soft launch of the Muamalat CGC Visa Business Platinum-i card in November 2025, developed jointly with Credit Guarantee Corporation Malaysia (CGC) to support SMEs and MSMEs. Initially targeting existing customers, the Bank plans to broaden outreach as the programme matures in 2026.

ASB Financing

ASB Financing supports financial inclusion within RBD's portfolio, enabling communities to participate in Amanah Saham Bumiputera through structured financing. Bank Muamalat received two awards from Amanah Saham Nasional Berhad (ASNB) and Permodalan Nasional Berhad (PNB): Top Branch with Highest Sales of All ASNB Fixed Price Fund and Top Branch with Highest Number of ASNB Transactions.

The ASB portfolio stood at RM134.1 million outstanding as at 31 December 2025. The net impairment ratio remained at 0%, consistent with the collateralised nature of the ASB fund structure.

For FY2025, Amanah Saham Bumiputera declared a total distribution of 5.75 sen per unit, comprising a 5.20 sen dividend and a 0.55 sen bonus, with a total payout to unitholders of RM10.4 billion. This matched the FY2024 distribution, marking the second consecutive year at ASB's highest-ever distribution level and confirming its relevance as a long-term wealth accumulation vehicle.



RETAIL BANKING DIVISION

RETAIL INVESTMENT DEPARTMENT

The Retail Investment Department (RID) advances the Bank's aspiration to be the Premier Islamic Wealth Management Lifetime Solutions Provider. Guided by Shariah principles and a customer-centric philosophy, RID delivers Shariah-compliant financial solutions spanning wealth creation, accumulation, protection, distribution, and purification across every stage of the customer's financial life cycle.

RID's advisory-related income grew strongly in FY2025, rising 73.5% to RM29.7 million from RM17.1 million in FY2024. This growth was driven by Muamalat Gold-i's record performance, a meaningful improvement in General Takaful contribution, and continued momentum in estate planning. Separately, Credit Takaful fee income declined significantly from RM21.9 million in FY2024 to RM7.9 million in FY2025, which materially affected the overall RID fee-based income position. The performance of RID's advisory-focused businesses is the more relevant measure of the department's underlying progress, and that picture is one of clear and consistent growth.

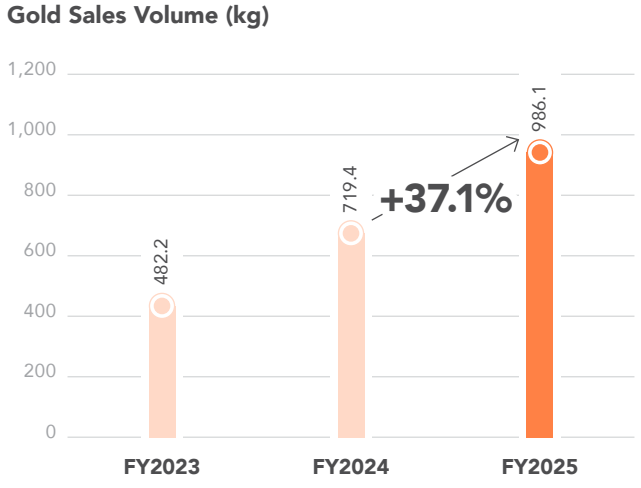
Wealth Creation and Accumulation

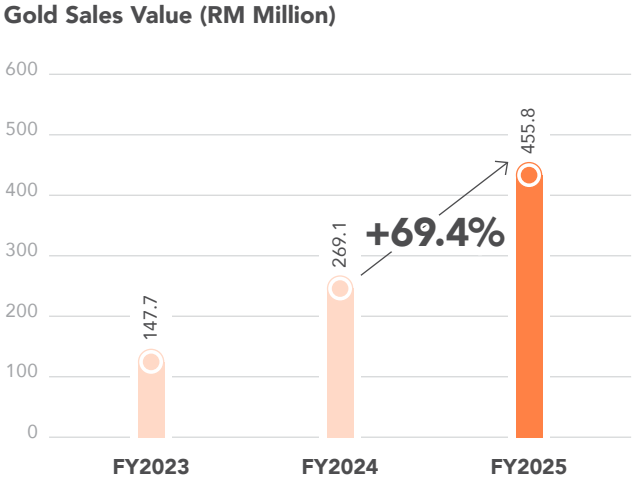
Muamalat Gold-i

Muamalat Gold-i was the standout contributor to RID's performance in FY2025. Total gold sales volume grew 37.1% to 986.1 kg (FY2024: 719.4 kg). In value terms, sales reached RM455.8 million, up 69.4% from RM269.1 million in FY2024 – reflecting both higher volumes and the elevated global gold price environment driven by safe-haven demand and geopolitical uncertainty.

Over three years, Gold-i has grown from 482.2 kg (RM147.7 million) in FY2023 to 719.4 kg (RM269.1 million) in FY2024 and 986.1 kg (RM455.8 million) in FY2025, establishing it as a consistently growing flagship product. The growth reflects both gold price appreciation and a repositioning at branch level, where Gold-i is presented as a long-term wealth accumulation solution.

Muamalat Gold-i – Three-Year Sales Growth

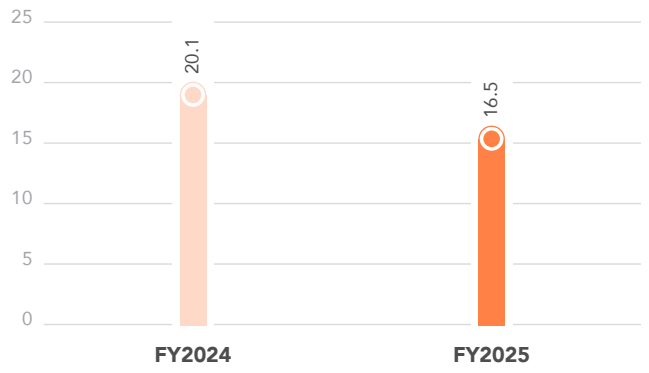




Unit Trust

Core Unit Trust sales were RM16.5 million in FY2025 (FY2024: RM20.1 million, −17.9%). Total headline Unit Trust sales increased when ASNB Over-the-Counter (OTC) production is included, reflecting the Bank's role as a distributor of ASNB fixed-price funds. ASNB OTC volumes have different margin and advisory characteristics from discretionary investment sales, and the core figure more accurately reflects advisory-driven activity.

Core Unit Trust Sales (RM Million)



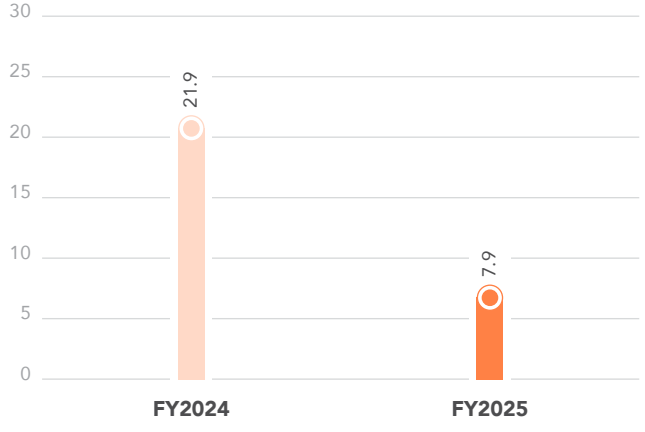
Wealth Protection

Takaful

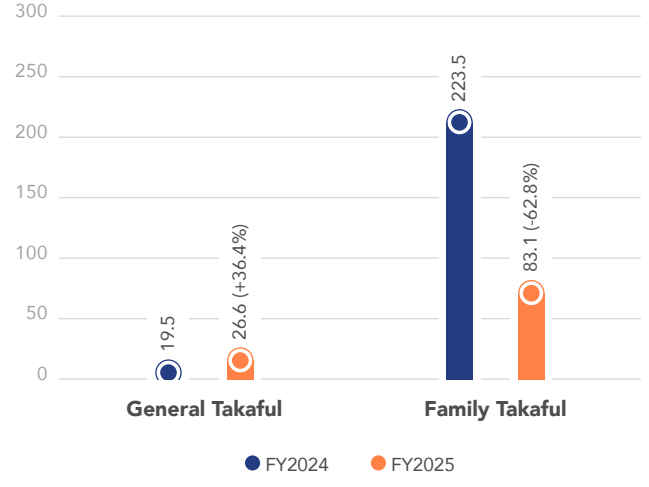
General Takaful sales grew 36.4% to RM26.6 million (FY2024: RM19.5 million), reflecting improved penetration across lifestyle and personal protection segments.

Credit Takaful fee income fell to RM7.9 million from RM21.9 million in FY2024. As a product linked directly to financing origination volumes, Credit Takaful is sensitive to the moderation in home and personal financing activity that RBD pursued during the year as part of its quality-focused repositioning.

Credit Takaful Fee Income (RM Million)



Takaful Sales – FY2024 vs FY2025 (RM Million)

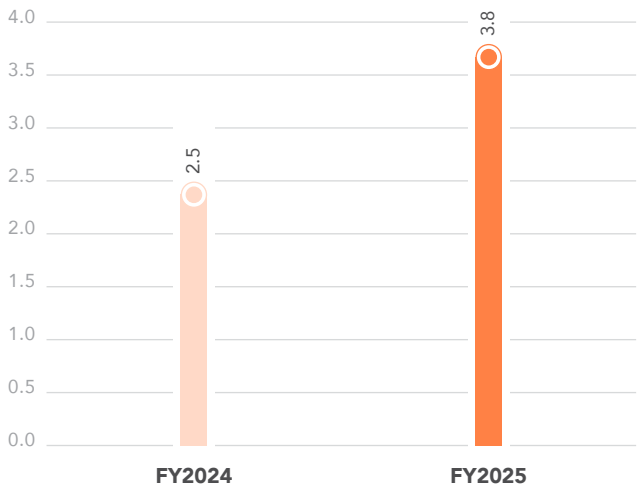


RETAIL BANKING DIVISION

Wealth Distribution

Estate planning and wealth distribution services continued to gain traction. Total Daily Banking and estate planning sales grew 52% to RM3.8 million (FY2024: RM2.5 million), reflecting growing customer interest in structured legacy planning and stronger advisory engagement at branch level.

Estate Planning Sales (RM Million)



KEY DEVELOPMENTS IN FY2025

Retail Deposits

RBD strengthened its retail deposit franchise through targeted product launches and focused acquisition campaigns. Retail deposits recorded net growth of RM1.002 billion, with 753,711 deposit accounts maintained as at 31 December 2025.

The Term Investment Account-i (TIA-i), launched on 1 May 2025, addressed growing demand for fixed-term investment options and achieved rapid uptake, building RM922.19 million in balances within eight months of launch. The Save2Win Campaign generated a further RM274.07 million in deposits, incentivising savings behaviour through value-driven promotions.

Embedded Risk and Compliance

RBD formalised its Embedded Risk and Compliance (ERC) function in FY2025, embedding regulatory alignment and credit risk management at the point of origination rather than as a retrospective review.

The ERC function is responsible for AML/CFT compliance, adherence to BNM policy documents and the Shariah Governance Framework, advisory and escalation to the Risk and Compliance Division, and ongoing compliance monitoring. The Compliance, Assessment, Review and Engagement (CARE) Programme, using mystery shopping and branch refresher training, reinforces sales governance and conduct standards across the retail network.

Three New Takaful Products Launched

RID brought three new Shariah-compliant Takaful products to market during FY2025:

M-Zahra Protect Elite

A long-term Takaful solution with coverage of up to 50 years, providing lump-sum benefits on death or Total and Permanent Disability (TPD) and integrated with legacy planning features for intergenerational wealth transfer.

Takaful myProtect

A regular contribution plan offering death and TPD coverage with a sum assured of up to RM2 million, positioned as an affordable, high-coverage protection solution for the mass market.

Personal Cyber Takaful

A digital protection solution covering cyber risks including identity theft, online fraud, and data breaches, addressing the growing importance of digital financial security.

STRATEGY AND OUTLOOK

RBD enters 2026 in a competitive retail banking environment shaped by net income margin (NIM) compression following the July 2025 OPR reduction, cost-of-living pressures on consumer financing, and accelerating demand for digital service. The division's response balances targeted portfolio growth with quality discipline and a broadening of the customer engagement model, complemented by a deepening of advisory-led wealth management capabilities to diversify income beyond financing and build a more holistic relationship with customers.

Strategic focus	FY2026 action plan
PASCAL+ Strategy	• Advance holistic client engagement by bundling financing with Takaful, savings, and payment solutions. • Prioritise the SJKP SUPER and Youth packages for home financing, and Cash-i SMART for personal financing.
Auto Financing Growth	• Deepen dealer and platform partnerships, including the four new relationships added in FY2025, and expand digital sales channels. • Grow EV and Hybrid financing capability and pursue the pre-owned segment with a four-hour turnaround target for used car financing.
Ar-Rahnu Expansion	• Grow the physical Ar-Rahnu network, extend weekend operations subject to management evaluation, scale Ar-Rahnu BIZ for SME and corporate clients, and introduce loyalty programmes and targeted campaigns to drive new customer acquisition.
Credit Card and Payments	• Introduce new card products, grow the merchant acceptance network, improve card activation rates, and expand Soundbox deployment. • Build on the CGC SME card and EON co-brand momentum established in FY2025.
Advisory and Wealth Management	• Enhance financial advisory capabilities across all distribution channels to deliver personalised, Shariah-compliant wealth solutions, building deeper, needs-based financial planning conversations at branch level. • Broaden investment, protection, and estate planning offerings to cover the full financial life cycle, with a focus on growing standalone protection sales independent of financing activity. • Continue growing Muamalat Gold-i through improved branch advisory engagement, including in support of MISB's Muamalat-i Gold Fund (MiGOLD).
Digital Transformation	• Leverage the MAP digital banking platform to accelerate approval turnaround times, reduce origination friction, and expand digital capabilities across home and personal financing. • Continue developing the digital wealth management ecosystem to reduce friction in investment transactions and improve customer access.
Deposits and CASA	• Continue Save2Win and TIA-i campaigns, deepen the retail deposit base, and support the Group's CASA improvement agenda through targeted retail customer acquisition. • Deepen estate planning and Daily Banking cross-sell within the existing customer base to strengthen overall customer engagement.

RETAIL BANKING DIVISION

RISKS AND MITIGATION

RBD operates within the Bank's enterprise-wide risk management framework, with Board-level oversight from the Board Risk and Compliance Committee (BRCC). Credit risk remains the most material risk for the division, with market and product risk a further consideration given RID's advisory and Credit Takaful income streams. The key risks and mitigation measures are as follows.

Type of risk	How we manage or mitigate the risk
Credit Risk	
Deterioration in customer payment capacity may increase impaired financing, particularly within Personal Financing and the growing Credit Card portfolio. Separately, Credit Takaful fee income is directly tied to financing origination volumes and declined significantly in FY2025 as a result of RBD's deliberate moderation in home and personal financing origination.	• Strengthen credit evaluation and early-warning monitoring across all segments. • Leverage guarantee schemes including SJKP and the CGC SME programme to share credit risk. • Apply the MFRS 9 impairment framework with forward-looking macroeconomic assumptions to maintain appropriate provisioning at all times. • Accelerate growth in non-credit-linked protection and investment products to reduce income concentration in Credit Takaful.
Market and Product Risk	
Adverse movements in equity, gold, and interest/profit rate markets affect fund valuations and the attractiveness of investment products, leading to volatility in advisory and fee-based income.	• Broaden the product mix to reduce reliance on equity-linked and credit-linked income. • Grow standalone protection and gold-based products that perform independently of equity market conditions, and develop advisory capabilities at branch level to sustain customer engagement independent of financing activity.
Conduct and Sales Governance Risk	
Rapid growth across retail financing, card, deposit, and advisory products increases the risk of non-compliant sales practices, unsuitable product recommendations, or inadequate disclosure across the branch network.	• Deploy the CARE Programme through mystery shopping and branch refresher training to reinforce conduct standards. • Maintain first-line accountability through the ERC function, which embeds governance at the point of origination. • Strengthen advisory and product suitability frameworks to ensure customer needs are properly assessed before recommendations are made.
Regulatory and Shariah Compliance Risk	
Evolving BNM regulatory requirements, AML/CFT obligations, product approval obligations, and Shariah governance standards may increase compliance complexity as the product range broadens across financing, deposit, and advisory lines.	• Maintain full compliance with AML/CFT and Counter Proliferation Financing (CPF) requirements, BNM policy documents and product approval processes, and the Shariah Governance Framework through regular monitoring, advisory support, and close collaboration with the Bank's Risk, Compliance, and Shariah functions.
Operational and Fraud Risk	
Growth in digital origination channels, card issuance, and merchant acquiring increases exposure to fraud and operational processing errors.	• Strengthen anti-fraud controls across digital and card channels. • Enhance cybersecurity posture, reinforce customer education on scam awareness, and maintain robust operational controls across the branch and digital network.
Asset Concentration Risk	
Concentration in home financing and personal financing creates sensitivity to segment-specific credit stress.	• Actively rebalance the portfolio towards higher-yield, diversified segments including Ar-Rahnu, vehicle financing, and credit card, whilst sustaining disciplined underwriting standards across all product lines.

COMMERCIAL BANKING DIVISION

Delivering Resilient Performance

REVENUE
RM140.1 million
(+11.0% YoY)



Bank Muamalat's Commercial Banking Division (CMBD) serves as a pivotal intermediary, bridging the gap between retail and corporate banking by offering comprehensive Shariah-compliant financing and banking solutions to Micro, Small and Medium-sized Enterprises (MSMEs), as well as mid-sized and large corporations. With a core focus on business, trade, and contract financing, the Division provides structured financing, working capital solutions, and cash management services that are essential for fostering business growth.

The Division also plays an important role in uplifting underserved MSMEs through active participation in Bank Negara Malaysia's (BNM) funds and government guarantee schemes, as well as by building strategic alliances with government agencies and ecosystem partners to deliver value-added financing programmes that go beyond conventional credit provision.

PERFORMANCE REVIEW

FY2025 was a year of meaningful and broad-based progress for CMBD within a challenging environment. Pricing competition from larger institutions remained intense, and the OPR cut in July 2025 placed some pressure on income margins. Macroeconomic uncertainty in certain business sectors also required careful portfolio management throughout the year. The Division's response was to prioritise secured financing sectors with stronger fundamentals, improve internal processes to enhance operational efficiency and strengthen credit evaluation to maintain portfolio quality.

As a result, CMBD delivered substantially stronger financial results driven by higher financing volumes, improved portfolio mix, and a significant turnaround in asset quality.

As in prior years, CMBD set specific segment targets at the start of the financial year and tracked performance against these throughout. The following table summarises the key FY2025 outcomes.

Government-Awarded Contract Financing	
Target	FY2025 Achievement
RM110 million	**RM124 million**
Exceeded Target Growth	

Government Guaranteed Financing Assets	
Target	FY2025 Achievement
RM100 million	**RM219 million**
Exceeded Target Growth	

Leasing (Ijarah) Assets	
Target	FY2025 Achievement
RM50 million	**RM69 million**
Exceeded Target Growth	

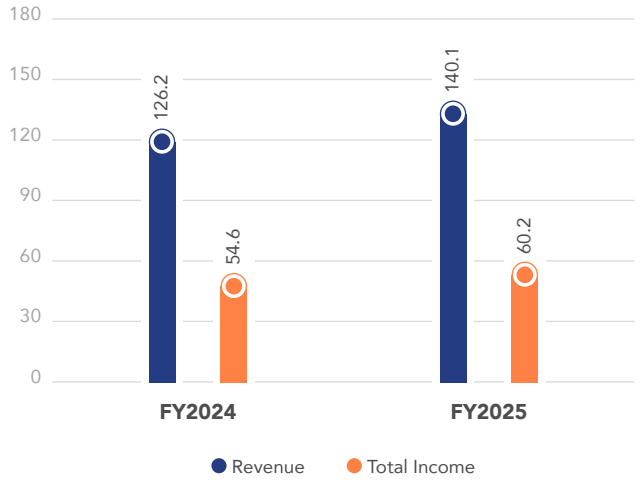
COMMERCIAL BANKING DIVISION

FINANCIAL PERFORMANCE

Revenue grew 11.0% to RM140.1 million whilst total income strengthened considerably to RM60.2 million, a 10.3% improvement from RM54.6 million in FY2024. Financing income rose to RM137.9 million, up 12.5% from RM122.6 million, driven by financing asset growth and better yields. Fee-based income also grew encouragingly, reaching RM8.7 million from RM8.1 million, supported by stronger transaction activity and financing-related fees.

Profit Before Tax (PBT) rose to RM45.0 million, up 18.7% from RM37.9 million in FY2024. These results were achieved whilst maintaining disciplined risk standards and without compromising on the quality of assets being brought onto the book.

Revenue & Total Income (RM Million)

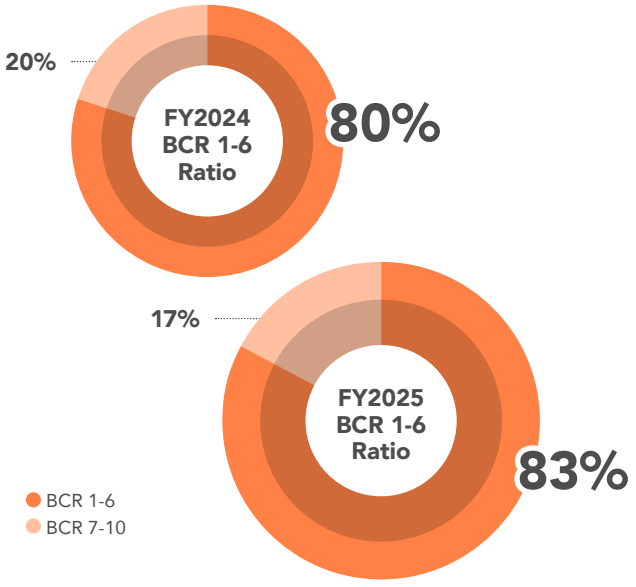


"Two consecutive years of BCR improvement – from 76% in FY2023, to 80% in FY2024, to 83% in FY2025 – reflect a sustained and disciplined commitment to quality origination and proactive risk management."

Asset Quality

Asset quality improved meaningfully in FY2025, both in absolute terms and relative to FY2024. The Division's Business Credit Rating (BCR) 1-6 ratio improved from 80% in FY2024 to 83% in FY2025. While BCR 7-10 reduced from 20% to 17%. The improvements from 2024 are targeted at achieving 85%, BCR 1-6 by end 2026.

Asset Quality – Business Credit Rating Distribution

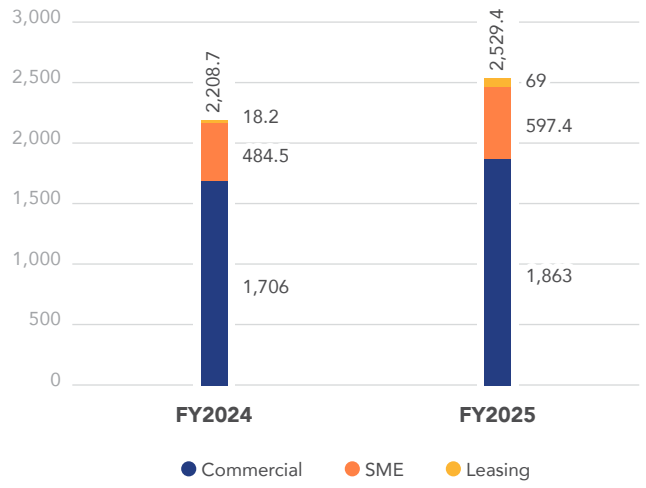


BCR = Business Credit Rating. BCR 1-6 represents the Division's acceptable-risk quality portfolio. A higher ratio indicates a larger proportion of lower-risk customers.

This positive trajectory is further corroborated at the Group level, where the allowance for impairment losses on financing swung from a net charge of RM158.4 million in FY2024 to a net reversal of RM82.7 million in FY2025 – a turnaround of approximately RM76 million. The Group's overall cost of credit improved to 0.25% (FY2024: 0.52%), reflecting the quality of portfolio that CMBD and its peers have been steadily building.

Total assets expanded to RM2.42 billion in FY2025, from RM2.17 billion in FY2024 (+11.5%). Growth was broad-based across both the Commercial and SME segments, with Leasing delivering an exceptional achievement.

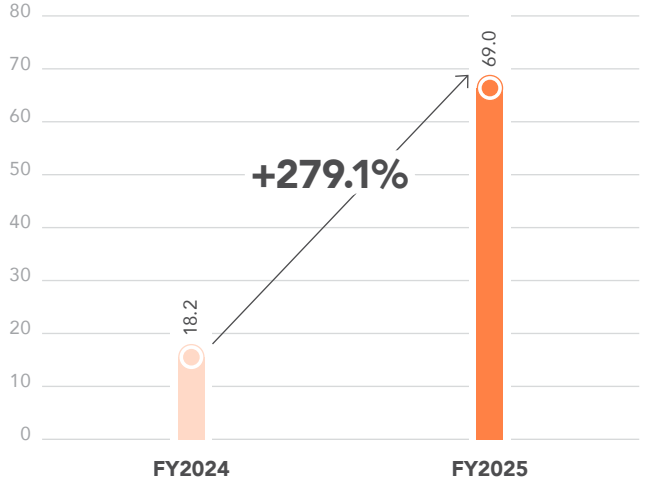
Portfolio Composition by Segment (RM Million)



The Commercial segment grew to RM1.863 billion (+9.2%) as demand from mid-sized enterprises for structured Shariah-compliant financing remained firm. The SME segment recorded particularly strong momentum, rising to RM597.4 million (+23.3%), supported by targeted sector engagement, government-guaranteed programmes, and improved market penetration.

The landmark reintroduction of Ijarah (leasing) financing in 2024 showed encouraging early demand, with projected financing pipeline expected to increase by end-2025. Leasing assets reached RM69 million by end of 2025, representing 279.1% growth from RM18.2 million at the close of FY2024.

Leasing Assets Growth (RM Million)



This growth was driven by improved turnaround times, effective market engagement, and growing customer demand for fast-disbursement asset financing. Leasing has firmly established itself as one of CMBD's most effective growth vehicles and will remain a strategic priority in the period ahead.

KEY DEVELOPMENTS IN FY2025

Government-Guaranteed Financing Programmes

Building on the successful deployment of government guarantee schemes in the prior year, including collaboration with Syarikat Jaminan Pembiayaan Perniagaan (SJPP) to reach SMEs and strategic sectors, the Division introduced and expanded two new programmes in FY2025: the Government Guarantee Scheme Madani 2 (GGSM2) and Government Guarantee Scheme Madani 3 (GGSM3). These are designed to support supply chain ecosystems and mid-sized enterprises, broadening access to Shariah-compliant financing whilst mitigating credit risk through government-backed structures.

Strategic Alliances – CGC, TERAJU, and New Partners

CMBD continued to fortify its strategic partnerships during the year, building on the collaborations established in FY2024 with Credit Guarantee Corporation Malaysia Berhad (CGC) and TERAJU. Both are designed to deliver guaranteed financing and expand access to financial resources for underserved MSMEs. The Division deepened these engagements and developed new partnerships to support ecosystem-based financing initiatives in FY2025.

STRATEGY & OUTLOOK

Looking ahead, CMBD is aligning its ambitions with Bank Muamalat's broader goal of becoming the strongest Islamic bank, and evolving its role beyond that of a traditional financier into a comprehensive, values-driven financial partner for Malaysian businesses.

The Division remains cautiously optimistic about growth prospects, supported by continued economic expansion and increasing demand for financing among SMEs and mid-sized enterprises.

Moving forward, the Division's strategy will focus on:

- Increasing secured financing throughout Commercial and SME
- Enhancing operational efficiency and turnaround time to improve customer experience and service delivery

COMMERCIAL BANKING DIVISION

Strategic Pillar	Description & FY2026 Ambition
Digital Banking for SMEs	Enhancing digital banking capabilities to ensure seamless and faster application and onboarding processes, providing businesses with a modern alternative to traditional banking methods. Building on the MAP platform and the Bank's cloud-first infrastructure to deliver a fully digital MSME financing journey.
Holistic Financial Partnership	Evolving beyond core financing to become a comprehensive financial partner for customers – offering a wider array of integrated solutions including deposit, leasing, payment, and trade solutions. CMBD's growing Leasing book and deposit mobilisation focus in FY2025 are tangible steps in this direction.
Trusted Partner in ESG Transition	Establishing CMBD as a trusted partner for customers navigating the shift towards greener, ESG-aligned business operations. This includes active deployment of the Bank's ESG Scorecard in CMBD credit assessments and targeted engagement with customers in transitioning sectors.
Personalised Customer Services	Maintaining a strong focus on delivering personalised financing and banking services to all customers, irrespective of business size – ensuring that MSME customers receive the same quality of engagement as larger commercial clients.
Competitive Positioning	Developing competitive financing packages – including attractive pricing structures, fast-turnaround products such as Leasing and Hire Purchase, and government-guaranteed programmes – designed to attract and retain better-rated customers from across the market.

RISKS AND MITIGATION

The Division continues to maintain a strong focus on proactive monitoring and managing credit risks within its portfolio domain, operating within the Bank's enterprise-wide risk management framework and overseen at Board level by the Board Risk and Compliance Committee (BRCC). Credit risk (the risk that a customer is unable to meet its financing obligations) remains the most material risk for CMBD.

The BCR improvement from 80% to 83%, and the swing from a net impairment charge of RM65.6 million to a net reversal of RM43.9 million, are indicators that the Division's risk management practices are working. Key mitigation measures for the period ahead include:

- Strengthening credit evaluation and account monitoring processes to enable earlier identification of emerging risks.
- Leveraging guarantee schemes and risk sharing structures to mitigate potential downside risks.
- Implementing early intervention strategies for at-risk accounts, drawing on the Bank's established restructuring and recovery capabilities.
- Maintaining a balanced portfolio across sectors and customer segments
- Applying the Bank's MFRS 9 impairment framework while incorporating forward-looking macroeconomic assumptions, to ensure provisioning levels remain adequate at all times.

TRANSACTION BANKING

Sustaining Deposit Growth

TOTAL DEPOSITS FROM CUSTOMERS

RM21.9 billion

(+10.6% YoY)



The Transaction Banking Division (TBD) continued its transition from a traditional deposit-gathering function into a broader transaction banking and cash management ecosystem. The Division's strategic focus is centred on enabling clients' day-to-day financial operations through integrated payment, collection, liquidity management, FX, and digital banking solutions.

Over the past three financial years, TBD has consistently maintained positive deposit growth momentum while progressively improving the composition of its funding mix towards higher-quality operating accounts and CASA balances.

PERFORMANCE REVIEW

In FY2025, TBD delivered resilient deposit growth amid a highly competitive funding environment, supported by stronger operating account acquisition, deepened client engagement, and the progressive enhancement of the Bank's digital cash management capabilities.

As part of the Bank's broader relationship-led and ecosystem acquisition strategy, in FY2024, 16 State Business Managers were deployed to support regional business development, customer engagement, and acquisition initiatives across respective coverage areas. This contributed positively towards both deposit growth and New-to-bank acquisition across all regions in FY2025. New-to-bank customer acquisition in corporate, commercial, and SME segments was targeted through a combination of product-led propositions, targeted sector engagement, relationship-driven initiatives, and corporate group engagements.

Complementing TBD's deposit strategy in FY2025 was the Division's participation in PASCAL, the Bank's cross-sell initiative spanning Personal Financing, Auto Financing, SME Financing, Credit Cards, Ar-Rahnu, and Liability products. Whilst TBD's primary contribution to PASCAL is deposit and liability acquisition, client engagements are conducted holistically in support of the Bank's broader cross-sell agenda. Through this participation, TBD strengthened client relationships by anchoring operational deposit accounts alongside broader banking solutions, supporting both funding quality and the Bank's overall cross-sell objectives.

Deposit Portfolio Performance

The Transaction Banking Division delivered strong deposit growth in FY2025, underpinned by sustained client confidence in the Bank's transaction banking and cash management capabilities. Total customer deposits increased by 10.6% year-on-year to RM21.9 billion, compared with RM19.8 billion in FY2024, reflecting continued traction across the corporate, institutional and public sector segments.

Growth was led by Current Account balances, which increased to RM10.4 billion from RM8.8 billion in FY2024. The RM1.6 billion increase accounted for approximately 76% of the Division's overall deposit growth during the year. This performance reflects the Division's continued success in deepening clients' primary operating-banking relationships, capturing a larger share of day-to-day transaction flows and strengthening the integration of cash management solutions into clients' business operations.

Fixed Term Account balances also recorded steady growth, rising by 4.5% year-on-year to RM11.5 billion, from RM11.0 billion in FY2024. Institutional placements remained an important and stable source of funding, complementing the growth in operating deposits and supporting the Bank's liquidity position and overall balance-sheet resilience.

TRANSACTION BANKING

The stronger growth in Current Account balances resulted in a more favourable deposit mix. Current Accounts represented approximately 47.5% of total Transaction Banking deposits in FY2025, up from 44.4% in FY2024, while Fixed Term Accounts continued to provide a sizeable and stable funding base. This shift demonstrates progress in building more transaction-led and operationally anchored client relationships, while maintaining an appropriate balance between operating deposits and term funding.

Overall, the Division's FY2025 performance reflects both growth and improvement in deposit quality. The expansion of operating balances strengthens the stability of client relationships and enhances the Bank's funding profile, while the continued contribution from institutional term placements provides diversification and liquidity support.

KEY DEVELOPMENTS IN FY2025

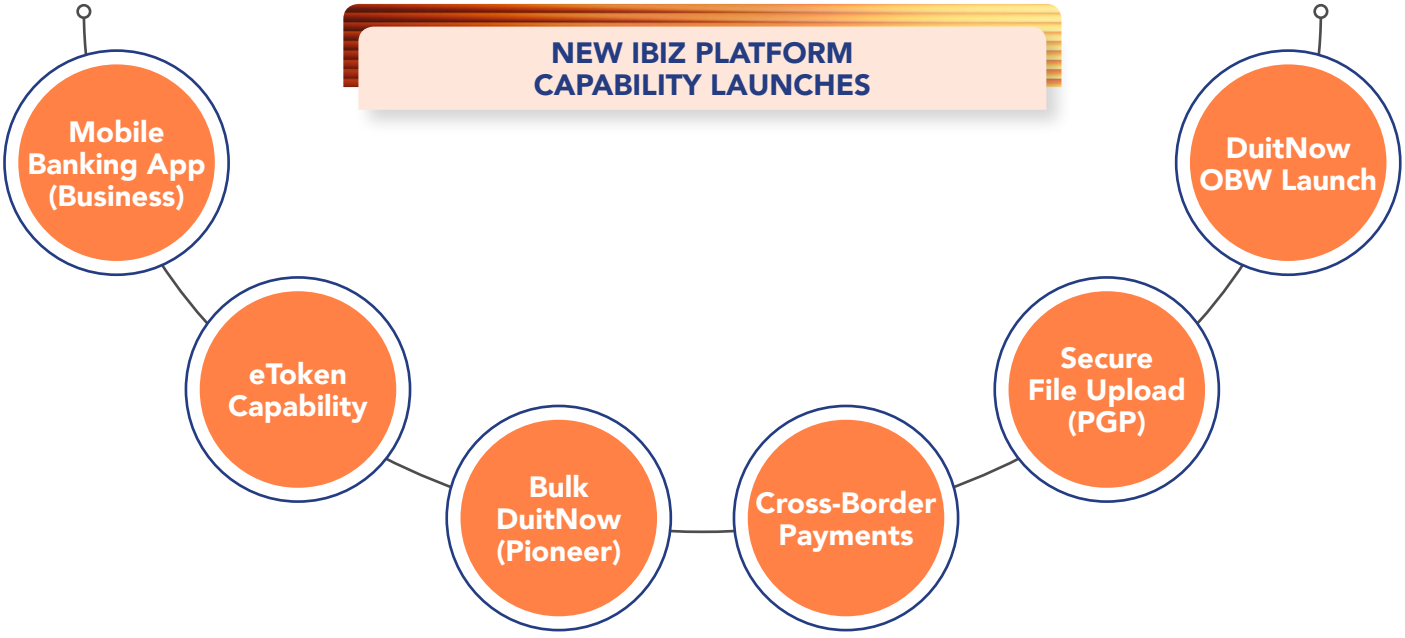
New iBiz Muamalat Platform

A defining theme of FY2025 for TBD was the accelerated development of the New iBiz Muamalat platform, Bank Muamalat's corporate and business digital cash management portal. Having fully commercialised New iBiz Muamalat in June 2024, the Division spent FY2025 significantly broadening what the platform can do, launching new capabilities across mobile access, payment infrastructure, onboarding, security, and cross-border functionality.

The six capability launches during FY2025 are summarised below:

Capability	Category	What it means for clients
Mobile Banking App (Business)	Access	Bank Muamalat's first dedicated mobile banking application for business customers, enabling account inquiry and transaction authorisation on the go. It is a major step towards always-on cash management.
eToken Capability	Security	Replaces physical hardware tokens with electronic token authentication, reducing operational costs for clients and the Bank while maintaining two-factor authentication security.
Bulk DuitNow	Payments (Pioneer)	Enables efficient bulk instant payments by simultaneously processing multiple recipients. Bank Muamalat is among the first Malaysian banks to offer this capability, providing a meaningful competitive advantage for high-volume business payers.
Cross Border Payment	Payments	Adds cross-border payment functionality, enabling clients to manage international payments within a single platform.
Secure File Upload (PGP)	Security	Introduces encrypted file-based payment submission using Pretty Good Privacy (PGP) encryption, enhancing transaction security for large or sensitive payment files. This also aligns with Standard Accounting System for Government Agencies (SAGA) compliance requirement.
DuitNow Banking Wallet (OBW)	Payments	Aligns the platform with evolving industry payment infrastructure and prepares clients for broader DuitNow ecosystem adoption. This payment method is an alternative to FPX payment where it provides real-time transaction settlement whereas FPX is on next day settlement basis.

"In FY2025, Bank Muamalat became one of Malaysia's pioneer banks to offer Bulk DuitNow – a capability that allows businesses to execute multiple instant payments simultaneously, dramatically improving operational efficiency for high-volume payers."



Of these six launches, the mobile banking application for business customers and Bulk DuitNow deserve particular emphasis. The mobile app is the first time Bank Muamalat has offered its business customers genuine anytime, anywhere access to cash management. This capability increasingly defines the competitive standard for corporate banking. Bulk DuitNow, meanwhile, positions the Bank ahead of most peers: as a pioneer in offering this service, TBD has an early opportunity to deepen relationships with high-volume payers before competitors follow.

By the end of FY2025, the New iBiz Muamalat platform had onboarded 3,672 business customers, processing 286,236 transactions with a total value of RM3.23 billion. This represents a substantial step forward from the 1,022 customers and RM838.9 million in transaction value recorded at the platform's launch in mid-2024.

3,672
Business Customers Onboarded since launch

286,236
Transactions Processed since launch

RM3.23 billion
Total Transaction Value to date

90%
eToken Adoption Rate since launch

91,809
Bulk DuitNow Transactions since launch

RM204 million
Bulk DuitNow Transaction Value since launch

TRANSACTION BANKING

STRATEGY AND OUTLOOK

The outlook for TBD remains positive, supported by growing demand for digital payment solutions, cash management services, and integrated banking capabilities among Malaysian businesses.

Moving forward, the Division will continue prioritising:

- Sustainable CASA growth and operating account penetration
- Expansion of digital transaction banking capabilities
- API and ecosystem integration initiatives
- Client-centric operational banking solutions
- Enhancement of fee-based transaction income streams
- Strengthening customer experience and operational efficiency

By building a digital cash management platform that businesses rely on not just for payments, but as part of their broader operational ecosystem, TBD is positioning Bank Muamalat for a more sustainable, relationship-driven growth trajectory that strengthens the Bank's funding quality, operational relevance, and long-term competitive positioning.

RISKS AND MITIGATION

TBD operates in a funding environment characterised by intensifying competition, evolving client expectations, and the operational complexities of a rapidly expanding digital platform. The Division is actively managing three principal risk areas.

- **Competitive Deposit Pressure**

  Competition for deposits, particularly from larger banks with more established corporate relationships and more aggressive pricing remains the most persistent challenge for TBD. The Division's strategic response is to compete on value rather than rate. This is done through superior platform capabilities, holistic relationship engagement via PASCAL, and sector-focused client acquisition that builds sticky, operationally embedded banking relationships rather than rate-sensitive placements.

- **Digital Platform Operational Risk**

  As the New iBiz Muamalat platform grows in scale and complexity it is processing higher transaction volumes across more capabilities and client types. The operational risk associated with platform availability, security, and integration integrity increases. The introduction of PGP encryption, eToken authentication, and Two-Factor Authentication (2FA) across all payment authorisations addresses the security dimension of this risk. Regulatory compliance and governance standards are maintained across all transaction banking operations, with particular attention to Foreign Exchange Administration (FEA) compliance for cross-border payment functionality.

- **Evolving Client Expectations**

  Business clients increasingly expect their banking platforms to integrate seamlessly with their own enterprise systems for payroll, ERP, e-commerce, and HR platforms. A standalone portal, however well-designed, can no longer meet this expectation. The Division is responding by evolving its architecture towards an API-enabled, system-integrated banking ecosystem.

"By building a digital cash management platform that businesses rely on not just for payments but as the embedded financial layer of their operations, TBD is positioning Bank Muamalat for a more durable, relationship-anchored growth trajectory – one that is less vulnerable to rate competition and more aligned with how businesses are increasingly choosing to bank."

CORPORATE BANKING DIVISION

Landmark PBT Recovery

REVENUE
RM304.2 million
(-1.9% YoY)



The Corporate Banking Division (CBD) manages Bank Muamalat's corporate financing portfolio, forging strong client relationships while maximising good-quality assets and minimising non-performing assets. The Division serves a diverse clientele comprising public listed companies, government-linked companies (GLCs), government-linked investment companies (GLICs), multinational corporations, and other large enterprises.

CBD is responsible for providing a full suite of banking requirements to its clients, spanning structured financing, working capital facilities, cash management, trade finance, and treasury solutions. It conducts comprehensive credit assessments for new financing applications, as well as for periodic reviews and renewals of existing exposures.

PERFORMANCE REVIEW

The key challenges faced by CBD in FY2025 were well-defined and actively managed. Scheduled financing payments of RM634.5 million, part of a broader wave of over RM1.0 billion in settlements during the year, created a structural drag on asset growth. Simultaneously, moderate asset growth appetite and heightened competition within the banking industry for working capital facility contributed to modest declines in headline financing assets and revenue, requiring active management throughout the year.

Yet the Division still delivered a landmark performance. Disciplined fee income generation and deeper cross-sell wallet share sustained overall revenue quality despite the contraction in financing assets. Timely talent acquisition initiatives and enhancements to remuneration structures helped retain and motivate the skilled employees who play a critical role in sustaining and expanding client relationships within this segment.

Against this backdrop, CBD's ability to deliver a near six-fold increase in PBT speaks to the quality of its underlying franchise and the effectiveness of its recovery and diversification efforts.

Focus on High-Impact Sectors

The Division deepened its presence in sectors identified as high-impact for the Malaysian economy and the Bank's strategic mandate. As at 31 December 2025, CBD managed financing assets of RM6.05 billion. The portfolio was anchored by the financial and insurance/takaful sectors at 35.4%, followed by manufacturing at 15.7%, construction at 14.3%, and wholesale, retail and restaurant at 12.3%. Compared to FY2024, the most notable shift in sector composition was the increased prominence of manufacturing and construction, reflecting the deliberate focus on high-impact infrastructure and industrial sectors.

Complementing this shift in portfolio composition, CBD onboarded RM425 million in New-to-Bank (NTB) financing during the year, with the client mix broadly balanced between large corporates and emerging segments. Listed companies and multinational companies (MNCs) accounted for approximately 50% of new business, with the remaining 50% distributed across GLCs, GLICs, Federal Government entities, non-listed companies, and mid-market corporates. This reinforced CBD's deliberate strategy to reduce concentration in a small number of large single-name exposures and expand its reach across the corporate ecosystem.

Income and Profitability

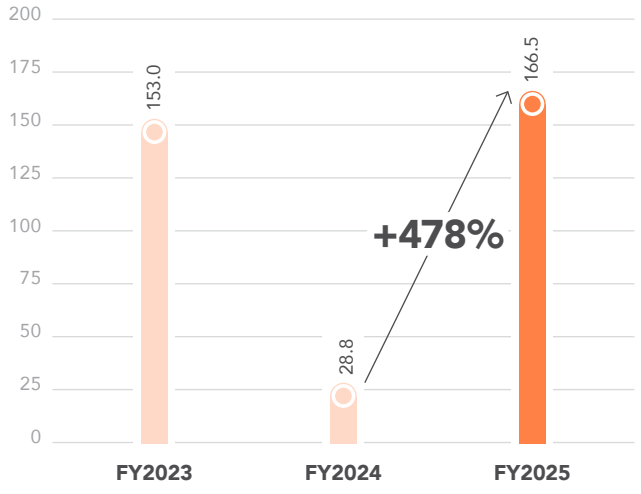
Revenue was RM304.2 million in FY2025 (FY2024: RM310.0 million), reflecting the reduced average financing book size during the year. To sustain revenue quality, CBD intensified its focus in the second half of the year on non-funded income products, particularly Bank Guarantees and Letters of Credit (BG/LC). This strategy contributed to fee-based income of RM14.6 million (FY2024: RM14.4 million, +1.4%). Although marginal, the improvement demonstrates the Division's ability to generate income beyond pure financing.

CORPORATE BANKING DIVISION

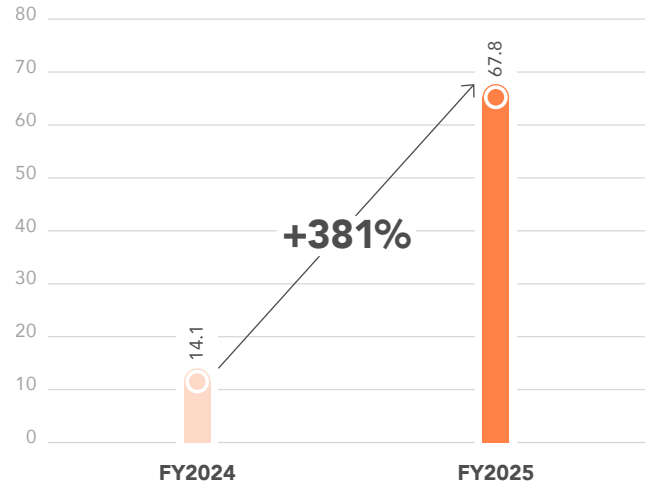
Despite the slight decline in revenue, Profit Before Tax (PBT) surged to RM166.5 million from RM28.8 million in FY2024, representing a 478% year-on-year increase. This is the Division's strongest PBT outturn in at least three years, surpassing even the RM153.0 million recorded in FY2023. This transformation was driven by exceptional bad debt recoveries, sustained cross-selling discipline, and a sharp improvement in CASA balances from existing clients.

Strong recoveries from legacy Non-Performing Financing ("NPF") generated proceeds of RM67.8 million during the year. CBD also mitigated the impact of financing settlements exceeding RM1.0 billion through new disbursements amounting to RM552.0 million, as well as increased utilisation of previously underutilised limits. As a result, CBD continued to deliver resilient financial performance over the four-year period from 2022 to 2025, with financing assets consistently maintained above RM5.5 billion. This asset quality discipline is reflected in the Division's impaired financing ratio, which has been maintained at 0.00% for two consecutive years (FY2024 and FY2025). This is a strong indicator of the quality of the portfolio and the effectiveness of CBD's credit underwriting and account management standards.

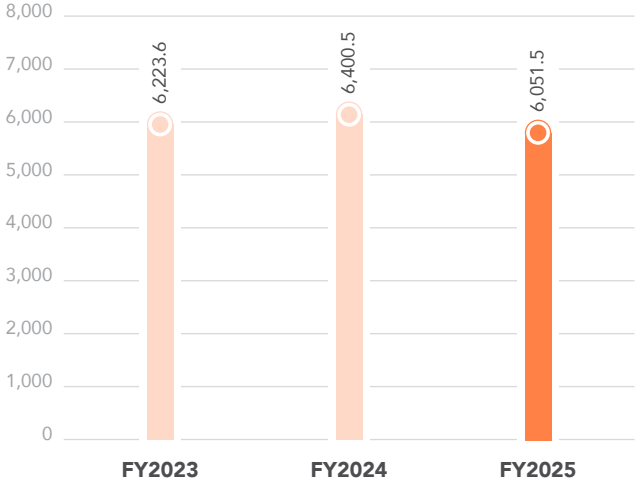
Profit Before Tax – Three-Year Trend (RM Million)



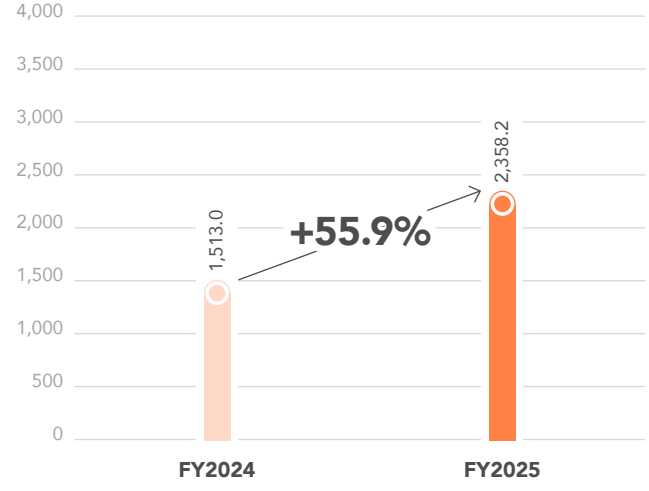
Bad Debt Recovered from Legacy NPF (RM Million)



Financing Assets (RM Million)



CASA – Existing-to-Bank Clients (RM Million)



Value-Based Intermediation

In synergy with Bank Muamalat's commitment to Value-Based Intermediation, CBD continued to channel a significant and growing share of its financing portfolio towards activities that generate positive economic, social, and environmental impact. Outstanding exposure under VBI initiatives grew to RM4,465.8 million in FY2025 (FY2024: RM4,368.7 million, FY2023: RM3,965.2 million) demonstrating three consecutive years of growth and a sustained commitment that goes beyond the Division's commercial objectives.

The largest component continues to be financing classified under the "Platform for Raising Community Standard of Living", which grew to RM2,848.0 million (FY2024: RM2,564.7 million, +11.0%). This reinforces CBD's role in supporting Malaysia's developmental and social finance agenda. Healthcare-related financing (Hospitals and Medical Equipment Providers) grew to RM307.5 million, and financing for Promoting Healthy Lifestyle initiatives also rose to RM235 million.

Categories that recorded declines during the year reflect the natural lifecycle of project financing in these sectors, and the Division continues to actively identify new opportunities within the green and sustainable finance space.

KEY DEVELOPMENTS IN FY2025

Expanding into Mid-Sized Corporates and Emerging Markets

A key strategic development during the year was the deliberate expansion of CBD's origination focus. Recognising the risks inherent in concentrating the book in a small number of large exposures, the Division recalibrated its asset composition by expanding into the mid-sized corporate segment and selected emerging market opportunities. The result was a broader, more granular approval pipeline. Total financing approvals increased to 73 accounts amounting to RM966.0 million, compared to 41 approvals totalling RM1,276.9 million in the preceding year, reflecting broader portfolio diversification.

> **"With a landmark PBT recovery, the Division has demonstrated in FY2025 that disciplined relationship banking, active portfolio management, and a commitment to quality over volume can deliver results even in a year of significant structural headwinds."**

Financing Approved

73 accounts +78%

FY2024: 41 accounts

Financing Approved (RM)

RM966.0 million –24.3%

FY2024: RM1,276.9 million

Strengthening Relationship Banking

In a demonstration of CBD's commitment to deepening client relationships and reinforcing its market presence, the Division organised an Economic Outlook event titled "Johor as a Catalyst for Malaysia's Growth" on 19 February 2025 at Komtar, Johor Bahru. The forum brought together 97 business clients from the Southern Region, providing a platform for thought leadership, market intelligence sharing, and face-to-face relationship building. The event contributed to enhanced client engagement and improved visibility of the Bank among its corporate customer base in the region.

One of the most significant relationship banking achievements of FY2025 was the growth in Current Account and Savings Account (CASA) balances from Existing-to-Bank (ETB) clients. This signals trust and loyalty. CASA balances grew by 55.9% to RM2,358.2 million (FY2024: RM1,513.0 million), reflecting materially stronger operational engagement and an increasing number of corporate clients who now conduct their primary banking and transactional activities with Bank Muamalat.

Cross-Selling and Wallet Deepening

CBD's client coverage model continued to bear fruit. By actively cross-selling solutions from Business Retail Banking, Treasury, Transaction Banking, and Investment Banking to existing corporate clients, the Division exceeded its product holding ratio target, achieving a ratio of 1:3.7. This means each corporate client now holds an average of 3.7 distinct products with the Bank. This marks a meaningful step towards becoming the primary banking partner of choice for these clients.

This wallet-deepening extended into Treasury, Transaction Banking and capital market-adjacent products. In FY2025, CBD generated approximately RM10.0 million in FX and fee income from its Visa B2B facilitation and Sukuk Programme roles, a significant increase from RM4.9 million in FY2024, reflecting the Division's growing capability in structured products and its deepening relationships with GLC and institutional clients who require these services.

CORPORATE BANKING DIVISION

STRATEGY & OUTLOOK

Looking into 2026, the Corporate Banking Division is well positioned to sustain and build on the momentum established in FY2025. The Division enters the new year with a stronger profitability baseline, a more diversified client portfolio, and deeper primary banking relationships.

Malaysia's economic growth, with particular strength in construction (+11.9%), manufacturing (+6.0%), and services (+5.4%) aligns well with CBD's sector exposure and provides a broadly supportive backdrop for corporate financing demand.

Strategic focus areas	Description & FY2025/2026 context
Prudent Large Exposure Management	CBD will continue to exercise disciplined management of large single-name exposures, including reduction of concentration risk through portfolio diversification into mid-sized corporates and selected emerging markets.
Working Capital and Wallet Deepening	The Division will maintain its focus on growing working capital facility utilisation among existing clients, whilst deepening cross-sell penetration through its coverage model. The product holding ratio will be actively sustained. Retail Banking, Investment Banking and Treasury products will continue to be cross-sold to the corporate client base.
Supply Chain Financing Ecosystems	CBD will leverage its existing corporate relationships to establish supply chain financing programmes across clients' ecosystems, creating new financing opportunities with suppliers and distributors within established corporate value chains.
High-Impact Sector Focus	The Division will selectively expand financing in sectors that offer both commercial opportunity and alignment with national development priorities.
Human Capital Development	In line with the Bank's human capital strategy, CBD will continue to develop and strengthen its workforce through targeted skills enhancement, structured coaching, and competitive remuneration frameworks.

RISKS AND MITIGATION

CBD operates within the Bank's enterprise-wide risk management framework, overseen at Board level by the Board Risk and Compliance Committee (BRCC) and at management level by the Credit and Underwriting Committee (CC) and the Credit Risk Management Committee (CRMC). The Division's primary risk exposures are credit concentration risk, single-name exposure risk, and market-driven credit risk in the sectors it serves.

Key risk mitigation measures include:

Concentration risk management

Continuing to diversify the portfolio across sectors, client types, and exposure sizes, including the deliberate expansion into mid-market corporates.

Working capital monitoring

Close monitoring of revolving facility utilisation and working capital lines to detect early signs of client liquidity stress.

Proactive payment pipeline management

Forward planning for scheduled settlements and pre-emptive origination to maintain the financing book above RM5.5 billion.

Legacy NPF resolution

Ongoing active management of legacy Non-Performing Financing positions, building on the RM67.8 million in recoveries achieved in FY2025.

Human capital retention

Maintaining competitive remuneration and development frameworks to retain experienced relationship managers whose institutional knowledge is critical to client retention and credit quality.

TREASURY AND CAPITAL MARKETS

A Year of Strategic Positioning

REVENUE
RM381.5 million
(+15.1% YoY)



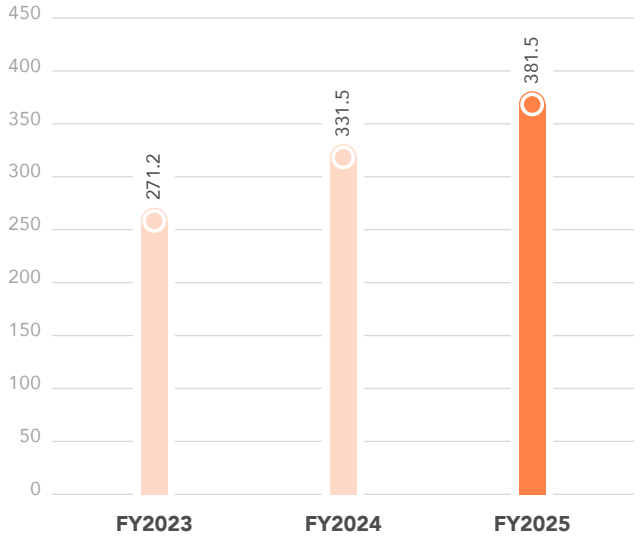
The Treasury and Capital Markets (TCM) division remains a cornerstone of Bank Muamalat's wholesale banking franchise, serving as a strategic engine that drives performance and optimises the balance sheet across three core activities: Money Market, Fixed Income, and Foreign Exchange (FX). TCM's pivotal role encompasses managing the Bank's funding, liquidity, and market risk positions, whilst facilitating seamless foreign currency transactions and cross-border financial flows for corporate and institutional clients.

FY2025 was a year of strong, broad-based performance for TCM. All three business desks grew their revenue contributions, and the division made a series of strategic portfolio decisions that delivered exceptional capital gains and materially improved overall divisional earnings.

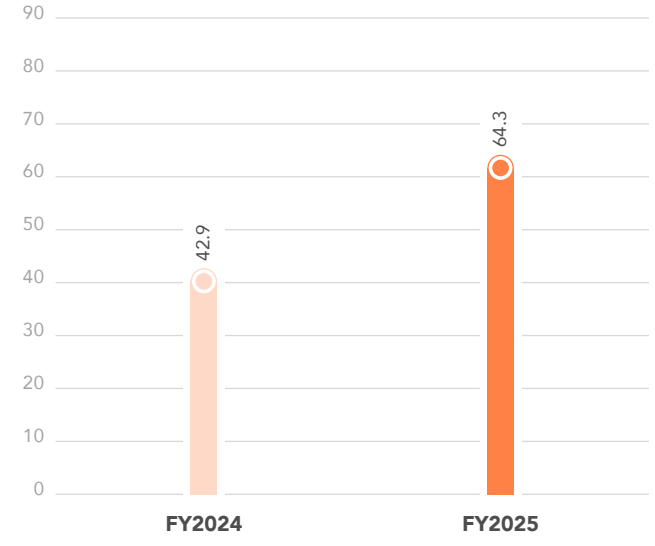
PERFORMANCE REVIEW

Against a backdrop of global rate volatility, geopolitical uncertainty, and a significant change in domestic monetary policy in July 2025, TCM delivered its strongest revenue performance in at least three years. Total revenue grew to RM381.5 million, a 15.1% increase from RM331.5 million in FY2024, which itself had grown 22.2% from RM271.2 million in FY2023. This consistent and accelerating growth trajectory reflects a division that is proactively positioned to capture opportunities.

TCM – Total Revenue, Three-Year Trend (RM Million)



TCM – Fee based Income (RM Million)



TREASURY AND CAPITAL MARKETS

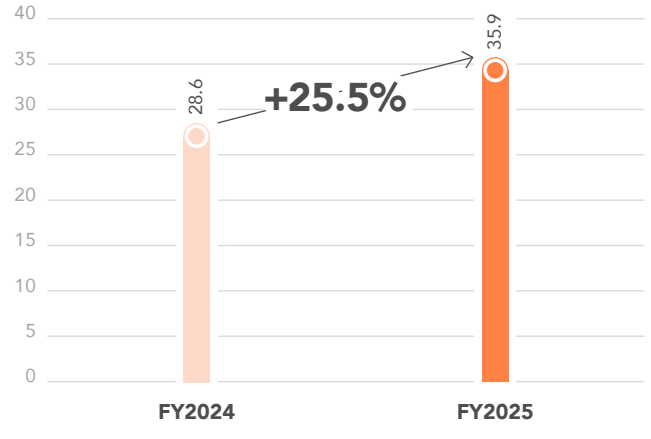
Foreign Exchange (FX) Sales

The FX Sales desk plays a critical role in supporting corporate, commercial, and SME clients in managing their foreign currency exposures arising from international trade and financial transactions. Through end-to-end FX solutions including spot transactions and forward hedging, the desk works closely with other business units to deliver integrated treasury advisory services.

FX profit contribution increased to RM35.9 million in FY2025, representing a 25.5% rise from RM28.6 million in FY2024. Meanwhile, transaction volumes recorded a modest increase of 0.9% to RM10.9 billion compared with the previous year. This suggests that revenue growth was driven by deeper client engagement and the continued promotion of FX hedging solutions amid global currency volatility, positioning the desk to further strengthen client relationships and support corporates involved in international trade.

This builds on TCM's FY2024 achievement of securing key FX mandates from institutions, GLCs, and other corporates, reinforcing the Bank's role in facilitating cross-border transactions and trade-related financial solutions for clients operating in international markets.

FX Income (RM Million)



Money Market

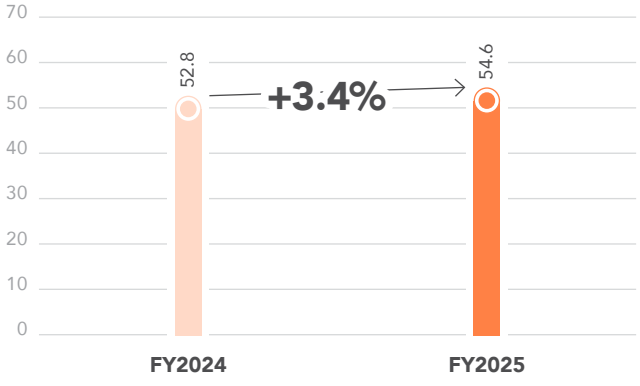
The Money Market desk manages wholesale and interbank funding to ensure the Bank maintains sufficient liquidity to meet all obligations whilst keeping key funding and liquidity ratios at optimal levels. In FY2025, the desk took deliberate steps to diversify its funding solutions and broaden its corporate and institutional client base.

Money Market income grew 3.4% to RM54.6 million (FY2024: RM52.8 million). Although this is a measured improvement relative to the other two desks, it reflects a period in which the primary focus was on structural strengthening rather than income maximisation. Two developments are worth noting.

The first was the introduction of repurchase (repo) instruments, specifically Sell and Buy Back Agreements (SBBA), as an additional funding tool. The repo book stood at RM100 million outstanding as at 31 December 2025. The use of repo as a funding source has delivered a meaningful cost benefit: compared with direct interbank placement, the repo programme reduced funding costs by between zero and 19 basis points depending on tenor. Whilst the range reflects the variability inherent in short-term funding markets, the programme has demonstrated a consistent ability to source liquidity at more competitive rates across most tenors, contributing to overall funding cost management.

The second was the expansion of the treasury deposit customer base. During the year, the desk onboarded and reactivated a total of 16 corporate and institutional customers. Broadening the institutional depositor base reduces concentration risk in the Bank's liability mix and improves the stability and predictability of the Bank's wholesale funding profile.

Money Market Income (RM Million)

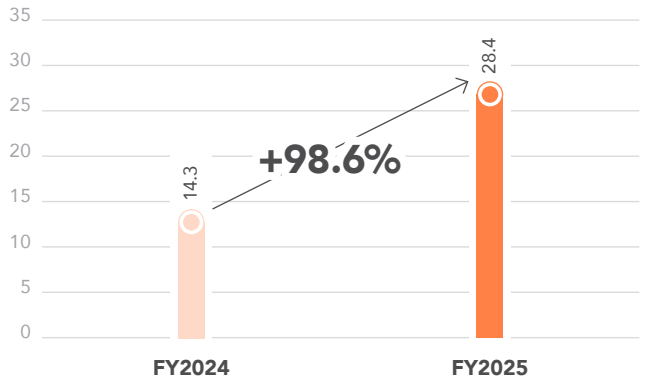


Fixed Income

Fixed Income profit grew to RM291.1 million in FY2025 (+16.4% from RM250.1 million), making it by far the largest contributor to TCM's total revenue. The Fixed Income desk generates income streams through investments and trading in debt securities, including government bonds/sukuk, corporate bonds/sukuk, Treasury Notes, and derivatives. It also facilitates capital raising in primary markets and generating returns through proprietary portfolio management.

The standout story of FY2025 was the desk's strategic anticipation of the OPR cut. By positioning the portfolio ahead of the rate reduction, the desk captured significant mark-to-market gains as bond prices rose when rates fell. Capital gains nearly doubled, rising 98.6% to RM28.4 million, reflecting the desk's strategic market analysis and the discipline of its execution.

Fixed Income – Capital Gains (RM Million)



In the second half of FY2025, having captured the gains from the OPR positioning, the desk then recalibrated the portfolio for the new rate environment: shifting towards a 70% Government Islamic Issuance (GII) holding and reducing portfolio duration to below four years. This repositioning reflects prudent risk management by locking in gains and reducing the portfolio's sensitivity to any further rate movements in either direction.

"Capital gains on the Fixed Income portfolio nearly doubled in FY2025, rising 98.6% to RM28.4 million. This was the result of deliberate portfolio positioning ahead of the BNM OPR rate cut in July 2025."

STRATEGY AND OUTLOOK

Strategic focus	Description
FX Hedging Growth	Deepen FX hedging relationships with corporate, commercial, and SME clients engaged in cross-border trade. Leverage the Bank's expanded cross-border payment capabilities to create integrated FX and payments propositions for clients managing international financial flows.
Money Market Diversification	Continue expanding the treasury deposit customer base and grow the repo funding programme to diversify funding sources, reduce funding concentration, and optimise the Bank's overall cost of funds.
Fixed Income – Defensive Quality	Progress towards 80% GII holdings; extend duration selectively; acquire VBI-quality assets; and build the Labuan non-MYR Sukuk portfolio to diversify currency and issuer exposure.
Technology and Market Intelligence	Leverage emerging technologies and enhanced market data capabilities to improve trading decisions, risk monitoring, and client advisory quality across all three desks.

TCM enters 2026 from a position of financial and strategic strength. The significant revenue growth delivered in FY2025, and the disciplined portfolio recalibration executed in the second half of the year, provide a sound platform for continued, sustainable earnings in a more uncertain global environment.

RISKS AND MITIGATION

Looking into 2026, the Fixed Income desk faces a more complex and uncertain external environment. US tariff policy and its potential impact on Malaysian trade and inflation, geopolitical tensions affecting fuel prices, and the uncertain trajectory of global monetary policy all create challenges for fixed income portfolio management. TCM's response is a forward-looking repositioning strategy built on four pillars:

- **Liquidity resilience**

  Target 80% GII holdings to maximise the proportion of highly liquid, government-backed securities in the portfolio.

- **VBI-quality asset acquisition**

  Prioritise assets that meet Value-Based Intermediation criteria, aligning the portfolio with the Bank's Islamic finance values while targeting quality issuers.

- **Duration extension**

  Shift towards mid-to-longer duration assets to capture higher yields in a stable or easing rate environment.

- **Non-MYR Sukuk (Labuan)**

  Build a non-MYR Sukuk portfolio booked through the Bank's Labuan offshore entity, diversifying currency exposure and accessing the global Islamic capital market.

Across all three desks, TCM will continue to leverage emerging technologies, deepen market intelligence capabilities, and foster closer collaboration across business units to maintain agility and resilience in an evolving market environment.

SUBSIDIARY: MUAMALAT INVEST SDN BHD (MISB)

Navigating a Challenging Market

REVENUE

RM3.49 million

(FY2024: RM4.09 million)



Muamalat Invest Sdn Bhd (MISB), a wholly-owned subsidiary of Bank Muamalat, began its fund management operations in 2007 and was licensed by the Securities Commission Malaysia as an Islamic Fund Management Company in 2010. MISB's primary role is to serve institutional and high-net-worth investors by offering a comprehensive range of Shariah-compliant investment management services spanning discretionary and non-discretionary mandates, wholesale and retail investment solutions. The managed portfolios of investments are diversified across various asset classes such as Islamic money market instruments, equities, and Sukuk.

FY2025 was a genuinely difficult year for equity markets globally and domestically, and MISB's results reflect those headwinds. Yet beneath the headline numbers lies a more encouraging picture. The company continued the second year of its transformation towards becoming a more inclusive, mass-market investment manager.

PERFORMANCE REVIEW

The FY2025 market environment was one of the most volatile periods for equity markets in recent years. Global headwinds were significant. Uncertainties in US trade policy, the threat of broad tariff escalation, inflationary pressures from higher import costs, and persistent geopolitical tensions (particularly in Gaza), all weighed on investor sentiment throughout the year.

The impact was acute in the first quarter. From January to 9 April 2025, the FTSE Bursa Malaysia Emas Shariah Index (FBMS) fell 19.76% and the FTSE Bursa Malaysia KLCI Index declined 14.72%. The sharp drawdown affected virtually all equity-oriented fund managers.

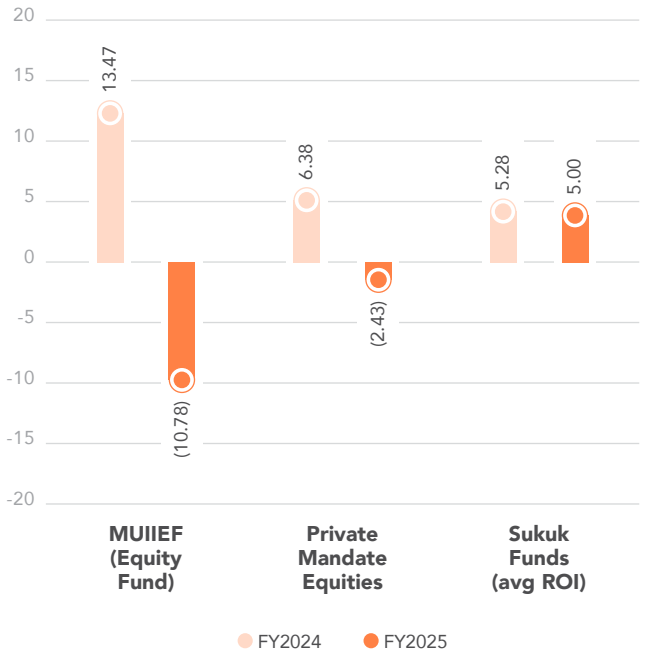
Markets partially recovered towards mid-year as tariff concerns eased and global monetary policy turned more accommodative. The domestic market closed the year with mixed results as the KLCI ended 2025 up 2.30% (compared with +12.90% in 2024), whilst the FBMS declined 3.93% (compared with +14.58% in 2024). For an Islamic fund manager whose equity mandates are benchmarked to the FBMS, this was a particularly challenging backdrop.

Against this adverse market environment, MISB's private mandate-equities fell 2.43% (+6.38% in 2024) but outperformed the FBMS Index by 1.50%. Our retail unit trust fund, Muamalat Invest Islamic Equity Fund declined 10.78% (+13.47% in 2024) in 2025.

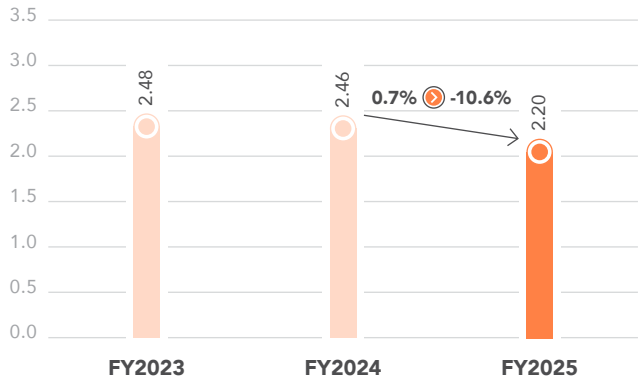
On the fixed income performances, the steady and stable monetary policy continued to support the positive performance of MISB's sukuk funds returning investors an average of 5.00% Return on Investment (ROI) for 2025. This was consistent with the prior year's range of 5.00% to 5.56%.

> **"It is worth noting that over the longer three-year arc, AUM has moved from RM2.48 billion (FY2023) to RM2.20 billion, which is a relatively modest decline that reflects the anchoring effect of MISB's institutional mandates and fixed income portfolios."**

MISB – Fund Performance: FY2024 vs FY2025 (%)

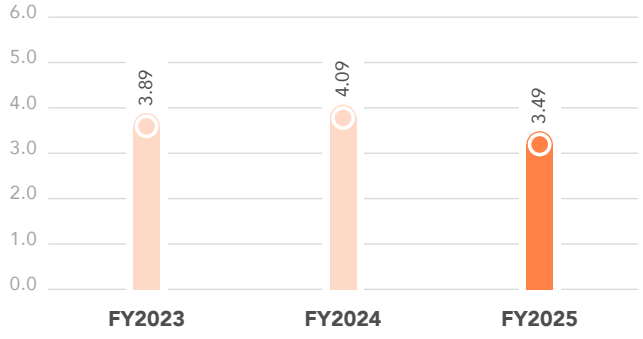


MISB – Assets Under Management (RM Billion)

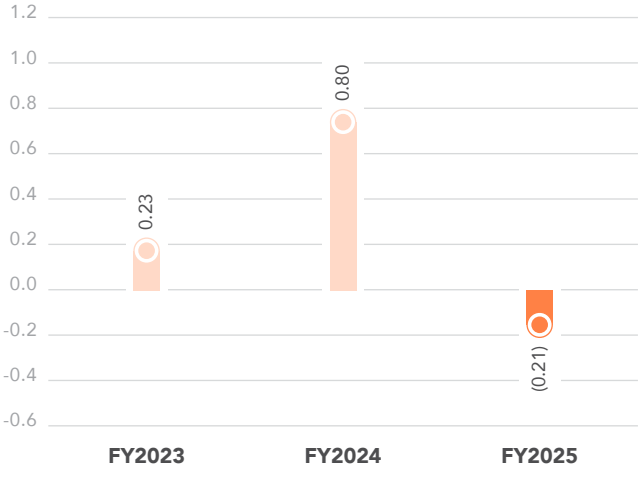


MISB – Financial Performance, Three-Year Trend

Revenue (RM Million)



Profit/(Loss) Before Tax (RM Million)



Financial Results

MISB's financial results in FY2025 reflect the equity market difficulties described above. Revenue fell 14.7% to RM3.49 million (FY2024: RM4.09 million), and the company recorded a small loss before tax of RM0.21 million (FY2024: profit of RM0.80 million). The primary influence was the decline in assets under management (AUM) given falling equity market valuations. The shrinking management fees translated into reduced fee income. This is the natural consequence of a market-linked fee structure.

AUM declined from RM2.46 billion at end-FY2024 to RM2.20 billion at end-FY2025 (-10.6%), reflecting both market depreciation and a flight by some investors towards risk-off assets during the period of acute market stress in the first quarter of 2025.

SUBSIDIARY: MUAMALAT INVEST SDN BHD (MISB)

KEY DEVELOPMENTS IN FY2025

Two New Funds Launched

Despite the challenging market environment, MISB delivered on its product development commitments, launching two new Shariah-compliant funds that meaningfully broaden its investment offering.

The first, MiGOLD, was launched on 15 April 2025 and commenced trading on 5 May 2025. MiGOLD offers investors the opportunity to include gold as an asset class within their investment portfolios. Gold serves as both a store of value and a natural inflation hedge over the long term, attributes that are particularly relevant in a period of elevated global inflation uncertainty. MiGOLD provides sophisticated and institutional investors with Shariah-compliant access to gold within the framework of Islamic finance principles. The fund is distributed via platform and operates as an open-ended structure, reaching RM9.83 million in assets under management as at 31 December 2025.

The second, MiDAS, was launched on 5 August 2025 and commenced investments on 15 October 2025. MiDAS introduces private credit as an entirely new asset class to MISB's product shelf, accessed through underlying Islamic Investment Notes. It enhances investor returns through exposure to private market yields that are not directly correlated with public equity or Sukuk markets, and addresses a gap in the Islamic finance ecosystem by providing digitalised private credit funding to businesses that may not have conventional capital market access. Distributed through direct sales, MiDAS closed its inaugural subscription round with five investors, reaching full subscription, and recorded assets under management of RM12.20 million as at 31 December 2025.

Both funds are included within MISB's total assets under management of RM2.20 billion as at 31 December 2025, and together represent RM22.03 million of new AUM brought to the platform within their first year of operation.

Investment in Back-Office System and Team Expansion

In parallel with the product launches, MISB made two foundational investments in FY2025 that will underpin its longer-term growth ambitions. First, the company replaced its back-office system with a new platform. This was a significant operational undertaking that improves the reliability, scalability, and efficiency of MISB's trade processing, reporting, and client servicing infrastructure. Second, MISB expanded its human resources, bringing in new talent to support both the growing product range and the ambition to serve a broader mass-market investor base. These investments reflect management's conviction in MISB's long-term growth trajectory, made deliberately at a time of short-term financial pressure.

STRATEGY AND OUTLOOK

MISB approaches 2026 with cautious optimism, driven primarily by domestic demand, and the OPR is expected to remain stable at 2.75%. This provides a supportive backdrop for fixed income strategies, with equity markets expected to offer selective opportunities amid continued market uncertainty.

In addressing the ever-evolving needs of investors, MISB remains committed to introducing fund solutions offering exposures to not only traditional equities and sukuks but also opportunities across diverse geographies and asset classes.

Looking further ahead, MISB is also monitoring the potential for AI-powered investment solutions, which could allow investment in global markets free of human emotional bias. This will deliver on the Bank's broader ambition to remain an innovator within the fund management industry.



"FY2025 tested MISB in ways that no amount of planning can fully prepare for. The company responded by launching new products, upgrading its infrastructure, and expanding its team. This positions MISB well for the market recovery ahead."

Strategic Focus	Description & FY2026 Ambition
Selective Equity Opportunities	Focus on quality companies in oil and gas, energy, consumer staples, and healthcare. Tactical exposure to manufacturing, industrials, and renewable energy within the small and mid-cap universe. Maintain discipline to avoid overpaying in sectors where valuations remain elevated relative to earnings.
Sukuk Portfolio – Active Duration	Balance duration between short and long ends of the yield curve; retain high-quality, sustainable credit; and manage the portfolio to deliver predictable, competitive returns for fixed income investors regardless of rate direction.
Gold and Alternative Assets	Promote MiGOLD as a portfolio diversifier and inflation hedge in a period of elevated global uncertainty. Develop MiDAS as a source of uncorrelated private credit returns for investors seeking alternatives to traditional equities and Sukuk.
Mass Market Transformation	Continue the second year of MISB's five-year transformation towards becoming more inclusive. Leverage the new back-office system and expanded team to improve investor servicing quality, onboarding efficiency, and product distribution reach.
ESG and VBI Integration	Prioritise Environmental, Social, and Governance (ESG) considerations in investment decisions. Future fund solutions to evolve around VBI principles – generating positive, sustainable impact to the economy, community, and environment through Shariah-aligned practices and investment processes.

RISKS AND MITIGATION

In navigating a challenging operating environment, MISB remains vigilant in managing key risks inherent to its business, supported by ongoing enhancements to its risk mitigation and governance frameworks to ensure resilience and long-term sustainability.

Type of risks	Description and impact	How we manage or mitigate the risk
Market Risk	Adverse movements in global and domestic financial markets may impact fund performance and asset valuations.	Maintain diversified portfolios across asset classes and adopt disciplined investment strategies with active portfolio management.
Operational Risk	Ongoing system enhancements and business expansion may introduce operational challenges.	Strengthen internal controls, governance frameworks and operational processes to ensure effective execution and system reliability.
Business and Revenue Risk	Fluctuations in Assets Under Management ("AUM") may affect fee-based income and overall financial performance.	Broaden product offerings, enhance distribution capabilities and strengthen institutional mandates to support more stable fund inflows.
Product Concentration Risk	Concentration in traditional asset classes may expose the business to earnings volatility.	Diversify into alternative investment solutions, including gold and private credit, to enhance portfolio resilience and income stability.
Regulatory and Shariah Compliance Risk	Evolving regulatory requirements and product complexities may increase compliance obligations.	Uphold robust compliance and Shariah governance frameworks, supported by continuous monitoring and oversight.

INVESTMENT BANKING DIVISION

A Transformative Year

INVESTMENT BANKING DIVISION FEE INCOME

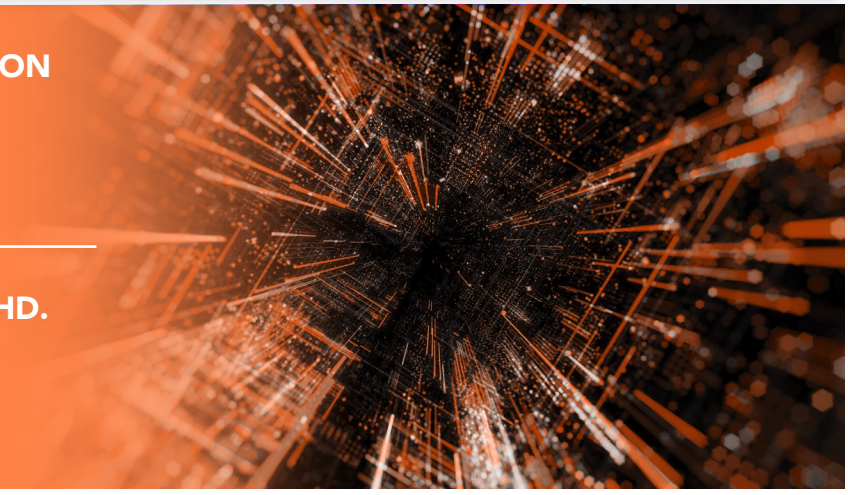
RM19.6 million

(+148.1% YoY)

MUAMALAT VENTURE SDN. BHD. INCOME

RM18.0 million

(+140% YoY)



The activities of the Investment Banking Division (IBD) focus on capital markets and corporate finance advisory services, as well as managing venture capital & private equity investments and fund management services on behalf of investors through the Bank's wholly-owned venture capital and private equity arm, Muamalat Venture Sdn Bhd (MVSB). Together, IBD and MVSB represent the Bank's capability to participate in Malaysia's capital markets, structure innovative Shariah-compliant instruments, and deploy capital into high-growth businesses aligned with national economic priorities.

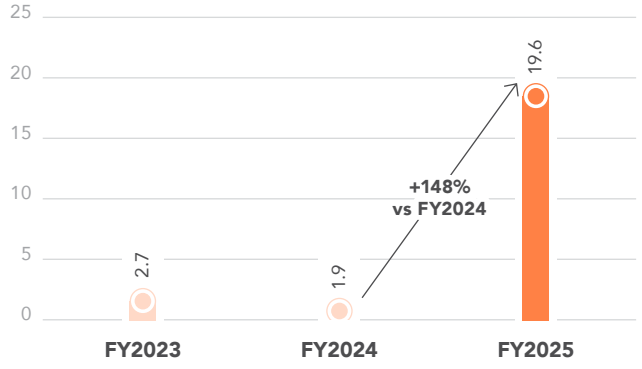
PERFORMANCE REVIEW

FY2025 was a transformative year for the Division. Fee income and investment income had collectively more than doubled from their FY2024 levels. MVSB delivered its strongest profit to date. A new Equity Capital Markets unit was established, broadening the Division's capability set. And MVSB completed its inaugural fund investment deployment – a milestone that marks the full realisation of a strategy conceived in the prior year.

Fee Income

Viewed against the three-year backdrop, the year's improvement was striking. IBD registered RM19.6 million in fee income for FY2025, a 148.1% increase from RM7.9 million in FY2024, and more than seven times the RM2.7 million recorded in FY2023. This income comprises arranger fees, agency fees, management fees from IBD's investment banking activities as well as dividends received from MVSB. The most significant driver of this step change was the management fee payable to IBD for managing MVSB's investments, reflecting the growing scale and complexity of MVSB's fund management operations.

Fee Income – Three-Year Trend (RM Million)



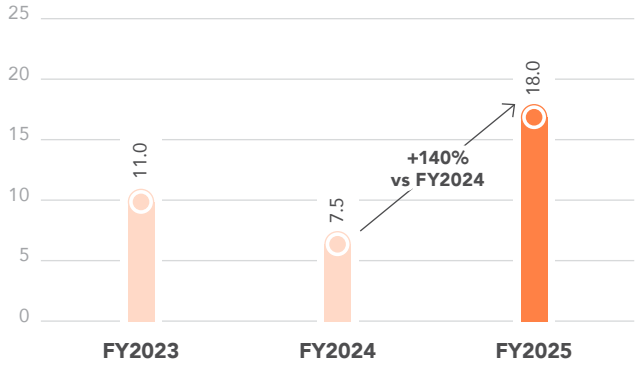
Fee Income, FY2023-FY2025. FY2023 data: Bank Muamalat Annual Report 2024. FY2024-FY2025: IBD management accounts.

IBD also continued to actively originate and execute capital market mandates during the year. The Capital Markets & Advisory team successfully managed and completed two (2) series of subsequent Sukuk issuances for Malaysia's largest local development financial institution with aggregate total issuance of RM1.6 billion as well as for multiple series of issuances by the national mortgage corporation amounting to RM650.0 million in total, affirming IBD's position as a trusted execution partner for Malaysia's most significant institutional issuers of Shariah-compliant debt capital market instruments.

Investment Income

Investment income reached RM18.0 million in FY2025 (+140.0% from RM7.5 million in FY2024). This recovery follows a difficult FY2024 in which investment income fell sharply from RM11.0 million in FY2023 to RM7.5 million, due to lower shareholdings in the venture pursuant to annual capital buybacks under the Musharakah Mutanaqisah arrangement. The strong FY2025 recovery reflects the successful realisation of MVSB's Musharakah venture investment in an Ar-Rahnu (Shariah-compliant pawnbroking) business with a state government-linked company.

Investment Income – Three-Year Trend (RM Million)



Investment Income, FY2023–FY2025.

It is important to note that a portion of FY2025's investment income is attributable to a one-off investment realisation from the Ar-Rahnu Musharakah venture. Whilst this demonstrates the value that can be unlocked from MVSB's investment strategy, the Division is mindful that recurring investment income will depend on building a broader and more diversified portfolio.

KEY DEVELOPMENTS IN FY2025

One of the most significant structural developments within IBD in FY2025 was the establishment of a dedicated Equity Capital Markets (ECM) unit. This is a meaningful strategic step: IBD had historically been focused primarily on debt capital markets and managing the Bank's investment under MVSB. The addition of an ECM capability broadens the Division's product offering, supports the Bank's broader strategy of diversifying revenue streams, and positions IBD to serve clients across the full spectrum of capital market instruments – both Sukuk and equity.

In its early stage, the ECM unit is focused on equity underwriting, equity placement and related advisory and match-making activities. The Division is realistic about the competitive dynamics it faces. Larger, fully integrated investment banks dominate advisory, underwriting and placement activities relating to IPOs, and their in-house brokerage platforms which support bookbuilding, distribution, and investor access, represent a structural advantage that IBD's ECM unit will take time to replicate.

The Division's near-term ECM strategy is therefore grounded in collaboration rather than competition. IBD is focusing on joint mandates and partnerships with mid-tier investment banks and universal brokers, targeting mid-cap to SME clients for ACE Market IPO mandates encompassing financial advisory, equity underwriting, and placement transactions. This approach allows the ECM team to build experience, develop market credibility, and expand its placement network, creating the foundation for a more independent capability over time.

In FY2025, the ECM unit secured its first mandate, supporting a Main Market IPO. Whilst the IPO has been delayed due to market factors, the mandate remains active and represents an important first step in establishing the unit's market presence. The team also took on two joint advisory mandates focused on match-making activities, sourcing investors for private companies undertaking equity fund-raising exercises. These three engagements, though at varying stages of completion, reflect the ECM unit's early traction in building a deal pipeline.

"The establishment of the ECM unit in FY2025 is a deliberate signal that IBD is building towards a more complete and integrated capital markets capability."

INVESTMENT BANKING DIVISION

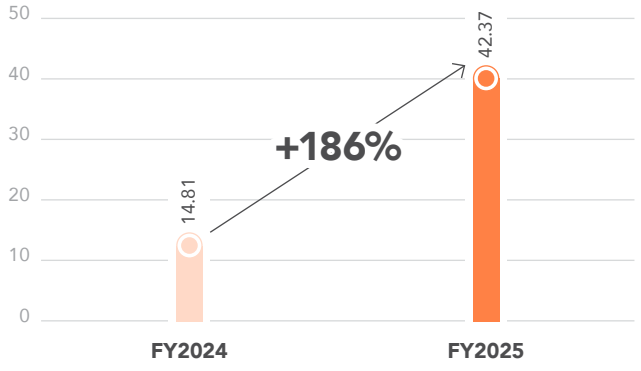
Muamalat Venture Sdn Bhd (MVSB) – A Landmark Year

MVSB is an Islamic venture capital management company wholly owned by Bank Muamalat, investing in high-growth stage companies, mezzanine opportunities, and pre-IPO businesses, whilst expanding its third-party fund management services. FY2025 was the most consequential year in MVSB's history to date, marked by exceptional investment returns, a landmark fund deployment, and meaningful growth in Assets Under Management.

Investment Performance

MVSB's return on investment surged to 42.37% in FY2025 from 14.81% in FY2024, recording a 186% improvement. This exceptional return was driven by the successful realisation of MVSB's Musharakah venture investment in an Ar-Rahnu (Shariah-compliant pawnbroking) business with a state government-linked company. The Ar-Rahnu investment had been structured as a Musharakah Mutanaqisah arrangement which is a diminishing partnership in which the partner entity annually bought back capital, gradually decreasing MVSB's relative stake. The full realisation of this investment in FY2025 delivered an exceptional one-off gain.

MVSB Return on Investment (%)



MVSB Return on Investment, FY2024-FY2025.

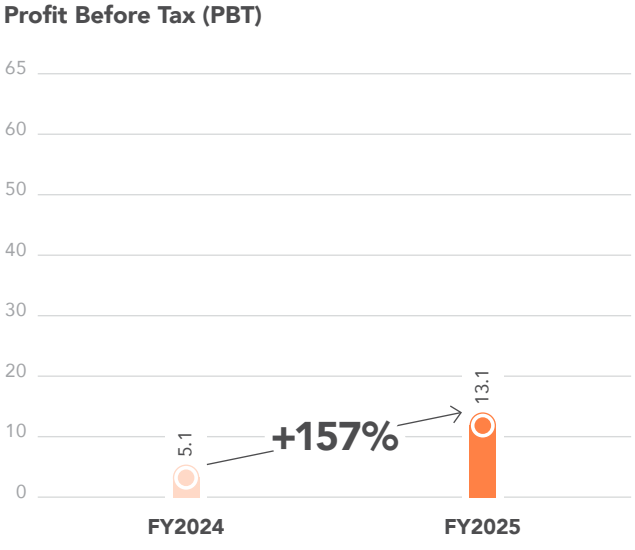
Beyond the Ar-Rahnu realisation, MVSB's investment strategy carries an important social finance dimension. Ar-Rahnu is a Shariah-compliant pawnbroking service that provides accessible, short-term liquidity to individuals – particularly those in underserved and unbankable segments who may lack access to conventional credit. MVSB's investment in this business therefore aligns directly with Bank Muamalat's Value-Based Intermediation (VBI) commitment and its mission to serve all Malaysians.

Inaugural Fund Deployment

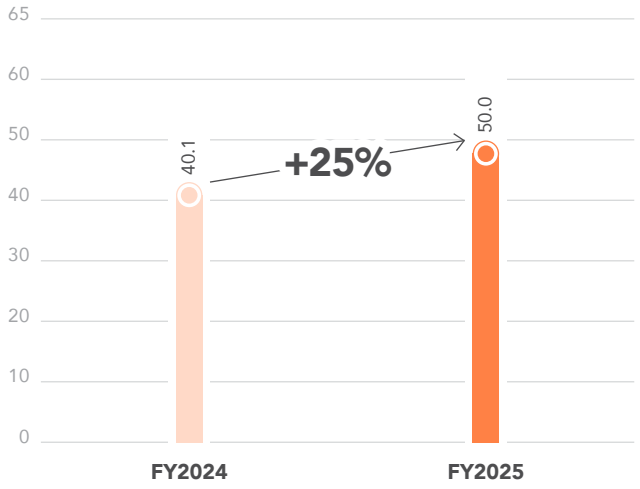
Another strategically significant development within MVSB in FY2025 was the completion of a RM40.0 million investment in a Shariah-compliant pawnbroking company. This represents the inaugural investment deployment under a venture capital fund established and managed by MVSB, on behalf of a Government-linked organisation.

The progression of this mandate, from fund establishment in FY2024 to first capital deployment in FY2025, represents a credibility milestone for MVSB as a fund manager. It demonstrates MVSB's ability to originate, structure, and deploy capital on behalf of a sophisticated institutional client within a Shariah-compliant framework, and provides a strong reference point for growing MVSB's third-party fund management business.

MVSB – PBT and AUM Growth (RM Million)



Assets Under Management (AUM)



MVSB Profit Before Tax and Assets Under Management, FY2024-FY2025. Source: MVSB management accounts. AUM FY2024: Annual Report 2024.

AUM Growth

MVSB's Assets Under Management grew to RM50.0 million at 31 December 2025 (FY2024: RM40.1 million, +24.8%). This growth reflects both the deployment of the GLC-mandated fund and the continuing management of MVSB's internal investment portfolio. Growing AUM is a key metric for MVSB's evolution from a proprietary investment vehicle into a credible third-party fund manager. The 25% year-on-year growth in FY2025 is an encouraging step in that direction.

RISKS AND MITIGATION

Debt Capital Markets – Scarcity of Mandates and Pricing Competition

The most persistent structural challenge for IBD's debt capital markets and advisory business is the scarcity of capital market mandates and intense competition from larger, full spectrum investment banks and Islamic financial institutions. Deal pipelines are inherently lumpy, and the timing of mandate completions is influenced heavily by client-side decisions and market conditions – both of which are outside IBD's control.

IBD's response to this challenge is a deliberate focus on "low-hanging fruit" – leveraging existing corporate relationships to establish deal flow, and pursuing collaboration with other financial institutions on larger capital market transactions where balance sheet risk-sharing creates mutual incentive for joint working. This approach has proven productive: the ongoing Sukuk mandates for the development financial institution and the national mortgage corporation are products of exactly this relationship-first strategy.

Equity Capital Markets – Absence of a Brokerage Platform

The newly established ECM unit does not leverage on an internal corporate finance team which is licensed to undertake IPO applications to the relevant regulatory authorities nor on an in-house brokerage platform which facilitates dealing in equity securities. In a fully integrated investment bank, the brokerage function supports bookbuilding, secondary market distribution, and investor access – all of which are critical to successful equity underwriting. Without this, IBD's ability to independently originate and distribute equity offerings is limited compared to more established peers.

The Division is addressing this pragmatically: through collaborations and joint mandates with mid-tier investment banks and universal brokers that have established brokerage infrastructure. Whilst this limits IBD's economics on individual transactions, it provides access to deal flow, placement networks, and market experience in the unit's early stage.

Venture Capital – Competition and Concentration Risk

The venture capital and private equity landscape is becoming increasingly competitive, with a growing number of funds, family offices, and alternative investors seeking exposure to high-growth Malaysian SMEs and pre-IPO companies. For MVSB, this competition is compounded by a historical concentration of its investment focus within the financial services sector which, given the Bank's position as a financial institution, may limit the pool of eligible investee companies and create potential overlap with entities that could be viewed as competitive.

MVSB's response is a commitment to progressively broaden its investment scope beyond its traditional sector focus, identifying opportunities across a wider range of asset classes and industries, particularly those aligned with emerging economic trends and national growth priorities. This diversification is expected to improve portfolio resilience and expand the addressable investment universe.

INVESTMENT BANKING DIVISION

STRATEGY AND OUTLOOK

Demand for Shariah-compliant capital market instruments, from both institutional issuers and socially conscious investors, continues to grow, and IBD is well positioned to serve this market given its established deal execution track record and deepening client relationships.

At the same time, the Division is clear-eyed about the global headwinds that will shape activity in FY2026: continuing geopolitical uncertainty, selective investor appetite driven by global monetary policy developments, and a competitive environment that will not ease. IBD's strategy reflects this balance of opportunity and caution.

Risks	Mitigation
Debt Capital Markets & Advisory	Continue to leverage existing client relationships and banking network to maintain deal flow for Sukuk origination, structuring and agency mandates. Prioritise repeat mandates with established institutional clients whilst selectively pursuing new relationships in priority sectors.
Equity Capital Markets	Build the ECM team's market presence and credibility through joint mandates and collaborations. Target ACE Market IPO as well as sourcing (match-making) mandates transactions for mid-cap and SME clients in partnership with mid-tier brokers and investment banks. Use each transaction to deepen the team's execution capability and placement reach.
Cross-selling and service bundling	Grow advisory services for existing and new customers by bundling financing, investment and financial advisory to deepen wallet share and create more holistic client relationships across the Bank's customer base.
MVSB fund management growth	Continue to manage existing AUM prudently whilst actively seeking new or to enlarge existing third-party fund management mandates. Build on the GLC fund mandate as a reference case. Progressively diversify the investment portfolio beyond financial services into sectors aligned with national growth priorities.
Islamic private equity portfolio development	Identify viable opportunities in high-growth sectors, including potential co-investments or partnerships with other Islamic venture capital or private equity players to build scale and diversification in MVSB's proprietary investment portfolio.

"The groundwork laid in FY2025, through the ECM unit launch and the inaugural fund deployment, positions IBD for a broader and more diversified contribution to the Bank's earnings in the years ahead."

DIGITAL BANKING DEPARTMENT

TOTAL DEPOSIT BALANCE
RM28 million



FY2025 marks the first year Bank Muamalat's Digital Banking Department is featured as a standalone segment in the Annual Report. This follows the soft launch of ATLAS in June 2025 as the Bank's dedicated digital banking platform. As ATLAS is in its inaugural year of operation, comparative prior-year figures are not available. Data presented reflects the period from June to December 2025 unless otherwise stated.

The Digital Banking Department is responsible for ATLAS, Bank Muamalat's Shariah-compliant digital banking platform and the Bank's primary vehicle for reaching new customer segments through fully digital channels.

ATLAS was developed in partnership with Backbase and is built on an AI-powered, composable banking architecture. It delivers digital account opening, DuitNow integration, Shariah-compliant savings products, and a range of Islamic & lifestyle features through a single mobile application available on iOS and Android.

The Department's mandate is to accelerate the Bank's digital transformation agenda, grow the Bank's new-to-bank (NTB) customer base, and establish ATLAS as Malaysia's leading faith-aligned Islamic digital banking platform.

ATLAS is designed as a platform that integrates financial management with Islamic values and everyday lifestyle. Key features available to customers during FY2025 included:

atlas
by Bank Muamalat

Financial Features

- ATLAS Savings Account-i, protected by PIDM up to RM250,000.
- Savings Pouch, which allows customers to create up to three sub-accounts dedicated to specific savings goals.
- DuitNow integration for instant transfers and payments.
- A Kill Switch feature enabling customers to immediately block all access to their account if they suspect a security breach.
- A 12-hour cooling-off period on new payee additions as an anti-fraud safeguard.

Islamic & Lifestyle Features

- Prayer times, alerts, and Solat Tracker.
- Zikir Counter and daily Doa section.
- Sadaqah and Qurban features.
- Kiblat direction and mosque locator.
- Islamic Calendar and Faith Summary Dashboard.
- Voucher redemption and a tiered Loyalty and Rewards programme, allowing users to earn points through everyday banking activities.

DIGITAL BANKING DEPARTMENT

PERFORMANCE REVIEW

ATLAS was soft-launched to the public on iOS and Android in June 2025 and, within its first six months of operation, acquired 15,569 customers with a total deposit balance of RM28 million. These results represent a strong start for a platform entering a competitive digital banking market.

Customers Acquired **15,569**	New-to-Bank Customers **61% of total**	Total Deposit Balance **RM28.0 million**
Referral Onboardings **5,377**	Social Media Followers **8,205**	Onboarding Time **2 minutes** (Best in Class)

The performance was achieved against a backdrop of real headwinds. Malaysia's digital banking landscape is crowded, with licensed digital banks and established players all competing for the same new-to-bank customer segments. ATLAS entered this market without an established brand and with a savings-only product offering. This makes the following achievements significantly noteworthy:

Customer Acquisition and New-to-Bank Reach

About 61% of ATLAS customers are new-to-bank, meaning they had no prior relationship with Bank Muamalat before registering on the platform. This is the Department's single most significant performance indicator in FY2025. It demonstrates that ATLAS is successfully extending the Bank's reach into customer segments that traditional branch banking had not captured.

Referral programmes were a key driver of this growth. A total of 5,377 customers were onboarded through referral initiatives, including the ATLAS Buddy Bonus campaign and the internal ATLAS Pioneers Referral Programme, which leveraged staff networks to seed early adoption.

Deposit Growth

Total deposit balances reached RM28 million by year end. Given that ATLAS's primary product in FY2025 is the ATLAS Savings Account-i, which carries no minimum balance requirement and was designed for accessibility rather than high-value deposits, the deposit figure is expected to grow materially as the product suite is expanded in 2026.

Onboarding Experience

ATLAS enables full account opening in approximately 2 minutes, using a customer's MyKad with a minimum initial deposit of RM0.01. No branch visit is required. This positions ATLAS among the fastest onboarding experiences available in the Malaysian retail banking market.

Campaigns and Activation

A series of activation campaigns were deployed during the year to drive early engagement and deposit behaviour. These included a 5% Profit Rate offer, a 3.88% Profit Rate Campaign, the ATLAS Reward Rush, and the ATLAS Buddy Bonus. Each was designed to incentivise initial deposits and encourage active usage of the platform.

Digital Presence

ATLAS established its social media presence across Instagram, Facebook, TikTok, and Threads from April 2025, ahead of the platform's public availability. By year end, the combined following across all channels stood at 8,205, providing an organic marketing base for continued customer acquisition in 2026.

STRATEGY AND OUTLOOK

The focus for 2026 is on converting the acquired base into deeper relationships through the rollout of financing and investment products. The Digital Banking Department enters 2026 with a functioning platform, a growing customer base, and a product roadmap that will materially expand ATLAS's capabilities and revenue potential.

The official marketing launch of ATLAS took place in April and May 2026 at IOI Mall Putrajaya under the theme 'Your Journey to Better', marking the transition to soft launch. This provides the Department with a stronger platform for accelerated growth in the year ahead.

With a differentiated faith-aligned proposition, a composable technology foundation, and a product roadmap extending into financing and investment, the Digital Banking Department is positioned to grow from a promising start into a meaningful contributor to the Bank's customer base and revenue in the years ahead.

Strategic Focus	Description
Product Expansion	Launch digital debit and credit cards, micro financing, and a Shariah-compliant account within ATLAS in 2026.
Customer Growth	Scale the customer base with a particular focus on sustaining the 61% new-to-bank acquisition rate through targeted campaigns and the referral programme.
Deposit Deepening	Grow the deposit base beyond RM28 million through competitive profit rates, the Savings Pouch feature, and ongoing activation campaigns.
Faith and Lifestyle Integration	Expand Islamic lifestyle features, including aqiqah and qurban services planned for future releases, to deepen daily engagement with Muslim customers.
Social Media and Brand Growth	Build on the 8,205 social media followers acquired since April 2025 to drive organic awareness and further referral-led growth.
Technology and Resilience	Continue to leverage the Backbase AI-powered Banking Platform to accelerate product releases, improve onboarding efficiency, and maintain cybersecurity standards.

RISKS AND MITIGATION

The Digital Banking Department operates within the Bank's enterprise-wide risk management framework, with oversight from the Board Risk and Compliance Committee (BRCC). The primary risks specific to a newly launched digital platform are as follows.

Cybersecurity and fraud risk

ATLAS operates as a fully digital, app-based platform with no branch touchpoints, making it a potential target for phishing, account takeover, and social engineering. Mitigants include the Kill Switch feature, a 12-hour cooling-off period on new payees, biometric authentication, and the security standards embedded in the Backbase platform.

Customer acquisition cost sustainability

Sustaining growth through campaigns and referral bonuses carries ongoing cost. The Department will manage this through a shift towards organic growth channels as the brand matures, and through the introduction of revenue-generating products in 2026.

Regulatory compliance

As a digital banking product operating under Bank Negara Malaysia's regulatory framework, ATLAS must maintain compliance with evolving guidelines on digital financial services, e-KYC, and anti-money laundering and counter-financing of terrorism (AML/CFT). This is managed through the Bank's Compliance and Shariah functions.

Concentration in savings-only product

In FY2025, ATLAS offered only a savings account product. This limits both revenue generation and customer stickiness. The planned expansion into financing and investment products in 2026 will diversify the platform's product risk profile.



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SUSTAINABILITY STATEMENT

90 About Our Sustainability Statement
91 Sustainability @ Bank Muamalat
94 Stakeholder Engagement
100 Sustainability Matters
103 Sustainability Governance
105 Economic
116 Social
122 Environmental
132 Data on Material Matters

Advancing Sustainable Growth for a Better Tomorrow.


A
B
C
D
E
F
G

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.

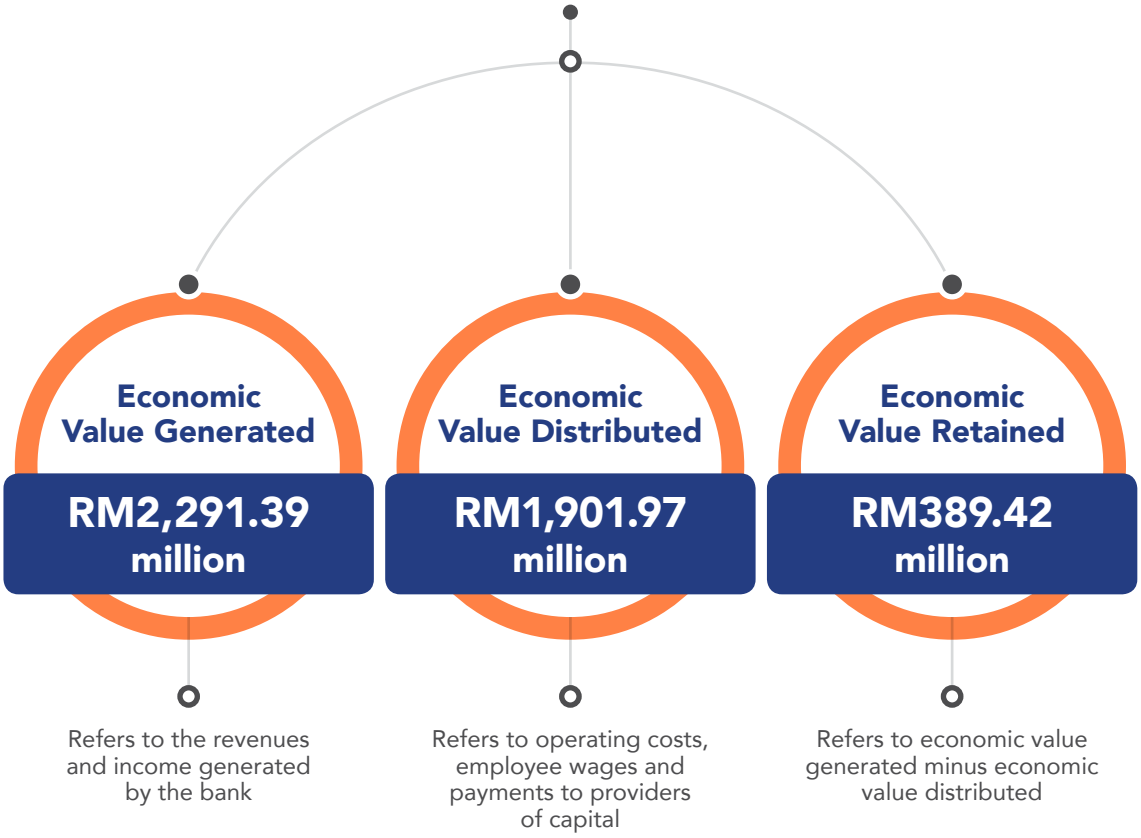
Growing Transaction Banking

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

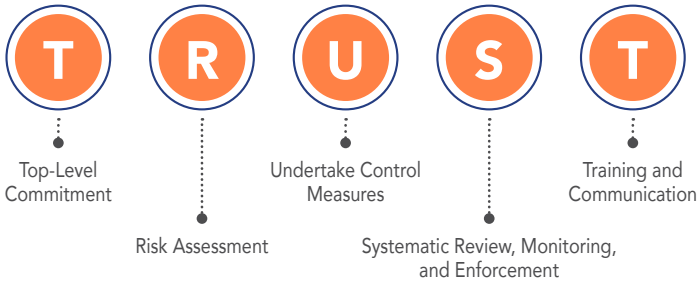
M14 Ethics and Integrity: Upholding Standards at Bank Muamalat

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).

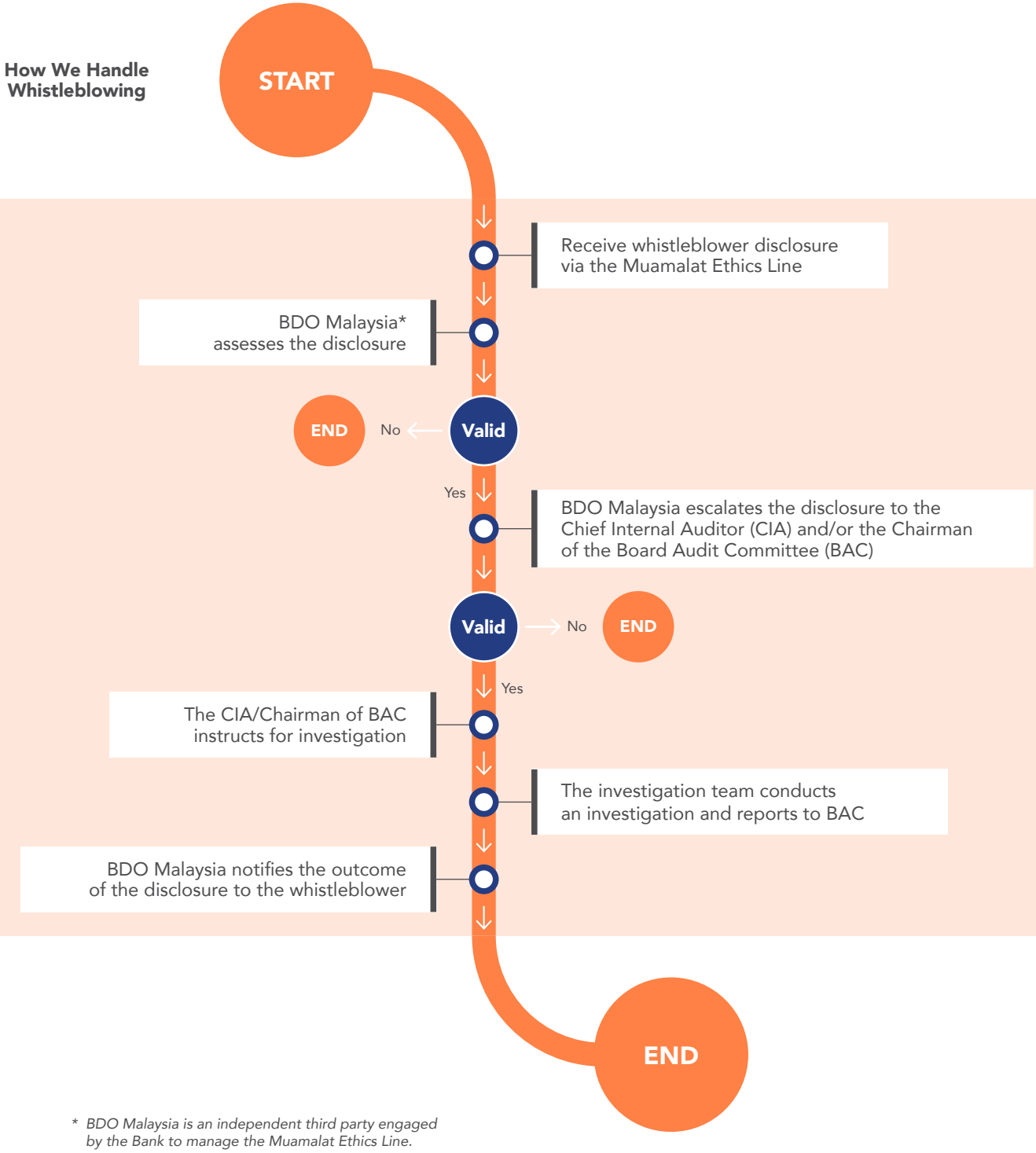
Vendor Code of Conduct (VCOC)

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



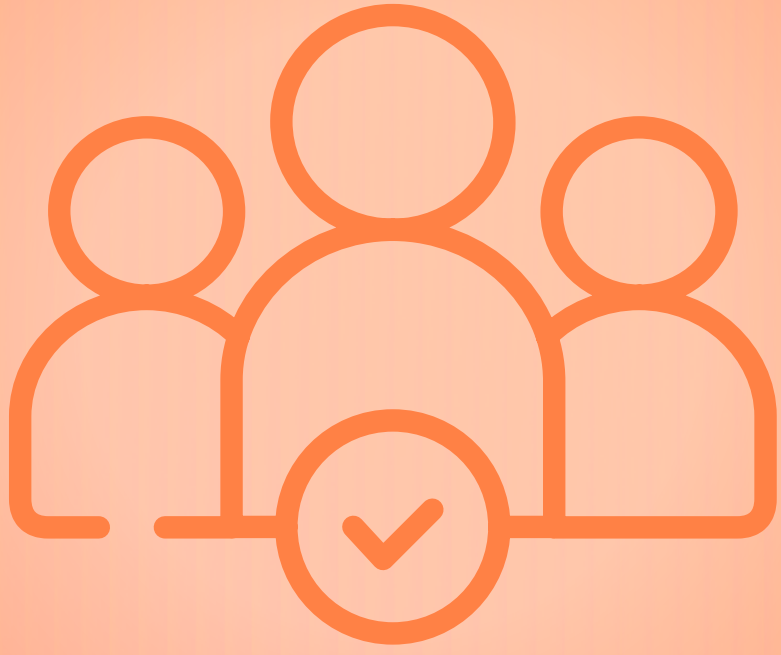
SDG 8.6
Reducing the proportion of youth not in employment, education or training

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.

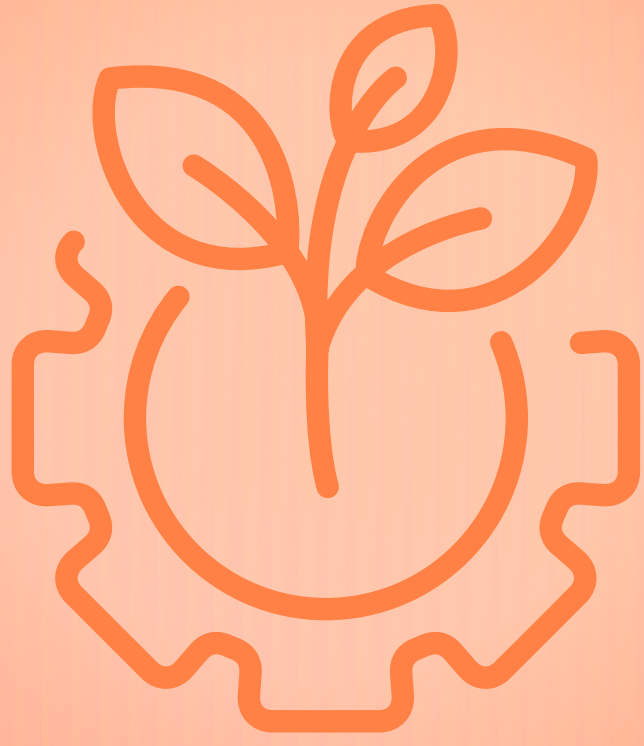


SDG 12.2
Sustainable management and use of natural resources

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.

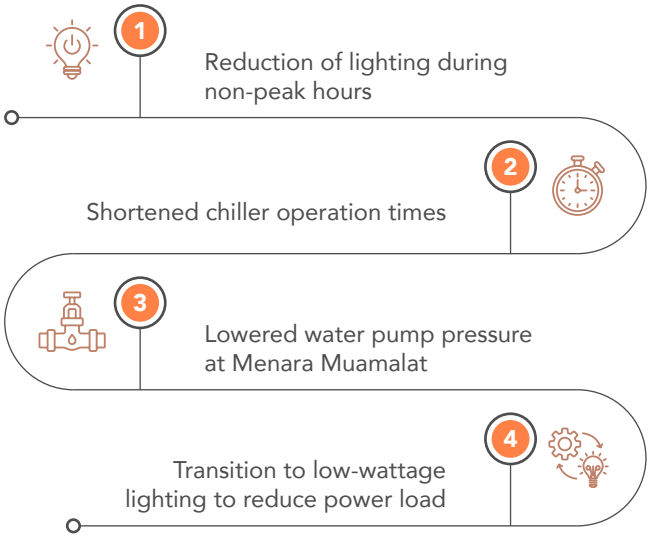
KEY ACTIONS AND OUTCOMES

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

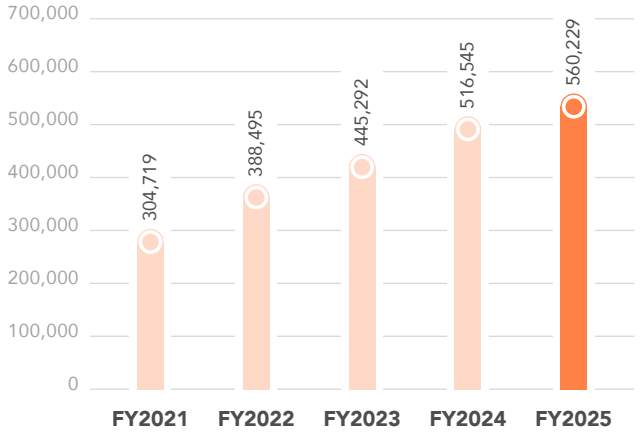
approx. **50 metric tonnes CO_2e**

Fugitive Emissions
111.81

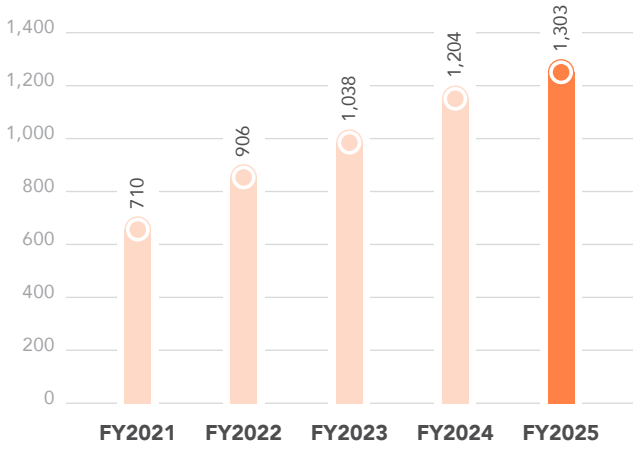
Total Scope 1
1,464.81 metric tonnes CO_2e

Petrol Consumption Per Year (Litres) 2021 – 2025

Petrol Consumption Per Year (Litres)

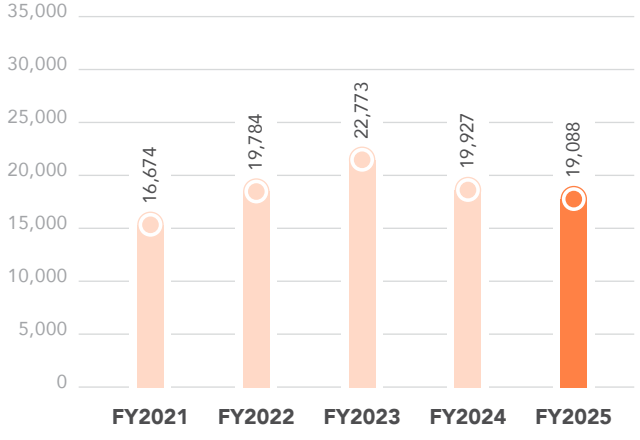


GHG Emissions from Petrol Consumption (tCO_2e)

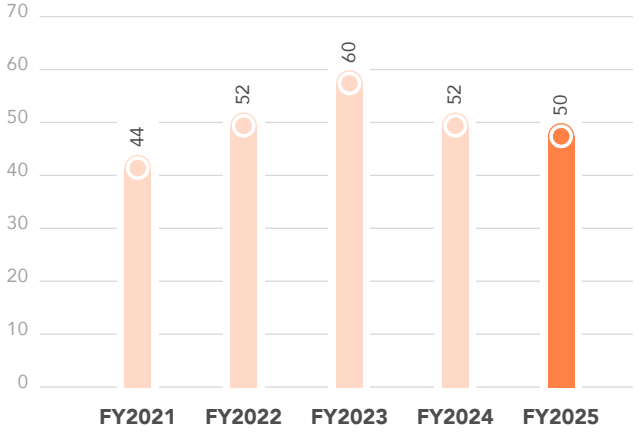


Diesel Consumption Per Year (Litres) 2021 – 2025

Diesel Consumption Per Year (Litres)



GHG Emissions from Diesel Consumption (tCO_2e)



ENVIRONMENTAL

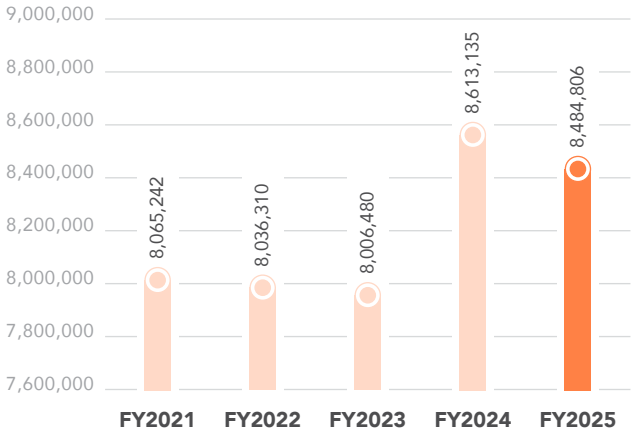
The emissions from petrol consumption increased by 8.2% year-on-year, primarily driven by increased operational travel associated with business development and sales activities, departmental expansion, and outreach programmes. Meanwhile, the emissions from diesel consumption decreased by 3.8% year-on-year,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

Electricity-related emissions (2025)

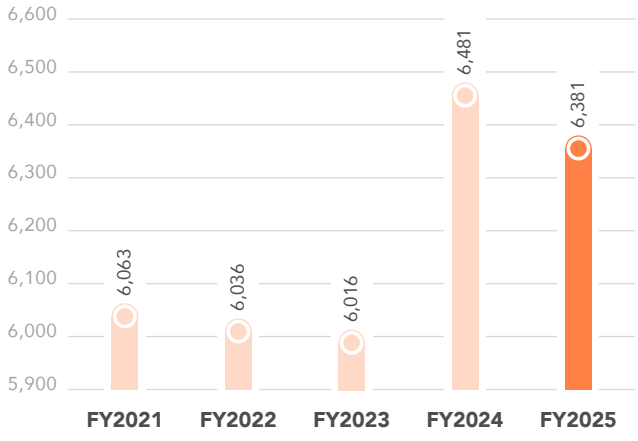
6,381 metric tonnes CO_2e

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

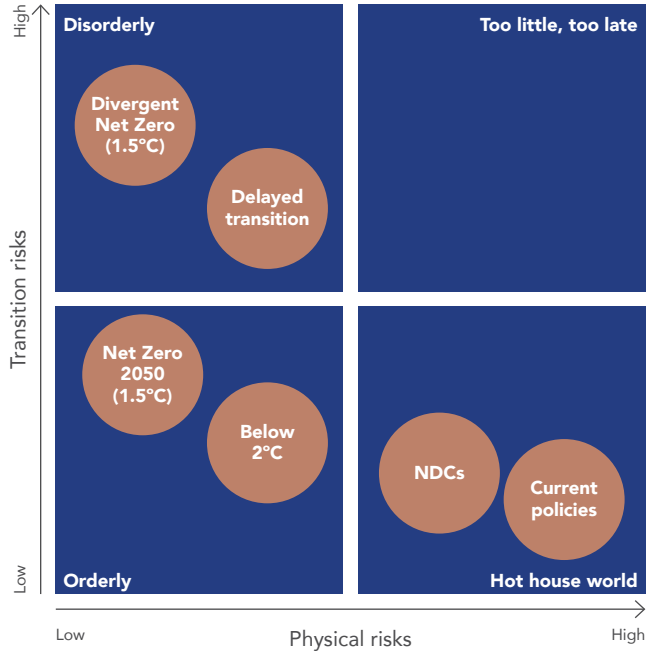
The Bank conducted CRST using the climate scenarios prescribed by BNM, comprising three long-term adverse scenarios developed by the Network for Greening the Financial System (NGFS) and a short-term acute physical risk scenario based on the Representative Concentration Pathway (RCP) 8.5, which assumes 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**



6

GOVERNANCE

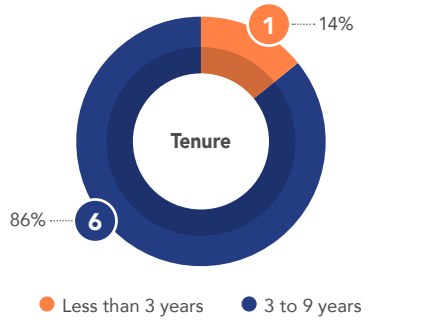
144 Our Board Diversity
146 Board of Directors' Profile
153 Shariah Committee Profile
157 Senior Management Profile
165 Board of Directors' Composition
166 Board Committees
167 Governance Disclosures
180 Board Audit Committee Report
184 Statement on Compliance
187 Statement on Risk Management
193 Shariah Committee Report

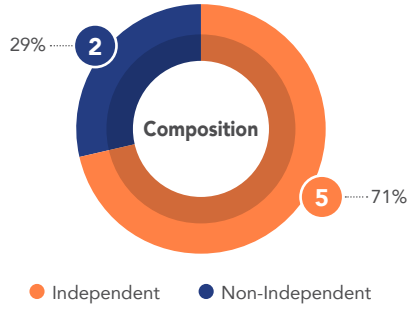
Advancing with Integrity, Transparency and Accountability.

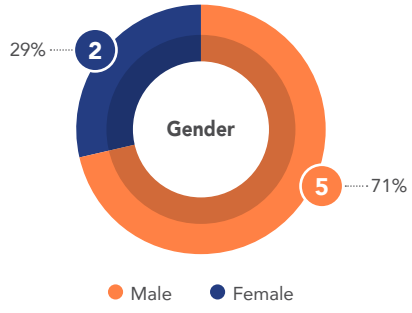


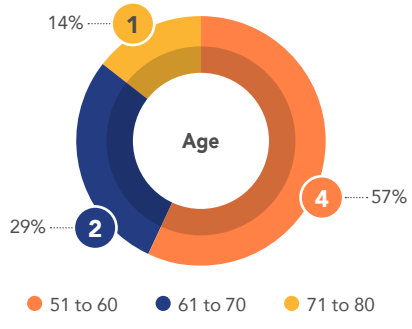
OUR BOARD DIVERSITY

BOARD AT A GLANCE



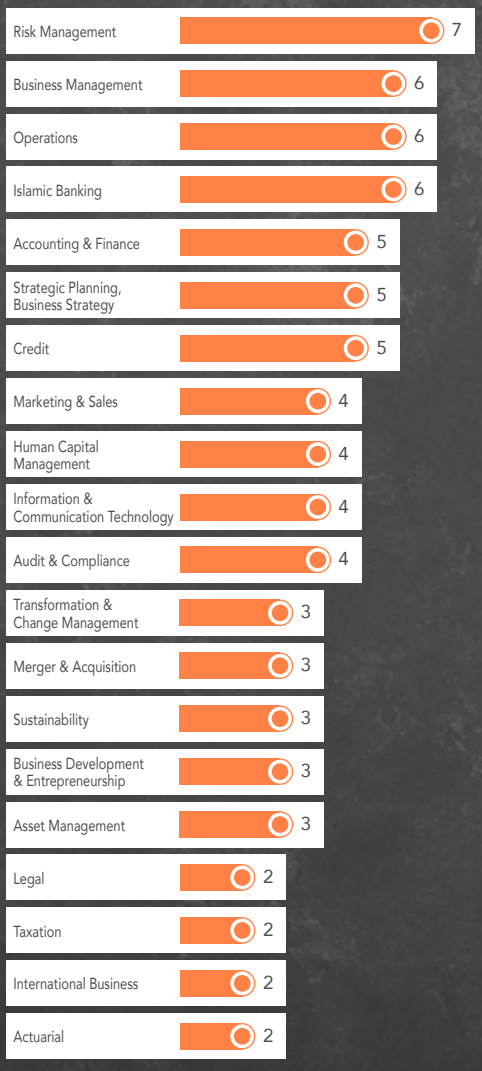






BOARD EXPERTISE

Number of Directors with skills and experience in each area (out of 7)



1. Tan Sri Tajuddin Atan, FCB
2. Johari Abdul Muid
3. Dato' Ibrahim Taib
4. Md Khairuddin Haji Arshad
5. Mohd Razlan Mohamed
6. Roshidah Abdullah
7. Dato' Suhana Dewi Selamat



BOARD OF DIRECTORS' PROFILE



TAN SRI TAJUDDIN ATAN, FCB

Independent Non-Executive Chairman

Nationality
Malaysian

Age and Gender
67 / Male

Date of Appointment
6 May 2020

Meeting Attendance

11/11

Tan Sri Tajuddin Atan was appointed as an Independent Non-Executive Director of Bank Muamalat Malaysia Berhad on 6 May 2020 and subsequently, as an Independent Non-Executive Chairman on 3 June 2020.

Tan Sri Tajuddin brings with him over 37 years of experience in the financial and corporate industry, including domestic and international exposure. He was the Chief Executive Officer of Bursa Malaysia Berhad, RHB Banking Group, Bank Pembangunan Malaysia Berhad, Bank Simpanan Nasional and Chase Perdana Berhad.

Tan Sri Tajuddin currently serves as the Chairman of MMC Corporation Berhad, MMC Port Holdings Berhad, Pelabuhan Tanjung Pelepas Sdn Bhd, Honda Malaysia Sdn Bhd, as well as Chairman of the Asian Institute of Chartered Bankers (AICB) Disciplinary Panel. He sits on the Board of Cagamas Berhad and chairs the Board Risk Committee.

Tan Sri Tajuddin holds a Bachelor of Science (Agribusiness) degree from the University Putra Malaysia and a Master of Business Administration from Ohio University. He is a Fellow Chartered Banker of the Asian Institute of Chartered Bankers (AICB). He was conferred an Honorary Doctorate in Finance by Universiti Putra Malaysia.



JOHARI ABDUL MUID

Senior Independent Non-Executive Director

Nationality
Malaysian

Age and Gender
69 / Male

Date of Appointment
10 November 2020

Meeting Attendance

11/11

Johari Abdul Muid was appointed as an Independent Non-Executive Director of Bank Muamalat Malaysia Berhad on 10 November 2020. He is the Chairman of the Board Nomination & Remuneration Committee and a member of the Board Audit, Board Risk & Compliance, Board Veto and Board Technology Committees.

Johari brings with him over 30 years of experience in the corporate and financial industry, including banking, capital markets and social security. He was previously the Head-Treasury Division at Commerce International Merchant Bankers Bhd (1983–1994), Senior Vice President-Institutional Sales at CIMB Securities Sdn Bhd (1994-2003), Chief Investment Officer of Valuecap Sdn Bhd (2003-2004), Deputy Chief Executive Officer of Employees Provident Fund (2004-2011), Chief Executive Officer and Managing Director of RHB Bank Berhad (2011-2013).

Johari is currently an Independent Non-Executive Director of MMC Port Holdings Berhad and Protect Health Corporation Sdn Bhd. Johari was previously an Independent Director of Al Rajhi Banking & Investment Corporation (Malaysia) Bhd (November 2017 to November 2020), Bursa Malaysia Berhad (April 2016 to March 2020) and Malaysia Debt Ventures Berhad (November 2015 to November 2019). Johari was also a Non-Independent Non-Executive Director of RHB Capital Berhad (April 2005 to November 2011), RHB Investment Berhad (April 2005 to January 2008), RHB Islamic Berhad (January 2008 to November 2011) and Iskandar Investment Berhad (January 2008 to January 2009). He was also a member of Investment Panel of Kumpulan Wang Amanah Pencen (October 2015 to July 2019).

Johari is a Fellow of the Chartered Institute of Management Accountants (CIMA).

BOARD OF DIRECTORS' PROFILE



DATO' IBRAHIM TAIB

Non-Independent Non-Executive Director

Nationality
Malaysian

Age and Gender
72 / Male

Date of Appointment
29 March 2018

Meeting Attendance

11/11

Dato' Ibrahim Taib was appointed as Non-Independent Non-Executive Director of Bank Muamalat Malaysia Berhad nominated by DRB-HICOM Berhad on 29 March 2018. He is currently the Chairman of the Board Technology Committee and a member of the Board Risk & Compliance Committee.

He started his career in the judicial service in 1978 as a Magistrate in the Magistrates' Court, Jalan Duta, Kuala Lumpur. Thereafter, he was transferred to the Magistrate Court in Segamat, Johor. In 1982, he became a Legal Adviser with the Road Transport Department, and continued in the same role in the Ministry of Human Resources in 1986.

In October 1989, he was attached to the Attorney-General's Chambers as a Deputy Public Prosecutor for Selangor. In 1992, he served as a Judge in the Sessions Court, Kota Bharu. In July 1992, he was seconded to the Employees Provident Fund (EPF) as Head, Legal Department. He retired as the Deputy Chief Executive Officer (Operations) of EPF on 4 October 2014 but remained as the nominee Director of EPF in DRB-HICOM Berhad until 26 May 2017.

He is currently an Independent Non-Executive Director of DRB-HICOM Berhad. Dato' Ibrahim holds a Bachelor of Laws (Honours) degree from the University of Malaya and a Master of Laws from the University of London.



DATO' SUHANA DEWI SELAMAT

Non-Independent Non-Executive Director

Nationality
Malaysian

Age and Gender
53 / Female

Date of Appointment
1 October 2025

Meeting Attendance

2/2

Dato' Suhana Dewi Selamat was appointed as a Non-Independent Non-Executive Director of Bank Muamalat Malaysia Berhad, nominated by Khazanah Nasional Berhad, on 1 October 2025. She is a member of the Board Audit Committee and the Board Nominating & Remuneration Committee.

Dato' Suhana joined Khazanah in November 2012 to establish the Investments Division's business-embedded compliance function and was appointed the Chief Risk Officer on 1 February 2017. She is the Head of Governance, Risk & Compliance and serves as the Chief Integrity & Governance Officer, liaising with the Malaysian Anti-Corruption Commission ("MACC"). Dato' Suhana is a regular speaker on risk management, business continuity, compliance and anti-corruption, drawing on her 30 years' working experience in local and international firms.

She was appointed a Board Director of UDA Holdings Berhad on 27 June 2023 and serves on the Board Audit & Risk Committee, Nomination & Remuneration Committee, and Board Business Recovery Committee, contributing expertise in legal affairs, governance, risk management and corporate strategy.

Dato' Suhana retired from the Board of Trustees of WWF Malaysia in 2022 after eight years of service, during which she led sensitive internal investigations, drove the review of its governance structure and by-laws, and chaired an Executive Committee during an interim period without a Chief Executive. Earlier in her career, she was the Country Head of Compliance for Credit Suisse in Malaysia (2007–2012) and held various roles at the Securities Commission's Bond Market Department and RHB Bank's Legal Department. She began her career in legal practice after obtaining her Certificate in Legal Practice from Universiti Malaya in 1996.

Dato' Suhana read law at the London School of Economics and has since earned the Certified Integrity Officer (CeIO) from the MACC's Anti-Corruption Academy, the Certificate of Business Continuity Institute (CBCI), the Sustainable Capitalism & ESG certification from UC Berkeley School of Law and the Leading Sustainable Business Transformation Certificate from IMD.

BOARD OF DIRECTORS' PROFILE



MD KHAIRUDDIN HAJI ARSHAD

Independent Non-Executive Director

Nationality
Malaysian

Age and Gender
60 / Male

Date of Appointment
10 September 2019

Meeting Attendance

11/11

Md Khairuddin Haji Arshad was appointed as an Independent Non-Executive Director of Bank Muamalat Malaysia Berhad on 10 September 2019. He also serves as the Chairman of the Board Risk & Compliance Committee and a member of the Board Audit and Board Veto Committees.

Md Khairuddin has over 30 years of experience in the banking industry. He started his career with Bank Negara Malaysia (BNM) in 1991 and served in the Bank Regulation Department and Islamic Banking and Takaful Department until 2005. He was involved in the establishment of the International Islamic Financial Market and the Islamic Financial Services Board.

He was part of the pioneer management team tasked with the establishment of Perbadanan Insurans Deposit Malaysia. He served as Chief Operating Officer and General Manager, Insurance, Risk Assessment and Monitoring Division since its establishment in 2005 until 2013. He was also the first Chairman of the Islamic Deposit Insurance Group of International Association of Deposit Insurers.

He joined Bank Rakyat in 2013 as Chief Risk Officer and his last position was Chief Operating Officer where he was entrusted with the responsibilities to expand the retail and corporate banking businesses, ensure effective implementation of the recovery and rehabilitation activities, manage corporate services effectively and continuously improve the effectiveness and efficiencies of the overall banking operations.

He holds a Bachelor's Degree in Accounting from the International Islamic University Malaysia. He also attended the Oxford Advanced Management and Leadership Programme and ICLIF Global Leadership Development Programme. He also has a Master of Business Administration from Heriot-Watt University.



MOHD RAZLAN MOHAMED

Independent Non-Executive Director

Nationality
Malaysian

Age and Gender
60 / Male

Date of Appointment
1 September 2021

Meeting Attendance

11/11

Mohd Razlan Mohamed was appointed as an Independent Non-Executive Director of Bank Muamalat Malaysia Berhad on 1 September 2021. He is the Chairman of the Board Veto Committee and a member of the Board Risk & Compliance and Board Nomination & Remuneration Committees.

Razlan was the Chief Executive Officer of the credit rating agency, Malaysian Rating Corporation (MARC), for 11 years from 2007 to 2018. As a member of MARC's Rating Committee, he was largely responsible for the decision of all credit rating assignments and actions on various asset classes including large corporates, structured products, infrastructure projects and financial institutions. Prior to that, he was a corporate and investment banker for debt and debt capital market for 13 years with Perwira Affin Merchant Bank, Bank of America (Malaysia), Maybank Investment Bank and MIMB Investment Bank.

He had served as a Board member of the Asian credit rating industry body, the Association of Credit Rating Agencies in Asia (2015 to 2018), as well as in two other international credit rating agencies, ARC Ratings SA, Portugal (2013 to 2018) and Islamic International Rating Agency, Bahrain (2011 to 2018). He was also an Independent Non-Executive Director of HSBC Amanah Malaysia Berhad (2008 to 2011), VCAP Asset Managers Sdn Bhd (2015 to 2018), Senai-Desaru Expressway Berhad (2019 to 2021), Universiti Teknologi Malaysia (2021 to 2024) and UTMSPACE (2023 to 2025).

Currently, Razlan sits on the Board as an Independent Non-Executive Director of Glomac Berhad, Lembaga Pembiayaan Perumahan Sektor Awam (LPPSA), USAINS Holding Sdn Bhd and Pacific Trustees Group International Sdn Bhd as well as Chairman of Amanah Raya Investment Management Sdn Bhd.

Razlan obtained his Bachelor of Science (cum laude) degree in Civil and Environmental Engineering from Duke University, USA and an MBA from Rice University, USA.

BOARD OF DIRECTORS' PROFILE



ROSHIDAH ABDULLAH

Independent Non-Executive Director

Nationality
Malaysian

Age and Gender
59 / Female

Date of Appointment
1 September 2021

Meeting Attendance

11/11

Roshidah Abdullah was appointed as an Independent Non-Executive Director of Bank Muamalat Malaysia Berhad on 1 September 2021. She is the Chairman of the Board Audit Committee and a member of the Board Nomination & Remuneration and Board Technology Committees.

Roshidah has more than 26 years' experience in financial management, corporate strategy development, governance and risk management in various organisations across diverse industries – upstream oil and gas; pharmaceutical manufacturing and distribution; construction and engineering – with operations in Malaysia and abroad (particularly Kazakhstan, Indonesia and the Middle East). Having worked for almost 20 years in public listed companies and large conglomerates in the capacity of Chief Financial Officer and equivalent positions, she has had much exposure to the requirements and set up a code of corporate governance and enterprise-wide risk management framework in her previous organisations.

She is currently an Independent Non-Executive Director of Pos Malaysia Berhad and an Independent Director of Protect Health Corporation Sdn Bhd.

Roshidah obtained a Bachelor of Arts degree in Accountancy from South Australian Institute of Technology, Australia (now known as University of South Australia) in 1988. She is also a chartered member of the Malaysian Institute of Accountants and a certified member of Australian CPA since 1992.

SHARIAH COMMITTEE PROFILE

SC RESPONSIBILITIES

1. Advise the Board and Management of the Group (Bank and its subsidiaries), and provide input to the Bank on Shariah matters in order for the Bank to comply with Shariah principles at all times.

2. Endorse Shariah policies and procedures prepared by the Bank and ensure that the contents do not contain any element not in line with Shariah.

3. Approve the terms and conditions contained in the forms, contracts, agreements or other legal documentations used in executing the transactions; product manual, marketing advertisements, sales illustrations and brochures used to describe the product.

4. Assess the work carried out by Shariah Review and Shariah Audit in order to ensure compliance with Shariah matters. This forms part of their duties in providing their assessment of Shariah compliance and assurance information in the annual report.

5. Provide the Bank with guidelines and advice on religious matters to ensure that the Bank's overall activities are in line with Shariah.

6. Make decisions on matters arising from existing and future activities of the Bank which have religious repercussions.

7. Scrutinise and endorse the annual financial report of the Bank.



DR. YUSRI MOHAMAD

Chairman, Shariah Committee

Date joined
1 April 2019

Current Position

- Chairman, Shariah Committee
- Chairman, Shariah Committee at FWD Takaful
- Member, Fatwa Council of Majlis Agama Islam Kelantan
- Legal Associate, Nuaim, Razak and Partners

Qualifications

- Certified Shariah Advisor, Association of Shariah Advisors in Islamic Finance (ASAS)
- Ph.D in Islamic Jurisprudence, International Islamic University Malaysia (IIUM)
- Master in Law (LLM) at The School of Oriental and African Studies (SOAS), University of London
- Bachelor of Laws (LL.B) (Shariah), International Islamic University Malaysia (IIUM)
- Bachelor of Laws (LL.B), International Islamic University Malaysia (IIUM)
- Diploma in Shariah Law and Practice, IIUM
- Registered Shariah Adviser, Securities Commission Malaysia

Relevant Work Experience

- Former Assistant Professor, Ahmad Ibrahim Kulliyyah of Laws, IIUM
- Former President, Yayasan Dakwah Islamiah Malaysia (YADIM)
- Former, Board of Director & Shariah Committee, Zurich Takaful Berhad
- Former Shariah Committee, Kenanga Investment Bank Berhad
- Former Board of Director of Pusat Wakaf Majlis Agama Islam Wilayah Persekutuan (MAIWP)

SHARIAH COMMITTEE PROFILE



DR. MOHD SHAHID MOHD NOH

Member, Shariah Committee

Date joined
1 March 2019

Current Position
- Member, Shariah Committee
- Senior Lecturer, Academy of Islamic Studies, University of Malaya
- Director, Iqra Foundation (Training and Consultancy)
- Imam, Masjid Al-Ghufran, Pinggir Taman Tun Dr. Ismail
- Member, Fatwa Council of Negeri Sembilan

Qualifications
- Certified Shariah Advisor, ASAS
- Ph.D. in Faculty of Economy and Muamalat, Malaysia Islamic Science University
- Master's in Business Administration (Muamalah), Selangor Islamic College University (KUIS)
- Master's in Islamic Financial Practice, INCEIF University
- Bachelor of Art in Qiraat Specialization, Maahad Qiraat Shoubra Al-Azhar, Egypt
- Registered Shariah Adviser, Securities Commission Malaysia

Relevant Work Experience
- Lecturer, Academy of Islamic Studies, University of Malaya



DR. AHMAD ZAKIRULLAH MOHAMED SHAARANI

Member, Shariah Committee

Date joined
1 April 2021

Current Position
- Member, Shariah Committee
- Senior Lecturer, Universiti Pendidikan Sultan Idris
- Senior Consultant in Tawafuq Consultancy Sdn Bhd
- Member, Shariah Committee in National Farmers Organization (Pertubuhan Peladang Kebangsaan)
- Member, Shariah Committee in Hong Leong MSIG Takaful
- Member, Shariah Committee in Perbadanan Ekonomi Islam Perak

Qualifications
- Certified Shariah Advisor, ASAS
- Ph.D. in Usul Fiqh, University of Malaya
- Master's in Islamic Revealed Knowledge – majoring in Usul al-Fiqh (Hons), IIUM
- Bachelor in Syariah Islamiyyah (Hons), Al- Azhar University, Tanta, Egypt
- Diploma in Syariah Islamiyyah (Hons), Institute of Islamic and Arabic Language (MADIWA), Perak
- Certified Shari'a Adviser and Auditor (CSAA) – AAOIFI
- Registered Shariah Adviser, Securities Commission Malaysia

Relevant Work Experience
- Former Shariah Committee of United Overseas Bank Malaysia
- Former Registered Shariah Advisor, Islamic Banking and Finance Institute of Malaysia (IBFIM)
- Former Shariah Committee of IBFIM`s Internal Shariah Committee
- Former Shariah Committee of Perbadanan Tabung Pembangunan Kemahiran
- Former Shariah Committee of EXIM Bank



DR. MUHAMAD AZHARI WAHID

Member, Shariah Committee

Date joined
1 April 2021

Current Position
- Member, Shariah Committee
- Senior Lecturer, Faculty of Economics and Muamalat, Islamic Science University of Malaysia

Qualifications
- Certified Shariah Advisor, ASAS
- Ph.D. in Islamic Banking and Finance, University of Gloucestershire, United Kingdom
- Chartered in Islamic Banking and Finance, INCEIF University
- Bachelor in Islamic Revealed Knowledge (Fiqh and Usul Fiqh), IIUM
- Registered Shariah Adviser, Securities Commission Malaysia

Relevant Work Experience
- Former Management Trainee and appointed as Executive at Bank Muamalat's Seremban Branch
- Former Executive Shariah Advisory and Secretariat, Bank Muamalat
- Former Assistant Manager cum acting Head of Shariah Research and Publication, Bank Muamalat
- Former Shariah Committee member of FWD Takaful



DR. BADRUDDIN HJ. IBRAHIM

Member, Shariah Committee

Date joined
15 January 2023

Current Position
- Member, Shariah Committee
- Associate Professor, Department of Islamic Law, Ahmad Ibrahim Kulliyyah of Laws, IIUM

Qualification
- Certified Shariah Advisor, ASAS
- Ph.D (Law) (Administration of Wealth under Islamic Law), IIUM
- Master's in Shariah and Law, International Islamic University Islamabad Pakistan (IIUI)
- Bachelor of Shariah and Law, IIUI
- Registered Shariah Adviser, Securities Commission Malaysia

Relevant Working Experiences
- Former Chairman Shariah Committee of Alliance Islamic Bank
- Former Shariah Committee Member of Alliance Islamic Bank

SHARIAH COMMITTEE PROFILE



EN. KHAIRUN NAJMI SARIPUDIN

Member, Shariah Committee

Date joined
15 January 2023

Current Position

- Member, Shariah Committee
- Member, Shariah Committee in Swiss Re Retakaful
- Senior Researcher at ISRA Research Management Centre, INCEIF University

Qualification

- Chartered Islamic Finance Professional (CIFP), INCEIF University
- Master's in Shariah (Fiqh Muamalat), University of Malaya (UM)
- Bachelor of Shariah (Fiqh and Usul), University of Malaya (UM)
- Registered Shariah Adviser, Securities Commission Malaysia

Relevant Work Experience

- Former Associate Analyst & Analyst, Bank Negara Malaysia

SENIOR MANAGEMENT PROFILE



DATUK KHAIRUL KAMARUDIN

President & Chief Executive Officer

Date joined
7 February 2019

Appointment to Current Position
1 November 2019

Key Responsibilities
- Provides visionary leadership in setting the Bank's strategic direction, ensuring alignment with the Board's aspirations and long-term growth ambitions.
- Drives the execution of the Bank's transformation agenda, positioning the organisation towards becoming a leading and progressive Islamic financial institution.
- Spearheads innovation and the development of new business opportunities, strengthening the Bank's competitiveness and value proposition in an evolving financial landscape.
- Cultivates and maintains strong relationships with key stakeholders, including regulators, investors, partners, and the broader community, reinforcing trust and confidence in the Bank.
- Champions a high-performance and values-driven culture, embedding the Bank's core principles while fostering organisational excellence, agility, and accountability.

Awards
- Global Islamic Finance Awards (GIFA) – CEO of the Year 2024
- Islamic Retail Banking Awards (IRBA) – CEO of the Year 2023

Qualifications
- Bachelor of Laws (LLB) (Hons), Anglia Ruskin University, United Kingdom
- Member, The Association of Chartered Islamic Finance Professionals, Malaysia

Experience
- Chief Executive Officer, Bank Islam Malaysia Berhad
- Director, BIMB Investment Management Berhad
- Pengurusan Danaharta Nasional Berhad
- PricewaterhouseCoopers (PwC), Malaysia
- Director, Islamic Banking and Finance Institute Malaysia (IBFIM)



ZURY RAHIMEE ZAINAL ABIDEN

Chief Operating Officer

Date joined
22 April 2019

Appointment to Current Position
1 April 2023

Key Responsibilities
- Provides enterprise-wide leadership in shaping and executing the Bank's operating model, translating strategic priorities under the RISE26+ roadmap into effective, scalable execution.
- Oversees and integrates critical functions including Banking Operations, Branch Operations, Digital Banking, Marketing & Branding, Information Technology, Credit Recovery, Human Capital and Project Management to ensure a unified approach to growth, customer experience, and brand delivery.
- Drives operational excellence across the organisation by aligning processes, systems, and capabilities to deliver consistent, measurable performance and enhanced efficiency.
- Champions the Bank's digital transformation agenda, leveraging technology, data and innovation to strengthen customer engagement, improve service delivery, and support the evolution of a next-generation Islamic banking experience.
- Strengthens operational resilience and governance by ensuring robust risk management practices, regulatory compliance and seamless coordination across business segments.
- Plays a pivotal role in bridging strategy and execution, ensuring that business ambitions are effectively translated into impactful outcomes across the Bank.

Qualification
- Bachelor's Degree (Hons) in Marketing, Universiti Teknologi MARA

Experience
- Over 20 years of experience in the retail banking industry, with extensive expertise in operations, consumer banking, and business transformation.
- Director, Retail Banking, Bank Muamalat Malaysia Berhad
- Head, Deposit and Cash Management Division, Bank Islam Malaysia Berhad
- Assistant General Manager, Consumer Banking Division, Bank Islam Malaysia Berhad

SENIOR MANAGEMENT PROFILE



AMIRUL NASIR ABDUL RAHIM

Chief Financial Officer

Date joined
1 September 2021

Appointment to Current Position
1 September 2021

Key Responsibilities
- Responsible for Group's financial, capital, balance sheet, and funding management.
- Oversees overall finance function, Capital and Balance Sheet Management, Strategic Procurement, Analytics and Process Improvement, Strategy, Economics and Market Analysis.

Qualification
- Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom

Experience
- Director, Strategy and Finance, CIMB Niaga, Indonesia
- Director, Business Finance Advisory and FRS, Group Finance, CIMB Group Malaysia
- Assistant Vice President, Business Finance Advisory, Retail Finance, AmBank Group Malaysia
- Audit Supervisor, Global Financial Services, Ernst and Young LLP Malaysia and Singapore



HAMIDI A RAZAK

Chief Risk Officer

Date joined
3 February 2020

Appointment to Current Position
1 April 2023

Key Responsibilities
- Oversees the Bank's risk governance framework and risk appetite.
- Implements all risk policies approved by the Board.
- Oversees Credit Assessment, Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Cyber Risk, Technology Risk, Shariah Risk, Enterprise Risk, Risk Modeling and Validation, and Retail Approving Centre.

Qualifications
- Master of Business Administration (with Distinction), Universiti Malaya, Malaysia
- Bachelor of Science (Actuarial Science), Universiti Kebangsaan Malaysia
- Lean Six Sigma Black Belt

Experience
- Vice President, Credit Risk Management Department, Bank Muamalat Malaysia Berhad
- Assistant Vice President, Financial Risk Management, Bursa Malaysia
- Manager, Prudential Financial Policy Department, Bank Negara Malaysia
- Executive, Credit Risk Analytics, Cards and Unsecured Maybank
- Executive, Credit Risk, Bank Kerjasama Rakyat Malaysia
- Executive, Customer Fulfillment, Integrated Supply Chain, International Business Machine (IBM)
- Adjunct Professor, INCEIF University



WAN KAMARUDIN WAN OMAR

Chief Compliance Officer

Date joined
1 October 2020

Appointment to Current Position
15 November 2023

Key Responsibilities
- Oversees the Regulatory Advisory & Compliance Division, functioning as an independent party that reviews, evaluates, and assures compliance to the regulatory requirements within the Bank's business activities.

Qualifications
- Certified Integrity Officer
- Advanced Certification in AML/CFT, International Compliance Association (ICA)
- ICA International Diploma in AML
- Certificate in AML/CFT (ICA)
- Advanced Certification in Regulatory Compliance
- ICA International Diploma in Governance, Risk & Compliance
- Chartered Islamic Finance Professional
- Degree in Accountancy, University of Malaya

Experience
- Head Financial Crime, BMMB
- Head, AML/CFT, UOB Bank
- Manager, Money Service Business Regulation, BNM



FAIDZUEL ZAIN

Chief Internal Auditor

Date joined
4 July 2011

Appointment to Current Position
1 October 2022

Key Responsibilities
- Responsible for effectively managing the Internal Audit activity of the Bank in accordance with the Internal Audit Charter, the requirements set by Bank Negara Malaysia and mandatory elements of the International Professional Practices Framework.

Qualifications
- Bachelor of Accountancy (Hons), Universiti Teknologi MARA, Malaysia
- Certified Banking Auditor, Asian Institute of Chartered Bankers
- Certified Credit Professional (Business), Asian Institute of Chartered Bankers

Experience
- Head of Operations and Management Audit Department, BMMB
- Head of Forensic Audit Section, BMMB
- Head of Credit Audit Section, BMMB
- Internal Audit Manager, EON Bank Berhad
- Audit Supervisor/Team Leader, Maybank

SENIOR MANAGEMENT PROFILE



NASHA PHEDRA AMIN

Head, Legal & Secretarial

Date joined
5 February 2024

Appointment to Current Position
5 February 2024

Key Responsibilities
- Leads, oversees, supervises and manages all core deliverables within the Legal and Company Secretarial functions.
- Ensures compliance with applicable laws, regulations, and industry standards, including those related to banking, finance, and corporate governance.
- Oversees the secretarial function to maintain the highest standards of board and organisational integrity.

Qualifications
- Bachelor of Laws & Economics, University of Tasmania, Australia
- Bachelor of Laws (LLB), University of Tasmania, Australia
- Certified Licensed Company Secretary, Malaysian Association of Company Secretaries (MACS)

Experience
- Director, Regional Head of Islamic Legal, CIMB Islamic Bank Berhad
- Senior Legal Counsel, Head of Islamic Legal, HSBC Amanah Bank Berhad
- Vice President Shariah Transaction, Maybank Islamic Bank Berhad
- Assistant Vice President, Group Legal, Maybank
- Legal Advisor, Securities Commission
- Practicing Lawyer



DATO' MOHAMED NAZIR NOR MOHAMED

Director, Commercial Banking

Date joined
8 February 2021

Appointment to Current Position
1 September 2021

Key Responsibilities
- Manages the operations of Commercial, SME, and Leasing under Commercial Banking.
- Spearheads growth strategies and the execution of strategies for the division, in line with the aspirations of the Board.
- Markets the Bank's products, and spearheads high-level discussions and negotiations with potential partners such as Government Agencies and Cooperatives.

Qualification
- Bachelor of Science (Hons) in Electronics, Middlesex University London, United Kingdom

Experience
- Group Managing Director, Chase Perdana Sdn Bhd
- Group CEO, Turiya Berhad
- Deputy General Manager, Johor Corporation
- Assistant Vice President I – Strategy and Business Development, Sime Darby Energy and Utilities
- Assistant Vice President II – Capital Management, Group Strategy and Business Development, Sime Darby Berhad
- Associate – Bonds Origination, Debt Capital Market, CIMB Investment Bank Berhad
- Senior Client Manager, Debt Capital Market and Oil and Gas, Bumiputra-Commerce Bank Berhad
- Relationship Manager, Corporate Banking, Public Bank Berhad



DR. MOHD IZUWAN BIN MAHYUDIN

Head, Shariah

Date joined
15 December 2008

Appointment to Current Position
27 July 2020

Key Responsibilities
- Responsible for managing the Bank's Shariah Committee and performing the secretariat function for the Shariah Committee.
- Accountable for providing Shariah advisory and consultancy functions to the Board and Management, including but not limited to the Bank's products, businesses, services, operations, risk management, credit, recovery, corporate planning, IT system, human resources, Zakat payment, and financial statements.
- Provides expert input and materials on research, advisory, and training development on all Shariah matters of the Bank.

Qualifications
- PhD in Islamic Economics, University of Malaya
- Master of Shariah (with Distinction), University of Malaya
- Bachelor of Islamic Revealed Knowledge and Heritage (Fiqh and Usul Fiqh) Degree, International Islamic University Malaysia
- Executive Diploma in Advanced Management, DRB-Hicom University
- Chartered Professional in Islamic Finance, Chartered Institute of Islamic Finance Professionals
- Certified Halal Executive, Halal Development Corporation (HDC)
- Certified Training Professional, Financial Accreditation Agency

Experience
- Secretary of Shariah Committee, BMMB
- Head of Advisory and Secretariat Section, BMMB
- Head of Shariah Compliance and Review Section, BMMB
- Head of Shariah Training and Awareness Section, BMMB
- Acting Head, Product Development and Innovation, BMMB
- Acting Head, Social Finance Department, BMMB



TN. HJ. MUHAMAD RADZUAN AB RAHMAN

Head, Banking Operations

Date joined
13 February 2006

Appointment to Current Position
1 January 2021

Key Responsibilities
- Responsible for maintaining control of diverse operations segments with the main objective of securing the functionality of the business to drive extensive and sustainable growth in accordance with the strategic plan and budget.

Qualifications
- Master of Business Administration, Universiti Kebangsaan Malaysia
- Bachelor of Business Administration in Management, West Texas A & M University, USA
- Chartered Professional in Islamic Finance, Chartered Institute of Islamic Finance Professionals
- Certified Credit Professional (Consumer), IBBM
- Islamic Professional Credit Certification (Customer), IBFIM
- Islamic Professional Credit Certification (Business), IBFIM

Experience
- Head, Credit Management Division, BMMB
- Head, Financing Supervision and Rehabilitation, BMMB
- Head, Retail Approving Centre, BMMB
- Branch Manager, Jalan TAR Branch, BMMB
- Credit Manager (Mortgage Approval Team Leader), Credit Approval Centre, Southern Bank Berhad
- Branch Manager, S17 PJ and Kulim Branch, Southern Bank Berhad
- Head of Credit, Damansara Town Centre Branch, Bank Bumiputra Malaysia Berhad

SENIOR MANAGEMENT PROFILE



TS. MEGAT MOHAMMAD FAISAL KHIR JOHARI

Chief Technology Officer

Date joined
3 August 2020

Appointment to Current Position
1 September 2021

Key Responsibilities
- Manages the Bank's information assets and ensures technologies are adequately protected, which includes developing and overseeing the IT Strategic Plan and budget.
- Plans, deploys, and maintains IT systems and operations.
- Manages the organisation's software development needs.
- Develops IT policies, procedures, and best practices.
- Monitors IT trends and emerging technologies.
- Develops and enforces IT best practices across the organisation.
- Oversees relationships with vendors, contractors, and service providers.
- Reports to the Board and other executives on the benefits and risks of new IT related projects.

Qualifications
- Bachelor of Commerce (Accountancy), The University of Queensland, Australia
- Professional Technologist in Cyber Security Technology, Malaysia Board of Technologists
- Business Continuity Professional (Pending Certification Submission for CBCP), Disaster Recovery Institute

Experience
- Over 24 years of experience in Technology and Cyber Security Project Advisory Services, Business Continuity, Internal Audit, IT Audit, and Risk Management
- Former Partner of Deloitte Risk Advisory
- Former Deloitte Asia Pacific Risk Advisory Leader for Oil, Gas and Chemical



ASNULHADI YEOP AZIZ

Director, Corporate Banking

Date joined
15 September 2023

Appointment to Current Position
15 September 2023

Key Responsibilities
- Responsible for planning, developing, managing and expanding corporate banking businesses and asset quality of the Bank.
- Analyses the overall banking requirements of corporate clients, and collaborates across all business segments in the Bank to provide tailored solutions.
- Identifies market trends, client needs, and competitive offerings to formulate product development and innovation strategies for transactional banking.
- Oversees the implementation and enhancement of transaction banking systems, processes, and controls to ensure efficiency, accuracy, and compliance with regulatory requirements.

Qualifications
- MBA, Universiti Sains Malaysia
- Bachelor of Business Administration, West Texas State University, USA
- Certified Credit Practitioner (CCP), Institut Bank – Bank Malaysia (now Asian Institute of Chartered Bankers)
- Certificate in Islamic Law, International Islamic University Malaysia Experience
- Head Islamic Business, Commercial, Corporate & Institutional Banking, Standard Chartered Saadiq Berhad
- Senior Manager, Commercial Banking and Corporate Banking Divisions, Bank Islam Malaysia Berhad
- Manager, Restructuring & Rehabilitation, Corporate Banking, Bank Islam Malaysia Berhad
- Branch Manager, Bank Islam Malaysia Berhad



RAYYAN IRWAN MOHAMED HATTA

Head, Human Capital Division

Date joined
5 September 2022

Appointment to Current Position
1 August 2024

Key Responsibilities
- Lead end-to-end HR strategy execution aligned with the Bank's Transformation Agenda.
- Manage HR financials, policies, salary structure, benefits, and industrial relations matters, including union negotiations.
- Drive talent strategy across recruitment, leadership development, succession planning, and performance management.
- Spearhead change initiatives through structured communication, training, and coaching.
- Establish HR analytics and strengthened stakeholder engagement, focusing on productivity, cost efficiency, and regulatory relationships.

Qualifications
- Master of Business Studies (specialising in Project Management), University of Southern Queensland
- Certified Talent Management and Job Evaluation Expert, Aon
- Certificate in Financial Services, Asian Institute of Chartered Bankers (AICB)
- Lean Six Sigma Black Belt

Experience
- Over 10 years of experience in Human Resources and Talent Management
- Acting Head, Human Capital Division
- Head, Strategic Human Resource, BMMB
- Head, Talent Management & Recruitment, Lembaga Tabung Haji
- Head, Learning & Development, Lembaga Tabung Haji
- Sr. General Manager, Human Capital, Talent and L&D, Domino's Malaysia & Singapore



NAZIM BIN MOHD NOR

Director, Treasury & Capital Markets

Date joined
5 November 2024

Appointment to Current Position
5 November 2024

Key Responsibilities
- Lead, direct and manage the Treasury's strategic direction in line with the Bank's overall goals and objectives.
- Oversee the Bank's liquidity, funding, and cost optimisation.
- Oversee proactive and effective management and compliance with liquidity regulations and risk management framework.
- Manage the Treasury's liquid assets and investment portfolio and revenue optimisation.
- Provide market insights and strategic recommendations to senior management.
- Develop Shariah-compliant treasury products (hedging, deposits, investments).
- Build and bolster relationships with strategic clients, key financial institutions and stakeholders.

Qualifications
- BSc Management Sciences, London School of Economics and Political Science, United Kingdom
- Financial Market Association of Malaysia Licensed Dealer, ICMA/PPKM Repo Master Class Certificates
- Certificate in Structuring Innovative Islamic Financial Products

Experience
- Director and Head, MYR Money Markets & Funding, CIMB Bank Berhad, KL (2014 – Aug 2024)
- Chief Dealer, Treasury & Global Markets Islamic, CIMB Bank Berhad, London (2003 – 2013)
- Chief Dealer, MM, FX and Debt Markets, Bumiputra-Commerce Bank Berhad Singapore (2001 – 2003)
- Assistant Manager, Money Market Interbank and FX Corporate Advisory, Bank of Commerce (M) Berhad, KL (1995 – 2001)

SENIOR MANAGEMENT PROFILE



MOHAMMAD ZALMAN BIN JALIL

Acting Director, Retail Banking Division

Date joined
3 September 2019

Appointment to Current Position
2 May 2024

Key Responsibilities
- Responsible for planning, monitoring, coordinating, and managing business portfolios under Retail Banking.
- Oversees the development and expansion of retail financing assets, retail deposit and fee-based business by focusing on good-rating customer segments.
- Formulates and implements strategic plans, new product development, business initiatives, strategic collaboration, talent development, and performance management.
- Embeds risk and compliance culture within the division.

Qualifications
- Master of Business Administration, Universiti Teknologi MARA (UiTM)
- Bachelor of Science (Consumer Science), Universiti Putra Malaysia

Experience
- Over 20 years of experience in Retail Banking and Sales Management
- Acting Director, Retail Banking Division, Bank Muamalat Malaysia Berhad (May 2024 – Present)
- Head, Sales and Distribution Channel, Bank Muamalat Malaysia Berhad (Dec 2023 – Apr 2024)
- Head, Sales Management, Bank Muamalat Malaysia Berhad (Apr 2019 – Nov 2023)
- Senior Manager, Sales Deposit and Cash Management, Bank Islam Malaysia Berhad (2015 – Aug 2019)
- Manager/Deputy Manager, Branch Sales Management Consumer Banking Division, Bank Islam Malaysia Berhad (2012 – Dec 2014)
- Deputy/Assistant Manager, Personal Financing Department, Bank Islam Malaysia Berhad (2008 – Oct 2012)
- Credit Officer for Consumer Financing, Bank Islam Malaysia Berhad (2004 – 2007)
- Sales Executive, AmBank Berhad (Feb 2004 – Jul 2004)

BOARD OF DIRECTORS' COMPOSITION

BOARD OF DIRECTORS COMPOSITION

Chairman

- **Tan Sri Tajuddin Atan,** FCB
  Independent Non-Executive Director

Members

- **Johari Abdul Muid**
  Senior Independent Non-Executive Director
- **Dato' Ibrahim Taib**
  Non-Independent Non-Executive Director
- **Dato' Suhana Dewi Selamat**
  (Appointed on 1 October 2025)
  Non-Independent Non-Executive Director
- **Md Khairuddin Haji Arshad**
  Independent Non-Executive Director
- **Mohd Razlan Mohamed**
  Independent Non-Executive Director
- **Roshidah Abdullah**
  Independent Non-Executive Director
- **Tan Sri Che Khalib Mohamad Noh**
  (Retired on 27 August 2025)
  Non-Independent Non-Executive Director
- **Ainol Roznain Yaacob**
  (Retired on 30 September 2025)
  Non-Independent Non-Executive Director



- Company/Group Experience
- Islamic Banking
- Commercial Banking
- Board Directorship
- Regulatory
- Investment Banking
- Development Finance

Board expertise is listed on page 144.

BOARD COMMITTEES

BOARD AUDIT COMMITTEE

Chairman

- Roshidah Abdullah

Members

- Johari Abdul Muid
- Md Khairuddin Haji Arshad
- Dato' Suhana Dewi Selamat
  (Appointed on 30 October 2025)
- Ainol Roznain Yaacob
  (Ceased on 30 September 2025)

BOARD RISK AND COMPLIANCE COMMITTEE

Chairman

- Md Khairuddin Haji Arshad

Members

- Johari Abdul Muid
- Dato' Ibrahim Taib
- Mohd Razlan Mohamed

BOARD NOMINATION AND REMUNERATION COMMITTEE

Chairman

- Johari Abdul Muid

Members

- Dato' Suhana Dewi Selamat
  (Appointed on 30 October 2025)
- Mohd Razlan Mohamed
- Roshidah Abdullah
- Ainol Roznain Yaacob
  (Ceased on 30 September 2025)
- Tan Sri Che Khalib Mohamad Noh
  (Ceased on 27 August 2025)

BOARD VETO COMMITTEE

Chairman

- Mohd Razlan Mohamed

Members

- Johari Abdul Muid
- Md Khairuddin Haji Arshad
- Tan Sri Che Khalib Mohamad Noh
  (Ceased on 27 August 2025)

BOARD TECHNOLOGY COMMITTEE

Chairman

- Dato' Ibrahim Taib

Members

- Johari Abdul Muid
- Roshidah Abdullah

GOVERNANCE DISCLOSURES

OUR GOVERNANCE FRAMEWORK

Our governance framework takes guidance based on the following key statutory provisions and best practices:

a. Companies Act 2016 (CA 2016)

b. Islamic Financial Services Act 2013 (IFSA 2013)

c. Policy Document on Corporate Governance issued by Bank Negara Malaysia (BNM CG)

d. Policy Document on Shariah Governance

e. Malaysian Code on Corporate Governance issued by Securities Commission Malaysia (MCCG 2021)

f. Relevant requirements as outlined under the respective guidelines by BNM and other regulators

GOVERNANCE STRUCTURE



The Board Charter (Charter) formalises the various roles and responsibilities of the Board, Board Committees, and individual Directors of Bank Muamalat with the aim of streamlining and enhancing corporate governance practices towards transparency, accountability, and integrity in boardroom activities.

The powers of the Chairman, Non-Executive Directors and President & Chief Executive Officer (PCEO) are set out in the Charter.

The Charter is available online at Board-Charter-v4.0.pdf

The following summarises the list of Matters Reserved for the Board's deliberation and decision:

- Strategic decisions that are, or may be, significant in terms of future profitability of the Bank.
- Decisions on significant/material matters on capital and finance.
- Adoption/changes to the Constitution or terms of reference of the Board/Board Committees.
- Decision in relation to the delegation of authority.
- Decision on appointments and removal of any member of the Board, or the company secretary, or the senior management, a director from the Chairmanship of the Board and external auditors or other professional advisors.
- Significant and/or connected party contracts and transactions or contracts that involve conflicts of the Director's personal interest.
- Disclosure on financial information/reports for publication as well as presentation to Shareholders or disclosure on material information that may affect the image of the Bank.
- Policy governing the Board Meetings.
- Payment by Bank arising out of legal dispute/legal settlement exceeding RM100,000.

Further details on Board Reserved Matters are available in the Charter.

GOVERNANCE DISCLOSURES

THE BOARD

The Board comprised seven Directors, including five Independent Non-Executive Directors (INEDs) and two Non-Independent Non-Executive Directors (NINEDs).

The Board takes cognizance of the requirement of BNM CG in relation to the board composition with a majority of independent directors.

i. Appointment and Reappointment of Directors

The Bank adheres to the BNM CG in relation to the nomination of new Directors and the renewal of tenures of existing Directors upon their expiration, as authorised by BNM. All nominations and renewals of Director positions are contingent on the endorsement of BNM.

During the year under review, Tan Sri Che Khalib Mohamad Noh retired from his position as NINED upon the expiry of his tenure on 27 August 2025. Encik Ainol Roznain Yaacob also retired from his position as NINED upon the expiry of his tenure on 30 September 2025. Subsequently, Dato' Suhana Dewi Selamat was appointed in his place with effect from 1 October 2025.

The Board Nomination & Remuneration Committee (BNRC) has been assigned the primary duty of evaluating potential candidates for new appointments or re-appointments of existing Directors. The BNRC further ensures that each candidate/ Director fulfils the necessary prerequisites of a Director in terms of expertise and fundamental competencies and meets the standards of being fit and proper to be appointed/re-appointed as a Director in accordance with the criteria outlined by BNM. Following the assessment, the BNRC will subsequently propose the appointment of the candidate as a Director for approval by the Board.

The Directors have demonstrated exceptional commitment and dedication in fulfilling their duties and responsibilities, as evidenced by their attendance record that surpasses the prescribed criteria outlined in the Charter. Moreover, the Directors have fully complied with the attendance requirements of at least 75 per cent, as per the BNM CG. The table below provides the attendance record of each Director at the Board and Committee meetings held in 2025:

Name of Directors	Board	BAC	BRCC	BNRC	BVC	BTC
Tan Sri Tajuddin Atan	11/11	Nil	Nil	Nil	Nil	Nil
Johari Abdul Muid	11/11	11/11	15/15	7/7	11/11	4/4
Tan Sri Che Khalib Mohamad Noh*	7/7	Nil	Nil	4/5	6/8	Nil
Dato' Ibrahim Taib	11/11	Nil	15/15	Nil	Nil	4/4
Ainol Roznain Yaacob**	7/7	5/9	Nil	4/5	Nil	Nil
Md Khairuddin Hj Arshad	11/11	11/11	15/15	Nil	11/11	Nil
Mohd Razlan Mohamed	11/11	Nil	15/15	7/7	11/11	Nil
Roshidah Abdullah	11/11	11/11	Nil	7/7	Nil	4/4
Dato' Suhana Dewi Selamat***	2/2	2/2	Nil	2/2	Nil	Nil

* *Retired as NINED on 27 August 2025*
** *Retired as NINED on 30 September 2025*
*** *Appointed as NINED on 1 October 2025*

ii. Re-election of Directors

Clause 76 of Bank Muamalat's Constitution provides, among others, that one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office. The Directors to retire shall be the Directors who shall have been longest in Office. A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he/she retires.

Clause 78 of Bank Muamalat's Constitution provides that any casual vacancy occurring in the Board of Directors may be filled by the Directors. Any person so appointed shall hold office until the next following Annual General Meeting ("AGM") of the Company, at the close of which he shall retire, but at which he shall be eligible for re-election.

Encik Johari Abdul Muid and Encik Md Khairuddin Hj Arshad are retiring by rotation in accordance with Clause 76 of Bank Muamalat's Constitution and being eligible have offered themselves for re-election.

Pursuant to Clause 78 of Bank Muamalat's Constitution, Dato' Suhana Dewi Selamat, who was appointed to the Board to fill a casual vacancy during the financial year, shall retire at the forthcoming AGM and, being eligible, has offered herself for re-election.

The retiring Directors mentioned above have satisfied the performance standards of an efficient and high-performing Board, as assessed by the Board Effectiveness Evaluation (BEE), which encompasses Self and Peer Assessment. Pursuant to Guidance 13.2 of the BNM CG, the Board should periodically engage external consultants or experts to assist in and lend objectivity to the annual board evaluations. Accordingly, the BEE FY2025 was conducted by an external consultant.

After assessing their professionalism, extensive experience, significant relationships, expertise, dedication, and individual contributions in carrying out their respective responsibilities, the Board and BNRC have determined that all Directors standing for re-election at the upcoming AGM have met the Board's expectations by consistently fulfilling their duties with diligence as Directors of the Bank.

Based on the BNRC's evaluation, the Board has decided to endorse and propose the re-election of each retiring Director at the forthcoming AGM.

iii. Tenure of Independent Directors

The maximum tenure for an Independent Director is nine years, which can either be served consecutively or cumulatively with intervals. The tenure will conclude either upon the expiration of the current term as authorised by BNM or the later date of the two options.

As of the date of this report, none of the INEDs has served the Board for more than nine years.

DELEGATION OF AUTHORITY

i. Separation of Chairman and PCEO

The roles of the Chairman and PCEO are distinctly separate, and the Chairman has not previously held the position of PCEO in Bank Muamalat. The Chairman's main responsibility is to provide significant guidance to the Board to ensure that the Board carries out its duties effectively. On the other hand, the PCEO is primarily accountable for managing day-to-day business operations in line with the Board's strategy and key performance indicators.

The specific duties and responsibilities of the Chairman and PCEO are outlined in the Charter.

The Management Committee supports the PCEO in managing the Group's operations by establishing performance targets, executing the Group's strategy, overseeing critical objectives and commercial plans to assist in achieving the Group's targets, and evaluating new business initiatives and opportunities.

ii. Board Committees

There are five Board Committees established by the Board; the Board Audit Committee, Board Risk & Compliance Committee, Board Nomination and Remuneration Committee, Board Veto Committee and Board Technology Committee. These Committees play a significant role in reviewing matters within their respective Terms of Reference and support the Board's discharge of its duties and responsibilities, and in keeping the Board efficient. Each of the Committees has specific Terms of Reference, scope and authority to review matters tabled before the Committee prior to decision-making by the Board as a whole. Membership of these Committees is reviewed as and when required, with specific emphasis on updates in governance requirements and efficiency of the Committees.

GOVERNANCE DISCLOSURES

Each Committee comprises a minimum of three (3) Directors, with a majority of Independent Directors, and Directors possessing the skills, knowledge, and experience necessary to fulfil the responsibilities of the corresponding Board Committees.

All Committees are chaired by Independent Directors. The Chairman of the Board does not chair any of the Board Committees.

Source of Authority/Roles and Responsibilities specified in:

- Board Charter
- Constitution
- Terms of Reference of each Board Committee
- Companies Act 2016
- IFSA 2013
- BNM Policy Documents and other applicable regulatory requirements
- MCCG 2021

BOARD NOMINATION & REMUNERATION COMMITTEE (BNRC)
Member
Johari Abdul Muid (Chairman)
Roshidah Abdullah
Mohd Razlan Mohamed
Dato' Suhana Dewi Selamat *(Appointed as a member on 30 October 2025)*
Ainol Roznain Yaacob *(Ceased as a member on 30 September 2025)*
Tan Sri Che Khalib Mohamad Noh *(Ceased as a member on 27 August 2025)*
Roles and Responsibilities
1) Establishing minimum requirements for the Board, i.e., required mix of skills, experience, qualifications, and other core competencies required of a director.
2) Establishing and recommending to the main Board for approval the minimum requirements and criteria for the PCEO.
3) Assessing and recommending the candidates for Directorship, Board Committee members, Shariah Committee members, as well as the PCEO. This includes assessing Directors and Shariah Committee members for reappointment before an application for approval is submitted to Bank Negara Malaysia (BNM). The final decision as to who shall be appointed should be the responsibility of the main Board.
4) Overseeing the overall composition of the Board, in terms of the appropriate size, skills, and balance between Non-Independent Directors and Independent Directors through annual review.
5) Assessing and recommending to the Board the removal of a Director/PCEO/Shariah Committee member if the Director/PCEO/Shariah Committee member is ineffective, errant, and negligent in discharging his/her responsibilities.
6) Establishing a mechanism for the formal assessment of the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board, the contribution of the Board's various committees, and the performance of the PCEO and Key Senior Management officers. Annual Assessment should be conducted based on an objective performance criterion. The main Board should approve such performance criteria.
7) Ensuring that all Directors and Shariah Committee members receive an appropriate continuous training programme to keep abreast with the latest developments in the industry.
8) Overseeing the appointment, management succession planning, and performance evaluation of Key Senior Management officers.

9) Assessing and recommending to the Board the removal of Key Senior Management officers if he/she is ineffective, errant, and negligent in discharging his/her responsibilities;

10) Assessing on an annual basis to ensure that the Directors and Key Senior Management officers are not disqualified under Section 23 of the IFSA 2013 and the Shariah Committee members are not disqualified under the Guidelines on the Shariah Governance for the Islamic Financial Institution.

11) Assessing and recommending a remuneration framework for Directors, PCEO, and Key Senior Management officers for the main Board's approval. The remuneration framework should support the Islamic bank's culture, objectives, and strategy, should reflect the responsibility and commitment of Board members, SC members, PCEO, and Key Senior Management officers, and able to attract and retain talent but not excessively vis-à-vis the Bank's financial position.

12) Assessing and recommending specific remuneration packages for the PCEO. The remuneration package should be structured such that it is competitive and consistent with the Islamic bank's culture, objectives, and strategy. Salary scales drawn up should be within the scope of the general business policy and not be dependent on short-term performance to avoid incentives for excessive risk-taking. As for Non-executive Directors and Independent Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board. In addition, the remuneration of each Board member may differ based on their level of expertise, knowledge, and experience.

13) Assessing and recommending the remuneration of the Shariah Committee members for the main Board's approval. The remuneration shall be commensurate and reflect the roles and responsibilities of the Shariah Committee.

BOARD VETO COMMITTEE (BVC)

Member

Mohd Razlan Mohamed (Chairman)

Johari Abdul Muid

Md Khairuddin Hj Arshad

Tan Sri Che Khalib Mohamad Noh *(Ceased as a member on 27 August 2025)*

Roles and Responsibilities

1) Review and approve/concur/recommend new and/or additional increases on the existing facility.

2) Material Changes/Variations to Terms and Conditions – review of the decision for the Board Veto Committee covers only the following:

- Change of major shareholders
- Entering into a joint venture that is being financed by the Bank
- Merger, consolidation, and reorganisation
- Change in core business operation
- Erosion in collateral value that arises from the substitution of the previously approved security
- Withdrawals or substitutes in guarantor
- Increase in the margin of financing/advance
- Increase in tenure/duration for term financing
- Changes in the purpose of financing
- Upward changes in the limit

3) Ratify approvals of the relevant approving authorities on connected party financing.

4) Review and concur/recommend the relevant financing reviews.

GOVERNANCE DISCLOSURES

BOARD TECHNOLOGY COMMITTEE (BTC)
Member
Dato' Ibrahim Taib (Chairman)
Johari Abdul Muid
Puan Roshidah Abdullah
Roles and Responsibilities
1) To review and recommend to the Board, Management's strategies, policies and framework related to IT and digitalisation activities, including e-banking services and cybersecurity-related matters.
2) To review and recommend to the Board, the IT Security blueprint in line with the security strategies of the Bank.
3) To review any proposals relating to IT and digitalisation initiatives and e-banking products and services before recommending them to the Board.
4) To oversee Management's implementation of IT and digitalisation initiatives/projects undertaken by the Bank to ensure it is in line with the Bank's strategies and policies.
5) To review and recommend to the Board any appointment of such person, consultants or advisors to undertake any specific projects or assignments in relation to the Bank's IT or digitalisation initiatives/projects.
6) To review and ensure the adequacy of cyber security investments and that its associated roadmap for implementation is acceptable.
7) To undertake such other duties and responsibilities on other Technology and Cybersecurity-related matters as determined by the Board of Directors of the Bank.

iii. Company Secretary

During Board meetings, the Company Secretary is present and responsible for documenting key deliberations and decisions made. Additionally, the Company Secretary serves as a liaison between the Board, its committees, and management, and provides support to Directors in fulfilling their duties. The Company Secretary also aids in the orientation of new Directors and helps to facilitate the ongoing professional development of all Directors.

BOARD EFFECTIVENESS

i. Board Effectiveness Evaluation (BEE)

On an annual basis, the BEE is carried out to identify areas that require improvement, where efficiency can be improved, and where strengths can be maximised. If necessary, professional consultants are hired to conduct the assessment. The BNRC Chairman oversees the overall evaluation process, while the BNRC reviews and analyses the responses. The assessment results are then presented to the Board.

Following the recommendations in the BNM CG, the Board conducted the BEE for 2025 with an external consultant. In compliance with the BNM PD on Shariah Governance, the 2025 BEE also assessed the performance of the Shariah Committee and its members.

The categories of assessment embedded in the 2025 BEE questionnaires were:

- Board Assessment to assess amongst other the Board's structure, size, composition (mix of skills, experience and competency), quality of information, deliberation and decision making, including how Directors challenge matters discussed.
- Individual Directors' Assessment (including Independent Directors) to assess amongst others the respective Directors' ability to critically challenge and ask the right questions, character and integrity in dealing with potential conflict of interest situations, commitment to serve the Bank with due diligence and integrity, critical and vigilant in offering alternative points of view, fit and properness and independence of the Independent Directors including level of independence in exercising his/her judgment and ability to act in the best interest of the Bank.
- Board Skill Set Assessment to assess amongst others the Board's leadership and strategy, legal and regulatory requirements, banking and finance, corporate governance, Shariah governance, risk management and internal controls, accounting and financial reporting and operational management.
- Board Committee Effectiveness Assessment (including Shariah Committee) to assess amongst others, the Committees' Structure (size, composition and member classification), quality of information, deliberation and decision making including how members challenge matters discussed, accountability and responsibilities and effectiveness of the Board Committee including its terms of reference, processes and reporting line.
- Individual Board Committee Members' Assessment (including Shariah Committee) to assess, amongst others, the Committees' dynamics and participation and Fit and Proper criteria.

ii. Board Meetings and Access to Information

The agenda of Board meetings is drawn up upon consultation between the Chairman, the PCEO, and the Company Secretary. The agenda and Board papers are circulated to Board Members via meeting software, which allows the Directors to access, read, and review Board/Committee documents securely.

The Board meets at least 10 times a year, with additional meetings convened as and when urgent issues and/or important decisions require action between scheduled meetings. Scheduled Board meetings are structured with certain preset agendas.

Directors participated in Board and Committee meetings in person, or via the virtual platform, Teams. Directors utilised digital means to participate in meetings that were effectively held. Minutes of the meetings, together with a summary of the action items, were circulated to all members of the Board prior to the meetings.

During each meeting, the respective Chairmen/representatives of the Board Committees provide updates to the Board on matters discussed in the committees as well as on matters that require the Board's attention. Other Heads of Division and external advisers may be invited to attend the meeting to advise the Board on specific matters. Directors have the opportunity to discuss these matters and challenge the ideas presented if necessary. The Chief Financial Officer is invited to attend all Board meetings, while relevant Senior Management Officers of Bank Muamalat are invited to attend to provide briefings and details to the Directors on recommendations or reports submitted to the Board.

The PCEO and Head of Business, Operations, Support, and Control functions update the Board on the Bank's business and operations, regulatory and compliance updates, as well as industry trends and developments. The Chief Financial Officer presents financial performance and significant financial highlights. The minutes of the Board meetings record all the important deliberations, decisions, and conclusions.

Management takes note of the comments and feedback from the Directors and receives guidance from the Board. They agree with the Directors on proposed actions to be taken, including decisions made. For matters in the ordinary course of business, Board approvals can be obtained by written resolution outside Board meetings. Ad-hoc meetings are held when necessary. Directors have direct access to Senior Management and can request additional information from them. The Company Secretary is available to the Directors at all times.

iii. Board Induction and Succession Planning

Upon appointment, each new Director will be required to undergo an onboarding exercise to facilitate their familiarisation with the Bank's operating environment, business strategy, and operations. All new Directors must attend an induction programme tailored to their specific needs as soon as practicable, but no later than three months after their appointment to the Board.

Attendance at the induction programme or similar sessions that may assist in achieving the intended outcome is mandatory for all new Directors. The Company Secretary is responsible for facilitating the induction of newly appointed Directors.

GOVERNANCE DISCLOSURES

The BNRC is accountable for developing succession plans and identifying and recommending candidates to the Board to ensure that it comprises directors with suitable skills, experience, expertise, and diversity. The BNRC also oversees the appointment and succession planning for key Senior Management positions.

iv. Training and Development of Directors

The Board has implemented measures to ensure that its members have ongoing access to appropriate and relevant continuing education programmes. A reasonable budget has been allocated for this purpose. Directors are strongly encouraged to attend talks, briefings, workshops, and utilise online learning tools, reading materials, and training programmes on areas that would benefit them in their roles and responsibilities.

It is mandatory for all Directors of Bank Muamalat to register for the Director's Core Training Programme under the Financial Institutions Directors' Education (FIDE) Programme within a year of their appointment, and the Islamic Finance for Board within two years of their appointment.

All Board members have attended and successfully completed the Director's Core Training Programme under FIDE within the period stipulated under the Director's Training Policy of the Bank. In line with the MCCG 2021 recommended practice, the Company Secretary facilitates the induction of new Directors and assists in directors' training and development.

A summary of training courses attended by the Directors during the financial year are listed below:

- Briefing on the New Global Internal Audit Standards
- AML/CFT/CPF and Anti-Bribery & Corruption (ABC)
- FIDE FORUM's Board Culture and Leadership Report 2025 (The Influence of Board Culture on Corporate Performance)
- Sasana Symposium 2025 – Structural Reforms Building a Resilient Malaysia
- FIDE Breakfast Talk: Facing the Future: Elevating Board Leadership in a time of Transformation
- FIDE FORUM: Resolution Simulation Masterclass – Decision Making under Pressure
- CGMA Engage Asia 2025
- Cyber Awareness Day Forum: Managing Risk in Responsible AI: The Balance of Innovation & Accountability
- Briefing Session on SST by KPMG
- Key Takeaways from the Malaysian Insolvency (Amendment) Act 2023 by Bank Muamalat Legal

v. Ethical Business Conduct and Whistle Blowing

The Board of Bank Muamalat places significant importance on promoting a culture of good corporate governance that upholds the values of integrity, ethics and transparency in all aspects of its operations.

To ensure compliance with these values, the Board has established a Code of Business Conduct (CoBC) that lays out the expected conduct of all employees, directors and third-party entities involved in business dealings with Bank Muamalat. The CoBC encompasses various procedures related to non-discrimination, whistleblowing, asset and property protection, confidential information, personal data protection, insider trading, fraud, conflict of interest, bribery and anti-corruption.

All directors and employees of Bank Muamalat are expected to adhere to the CoBC. Recently, the CoBC has been updated to incorporate fundamental principles on Competence, Integrity, Fairness, Confidentiality, and Objectivity, aligned with the Professional Code developed by the Financial Services Professional Board (FSPB), guidelines from relevant Acts, and regulatory requirements. The CoBC aims to mitigate the impact of changes resulting from the Industrial Revolution 4.0, such as IT device utilisation, social media usage, and cybersecurity threats.

Bank Muamalat has a zero-tolerance policy towards any conduct that constitutes malpractice, including breaches of ethics, conflict of interests, bribery and corruption, money laundering, terrorism financing, and fraudulent acts, as described in its Anti-Bribery Code and other relevant documents.

In line with the requirements of the BNM CG and the CA 2016, the Board has established a Whistleblowing Policy that provides a secure reporting avenue via the Ethics Hotline for employees and third parties who have knowledge or are aware of any improper conduct or unethical behaviour, including suspected fraud, bribery, corruption and criminal activity.

REMUNERATION

i. Non-Executive Director's Remuneration

The Non-Executive Directors are remunerated through fixed monthly fees, meeting allowances and benefits-in-kind, inclusive of the reimbursement of utilities bills and business peripherals.

The level of remuneration of Non-Executive Directors reflects the current demanding challenges in discharging their fiduciary duties, roles and responsibilities, whether individually or collectively, as well as the complexity of the Company's operations and the industry.

ii. Disclosure of Directors' Remuneration

Details of each Director's remuneration for the Financial Year ended 31 December 2025:

Chairman	Allowance (RM)	Other emoluments (RM)	Benefits in-kind	Total (RM)
Tan Sri Tajuddin Atan, FCB	378,160.00	49,500.00	71,799.02	499,459.02*

* *Inclusive Sales and Service Tax (SST)*

Directors	Fees (RM)	Other emoluments (RM)	Benefits in-kind	Total (RM)
Johari Abdul Muid	200,000.00	240,900.00	-	440,900.00
Tan Sri Che Khalib Mohamad Noh	131,666.51	68,000.00	-	199,666.51
Dato' Ibrahim Taib	200,000.00	122,000.00	-	322,000.00
Ainol Roznain Yaacob	116,666.66	64,000.00	-	180,666.66
Md Khairuddin Hj Arshad	200,000.00	200,900.00	-	400,900.00
Mohd Razlan Mohamed	200,000.00	182,200.00	-	382,200.00
Roshidah Abdullah	200,000.00	139,600.00	-	339,600.00

Directors - subsidiaries	Fees (RM)	Other emoluments (RM)	Benefits in-kind	Total (RM)
Md Khairuddin Hj Arshad	20,000.00	9,750.00	-	29,750.00
Roshidah Abdullah	20,000.00	9,750.00	-	29,750.00
Total				**2,824,892.19**

In order to attract and retain qualified individuals to lead Bank Muamalat, the Board has delegated responsibility to the BNRC to oversee and recommend the structure of the remuneration policy and frameworks for Directors and Senior Management.

The remuneration structure for Non-Executive Directors is based on relevant factors, such as function, workload, responsibilities, and time spent preparing for Board and Board Committee meetings. It includes fees, meeting allowances, and benefits in kind. The Chairman of the Board and Board Committees receive a premium due to their additional role in guiding and managing the Board and Board Committees.

The BNRC reviews and tracks the PCEO's Corporate Scorecard and PCEO-1's Key Performance Indicators annually.

GOVERNANCE DISCLOSURES

REMUNERATION FOR SENIOR MANAGEMENT AND MATERIAL RISK TAKERS AND OTHER MATERIAL RISK TAKERS

The Remuneration Policy for Senior Management, Material Risk Takers (MRTs) and Other Material Risk Taker (OMRTs) constitute the foundation of Bank Muamalat's overarching risk management framework. Acknowledging these pivotal roles of attracting, retaining, and incentivising top-tier talent in achieving organisational objectives, Bank Muamalat is committed to maintaining a remuneration structure that harmonises with its risk appetite and fosters a culture of prudent risk management.

The remuneration framework for Senior Management, comprising the PCEO and Senior Officers of the Bank, is aligned with the Bank's Responsibility Mapping, under which clearly defined roles and accountabilities are established for each designated individual.

In this regard, remuneration outcomes are determined with due consideration to the extent to which Senior Management effectively discharge their assigned responsibilities, including the oversight of risk management, compliance, and control functions, in accordance with the Bank's risk appetite and prevailing regulatory expectations.

The primary objective of this policy is to outline the guiding principles, governance framework, and procedural mechanisms that Bank Muamalat will adhere to in determining the remuneration packages of its senior management, MRTs and OMRTs. These endeavours are directed towards ensuring regulatory compliance and aligning with industry best practices.

PRINCIPLES

Equitability

Bank Muamalat shall uphold transparency, equity, and non-discrimination in its remuneration structure, consonant with prevailing market/industry norms.

Performance-based

The remuneration framework shall be intricately tied to performance metrics encompassing both financial and non-financial parameters, reflective of Bank Muamalat's strategic imperatives and enduring values.

Risk alignment

Remuneration arrangements shall be congruent with Bank Muamalat's risk tolerance levels, fostering a culture that discourages undue risk-taking and underscores prudent risk management practices.

Sustainability

Embracing a long-term outlook, remuneration schemes shall be crafted to resonate with Bank Muamalat's enduring interests and stakeholders' expectations, while adhering to principles of corporate social responsibility and environmental sustainability.

GOVERNANCE

Board Oversight

The Board of Directors shall assume responsibility for overseeing the Remuneration Policy, ensuring its adherence to regulatory mandates and alignment with Bank Muamalat's strategic direction and long-term interest. Review the list of material Risk takers and Others Material Risk Takers of the Bank.

Remuneration Committee

Entrusted with the pivotal role of scrutinising and endorsing remuneration packages for senior management, MRTs and OMRTs, the Remuneration Committee shall ensure compliance with policy tenets, regulatory requisites, and industry benchmarks.

Independent Review

Bank Muamalat shall periodically subject its remuneration practices to independent scrutiny by external experts, affirming their continued alignment with policy imperatives and regulatory mandates.

PROCEDURES

Performance Assessment

A comprehensive performance evaluation, encompassing both quantitative and qualitative measures, shall underpin remuneration decisions, ensuring objectivity and consistency across all operational domains.

Remuneration Mix

The remuneration structure shall strike a balance between fixed and variable components, with variable pay subject to deferral and contingent upon performance, thereby aligning with Bank Muamalat's risk posture and nurturing a culture of prudential risk-taking.

Clawback and Malus

Inclusion of clawback and malus provisions within remuneration agreements shall empower Bank Muamalat to recoup variable pay in instances of misconduct, underperformance, or material risk events, reinforcing accountability among senior management, MRTs and OMRTs.

Disclosure

Bank Muamalat shall uphold transparency and accountability to stakeholders by disclosing pertinent details regarding remuneration practices for senior management, MRTs and OMRTs in its annual report, encompassing remuneration structures, performance criteria, and the link between remuneration and risk.

The Remuneration Policy for Senior Management, and Material Risk Takers and Other Material Risk Takers epitomises Bank Muamalat's commitment to robust risk governance. It underscores the alignment of remuneration practices with risk appetite, the cultivation of a sound risk culture, and the advancement of long-term organisational interests. Bank Muamalat remains steadfast in its pledge to uphold transparent, equitable, and sustainable remuneration practices, reflective of its dedication to diversity and inclusion, corporate social responsibility, and environmental stewardship.

ADDITIONAL INFORMATION

Identifying Material Risk Takers (MRTs) and Other Material Risk Takers (OMRTs) stands as a pivotal facet of Bank Muamalat's remuneration policy. Bank Muamalat will delineate MRTs and OMRTs based on the following criteria:

Job Function

Bank Muamalat will discern job roles that wield a substantive influence on its risk profile, encompassing domains such as risk management, investment banking, trading, and financing.

Decision-Making Authority

Bank Muamalat will identify employees vested with decision-making prerogatives over critical areas that has potential material impact on Bank Muamalat's risk profile, including credit approvals, investment decisions, risk assessments, and trading positions.

Compensation

Bank Muamalat will identify employees receiving compensation levels akin to senior management, encompassing both fixed and variable elements such as bonuses and other incentives.

Performance

Bank Muamalat will identify employees whose performance correlates with Bank Muamalat's risk profile, such as traders contributing significantly to revenue generation or risk managers overseeing risk management activities.

Bank Muamalat will establish a methodical process for identifying MRTs and OMRTs, meticulously aligned with regulatory mandates and industry benchmarks. This process will entail the following steps:

- **Identification**

  Rigorous evaluation will be conducted to identify employees meeting the criteria for MRTs and OMRTs, considering job function, decision-making authority, compensation, and performance metrics.

- **Review and Approval**

  The Remuneration Committee will diligently review and sanction the list of potential MRTs and OMRTs, ensuring objectivity and consistency across the business units.

- **Notification**

  Bank Muamalat will notify the employees identified as MRTs and OMRTs, clarifying the rationale behind their inclusion in the list, and the impact of assuming the role on their compensation and performance evaluation.

Regular Review

Bank Muamalat will review the list of MRTs and OMRTs regularly, accommodating changes in employees' roles, decision-making authority, compensation, and performance. Any modifications to the MRT and OMRT list will necessitate approval from the Remuneration Committee.

Bank Muamalat is committed to maintaining a transparent, objective, and uniform process for identifying MRT and OMRT across all business units. Additionally, Bank Muamalat will ensure that the list of MRTs and OMRT undergoes regular review and approval by the Remuneration Committee, with any changes promptly and transparently communicated to the affected employees.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Board Accountability

i. Board Audit Committee ("BAC")

The Board Audit Committee (BAC) has effectively fulfilled its obligations and responsibilities as stipulated in the Terms of Reference (TOR) and has efficiently assisted the Board in making informed decisions related to quarterly results, year-end financial statements, evaluation of external auditors, and the internal audit function.

GOVERNANCE DISCLOSURES

The BAC conducts an annual review of the suitability, objectivity, and independence of the external auditors, and the results are presented to the Board for approval.

The BAC Report provides an overview of Bank Muamalat's internal control systems and financial reporting adequacy and integrity, adherence to internal policies and procedures, and compliance with external rules and regulations.

ii. Risk Management and Internal Controls

The Board, supported by its committees, operates within a framework of prudent and effective controls in the interests of shareholders, customers and other stakeholders. The Group's Governance of Risk Management and Internal Controls ensure the safety and soundness of the Group and its key entities. This is achieved through a robust governance structure designed to deliver a well-managed business with effective decision-making, good procedures and strong controls.

iii. Board Risk & Compliance Committee ("BRCC")

Member
Md Khairuddin Hj Arshad
Johari Abdul Muid
Dato' Ibrahim Taib
Mohd Razlan Mohamed

Roles
Responsible to oversee Management's activities in managing all risks namely credit, market, liquidity, operational, legal and other risks and to ensure that the risk management process is in place and functioning. The BRCC is assisted by the PCEO, Chief Risk Officer, and Chief Compliance Officer, who also attend the meeting as permanent invitees.

Focus Areas
The BRCC focuses on reviewing and recommending:
1) Review the risk management report covering market risk, credit risk, operational risk and Shariah non-compliance risk and emerging risk report.
2) Review, assess, and recommend to the Board on AML/CFT/CPF IRA Assessment and monitor adequate implementation.
3) Review and assess compliance and AML/CFT/CPF emerging issues/concerns, and ensure such issues/concerns are resolved effectively and expeditiously.
4) Review and recommend to the Board the risk appetite setting for the Bank to ensure it is in line with the corporate strategy and direction.
5) Review and recommend to the Board the stress test scenario and its methodology.
6) Review the implementation of the Internal Capital Adequacy Assessment Process ("ICAAP") for the Bank.
7) Review and deliberate new product/services and product programmes proposed by the business units to ensure it is in line with the target risk profile and risk acceptance criteria for the Bank.
8) Review and deliberate significant business and operating risk-related policies of the Bank.
9) Review and monitor the development, maintenance, and implementation of Bank Muamalat's Recovery Plan.

The composition of the BRCC is in line with Paragraph 12.3(c) of BNM CG, which requires that the position of the BRCC Chairman be held by an Independent Director of Bank Muamalat.

The Board has delegated to the BRCC the responsibility of overseeing the effectiveness, adequacy and integrity of the risk management framework and policies of Bank Muamalat and ensuring that significant risks faced by Bank Muamalat are being managed appropriately to respond to changes in the business environment. In addition, BRCC is also responsible for overseeing the business continuity management of Bank Muamalat.

Risk Management and Internal Controls provide an overview of Bank Muamalat's risk management and internal control framework as well as the adequacy and effectiveness of the framework.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

Communication with Stakeholders

Stakeholders are crucial in ensuring the sustainability of our business. Bank Muamalat engages with both internal and external stakeholders on a regular basis through various touchpoints, formal and informal, to better comprehend their expectations and concerns. Our corporate website serves as a convenient platform for stakeholders to access comprehensive and up-to-date information about Bank Muamalat.

General Meetings

The Board ensures that shareholders are given sufficient notice to consider resolutions that will be discussed and decided at the General Meetings. The General Meeting notice includes details of the resolutions proposed along with any relevant information and reports.

BOARD AUDIT COMMITTEE REPORT

Chairman
Roshidah Abdullah

Members
Johari Abdul Muid
Dato' Suhana Dewi Selamat *(Appointed as a member on 30 October 2025)*
Md Khairuddin Hj Arshad
Ainol Roznain Yaacob *(Ceased as a member on 30 September 2025)*

The composition of the BAC is in line with Paragraph 12.3 (c) of BNM CG, which requires that the position of the BAC Chairman be held by an Independent Director of Bank Muamalat.

BAC is chaired by Roshidah Abdullah who has over 25 years of experience in financial management, corporate strategy development, governance and risk management in various organisations across diverse industries – upstream oil and gas; pharmaceutical manufacturing and distribution; construction and engineering – with operations in Malaysia and abroad (particularly Kazakhstan, Indonesia and the Middle East). A member of the Chartered Accountants of the Malaysian Institute of Accountants since 1992. She is also a Certified Practicing Accountant from the Australian CPA.

ROLES AND RESPONSIBILITIES

The BAC is established to provide structured and independent oversight of the Bank's governance, risk management, internal control system and financial reporting. This oversight mechanism serves to provide confidence in the integrity of, and compliance with applicable rules, regulations and procedures.

The BAC is guided by the Terms of Reference and the Board Audit Committee Charter in discharging its functions. The responsibilities of the BAC include providing the Board with independent and objective advice on the adequacy of the Management's arrangements on the Bank's governance, values and ethics, risk management, internal control system, fraud and compliance.

MEETINGS

Members	Attendance of Meetings
Roshidah Abdullah	11/11
Johari Abdul Muid	11/11
Ainol Roznain Yaacob *(Ceased as a member on 30 September 2025)*	5/9
Md Khairuddin Hj Arshad	11/11
Dato' Suhana Dewi Selamat *(Appointed as a member on 30 October 2025)*	2/2

Eleven (11) BAC meetings were held during the financial year ended 31 December 2025.

The BAC meets on a scheduled basis to review audit and investigation reports prepared by the internal auditors. The Management of the respective audit reports were also invited to the meetings, where required, to provide explanations to the BAC on issues arising from the audit reviews or address any other concerns raised by the BAC.

The external auditor was also invited to the meeting to present the audited financial statements, the Audit Plan, audit and non-audit related fees, and other relevant matters. The BAC also reviews the financial performance reports, write-offs and related party transactions prepared by the Management.

The PCEO, Chief Internal Auditor and Chief Financial Officer attend all BAC meetings as permanent invitees to facilitate deliberation that deems necessary for BAC to discharge its duties. The BAC Chairman communicated any significant concerns or issues the internal and external auditors highlighted to the Board.

KEY BAC ACTIVITIES

The key activities undertaken in 2025:

Internal Audit

- Reviewed and approved the Annual Audit Plan FY2025 and its revision to ensure its relevance and adequate scope and coverage, agile in responding to challenges in the business and operation landscape and competency of internal auditors.

- Reviewed and deliberated the audit reports, investigation and whistleblowing reports, including recommendations and action plans by Management. Where necessary, directed the Management to implement the remedial action plans to strengthen the internal control system.
- Reviewed the progress of remedial action plans by Management to ensure the timely resolution of the control lapses highlighted in the reports. Where necessary, reviewed the justifications and approved the extension of deadlines to resolve audit issues requested by Management.
- Reviewed and endorsed the Balanced Scorecard of the Chief Internal Auditor for FY2025.
- Reviewed and approved the Internal Audit Policy and the Internal Audit Charter.
- Reviewed and deliberated on the internal quality assessment review reports, including the recommendations for Internal Audit improvement.
- Reviewed the ongoing monitoring and measurement analyses update on the Internal Audit performance metrics and achievement.

Financial Reporting

- Reviewed and endorsed the Corporate Governance Disclosure for inclusion in the Bank's Annual Report FY2025.
- Met external auditors without the Management present.
- Deliberated with the external auditor on the results of the audit of the annual financial statements for the financial year ended 31 December 2025 and the Report to the BAC.
- Reviewed the overall performance and effectiveness of the external auditor for the period from 1 January 2025 to 31 December 2025.
- Reviewed the re-appointment proposal of the external auditor for the Company and recommended the re-appointment for Board approval.
- Reviewed the Annual Management Plan for the financial year ended 31 December 2025 and recommended it to the Board for approval.
- Reviewed and endorsed the external auditors' scope of work.
- Reviewed and endorsed the quarterly unaudited financial results of Bank Muamalat.
- Reviewed and endorsed the Audited financial statement of Bank Muamalat Group for the financial year ended 31 December 2025 and agreed that the financial statements were prepared in accordance with the relevant standards and regulatory requirements as to give a true and fair view of the Group's financial performance.
- Reviewed related party transactions before making recommendations to the Board for approval.

Credit Recovery

- Reviewed write-offs before making recommendations to the Board for approval.
- Reviewed the status update of written off accounts on a quarterly basis.

Regulatory reporting

- Reviewed status updates on the Independent Credit Review (ICR) observations.

INTERNAL AUDIT FUNCTION

Organisational Overview

The Internal Audit function remains a central pillar of the Bank's corporate governance framework, providing independent and objective assurance on the adequacy of internal controls, governance processes, and risk management practices. In 2025, the function strengthened its risk-based approach, expanded analytics-enabled auditing, and enhanced alignment with emerging regulatory expectations and global internal audit standards.

The Internal Audit function is led by Faidzuel Zain, Chief Internal Auditor, supported by specialised teams that collectively oversee the full spectrum of the Bank's operations, business activities, governance processes, and risk areas, ensuring comprehensive and independent assurance across the Bank.

Faidzuel brings 25 years of audit experience, supported by a Bachelor of Accountancy from Universiti Teknologi MARA, and holds the Certification for Bank Auditors and Certified Credit Professional Business. He is an active member of IIAM and CIANG, contributing to the broader audit profession.

BOARD AUDIT COMMITTEE REPORT

Responsibility, Scope, and Methodology

The Internal Audit function evaluates the effectiveness of the Bank's internal controls, governance, and risk management across operational, financial, compliance, technology, and Shariah areas. Responsibilities include assessing internal controls, ensuring regulatory compliance, conducting investigations, providing recommendations for improvement, and reporting audit and investigation results to the BAC and senior management.

The Internal Audit function operates under a formally approved Internal Audit Charter and Internal Audit Mandate, which articulate its authority, independence, and unrestricted access to records, systems, personnel, and relevant information.

Several foundational governance documents were strengthened in 2025:

- The Internal Audit Charter, incorporating the Internal Audit Mandate, was revised to reflect the Global Internal Audit Standards, approved by the BAC, and subsequently accepted by the MISB Board in line with SC requirements.
- The Internal Audit Policy was refined to ensure consistency with the revised Charter and global expectations, and approved by the BAC.
- The Internal Audit Manual was comprehensively enhanced to align with updated audit standards, methodologies, and practices, and approved by the Chief Internal Auditor in accordance with the Bank's internal governance processes.

These enhancements strengthen the function's governance structure, clarity, and professional alignment.

The Internal Audit function strengthened its Quality Assurance and Improvement Programme in 2025 in alignment with the Global Internal Audit Standards. The programme consists of:

- Ongoing monitoring – continuous supervision, workpaper reviews, stakeholder feedback, and performance monitoring to ensure real time adherence to Standards.
- Internal quality assessments – periodic self assessments and evaluation of conformance, with results reported to the BAC.
- External quality assessment – conducted at least every five years by qualified independent assessors; the next assessment is scheduled for 2026.

The programme employs the IIA's four tier rating scale (Full, General, Partial, and Nonachievement) to provide a structured and transparent assessment of conformance.

The Internal Audit function employs a structured risk based audit methodology supported by globally recognised frameworks, including the COSO Internal Control – Integrated Framework and COBIT Framework for IT governance and cybersecurity assurance.

In 2025, Internal Audit refined its audit conclusion methodology to improve clarity, consistency, and transparency. Four assurance based rating tiers – High risk, Above Average risk, Moderate risk, and Low risk – remain in use, supported by COSO aligned criteria. The function also formalised the use of 'Not applicable' solely for advisory engagements to distinguish consultative work from assurance evaluations. These refinements strengthen consistency, transparency, and strengthen stakeholder understanding of audit conclusions.

Resources

As of December 2025, the Internal Audit function continues to strengthen its professional capability, supported by a highly certified workforce. Across the division, auditors hold 102 professional certifications (85%), with an additional 18 certifications (15%) in progress, reflecting the division's strong commitment to continuous development and alignment with evolving regulatory and industry expectations. These certifications span internal audit and banking, AML/CFT and regulatory compliance, technology and cybersecurity, Shariah and Islamic finance, and other specialised domains, ensuring the team remains well equipped to address the Bank's broad and emerging risk landscape.

Continuous development in 2025 emphasised broad based capability building, including governance and conduct programmes, AML/CFT and financial crime training, Shariah fundamentals and product application, cybersecurity and digital resilience, leadership and coaching, sustainability and VBI awareness, climate risk governance, and specialised technical upskilling in areas such as AI, ESG, and fraud risk. The programme also incorporated quality assurance-focused development to strengthen competencies in audit quality, methodology enhancement, and support the continued maturity of the quality assurance and improvement programme.

Internal Audit utilised RM6.8 million, representing 89% of its approved budget, covering personnel related expenditure, establishment costs, and administrative and general expenses essential to supporting operations and capability development.

KEY ACCOMPLISHMENTS IN 2025

1. Developed and presented the 2025 Annual Audit Plan and subsequent revisions to the BAC.
2. Completed 91 audit reports (89 planned, 2 ad hoc), comprising 42 Moderate risk, 39 Low risk, and 10 Not applicable (advisory), indicating internal controls across most audited areas were managed, with advisory engagements providing strategic insights and improvement opportunities.
3. Presented 5 investigation reports and 2 whistleblowing reports to the BAC, supporting oversight of significant conduct-related issues and reinforcing governance and accountability across the Bank.
4. Delivered the Internal Audit Annual Assertion to the BAC, confirming conformance with IIA Standards and the Code of Ethics.
5. Revised the Internal Audit Charter (including the Mandate) to reflect the new audit standards; presented to and approved by the BAC, and accepted by the MISB Board in compliance with SC requirements.
6. Updated the Internal Audit Policy to align with the revised Charter and global expectations; presented to and approved by the BAC.
7. Enhanced the Internal Audit Manual to align with updated audit standards, methodologies, and practices.
8. Enhanced the audit conclusion and rating methodology, including formalising the use of 'Not applicable' for advisory engagements to strengthen consistency and transparency of audit reporting.
9. Conducted and communicated continuous monitoring and periodic internal assessments of Internal Audit activity – including summaries of audit reports, audit resolution tracking, and analysis of performance metrics – to the BAC and other stakeholders.
10. Recommended and supported the implementation of 48 Managing for Value (MFV) improvement initiatives.
11. Conducted 37 awareness sessions across branches and head office functions, strengthening organisational understanding of common control gaps and reinforcing governance themes including AML/CFT responsibilities, fraud and misconduct awareness, whistleblowing via the Muamalat Ethics Line, IT and cybersecurity control expectations, and Shariah governance concepts – enhancing accountability, ethical conduct, and control consciousness across the Bank.

FORWARD LOOKING

Looking ahead, the Internal Audit function will continue enhancing its capabilities by leveraging data driven insights, strengthening audit methodologies, and expanding skill sets to address emerging and evolving risks. As the Bank advances its digital, regulatory, sustainability, and Shariah priorities, the Internal Audit function remains committed to evolving in tandem – anticipating risk trends, deepening assurance coverage, and reinforcing its role as a strategic partner in safeguarding the Bank's governance, resilience, and long term value creation.

STATEMENT ON COMPLIANCE

The ever-changing nature of the operating environment leads to a consistent progression of legal and regulatory requirements in which non-compliance may have greater adverse effects to the trust, reputation and stability of the financial institutions and the industry as a whole. Also, the rapid advancement of digitalisation in the Bank has further introduced new regulatory expectations relating to digital financial services and data protection. Recognising this, the Bank has put in place a robust compliance risk management programme to ensure continuous adherence to applicable laws, regulations and at par with industry best practices with the objective designed to support the Bank's digital transformation to protect the interest of stakeholders, customers, and the broader society.

The Board has established an adequate tone at the top and maintains overall oversight responsibility including defining the appropriate governance structure and setting risk appetite. The Board is assisted by the Board Risk & Compliance Committee (BRCC) and the Board Audit Committee (BAC) to oversee matters relating to the management of compliance risk and the implementation of its control mechanisms. At management level, Executive Risk Management Committee is responsible to oversee the implementation of the Compliance Risk Management Programme.

The Bank's Compliance Risk Management Programme adopts the three lines of defence mechanism, designed to ensure effective controls in managing compliance risk and uphold the compliance responsibility of all officers within the Bank. In this method, the primary responsibilities in managing the compliance risk are with the first line of defence which implements the management controls to ensure compliance in day-to-day operations. The second line of defence which is independent from the first line is responsible to establish appropriate policies, procedures, and control mechanism with the objective to ensure continuous compliance with the regulatory requirements. The third line of defence is the Internal Audit Function which is independent from the first line and second line where the role is to provide independent assessment and validation of the adequacy and effectiveness of overall compliance programme.

COMPLIANCE RISK MANAGEMENT PROGRAMME

The Bank has put in place a systematic Compliance Risk Management Programme that designed to ensure adherence to specific regulations, standards, and internal policies. It is a continuous methodical process comprise of risk assessment, control, monitoring, and reporting of compliance risk exposures within the Bank.

(i) Risk assessment

The Bank conducts compliance risk assessment to identify, evaluate, prioritise, and manage risks inherent in the Bank's products, initiatives, and business operations as well as emerging risks that may lead to non-compliance with regulations or Anti-Money Laundering/Countering Financing of Terrorism/Countering Proliferation Financing (AML/CFT/CPF) measures that could negatively impact the Bank. Gap analysis assessment is a vital process that helps the Bank to assess the adherence to specific laws, regulations, and standards as well as to proactively identify areas of improvement or potential compliance risk that may affect the Bank's product, activities, and initiatives. Through gap analysis, the Bank is also able to prioritise processes that must be improved and assist the Board and senior management in making a decision by allocating the resources, budget and priority accordingly.

(ii) Risk Control

Based on the risk assessment, the Bank has established comprehensive policies, procedures and manuals that outline the Bank's compliance expectations and requirements. These documents are regularly reviewed, updated, and communicated to relevant stakeholders to ensure that the controls established are effective to minimise the risk and able to prevent new or emerging risks from occurring.

The Bank continuously enhances and develops products and services and has initiated various projects to offer a better range of products and services to enhance customers' experience. These initiatives are well supported by the regulatory advisory function as a control measure to ensure all regulatory requirements and expectations are met and compliance risk are proactively managed by the Bank.

The Bank acknowledges that having staff with a good compliance culture is paramount in managing compliance risk. Thus, the Bank continuously provides regular training and awareness programmes to employees at all levels within the organisation to ensure they understand their compliance responsibilities and obligations. Training is tailored to matters relevant to their roles, helping them to understand their responsibilities and keep abreast of regulatory requirements.

(iii) Risk monitoring

Monitoring mechanisms are in place to assess and ensure that the Bank's operations, activities, and practices comply with the regulatory requirements and industry standards. The compliance review function is conducted based on systematic identification of compliance risk areas, which forms the basis for the Annual Review Plan. The main objective is to provide reasonable assurance to the Board and senior management on the adherence to the compliance programme, identify areas of non-compliance or potential risk, and take corrective actions to mitigate those risks. The review coverage includes regulatory compliance, AML/CFT/CPF programme, and Shariah compliance. The review objectives are to ensure that the internal policies, procedures, and necessary controls are effectively in place and align with the prevailing regulatory requirements and industry best practices.

(iv) Risk reporting

Comprehensive and timely compliance reporting is essential for effective management of compliance risk while promoting a culture of transparency, accountability, and integrity. The Bank has established reporting procedures to appropriate levels of management and the Board. Compliance activities are periodically reported and updated to the Senior Management, Shariah Committee, BRCC, and the Board of Directors for deliberation and/or endorsement. This includes updates on new regulatory guidelines issued, results of gap analysis conducted, AML dashboard, compliance review reports, training progress updates, potential non-compliance incidents, and other material compliance concerns.

ANTI-MONEY LAUNDERING/COUNTERING FINANCING OF TERRORISM/COUNTERING PROLIFERATION FINANCING (AML/CFT/CPF)

The Bank is committed to combat money laundering and the financing of terrorism in the Bank's business operations. As an effort to methodically understand the risk exposure, the Bank conducts an Institutional Risk Assessment (IRA) on a periodic basis, covering both the AML/CFT/CPF and sanction risk. IRA is a proactive approach that enables the Bank to identify, evaluate, and address the specific AML/CFT/CPF and TFS risks associated with the products, services, and activities, and assess the adequacy of available mitigating controls to manage such risk, where an action plan is being formulated for areas with enhancement opportunities.

To effectively mitigate AML/CFT risk, the Bank continues investing in technology upgrades and enhancements to stay ahead of evolving threats and meeting regulatory expectations. Enhancement has been made to the Bank's AML/CFT solution to improve detection capabilities, which in turn strengthens its transaction monitoring and screening processes to protect the Bank from being exploited as a conduit for ML/TF activities.

The Bank also remains proactive in keeping abreast with regulatory requirements and expectations, ensuring it is equipped with the latest capabilities and practices in combating AML/CFT/CPF and TFS risks. The Bank recognised the needs to contribute to the collective efforts in safeguarding the integrity of the financial system. The Bank actively collaborates with its industry peers, regulatory authorities, Law Enforcement agencies (LEAs), and other stakeholders to share insights, best practices, and intelligence related to AML/CFT/CPF and TFS risks.

FRAUD COUNTERMEASURES

The Bank recognises the growing sophistication of fraudsters and scammers who continually evolve their tactics to deceive unsuspecting individuals. The Bank understands the significant impact financial fraud can have on individuals, families, and businesses, and is fully committed in taking proactive measures to mitigate these risks. Since last year, the Bank has continuously undertaken initiatives to strengthen security standards and fraud management programmes across digital banking platforms, ATMs, and other relevant channels. Additionally, for 2025, the Bank focused on updating its security and fraud system to ensure customers' safety while using our online banking across platforms. These include enhancements to the online banking system, updating the latest OS requirements for online banking platforms, and upgrading its fraud mitigation system for better monitoring and safeguarding customers' accounts. Notwithstanding, the Bank also mitigates mule account risks by extracting relevant data from the National Fraud Portal (NFP), a centralised digital platform established to detect, trace, and respond to financial scams and fraud cases across the banking system. The initiatives are continuously being enhanced to ensure better customer experience without compromising the security of the Bank's products and services.

STATEMENT ON COMPLIANCE

In line with its commitment to protect customers, the Bank also consistently keeps abreast with regulatory expectations and industry best practices to ensure its fraud countermeasures remain relevant, effective, and responsive to emerging threats. In addition to the active participation in various industry taskforces and working groups that aimed at combating cybercrimes, the Bank also engages and pledges its extensive support to the National Scam Response Centre (NSRC), which is established as a national command hub to coordinate swift action to disrupt online financial scams.

INTEGRITY AND ANTI-BRIBERY & CORRUPTION

The Bank adopts a zero-tolerance policy against any form of bribery and corruption. The Bank views bribery and corruption as significant risks not only to the financial industry but also to the good of society as a whole. As part of the Bank's continuous efforts to promote good governance and combat bribery and corruption, the Bank developed and launched a systematic three-year Bank Muamalat Organisational Anti-Corruption Plan (OACP) 2023 – 2025 with the aim of upholding the highest standards of integrity, transparency, and ethical conduct in all aspects of the Bank's operations. The OACP represents the Bank's steadfast commitment to combating corruption and integrity misconduct by implementing various initiatives to further strengthen the existing ABC programmes. The completion of these initiatives is being monitored centrally by the Integrity Governance Unit with periodic status reporting to senior management and the Board.

STATEMENT ON RISK MANAGEMENT

The Bank adopts a prudent approach to risk management and has implemented appropriate control frameworks to support sustainable business growth. Key control mechanisms include the timely identification and escalation of current and emerging risks, as well as enhanced oversight to ensure growth remains within the Bank's established risk appetite and is driven by a risk-informed decision-making process.

BOARD RESPONSIBILITY

The Board plays a vital role in providing risk oversight and determining the Bank's risk appetite in achieving its strategic objectives by ensuring sound risk management and internal control systems are maintained within the Bank.

The Board's responsibilities include approving and reviewing the adequacy and effectiveness of the risk management policies and frameworks used in identifying, assessing, monitoring and mitigating risks. The control structures and processes, which incorporate elements of financial, risk and compliance management, have been instituted throughout the Bank. These structures and processes are periodically reviewed to ensure continuous relevance to the business environment.

MANAGEMENT RESPONSIBILITY

The Management is responsible for developing and implementing all policies and frameworks approved by the Board as well as identifying, evaluating, measuring and monitoring risk exposures. The roles of the Management include:

- identify and evaluate the risks relevant to the Bank's business and strategic directions;
- formulate relevant policies and procedures to manage risks in accordance with the Bank's strategic vision and overall risk appetite;
- design and implement risk management policies and frameworks; and
- report in a timely manner to the Board on any changes to the current risks or any emerging risks and the appropriate actions taken.

RISK GOVERNANCE

The Bank's risk governance and oversight structure outlines the accountabilities, as well as roles and responsibilities for risk management. The Board plays a crucial role in establishing a strong risk management structure and provides oversight for overall risk governance to ensure that the Bank's strategic objectives are supported by sound risk strategies and an effective risk management framework. In discharging its risk oversight, the Board is supported by the Board Risk & Compliance Committee (BRCC), which directly oversees risk-related matters and provides updates to the Board on key deliberations and decisions.

STATEMENT ON RISK MANAGEMENT

The governance structure and committees responsible for effective governance and supervision over risk-related functions is as illustrated below:

RISK GOVERNANCE STRUCTURE

Board of Directors (BOD)

- Establish a strong risk management framework and provides oversight for overall risk governance to ensure that the Bank's strategic objectives are supported by sound risk strategy and an effective risk management framework

Board Risk Committees

Board Risk & Compliance Committee (BRCC)

- Ensure effective management of risks and enforcement of approved risk tolerances and limits.
- Review and assess the existing risk management framework for its continued efficacy.
- Ensure robust infrastructure and systems as well as resources are in place to monitor risk and capital effectively.

Board Veto Committee (VETO)

- Review approvals of large financing granted by Credit Committee (management level).

Board Technology Committee (BTC)

- Ensure strategic technology planning which includes governance, architecture and cybersecurity resilience.
- Review and assess risk related the existing and future planning technologies while enabling innovation.

Shariah Committee (SC)

- Serve as advisory to the Board and Management team on all Shariah matters.

Executive Level-Risk Management Committees

Executive Risk Management Committee (ERMC), Asset-Liability Management Committee (ALCO), Credit & Underwriting Committee (CC), Investment Committee (IC), Recovery Management Team (RMT), Operational Risk Management Committee (ORMC), Enterprise Risk Management Committee (ERMCo), Asset Quality and Impairment Committee (AQIC), Credit Risk Management Committee (CRMC), Model Validation and Acceptance Committee (MVAC) and Climate Risk Working Group (CRWG)

- Undertake the execution and implementation of Bank's strategies, policies and methodologies in line with the Board's vision.
- Identify, evaluate, measure and monitor the strategic and business plans, capital plan and risk appetite statement as per the Board's approval.

Line of Defence

1st Line (Business Units)

- Risks are directly undertaken and assumed in the day-to-day business activities and operations.
- As front-liners, responsible for carrying out the established processes for identifying, mitigating and managing risks within their respective environment aligned with the Bank's strategic targets.

2nd Line (Risk Management Control & Compliance)

- Ensure independent oversight and management of all material risks undertaken by the Bank.
- Provide specialised resources for developing risk frameworks, policies, methodologies and tools for risk identification, measurement and control.
- Provide the control function, which monitors the risk by using various key indicators and reports, guided by established risk appetite and tolerance limits.

3rd Line (Internal Audit)

- Provide independent review and assurance on adequacy of risk management process and effectiveness of the first two lines of defence in fulfilling their mandates.

RISK CULTURE

The Bank continues to enhance and strengthen its risk management capabilities by reinforcing and embedding a strong risk culture throughout the organisation. The Board plays an active role in establishing and maintaining the Bank's risk culture through continuous emphasis on the "tone from the top" and by holding management accountable for upholding high ethical standards as well as effective policies and practices.

The Bank acknowledges that continuous communication of its core values and sound risk practices is essential to embed a robust risk culture for its long-term sustainability. Management is therefore committed to driving the established risk and compliance programmes, which include reinforcement of shared values, engagement sessions, e-learnings, and roadshows. The focus is on fostering a strong and coherent risk culture among all staff and on building and sustaining long-term relationships with customers by enhancing customer experience, building trust, and increasing the brand value of the Bank.

The Bank has established an Enterprise Risk Management (ERM) framework as part of initiatives to promote a strong risk culture that integrates risk management into significant activities and functions across the organisation.

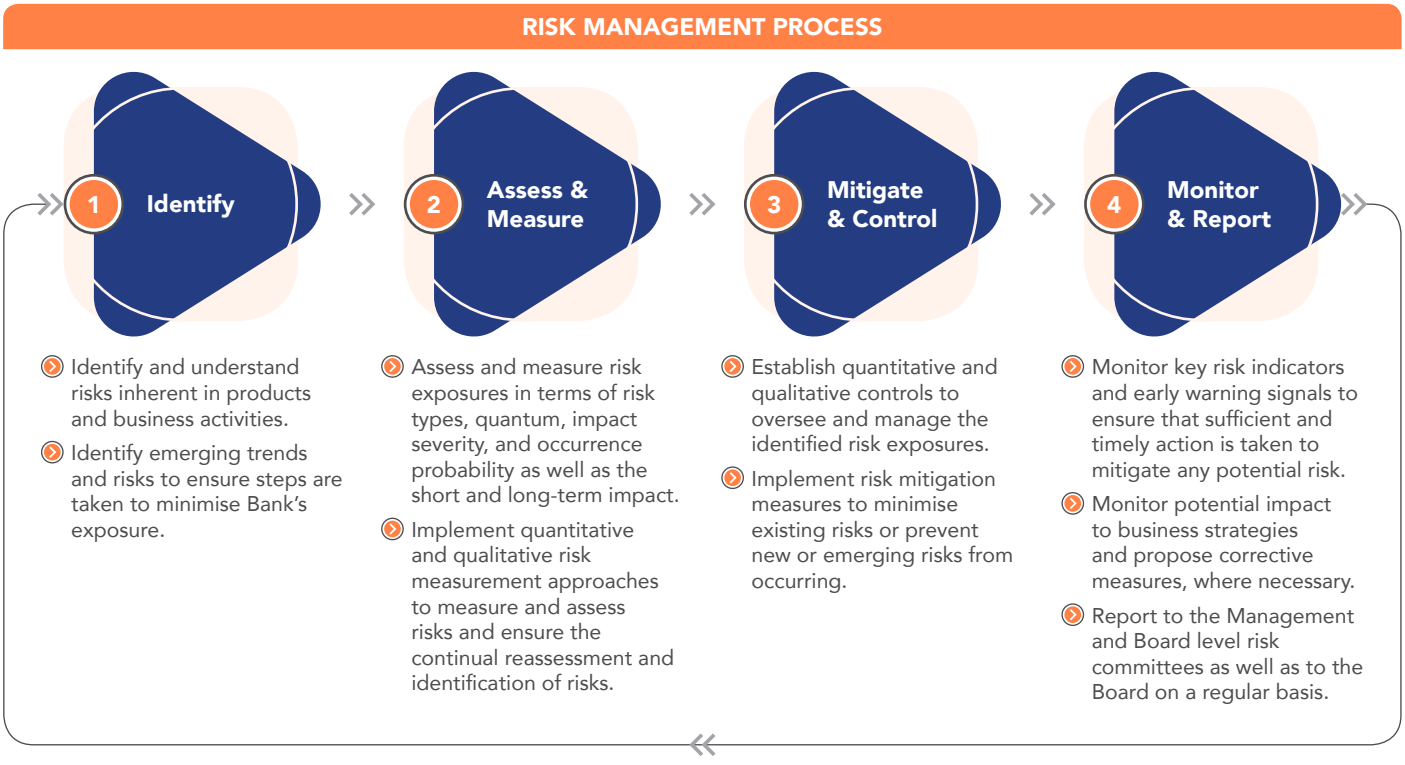
RISK APPETITE

The risk appetite serves as a foundation and reference for the Bank's aspired risk culture and is integral in providing the necessary guidance and parameters for all business and risk-taking activities.

The Bank defines its risk appetite by the amount and types of risk that it is willing to accept in pursuit of its strategic and business objectives. The Board reviews and approves the Bank's risk appetite annually and receives monthly updates on its status.

RISK MANAGEMENT PROCESS

The Bank has established a continuous risk management approach that facilitates the identification, measurement, control, and monitoring of risk exposures and produces appropriate and accurate risk reporting to enable management to make informed risk decisions.



STATEMENT ON RISK MANAGEMENT

CREDIT RISK MANAGEMENT

Credit risk is the risk of financial loss arising from a customer's or counterparty's inability or unwillingness to meet its contractual obligations. The credit management policies, guidelines, and credit underwriting standards are outlined in the Bank's Credit Risk Policy (CRP) and Guideline to Credit Risk Policies (GCRP). The policies are reviewed and updated regularly to ensure their continued relevance and full alignment with the regulatory requirements.

The Bank adopts a holistic portfolio-based risk management approach to support sustainable growth while operating within the established risk appetite and tolerance parameters. Regular portfolio reviews and stress testing are conducted on identified high-risk sectors and vulnerable customer segments, taking into consideration potential emerging risks, to ensure that appropriate and timely remedial actions are taken.

The Bank has also established clear target markets and risk acceptance criteria for customer onboarding, including financing parameters and risk-return expectations, to ensure that risk-returns are maintained within the approved risk appetite.

The Bank plays a pivotal role in accelerating customers' transition towards more sustainable practices in their business operations by introducing the environmental, social, and governance (ESG) scorecard that embeds sustainability metrics, guided by BNM's Climate Change and Principle-based Taxonomy Guidance Document.

MARKET RISK MANAGEMENT

Market risk refers to the risk of potential losses in on- and off-balance sheet positions in the trading and non-trading books arising from movements in market variables, including profit rates, yield curves, foreign exchange rates, equity prices, and commodity prices, which may adversely affect the Bank's earnings, capital adequacy and balance-sheet resilience under both normal and stressed conditions.

The Bank's market risk framework comprises policies and guidelines governing key risk management practices, including the identification, measurement, monitoring, mitigation and control of market risk exposures. The framework is embedded within the Bank's overall enterprise risk management and risk governance structure. Market risk policies and specific limits applicable to the trading and non-trading book portfolios are reviewed periodically and updated to remain aligned with prevailing regulatory requirements and industry best practices.

In view of ongoing volatility in the financial markets, the Bank undertakes periodic and forward-looking stress testing and scenario analyses to assess the impact of adverse movements in market rates on the Bank's Earnings-at-Risk (EaR) and Economic Value of Equity (EVE), capturing both short-term earnings volatility and longer-term balance-sheet sensitivity.

Market risk exposures are managed within the Bank's approved risk appetite, with regular reporting to Senior Management and the Board.

LIQUIDITY RISK MANAGEMENT

Liquidity risk refers to the risk of the Bank being unable to meet financial obligations as they fall due, whether arising from an increase in assets or unexpected demands for funds from depositors, without incurring unacceptable costs or material reputational impact under both normal and stressed conditions. Failure to maintain adequate liquidity may result in serious implications for the Bank's reputation, continued viability and its ability to execute recovery actions.

The Bank's priority in managing liquidity risk is to maintain a stable and diversified funding base to meet its funding requirements. The Bank ensures that sufficient cash and liquid assets are available to meet short- and long-term obligations through active balance sheet and funding position management, supported by conservative liquidity buffers and a funding strategy aligned with the Bank's risk appetite and recovery planning objectives.

The primary focus of liquidity management is to proactively assess projected cash inflows against expected outflows to identify potential funding shortfalls on a forward-looking basis, including those arising from off-balance sheet commitments. Liquidity risk is monitored and managed using measurements and limits prescribed under BNM's liquidity framework, namely the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR), supported by internal thresholds, management action triggers, and recovery escalation indicators. The Bank has also established a Liquidity Contingency Plan to ensure preparedness in managing potential liquidity stress events and to facilitate the timely activation of recovery measures.

To enhance liquidity risk monitoring and early intervention, the Bank has implemented Liquidity Crisis Early Warning Signals (LCEWS), which serve as key tools in identifying and mitigating emerging liquidity risks before they materialise. These indicators are important inputs into the Recovery Plan activation framework, escalation governance, and the deployment of recovery options.

Liquidity risk metrics, stress test results and early warning indicators are reported regularly to Senior Management and the Board to support timely decision-making and escalation.

OPERATIONAL RISK MANAGEMENT

Operational risk is the risk of loss arising from inadequate or failed internal processes, people, and systems, or from external events. Such risks may lead not only to financial losses, but also to legal, regulatory, and reputational consequences.

The Bank's Operational Risk Management framework is aligned with BNM's Operational Risk policy document and the Operational Risk Reporting (ORR) guideline. During the year, the framework was further strengthened through enhancements to the Bank's risk and control assessment methodologies, including the integration of leading risk indicators, improved risk reporting practices, and more structured control testing mechanisms.

To reinforce operational resilience, the Bank continued to strengthen the first line of defence by providing ongoing operational risk training and awareness programmes for new hires and designated risk officers. Engagements with risk owners across branches and head office departments were also intensified to promote stronger ownership of controls and more effective management of operational risk.

BUSINESS CONTINUITY MANAGEMENT (BCM)

The Bank's Business Continuity Management (BCM) framework encompasses enterprise-wide planning, coordination, and mobilisation of key resources to ensure the continuity of critical business functions during a wide range of disruption scenarios arising from both internal and external events. This framework is aligned with BNM's Business Continuity Management and Outsourcing policy documents. It provides the foundation for the Bank's ability to respond to incidents promptly and maintain essential operations under adverse conditions.

The Bank's Business Continuity Plan (BCP) is reviewed annually, supported by comprehensive risk assessments and Business Impact Analyses (BIA) conducted on potential threats affecting business activities. The BIA process identifies critical business functions, systems, and dependencies, enabling the development of appropriate continuity strategies and response actions to ensure operational resilience.

In line with BNM's Outsourcing requirements, the Bank also assesses the materiality and criticality of outsourced services provided by third-party service providers as part of the BIA and continuity planning process. This ensures that adequate safeguards, contingency arrangements, and recovery capabilities are in place to mitigate risks arising from outsourcing dependencies.

SHARIAH RISK MANAGEMENT

Shariah non-compliance risk is defined as the risk that arises from failure to comply with the Shariah rules and principles as determined by the Shariah Committee of the Bank and other relevant Shariah regulatory councils or committees.

The management of Shariah non-compliance risk is guided by established policies and guidelines on Shariah risk management, as well as governance and oversight processes. These include approaches for the identification and assessment of Shariah non-compliance risks in business activities, products, and services, and the assessment of the effectiveness of existing controls and mitigation plans. Assessments of products, services, and operating procedures are continuously performed from a Shariah risk perspective. Continuous training and awareness programmes on Shariah risk are conducted to promote a cohesive Shariah compliance risk culture.

TECHNOLOGY AND CYBER RISK MANAGEMENT

Technology and cyber risks arise from threats that can disrupt IT systems and compromise the confidentiality, integrity, and availability of digital assets, as well as the resilience of technology operations.

The Bank remains fully aligned with regulatory expectations, including BNM's Risk Management in Technology (RMiT) guidelines, and continues to adopt industry best practices to strengthen its cyber and technology risk posture. Key initiatives include the implementation of a Cybersecurity Strategic Plan and adoption of the Zero Trust Maturity Model, aimed at enhancing the Bank's overall security architecture. The Bank has also operationalised its Technology Risk Management Framework and Cyber Resilience Framework, ensuring a robust and coordinated approach to managing technology risks.

Advanced cybersecurity tools and protocols have been deployed to proactively detect, prevent, and respond to emerging threats. Protecting systems and customer data remains a top priority, supported by regular compromise assessments, technology risk reviews, and continuous security enhancements.

STATEMENT ON RISK MANAGEMENT

SUSTAINABILITY & CLIMATE RISK

The Bank has strategically positioned itself to meet evolving sustainability expectations by aligning with national priorities and international climate-related frameworks. In support of Malaysia's ambitions under the National Sustainability Reporting Framework (NSRF) and BNM's Climate Change and Principle-based Taxonomy (CCPT), the Bank continues to embed sustainability considerations into the core of its business strategies and risk management practices.

The Bank has operationalised the ESG scorecard that integrates sustainability metrics into its credit evaluation and decision-making processes. This tool enables structured assessments of clients' operations, incorporating both ESG benchmarks and CCPT due diligence. In doing so, the Bank promotes more inclusive and climate-aligned financing decisions that facilitate the country's transition towards a low-carbon and climate-resilient economy.

Recognising that climate-related risks pose a material threat to financial stability, particularly in vulnerable and high-emitting sectors, the Bank conducts regular portfolio reviews and scenario analysis in line with BNM's Climate Risk Management and Scenario Analysis (CRMSA) guidance. In addition, the Bank undertakes Climate Risk Stress Testing (CRST) as part of broader regulatory expectations. Insights from these exercises are taken into consideration in the Bank's risk appetite and credit policies, enabling the development of targeted and sector-specific mitigation strategies to enhance climate resilience across its financing portfolio.

The Bank's long-term sustainability agenda is rooted in the goal of creating enduring stakeholder value while addressing pressing environmental and social challenges. By fully embedding climate considerations into its Enterprise Risk Management (ERM) framework, Bank Muamalat demonstrates a firm commitment to balancing financial performance with climate resilience, transparency, and broader sustainable impact. This approach is aligned with the principles of Value-based Intermediation (VBI), reinforcing the Bank's dedication in delivering outcomes that are not only financially sound but also socially inclusive and environmentally responsible.

SHARIAH COMMITTEE REPORT

The Shariah Committee was established in accordance with the requirements of IFSA 2013, which prescribed the setting up of a Shariah body to ensure the Bank's aims and operations, business, affairs, and activities are conducted in accordance with Shariah principles. Members of the Shariah Committee are scholars renowned for their knowledge and experience in Shariah and Fiqh Muamalat.

The Shariah Committee is guided by its Terms of Reference, which set out, amongst others, the primary duties and responsibilities of the Shariah Committee, the authority and conduct of the Shariah Committee meetings. The Terms of Reference are governed by the Central Bank Act 2009, IFSA 2013, Guidelines on Islamic Capital Markets Product and Services, and the Policy Document on Shariah Governance (including any amendment that will be made from time to time) (Laws and Regulations).

Duties, Responsibilities & Accountability of the Shariah Committee are as follows:

i. Responsibility and accountability

The Shariah Committee is expected to understand that in the course of discharging the duties and responsibilities as a Shariah Committee member, their conduct must be in accordance with Laws and Regulations in respect of duties and obligations of the Shariah Committee member, and responsible and accountable for all Shariah decisions, opinions, and views provided by them.

ii. Advising to the Board and Bank, including the Bank's subsidiaries

The Shariah Committee is expected to advise the Board, Management, including the Bank's subsidiaries, and provide input to the Bank on Shariah matters in order for the Bank to comply with Shariah principles at all times.

iii. Endorse Shariah policies and procedures

The Shariah Committee is expected to endorse Shariah policies and procedures prepared by the Bank and to ensure that the contents do not contain any elements that are not in line with Shariah.

iv. Endorse and validate relevant documentations

To ensure that the products of the Bank comply with Shariah principles, the Shariah Committee must approve:

a. the terms and conditions contained in the forms, contracts, agreements, or other legal documentations used in executing the transactions; and

b. the product manual, marketing advertisements, sales illustrations and brochures used to describe the product.

v. Assess work carried out by Shariah review and Shariah audit

To assess the work carried out by Shariah review and Shariah audit in order to ensure compliance with Shariah matters, which form part of their duties in providing their assessment of Shariah compliance and assurance information in the annual report.

vi. Assist related parties on Shariah matters

The related parties of the Bank, such as its legal counsel, auditor, or consultant, may seek advice on Shariah matters from the Shariah Committee, and the Shariah Committee is expected to provide the necessary assistance to the requesting party.

vii. Shariah Advisory Council, BNM

The Shariah Committee may advise the Bank to consult the Shariah Advisory Council (SAC) of BNM on Shariah matters that could not be resolved.

In cases where there are uncertainties and differences of opinion, the Bank may seek advice and refer for a ruling from the SAC. The request for advice shall be communicated through the Secretariat of the SAC.

Members of the Shariah Committee must not act in a manner that would undermine the rulings and decisions made by the SAC or the committee they represent. They are required to respect and observe the published Shariah rulings issued by the SAC and shall not go against the decisions of the committee that they represent in public.

In cases of disputes and court proceedings relating to Islamic financial business or any Shariah issues arising from the Bank's business operations, both the court and the arbitrator shall take into consideration the published rulings of the SAC or refer such issues to the SAC for its ruling. Any ruling made by the SAC arising from a reference made shall be binding on the Bank and the court or the arbitrator.

In the event that the decision given by the Bank's Shariah Committee is different from the ruling given by the SAC, the rulings of the SAC shall prevail. However, the Shariah Committee is allowed to adopt a more stringent Shariah decision.

SHARIAH COMMITTEE REPORT

viii. Shariah Advisory Council, Securities Commission Malaysia

Shariah Committee members are registered with Securities Commission Malaysia (SCM) as individual Shariah Advisers. A Shariah adviser must, among others:

a. provide Shariah expertise and advice on Shariah matters in relation to the Islamic capital market products or the Islamic capital market service including matters relating to documentation (which includes the deed and prospectus), structure, feature, investment instruments and ensure that all aspects of the products or activities are in accordance with Shariah requirements as set out in the relevant securities laws and guidelines issued by the SCM;

b. ensure that the applicable Shariah rulings, principles and concepts endorsed by the SAC are complied with; and

c. apply *ijtihad* (intellectual reasoning) to ensure all aspects relating to the Islamic capital market products and the Islamic capital market activity are in compliance with Shariah, in the absence of any Shariah rulings, principles and concepts endorsed by the SAC.

ix. Provide Written Shariah Opinions

The Shariah Committee is required to provide written Shariah opinions in circumstances where the Bank makes reference to the SAC for further deliberation, or where the Bank submits applications to BNM for new product approval.

x. Provide the Bank with guidelines and advice on religious matters to ensure that the Bank's overall activities are in line with Shariah.

xi. Make decisions on matters arising from existing and future activities of the Bank which have religious repercussions.

xii. Report to the shareholders and the depositors that all the Bank's activities are in accordance with Shariah.

xiii. Provide Shariah advisory and consultancy services in all matters relating to the Bank's products, transactions, and activities, as well as other businesses involving the Bank.

xiv. Scrutinise and endorse the annual financial report of the Bank.

xv. Provide training to the staff as well as notes or relevant materials for their reference.

xvi. Represent the Bank or to attend any meetings with the SAC or other relevant bodies concerning any Shariah issues relating to the Bank.

xvii. The Shariah Committee shall maintain the confidentiality of the Bank's internal information and shall be responsible for the safeguarding of confidential information. He or she should maintain all information in strict confidence, except when disclosure is authorised by the Bank or required by law.

xviii. The Shariah Committee shall ensure the quality and consistency of the Shariah decisions.

xix. The Shariah Committee has the responsibility to provide objective and sound decision or advice to the Bank on the application of Hajah type 2 and Darurah in relation to BNM Policy Document on Hajah and Darurah.

COMPOSITION OF SHARIAH COMMITTEE

According to Policy Document on Shariah Governance (PDSG), the composition of the Shariah Committee must at a minimum comprise at least five (5) members, and the members must not accept any appointment in more than one licensed Islamic bank, one licensed takaful operator, and one prescribed institution. Furthermore, a Shariah Committee member must not serve the same Islamic Financial Institutions (IFI) for more than nine (9) years. During the year, four (4) reappointment processes were completed, and no new appointments were made.

As of December 2025, the Shariah Committee of Bank Muamalat comprises six (6) members, all serving on renewed terms as per the guidelines under PDSG. A brief profile of each member of the Shariah Committee is detailed on pages 153 to 156 of this Annual Report.

APPOINTMENT/REAPPOINTMENT OF SHARIAH COMMITTEE

The appointment/reappointment of the Shariah Committee members and Chairman of the Shariah Committee is subject to assessment and evaluation based on the necessary conditions made by the Bank and meeting all requirements specified in the policies issued by BNM.

The Board shall, upon recommendation of its Nomination and Remuneration Committee, nominate the appointment of the members of the Shariah Committee.

Further approval and endorsement from Bank Negara Malaysia must be obtained after approval from the Board at least three (3) months before it expects a proposed candidate to assume his/her responsibilities. In the case of reappointment, the application must be submitted three (3) months prior to the expiry of the Shariah Committee member's tenure.

RESIGNATION AND TERMINATION OF THE SHARIAH COMMITTEE

Where a Shariah Committee member resigns or is disqualified pursuant to the relevant paragraphs in PDSG, section 33(2) and 34(1) of the IFSA impose obligations on the Bank and the Shariah Committee member to notify the BNM of that fact and its reason immediately or, in any case, no later than fourteen (14) days of such circumstances.

For the purpose of the application for termination, the Bank must provide justifications, as well as an assessment of the performance of such member, to BNM.

NEGATIVE LIST

The Shariah Committee member or his immediate family member must not:

a. be an executive of the Bank during the tenure of his appointment or within the last two (2) years of his proposed appointment as a Shariah Committee member;

b. be a substantial shareholder, executive director, or senior officer of the Bank or any of its affiliates; or

c. have a significant business or other contractual relationship with the Bank or any of its affiliates within the last two (2) years.

SHARIAH COMMITTEE MEETINGS

According to PDSG, the Shariah Committee meetings shall be held at least once in every two (2) months. Meetings shall be held regularly to ensure that:

a. the Shariah Committee is kept sufficiently in touch with the business of the Bank;

b. the operations of the Bank are not adversely affected because of the difficulty in securing the Shariah Committee's approval for policy and decision.

For the period of January to December 2025, eight (8) Shariah Committee meetings were held, of which all Shariah decisions were disseminated for further action by relevant business units:

No.	Meeting	Date
1.	1st Monthly Meeting 2025	15 January 2025
2.	2nd Monthly Meeting 2025	19 March 2025
3.	3rd Monthly Meeting 2025	29 May 2025
4.	4th Monthly Meeting 2025	18 June 2025
5.	5th Monthly Meeting 2025	31 July 2025
6.	6th Monthly Meeting 2025	29 September 2025
7.	1st Special Meeting 2025	9 October 2025
8.	7th Monthly Meeting 2025	25 November 2025

The Shariah Committee member is expected to contribute and allocate adequate time and efforts to discharge his duties effectively. The Shariah Committee member must attend at least 75% of the Shariah Committee meetings held in each financial year. Where necessary, the participation of the Shariah Committee can be facilitated by means other than physical presence, this remains the exception rather than the norm, and is subject to appropriate safeguards to preserve confidentiality of the deliberations.

In respect of the quorum for Shariah Committee meetings, the Bank must ensure that there is a majority of Shariah qualified members to be present at each meeting. The Bank shall ensure that any decision of the Shariah Committee must be made on the basis of simple majority.

The Shariah Committee shall put on record in its report or statements directed to the board, its concerns over any Shariah non-compliance issues.

For January to December 2025, Shariah Committee attendance for eight (8) meetings held are as follows:

Shariah Committee	Attendance	%
Dr. Yusri Mohamad (Chairman)	8/8	100%
Dr. Mohd Shahid Mohd Noh	8/8	100%
Dr. Ahmad Zakirullah Mohd Sharaani	8/8	100%
Dr. Muhamad Azhari Wahid	8/8	100%
Dr. Badruddin Hj. Ibrahim	7/8	88%
En. Khairun Najmi Saripudin	8/8	100%

It is concluded that all members of the Shariah Committee met the minimum attendance requirement of 75%.

SHARIAH COMMITTEE REPORT

TRAINING PROGRAMME FOR SHARIAH COMMITTEE

The Shariah Committee assumes the responsibility to further enhance the skills and knowledge on the relevant new laws and regulations so as to keep abreast with developments in the financial services industry.

The training programmes attended by the Shariah Committee for the period January to December 2025 include the following:

Shariah Committee Member	Training Programme
Dr. Yusri Mohamad	◉ Kuala Lumpur Islamic Finance Forum (KLIFF) 2025. ◉ Muzakarah KLIFF 2025. ◉ Muzakarah Cendekiawan Syariah Nusantara ke-19, 2025. ◉ LIQA' 2025 FORUM: The Growth of Talent Throughout the Development of Islamic Finance in Malaysia. ◉ Al-Baraka Symposium. ◉ 3rd Nadwah of Shariah Advisers. ◉ The Shariah Ledger 2025 – Insight from AIBIM's Shariah Deliberation Vault. ◉ Commodities and Hedging Using Derivatives.
Dr. Mohd Shahid Mohd Noh	◉ Muzakarah KLIFF 2025. ◉ Muzakarah Cendekiawan Syariah Nusantara ke-19, 2025. ◉ LIQA' 2025 FORUM: The Growth of Talent Throughout the Development of Islamic Finance in Malaysia. ◉ 3rd Nadwah of Shariah Advisers. ◉ Kursus Kemahiran Istinbat Hukum. ◉ The Shariah Ledger 2025 – Insight from AIBIM's Shariah Deliberation Vault. ◉ Shaping the Future: Exploring Islamic Financial Innovation in Capital Market. ◉ Commodities and Hedging Using Derivatives.
Dr. Ahmad Zakirullah Mohd Sharaani	◉ Muzakarah Cendekiawan Syariah Nusantara ke-19, 2025. ◉ LIQA' 2025 FORUM: The Growth of Talent Throughout the Development of Islamic Finance in Malaysia. ◉ 3rd Nadwah of Shariah Advisers. ◉ Climate Risk: Future-Proofing your Business for Financial Impact Sustainability. ◉ Maqasid Al-Shariah Guidance: Integration with Sustainability. ◉ Broader Professional Insights Trip with Islamic Financial Institutions in Pakistan. ◉ The Shariah Ledger 2025 – Insight from AIBIM's Shariah Deliberation Vault. ◉ Shaping the Future: Exploring Islamic Financial Innovation in Capital Market.
Dr. Muhamad Azhari Wahid	◉ Muzakarah KLIFF 2025. ◉ Muzakarah Cendekiawan Syariah Nusantara ke-19, 2025. ◉ 3rd Nadwah of Shariah Advisers. ◉ Climate Risk: Future-Proofing your Business for Financial Impact Sustainability. ◉ Maqasid Al-Shariah Guidance: Integration with Sustainability. ◉ Expanding Horizons: Shariah-Compliant Investment Opportunities in Malaysia's Blue Economy.

Shariah Committee Member	Training Programme
Dr. Badruddin Hj. Ibrahim	Muzakarah Cendekiawan Syariah Nusantara ke-19, 2025. 3rd Nadwah of Shariah Advisers. The Shariah Ledger 2025 – Insight from AIBIM's Shariah Deliberation Vault. Commodities and Hedging Using Derivatives.
En. Khairun Najmi Saripudin	Certified Shariah Advisor (CSA). Muzakarah KLIFF 2025. Muzakarah Cendekiawan Syariah Nusantara ke-19, 2025. 3rd Nadwah of Shariah Advisers. Climate Risk: Future-Proofing your Business for Financial Impact Sustainability. Commodities and Hedging Using Derivatives.

In supporting the Shariah Committee, the Shariah Department provides a secretariat function, including inputs on banking operations and in-depth research on Shariah matters for Shariah Committee. These functions include coordinating meetings, compiling proposal papers, disseminating Shariah decisions to relevant stakeholders, engaging with relevant parties who seek further deliberations on issues from the Shariah Committee and providing all other secretariat support to the Shariah Committee members.

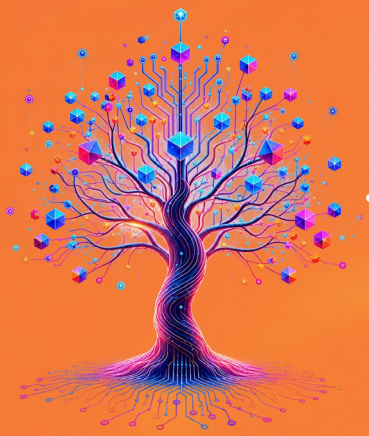
SHARIAH COMMITTEE ASSESSMENT

According to PDSG, the assessment must be conducted at least annually for the Board to assess the performance and effectiveness of the Shariah Committee. The assessment must consider the competence, knowledge and contribution of each member to the overall functioning of the Shariah Committee. For this year, the following assessment has been conducted:

i. Assessment during meetings by permanent attendees and the Shariah Department. The assessment criteria include punctuality to the meeting, preparation for the meeting, communication skills, contribution of ideas and opinions, and problem-solving.

ii. Shariah Committee Effectiveness Evaluation. This assessment includes Shariah Committee structure and operations, Shariah Committee peer assessment, and Shariah Committee Chairman's roles.

The results of the assessment will then be analysed by the Shariah Department and presented to the Board Nomination and Remuneration Committee (BNRC) and the Board for notification.



7

OUR NUMBERS

200 Directors' Report
208 Statement by Directors
208 Statutory Declaration
209 Report of the Shariah Committee
210 Independent Auditors' Report
213 Consolidated Statement of Financial Position
215 Statement of Financial Position
217 Statements of Profit or Loss
218 Statements of Other Comprehensive Income
219 Consolidated Statement of Changes in Equity
220 Statement of Changes in Equity
221 Statements of Cash Flows
227 Notes to the Financial Statements
367 Basel II Pillar 3 Disclosure



8

OTHER INFORMATION

432 Corporate Information
433 Branch Network
437 Global Reporting Initiative ("GRI") Content Index

DIRECTORS' REPORT

In the name of Allah, The Most Beneficent, The Most Merciful

The Directors have pleasure in submitting their report together with the audited financial statements of Bank Muamalat Malaysia Berhad ("the Bank") and its subsidiaries (together referred to as "the Group") for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Bank is principally engaged in Islamic banking business and the provision of related financial services. The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

IMMEDIATE AND ULTIMATE HOLDING COMPANY

The immediate holding and ultimate holding companies of the Bank are DRB-HICOM Berhad and Etika Strategi Sdn. Bhd. respectively, both of which are incorporated in Malaysia. DRB-HICOM Berhad, is a public limited liability company listed on the Main Market of Bursa Malaysia Securities Berhad. DRB-HICOM Berhad holds 70% of the Bank's shares, whilst the remaining 30% is held by Khazanah Nasional Berhad.

SUBSIDIARIES

The details of the Bank's subsidiaries are disclosed in Note 11 to the financial statements.

RESULTS

	Group RM'000	Bank RM'000
Profit before zakat and taxation	307,087	308,417
Zakat	(9,805)	(9,674)
Taxation	(73,535)	(70,038)
Profit for the year	**223,747**	**228,705**

In the opinion of the Directors, the results of the operations of the Group and of the Bank during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

DIVIDENDS

No dividend has been paid or declared by the Bank since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

DIRECTORS OF THE GROUP AND THE BANK

Directors who served during the financial year until the date of this report are:

Bank Muamalat Malaysia Berhad

Tan Sri Tajuddin Atan	
Johari Abdul Muid	
Dato' Ibrahim Taib	
Md. Khairuddin Hj Arshad	
Mohd Razlan Mohamed	
Roshidah Abdullah	
Dato' Suhana Dewi Selamat	(appointed on 1 October 2025)
Tan Sri Che Khalib Mohamad Noh	(retired on 27 August 2025)
Ainol Roznain Yaacob	(retired on 30 September 2025)

Muamalat Invest Sdn Bhd

Md. Khairuddin Hj Arshad	
Roshidah Abdullah	
Khadijah Sairah Ibrahim	
Amirul Nasir Abdul Rahim	(appointed on 1 January 2026)
Datuk Khairul Kamarudin	(resigned on 1 January 2026)

Muamalat Venture Sdn Bhd

Datuk Khairul Kamarudin
Amirul Nasir Abdul Rahim

Muamalat Nominees (Asing) Sdn. Bhd.

Datuk Khairul Kamarudin
Amirul Nasir Abdul Rahim

Muamalat Nominees (Tempatan) Sdn. Bhd.

Datuk Khairul Kamarudin
Amirul Nasir Abdul Rahim

DIRECTORS' INTERESTS IN SHARES

According to the Register of Director's shareholding, none of the Directors holding office at the end of the financial year ended 31 December 2025 had any interest in shares in the Bank or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received nor become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors from or the fixed salary of a full-time employee of the Bank as shown in Note 36 to the financial statements or from related corporations) by reason of a contract made by the Bank or a related corporation with the Director or with a firm of which, the Director is a member, or with a company in which the Director has a substantial financial interest.

DIRECTORS' REPORT

DIRECTORS' BENEFITS (CONT'D.)

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2025 are as follows:

	From the Bank RM'000	From the subsidiary companies RM'000
Directors of the Bank:		
Director fees	1,594	40
Director's other emoluments	1,068	20
Estimated money value of any other benefits	72	-
	2,734	60

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Bank was a party, whereby Directors might acquire benefits by means of the acquisition of shares in, or debentures of the Bank or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

There were no changes to the issued and paid-up capital during the financial year and there were no debentures issued during the financial year.

INDEMNITY AND TAKAFUL COST

Directors' and Officers' liability takaful is in place to protect the Directors and Officers of the Group and of the Bank against potential costs and liabilities arising from claims brought against the Directors and Officers. The Bank has maintained a Directors' and Officers' liability takaful up to an aggregate limit of RM40.0 million against any liability incurred by the Directors and Officers. The gross amount of takaful contribution paid by the Bank for the Directors and Officers of Bank Muamalat Malaysia Berhad ("BMMB") and its subsidiaries for the current financial year was RM210,000.

OTHER STATUTORY INFORMATION

(a) Before the statements of profit or loss, statements of other comprehensive income and statements of financial position of the Group and of the Bank were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

OTHER STATUTORY INFORMATION (CONT'D.)

(b) As at the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render:

(i) the amount written off for bad debts, or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Bank inadequate to any substantial extent; and

(ii) the values attributed to current assets in the financial statements of the Group and of the Bank misleading.

(c) As at the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Bank misleading or inappropriate.

(d) As at the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Bank which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Bank that has arisen since the end of the financial year and which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Bank which has arisen since the end of the financial year other than those arising in the normal course of business of the Group and of the Bank.

(f) In the opinion of the Directors:

(i) no contingent liability or other liability of the Group or the Bank has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group or of the Bank to meet their obligations as and when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Bank for the financial year in which this report is made.

COMPLIANCE WITH BANK NEGARA MALAYSIA'S POLICY DOCUMENTS ON FINANCIAL REPORTING FOR ISLAMIC BANKING INSTITUTIONS AND CREDIT RISK

In the preparation of the financial statements, the Directors have taken reasonable steps to ensure that the preparation of the financial statements of the Group and of the Bank are in compliance with the Bank Negara Malaysia's Policy Documents on Financial Reporting for Islamic Banking Institutions and Credit Risk.

BUSINESS REVIEW 2025

The financial year ended 31 December 2025 marked a step change in the Group's earnings trajectory, with profit before tax and zakat increasing to RM307.1 million (2024: RM129.3 million). This performance reflects the steady execution of the Group's strategic priorities - strengthening income generation, proactively improving asset quality through lower impairment charges, and maintaining disciplined cost management.

While net income margin decreased slightly to 2.02% (2024: 2.06%) amid competitive pressures, overall profitability strengthened, with return on equity (ROE PBT) improving to 8.55% (2024: 3.73%). The results demonstrate continued progress towards building a more resilient and sustainable earnings base.

Total revenue rose by RM143.3 million, or 6.7%, to RM2.291 billion in 2025 underpinned by higher contributions from both financing and investment activities. Financing income rose by 5.5% to RM1.8 billion, in line with higher financing volumes and improved portfolio yields, amidst OPR cut in July 2025. Investment income also recorded a 16.4% increase to RM291.1 million, supported by favourable investment returns.

DIRECTORS' REPORT

BUSINESS REVIEW 2025 (CONT'D.)

Credit quality showed marked improvement during the year. Allowance for impairment on financing reduced substantially to RM82.7 million from RM158.4 million in 2024, mainly attributable to lower individual assessment provisions and higher recoveries of bad debts. Consequently, the Group's cost of credit improved to 0.25% (2024: 0.52%), reflecting strengthened asset quality and prudent risk management.

Cost of Funds (COF) continue to improve from 3.26% in 2024 to 3.18% in 2025, from improved product mix and pricing. The 5.7% increase in income attributable to depositors and investment account holders is consistent with industry-wide trends in 2025 and growing deposit base. The current account and savings account (CASA) ratio stood at 32.7% (2024: 29.12%), supporting a stable and diversified funding base.

Operating expenses remained well controlled. Personnel expenses declined by RM9.0 million, while other overheads and finance costs increased moderately, reflecting higher business activity. Overall cost discipline was maintained, with the cost-to-income ratio improving to 55.20% (2024: 58.69%).

The Group's total assets increased by RM2.00 billion to RM45.67 billion as at 31 December 2025, mainly driven by growth in financing of customers, which rose by RM1.42 billion to RM33.77 billion, reflecting continued financing expansion and stronger business origination during the year. Liquidity buffers also strengthened, with cash and short-term funds increasing by RM472.4 million, while financial investments grew by RM395.2 million, supporting balance sheet resilience.

On the liabilities side, total liabilities increased by RM1.82 billion to RM41.98 billion, primarily due to higher deposits from customers, which rose by RM928.0 million amid continued deposit mobilisation efforts. The new Term Investment Accounts, recorded under investment accounts of customers, increased by RM936.0 million to support the Bank's funding needs, while offering moderate and consistent returns through investments in the retail financing portfolio with low to moderate risk. Overall, the funding structure remained well diversified and largely customer-deposit driven.

Shareholders' equity strengthened by RM186.86 million to RM3.69 billion, supported mainly by higher retained earnings following improved profitability in 2025. Consequently, the Group's capital position improved, with the CET1 capital ratio increasing to 12.273% (2024: 11.040%) and the Tier 1 capital ratio rising to 13.694% (2024: 12.414%). The stronger capital and liquidity positions place the Group in a sound position to support future growth while maintaining prudent risk and capital management.

PROSPECTS AND FORECAST

Malaysia's economic growth accelerated to 5.7% year-on-year in the fourth quarter of 2025, delivering a stronger-than-expected year-end outcome and exceeding market expectations. The pickup from 5.2% in the previous quarter reflects broad-based sectoral support. On a quarter-on-quarter seasonally adjusted basis, growth moderated to 3.0% following an exceptionally strong third quarter, indicating that momentum remained intact even as the pace of expansion normalised toward year-end.

The services sector expanded by 5.4% year-on-year, underpinned by wholesale and retail trade, transport and storage, and accommodation-related segments – consistent with resilient domestic demand and sustained tourism activity. Manufacturing growth accelerated to 6.0%, driven by firmer output in electrical and electronic products alongside food processing and metal-related industries, pointing to improving momentum across export-oriented and process industries. Construction continued to register a double-digit growth of 11.9%, albeit moderating for 4 consecutive quarters from its recent peak in 4Q2024 (20.7%). The strong performance in recent periods has been partly supported by robust data centre-related construction, driven by significant foreign and private investment into hyperscale and cloud infrastructure, as well as by growth in residential and industrial building activity. Agriculture rebounded strongly, expanding by 5.1%, reflecting improved oil palm output and steadier livestock activity, providing a cyclical lift to headline growth after earlier softness. These gains more than offset a moderation in mining output, where growth slowed to 1.1% amid softer crude and natural gas production toward year-end.

Looking ahead, growth is expected to moderate in 2026 following a stronger-than-anticipated 2025 outturn. While domestic demand remains broadly supportive – underpinned by labour market resilience, consumption and an active investment pipeline – the external environment is likely to remain a drag. The unwinding of earlier front-loading effects and the full-year impact of higher US tariffs are expected to weigh on export performance and net trade. Taken together, the strong finish to 2025 provides a buffer entering the new year, but softer external conditions and a more challenging global backdrop point to a more measured growth trajectory ahead.

PROSPECTS AND FORECAST (CONT'D.)

For the Bank, the prevailing growth environment should continue to provide a supportive backdrop for financing and lending activities, particularly in domestically oriented and investment-linked segments. At the same time, heightened external uncertainties warrant close monitoring, as shifts in trade conditions and investment sentiment could affect business activity and overall credit demand.

RATING BY EXTERNAL RATING AGENCIES

Details of the Bank's ratings are as follows:

Rating Agency	Date	Classification	Rating
RAM Rating Services Berhad	August 2025	Long term	A2
		Short term	P1
		Subordinated Sukuk	A3
		Outlook	Stable
Malaysian Rating Corporation Berhad	August 2025	Long term	A+
		Short term	MARC-1
		Senior Sukuk	A+
		Additional Tier-1 Sukuk	BBB+
		Outlook	Stable

DISCLOSURE OF SHARIAH COMMITTEE

The Bank's business activities are required to be in full compliance with the Shariah requirements, as governed and guided by the Shariah Committee ("SC"). The duties and responsibilities of the Shariah Committee are prescribed by the Shariah Governance Policy Document ("SGPD") issued by Bank Negara Malaysia ("BNM"). The key responsibilities of the Shariah Committee are as follows:

(a) To have a charter that sets out the mandate, responsibilities and procedures of the SC including matters reserved for its decision or advice.

(b) To provide objective and sound advice to the Bank to ensure that its aims and operations, business, affairs and activities are in compliance with Shariah. This includes:-

  (i) to provide a decision or advice to the Bank on the application of any rulings of the Shariah Advisory Council ("SAC") or standards on Shariah matters that are applicable to the operations, business, affairs and activities of the Bank;

  (ii) to provide a decision or advice on matters which require a reference to be made to the SAC;

  (iii) to provide a decision or advice on the operations, business, affairs and activities of the Bank which may trigger a Shariah non-compliance event;

  (iv) to deliberate and affirm any Shariah non-compliance finding by any relevant functions; and

  (v) to endorse rectification measure to address any Shariah non-compliance event.

(c) To be accountable for the quality, accuracy and soundness of its own decision or advice.

DIRECTORS' REPORT

DISCLOSURE OF SHARIAH COMMITTEE (CONT'D.)

(d) To establish a robust methodology to guide its decision-making process. The SC must take into account relevant business and risk practices in arriving at a decision or advice.

(e) Where the SC has reason to believe that any Shariah issues or matter may affect the safety and soundness of the Bank, the SC must immediately update the Board of Directors ("BOD") on such matter.

(f) In cases where the SAC has not made any rulings on a particular matter or the SC is not able to arrive at a decision or advice, the Bank shall refer to the SAC for a ruling in accordance with *Manual Rujukan Institusi Kewangan Islam kepada Majlis Penasihat Syariah*. Any requests for a ruling or advice shall be communicated through the Secretariat of the SAC.

(g) In the event where the SC decides or advises to place additional restrictions on the operations, business, affairs and activities of the Bank in applying the SAC rulings, the Bank must:-

  (i) document the deliberations and justifications of the SC decision or advice;

  (ii) ascertain the BOD's views on the decision or advice made by the SC with regards to the SAC ruling; and

  (iii) ensure immediate notification to the BNM of such decision or advice.

(h) The Bank shall ensure that any records of SC's decision or advice to be submitted to the BNM, including a rectification plan to address a Shariah non-compliance event (under section 28(3) of the Islamic Financial Services Act ("IFSA") 2013), is supported with key deliberations, rationale and any significant concerns or dissenting views to the decision or advice.

(i) In the event that the SC delegates any of its responsibilities to any persons or functions:-

  (i) the Bank must ensure that the mandate, areas of delegated authority and operating procedures are set out clearly in the SC's charter and the Bank's internal policies;

  (ii) the Bank must establish reporting arrangements to keep the SC informed of the work, key deliberations and decisions on the delegated matters; and

  (iii) the SC must remain fully accountable for the decisions and any ensuing implications arising from the delegated responsibility.

(j) To exercise objectivity in coming up with the SC judgment and be free from associations or circumstances that may impair the exercise of professional objectivity. In fulfilling the responsibility, a SC member must ensure that the judgement in arriving at a Shariah decision or advice is not affected by other professional commitments.

(k) To devote sufficient time to prepare for and attend SC meetings.

(l) To ensure consistency in providing the SC views and must not act in manner that would undermine the rulings of the SAC or any decisions of the SC that they represent.

(m) To disclose the nature and extent of the SC interest that constitutes or gives rise to a conflict or potential conflict of interest upon the appointment, reappointment or as soon as there is any changes in SC circumstances that may affect SC status.

(n) To continuously develop a reasonable understanding of the business and operations of the Bank and keep abreast with relevant market and regulatory developments. The chairman of the SC must lead efforts to manage the SC's developmental plans.

ZAKAT OBLIGATIONS

The Bank pays zakat on its business to the state zakat authorities based on the growth model method as approved by the Shariah Committee. The Bank does not pay zakat on behalf of the shareholders or depositors, unless upon request by the shareholders or depositors.

For the year ended 31 December 2025, the Group and the Bank have allocated an amount of RM9,800,000 and RM9,670,000 respectively, as provision for zakat on its business.

AUDITORS AND AUDITORS' REMUNERATION

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration related to the statutory audit of the Group and of the Bank for the financial year is RM1,237,000 and RM1,211,000 respectively.

Signed on behalf of the Board in accordance with a resolution of the Board of Directors dated 24 March 2026.

Tan Sri Tajuddin Atan
Chairman

Roshidah Abdullah
Director

Kuala Lumpur, Malaysia

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

In the name of Allah, The Most Beneficent, The Most Merciful

We, Tan Sri Tajuddin Atan and Roshidah Abdullah, being two (2) of the Directors of Bank Muamalat Malaysia Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 213 to 366 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2025 and of the results and the cash flows of the Group and of the Bank for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Board of Directors dated 24 March 2026.

Tan Sri Tajuddin Atan
Chairman

Roshidah Abdullah
Director

Kuala Lumpur, Malaysia

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT, 2016

In the name of Allah, The Most Beneficent, The Most Merciful

I, Amirul Nasir Abdul Rahim, being the officer primarily responsible for the financial management of Bank Muamalat Malaysia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 213 to 366 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Amirul Nasir Abdul Rahim
(I.C No. 840830-14-6087) at
Kuala Lumpur in Federal Territory
on 24 March 2026.

Amirul Nasir Abdul Rahim

Before me,

Commissioner for Oaths

REPORT OF THE SHARIAH COMMITTEE

In the name of Allah, The Most Beneficent, The Most Merciful

In compliance with the letter of appointment, we are required to submit the following report:

We have reviewed the principles and the contracts relating to the transactions and applications introduced by the Bank during the year ended 31 December 2025. We have also conducted our review to form an opinion as to whether the Bank has complied with the Shariah principles and with the Shariah rulings issued by the Shariah Advisory Council of Bank Negara Malaysia and Securities Commission Malaysia, as well as Shariah decisions made by us.

We, the members of the Shariah Committee as established under the Bank, are responsible to assist the Board in the oversight and management of Shariah matters in the operation of the Bank. Although the Board is ultimately responsible and accountable for all Shariah matters under the Bank, the Board relies on our independent advice on the same.

The Management of the Bank is primarily responsible to ensure that the Bank conducts its business in accordance with Shariah principles. It is our responsibility to form an independent opinion, based on our review of the operations of the Bank and to report to you.

We planned and performed our review by obtaining all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Bank has not violated the Shariah principles and to rectify to our reasonable satisfaction the matters that required improvements toward Shariah compliance.

To the best of our knowledge based on the information provided to us and discussions and decisions transpired and made in the meetings of or attended by the Shariah Committee of the Bank as have been detailed out in the relevant minutes of meetings and taking into account the advices and opinions given by the relevant experts, bodies and authorities, we are of the opinion that:

(a) the contracts, transactions and dealings entered into by the Bank during the year ended 31 December 2025 that we have reviewed are in compliance with Shariah principles;

(b) the allocation of profit and charging of losses relating to investment accounts conform to the basis that had been approved by us in accordance with Shariah principles;

(c) all earnings that have been realised from sources or by means prohibited by Shariah principles have been identified and excluded from the Bank's income and will be disposed for charitable causes; and

(d) the financial statements of the Bank for the year ended 31 December 2025 together with the calculation of zakat disclosed to us are in compliance with Shariah principles.

We, the members of the Shariah Committee of Bank Muamalat Malaysia Berhad, to the best of our knowledge, do hereby confirm that the overall operations, business, affairs and activities of the Bank for the year ended 31 December 2025 are in compliance with Shariah principles.

No Shariah non-compliance events were reported during the year.

Signed on behalf of the Shariah Committee of Bank Muamalat Malaysia Berhad.

Dr. Yusri Mohamad
Chairman of Shariah Committee

Dr. Mohd Shahid Mohd Noh
Member of Shariah Committee

Kuala Lumpur, Malaysia
24 March 2026

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BANK MUAMALAT MALAYSIA BERHAD
(REGISTRATION NO.: 196501000376 (6175-W))
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTSS

Opinion

We have audited the financial statements of Bank Muamalat Malaysia Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Bank, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Bank for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 213 to 366.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements section* of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Bank in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Bank are responsible for the other information. The other information comprises the information included in the Directors' Report and Report of the Shariah Committee, but does not include the financial statements of the Group and of the Bank and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Bank does not cover the Directors' Report and Report of the Shariah Committee and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Bank, our responsibility is to read the Directors' Report and Report of the Shariah Committee and, in doing so, consider whether the Directors' Report and Report of the Shariah Committee are materially inconsistent with the financial statements of the Group and of the Bank or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report and Report of the Shariah Committee, we are required to report that fact. We have nothing to report in this regard.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Responsibilities of the Directors for the Financial Statements

The Directors of the Bank are responsible for the preparation of financial statements of the Group and of the Bank that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Bank that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Bank, the Directors are responsible for assessing the ability of the Group and of the Bank to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Bank or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Bank as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Bank, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Bank.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Bank to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Bank or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Bank, including the disclosures, and whether the financial statements of the Group and of the Bank represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BANK MUAMALAT MALAYSIA BERHAD
(REGISTRATION NO.: 196501000376 (6175-W))
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd.)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matters

This report is made solely to the members of the Bank, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Chan Kah Mun
Approval Number: 03350/01/2028 J
Chartered Accountant

Petaling Jaya, Selangor
24 March 2026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025 (10 REJAB 1447H)

	Note	Group 2025 RM'000	Group 2024 RM'000
Assets			
Cash and short-term funds	4 (a)	**2,588,998**	2,116,600
Deposits and placements with licensed financial institutions	4 (b)	**501,361**	502,166
Financial investments at fair value through profit or loss ("FVTPL")	5 (i)	**72,173**	14,888
Financial investments at fair value through other comprehensive income ("FVOCI")	5 (ii)	**7,907,895**	7,569,971
Islamic derivative financial assets	6	**13,549**	14,496
Financing of customers	7	**33,770,816**	32,349,349
Other assets	9	**117,157**	85,670
Statutory deposits with Bank Negara Malaysia	10	**365,000**	680,000
Investment properties	12	**60,786**	58,886
Intangible assets	13	**151,809**	137,200
Right-of-use assets	15.1 (c)	**46,978**	43,008
Property, plant and equipment	14	**53,622**	56,184
Deferred tax assets	16	**16,082**	33,438
Total assets		**45,666,226**	43,661,856
Liabilities			
Deposits from customers	17	**37,390,060**	36,462,088
Investment accounts of customers	18	**1,212,983**	245,707
Deposits and placements of banks and other financial institutions	19	**966,945**	838,721
Obligation on financial assets sold under repurchase agreement	5 (ii)	**100,037**	-
Bills and acceptances payable	20	**11,375**	6,027
Islamic derivative financial liabilities	6	**26,972**	17,309
Other liabilities	21	**197,668**	146,970
Lease liabilities	15.1 (a)	**49,898**	45,496
Provision for zakat and taxation	22	**10,689**	8,929
Recourse obligation on financing sold to Cagamas	23	**1,205,940**	1,584,301
Subordinated sukuk	24	**807,858**	807,369
Total liabilities		**41,980,425**	40,162,917

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025 (10 REJAB 1447H)

	Note	Group 2025 RM'000	Group 2024 RM'000
Shareholders' equity			
Share capital	25	**1,195,000**	1,195,000
Reserves	27	**2,142,046**	1,955,184
Equity attributable to owners of the Bank		**3,337,046**	3,150,184
Perpetual Sukuk	26	**348,755**	348,755
Total Equity		**3,685,801**	3,498,939
Total liabilities and shareholders' equity		**45,666,226**	43,661,856
Restricted investment accounts	18	**20**	20
Total Islamic banking asset and asset under management		**45,666,246**	43,661,876
Commitments and contingencies	46	**6,240,259**	6,095,308
Capital adequacy*	51		
CET 1 capital ratio		**12.273%**	11.040%
Tier 1 capital ratio		**13.694%**	12.414%
Total capital ratio		**18.134%**	16.743%

* Capital adequacy ratios are computed after taking into account the credit, market and operational risks.

The accompanying notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025 (10 REJAB 1447H)

	Note	Bank 2025 RM'000	Bank 2024 RM'000
Assets			
Cash and short-term funds	4 (a)	**2,588,998**	2,116,600
Deposits and placements with licensed financial institutions	4 (b)	**501,361**	502,166
Financial investments at fair value through profit or loss ("FVTPL")	5 (i)	**70,277**	12,209
Financial investments at fair value through other comprehensive income ("FVOCI")	5 (ii)	**7,907,895**	7,569,971
Islamic derivative financial assets	6	**13,549**	14,496
Financing of customers	7	**33,770,816**	32,344,273
Other assets	9	**157,479**	84,793
Statutory deposits with Bank Negara Malaysia	10	**365,000**	680,000
Investment in subsidiaries	11	**13,159**	13,159
Investment properties	12	**60,786**	58,886
Intangible assets	13	**151,487**	136,994
Right-of-use assets	15.1 (c)	**46,978**	43,008
Property, plant and equipment	14	**53,610**	56,164
Deferred tax assets	16	**16,101**	33,433
Total assets		**45,717,496**	43,666,152
Liabilities			
Deposits from customers	17	**37,447,369**	36,476,922
Investment accounts of customers	18	**1,212,983**	245,707
Deposits and placements of banks and other financial institutions	19	**966,945**	838,721
Obligation on financial assets sold under repurchase agreement	5 (ii)	**100,037**	-
Bills and acceptances payable	20	**11,375**	6,027
Islamic derivative financial liabilities	6	**26,972**	17,309
Other liabilities	21	**197,877**	146,886
Lease liabilities	15.1 (a)	**49,898**	45,496
Provision for zakat and taxation	22	**9,670**	8,661
Recourse obligation on financing sold to Cagamas	23	**1,205,940**	1,584,301
Subordinated sukuk	24	**807,858**	807,369
Total liabilities		**42,036,924**	40,177,399

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025 (10 REJAB 1447H)

	Note	Bank 2025 RM'000	Bank 2024 RM'000
Shareholders' equity			
Share capital	25	**1,195,000**	1,195,000
Reserves	27	**2,136,817**	1,944,998
Equity attributable to owners of the Bank		**3,331,817**	3,139,998
Perpetual Sukuk	26	**348,755**	348,755
Total shareholders' equity		**3,680,572**	3,488,753
Total liabilities and shareholders' equity		**45,717,496**	43,666,152
Restricted investment accounts	18	**20**	20
Total Islamic banking asset and asset under management		**45,717,516**	43,666,172
Commitments and contingencies	46	**6,240,259**	6,095,308
Capital adequacy*	51		
CET 1 capital ratio		**12.180%**	10.958%
Tier 1 capital ratio		**13.599%**	12.334%
Total capital ratio		**18.033%**	16.665%

* Capital adequacy ratios are computed after taking into account the credit, market and operational risks.

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2025 (10 REJAB 1447H)

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Income derived from investment of depositors' funds and others	28	**2,198,376**	2,089,730	**2,198,376**	2,089,730
Income derived from investment of investment account funds	29	**29,003**	10,520	**29,003**	10,520
Income derived from investment of shareholders' funds	30	**64,010**	47,862	**64,412**	47,252
Allowance for impairment losses on financing	31	**(82,694)**	(158,354)	**(82,694)**	(158,354)
Allowance for impairment losses on financial investments, net	32	**(2)**	(44,783)	**(2)**	(44,783)
Allowance for impairment losses on other financial assets, net	33	**367**	(932)	**367**	(932)
Other expenses directly attributable to the investment of the depositors and shareholders' funds		**(55,090)**	(37,925)	**(55,090)**	(37,925)
Total distributable income		**2,153,970**	1,906,118	**2,154,372**	1,905,508
Income attributable to depositors	34	**(1,145,758)**	(1,094,284)	**(1,146,160)**	(1,094,613)
Income attributable to investment account holders		**(11,612)**	(209)	**(11,612)**	(209)
Total net income		**996,600**	811,625	**996,600**	810,686
Personnel expenses	35	**(345,186)**	(354,192)	**(343,009)**	(351,999)
Other overheads and expenditures	38	**(250,332)**	(241,963)	**(251,179)**	(243,979)
Finance costs	39	**(93,995)**	(86,154)	**(93,995)**	(86,154)
Profit before zakat and taxation		**307,087**	129,316	**308,417**	128,554
Zakat	40	**(9,805)**	(8,825)	**(9,674)**	(8,576)
Taxation	41	**(73,535)**	(34,350)	**(70,038)**	(32,414)
Profit for the year		**223,747**	86,141	**228,705**	87,564
Earnings per share attributable to shareholders of the Bank (sen) (basic):	42	**18.72**	7.21		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025 (10 REJAB 1447H)

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Profit for the year		**223,747**	86,141	**228,705**	87,564
Other comprehensive (loss)/income:					
Items that may be reclassified subsequently to profit or loss					
Net (loss)/gain on financial investments at FVOCI		**47,020**	(4,063)	**47,020**	(4,063)
- Net gain on change in fair value		**90,245**	10,252	**90,245**	10,252
- Changes in expected credit losses	5 (ii)	**2**	23	**2**	23
- Income tax effect	16	**(15,047)**	(76)	**(15,047)**	(76)
- Realised gain transferred to profit or loss on disposal of debts instruments	28 & 30	**(28,180)**	(14,262)	**(28,180)**	(14,262)
Exchange fluctuation reserve	27	**5,120**	1,382	**5,119**	1,382
Items that may not be reclassified subsequently to profit or loss					
Net unrealised (loss)/gain on equity securities at FVOCI		**(66,861)**	1,325	**(66,861)**	1,325
Other comprehensive loss for the year, net of tax		**(14,721)**	(1,356)	**(14,722)**	(1,356)
Total comprehensive income for the year		**209,026**	84,785	**213,983**	86,208

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025 (10 REJAB 1447H)

	← Non-Distributable →					Distributable	
Group	**Ordinary shares RM'000**	**Perpetual Sukuk RM'000**	**Regulatory reserve RM'000**	**Exchange fluctuation reserve RM'000**	**FVOCI reserve RM'000**	**Retained profits RM'000**	**Total equity RM'000**
At 1 January 2025	**1,195,000**	**348,755**	**145,404**	**2,973**	**(11,637)**	**1,818,444**	**3,498,939**
Profit for the year	-	-	-	-	-	**223,747**	**223,747**
Other comprehensive income/(loss) for the year	-	-	-	**5,120**	**(19,841)**	-	**(14,721)**
Total comprehensive income/(loss) for the year	-	-	-	**5,120**	**(19,841)**	**223,747**	**209,026**
Transfer of fair value changes recognised for equity instruments (elected as FVOCI) upon derecognition	-	-	-	-	**16,295**	**(16,295)**	-
Transfer to regulatory reserve	-	-	**(22,912)**	-	-	**22,912**	-
Transaction with Owners							
Distribution paid to Perpetual Sukuk holders	-	-	-	-	-	**(22,164)**	**(22,164)**
At 31 December 2025	**1,195,000**	**348,755**	**122,492**	**8,093**	**(15,183)**	**2,026,644**	**3,685,801**
At 1 January 2024	1,195,000	348,755	155,747	1,591	(6,966)	1,742,374	3,436,501
Profit for the year	-	-	-	-	-	86,141	86,141
Other comprehensive income/(loss) for the year	-	-	-	1,382	(2,738)	-	(1,356)
Total comprehensive income/(loss) for the year	-	-	-	1,382	(2,738)	86,141	84,785
Transfer of fair value changes recognised for equity instruments (elected as FVOCI) upon derecognition	-	-	-	-	(1,933)	1,933	-
Transfer to regulatory reserve	-	-	(10,343)	-	-	10,343	-
Transaction with Owners							
Distribution paid to Perpetual Sukuk holders	-	-	-	-	-	(22,347)	(22,347)
At 31 December 2024	1,195,000	348,755	145,404	2,973	(11,637)	1,818,444	3,498,939

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025 (10 REJAB 1447H)

	← Non-Distributable →					Distributable	
Bank	Ordinary shares RM'000	Perpetual Sukuk RM'000	Regulatory reserve RM'000	Exchange fluctuation reserve RM'000	FVOCI reserve RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2025	**1,195,000**	**348,755**	**145,404**	**2,974**	**(11,637)**	**1,808,257**	**3,488,753**
Profit for the year	-	-	-	-	-	**228,705**	**228,705**
Other comprehensive income/(loss) for the year	-	-	-	**5,119**	**(19,841)**	-	**(14,722)**
Total comprehensive income/(loss) for the year	-	-	-	**5,119**	**(19,841)**	**228,705**	**213,983**
Transfer of fair value changes recognised for equity instruments (elected as FVOCI) upon derecognition	-	-	-	-	**16,295**	**(16,295)**	-
Transfer to regulatory reserve	-	-	**(22,912)**	-	-	**22,912**	-
Transaction with Owners							
Distribution paid to Perpetual Sukuk holders	-	-	-	-	-	**(22,164)**	**(22,164)**
At 31 December 2025	**1,195,000**	**348,755**	**122,492**	**8,093**	**(15,183)**	**2,021,415**	**3,680,572**
At 1 January 2024	1,195,000	348,755	155,747	1,592	(6,966)	1,730,764	3,424,892
Profit for the year	-	-	-	-	-	87,564	87,564
Other comprehensive income/(loss) for the year	-	-	-	1,382	(2,738)	-	(1,356)
Total comprehensive income/(loss) for the year	-	-	-	1,382	(2,738)	87,564	86,208
Transfer of fair value changes recognised for equity instruments (elected as FVOCI) upon derecognition	-	-	-	-	(1,933)	1,933	-
Transfer to regulatory reserve	-	-	(10,343)	-	-	10,343	-
Transaction with Owners							
Distribution paid to Perpetual Sukuk holders	-	-	-	-	-	(22,347)	(22,347)
At 31 December 2024	1,195,000	348,755	145,404	2,974	(11,637)	1,808,257	3,488,753

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025 (10 REJAB 1447H)

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Cash flows from operating activities					
Profit before zakat and taxation		**307,087**	129,316	**308,417**	128,554
Adjustment for:					
Unwinding of financial liabilities	30	**6,614**	4,429	**6,614**	4,429
Amortisation of intangible assets	38	**36,838**	35,629	**36,760**	35,550
Depreciation of property, plant and equipment	38	**11,427**	10,167	**11,415**	10,152
Gain on sale of property, plant and equipment	30	**(198)**	(10)	**(198)**	(10)
Gain from termination of right-of-use asset	30	**(10)**	(73)	**(10)**	(73)
Depreciation of right-of-use assets	38	**11,805**	11,519	**11,805**	11,519
Amortisation of cost on subordinated sukuk issued		**422**	422	**422**	422
Property, plant and equipment written off	38	**65**	4	**65**	4
Intangible assets written off	38	**129**	4	**-**	4
Amortisation of premium (net)	28 & 30	**39,611**	31,393	**39,611**	31,393
Net gain from sale of financial investments at FVOCI	28 & 30	**(28,180)**	(14,262)	**(28,180)**	(14,262)
Net gain from sale of financial investments at FVTPL	28	**(193)**	(21)	**(193)**	(21)
Unrealised loss/(gain) on revaluation of financial investment at FVTPL	28 & 30	**5,886**	15,204	**5,886**	15,215
Net gain on revaluation of foreign exchange transaction	30	**(46,540)**	(22,739)	**(46,540)**	(22,739)
Unrealised loss/(gain) from foreign exchange derivatives	30	**10,610**	(5,887)	**10,610**	(5,887)
Profit attributable to obligation on financial assets sold under repurchase agreement		**3,110**	-	**3,110**	-
Fair value adjustments of investment properties	30	**(1,900)**	(2,130)	**(1,900)**	(2,130)
Allowance for impairment losses on financial investments, net	32	**2**	44,783	**2**	44,783
Allowance for impairment losses on financing	31	**82,694**	158,354	**82,694**	158,354
Allowance for impairment losses on other financial assets, net	33	**(367)**	932	**(367)**	932
Profit income from financial investments	28 & 30	**(308,200)**	(282,407)	**(308,200)**	(282,407)
Finance costs	39	**93,995**	86,154	**93,995**	86,154
Dividend income	30	**(59)**	(69)	**(15,900)**	(6,000)
Operating profit before working capital changes		**224,648**	200,712	**209,918**	193,936

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025 (10 REJAB 1447H)

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Cash flows from operating activities (cont'd.)					
(Increase)/decrease in operating assets:					
Financing of customers		**(1,504,161)**	(4,160,059)	**(1,509,237)**	(4,159,235)
Statutory deposits with Bank Negara Malaysia		**315,000**	(96,191)	**315,000**	(96,191)
Other assets		**20,538**	68,565	**(11,662)**	68,600
Increase/(decrease) in operating liabilities:					
Deposits from customers		**927,972**	3,666,352	**970,447**	3,665,120
Deposits and placements of banks and other financial institutions		**121,610**	304,658	**121,610**	304,658
Investment accounts of customers		**967,276**	(1,982)	**967,276**	(1,982)
Bills and acceptances payable		**5,348**	(7,746)	**5,348**	(7,746)
Other liabilities		**40,873**	71,070	**41,449**	70,194
Cash generated from operations		**1,119,104**	45,379	**1,110,149**	37,354
Finance cost on lease liabilities	39	**(2,238)**	(2,019)	**(2,238)**	(2,019)
Zakat paid		**(8,929)**	(10,519)	**(8,665)**	(10,235)
Tax paid		**(61,076)**	(68,146)	**(58,750)**	(66,394)
Tax refunded		**559**	-	**539**	-
Net cash generated from/(used in) operating activities		**1,047,420**	(35,305)	**1,041,035**	(41,294)
Cash flows from investing activities					
Proceeds from disposal of financial investments		**4,879,433**	7,375,024	**4,879,433**	7,374,994
Purchase of financial investments		**(5,292,379)**	(8,365,791)	**(5,292,379)**	(8,365,724)
Proceeds from disposal of property, plant and equipment		**199**	10	**199**	10
Purchase of property, plant and equipment	14	**(8,274)**	(9,044)	**(8,270)**	(9,044)
Purchase of intangible assets	13	**(52,233)**	(60,433)	**(51,910)**	(60,433)
Proceeds of profit income from financial investments		**304,017**	267,262	**303,234**	267,283
Dividend income received	30	**59**	69	**6,900**	6,000
Net cash used in investing activities		**(169,178)**	(792,903)	**(162,793)**	(786,914)

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Cash flows from financing activities					
Dividend paid on Islamic subordinated sukuk		**(38,489)**	(38,490)	**(38,489)**	(38,490)
Payment of lease liabilities		**(11,361)**	(11,314)	**(11,361)**	(11,314)
Proceed from obligation on financial assets sold under repurchase agreement		**4,906,731**	-	**4,906,731**	-
Payment of principal for obligation on financial assets sold under repurchase agreement		**(4,807,158)**	-	**(4,807,158)**	-
Payment of finance cost for obligation on financial assets sold under repurchase agreement		**(2,646)**	-	**(2,646)**	-
Proceed from recourse obligation on financing sold to Cagamas		**852,711**	752,232	**852,711**	752,232
Payment of principal for recourse obligation on financing sold to Cagamas		**(1,230,495)**	(229,587)	**(1,230,495)**	(229,587)
Payment of finance cost for recourse obligation on financing sold to Cagamas		**(53,778)**	(42,711)	**(53,778)**	(42,711)
Distribution paid to Perpetual Sukuk holders		**(22,164)**	(22,347)	**(22,164)**	(22,347)
Net cash (used in)/generated from financing activities		**(406,649)**	407,783	**(406,649)**	407,783
Net increase in cash and cash equivalents		**471,593**	(420,425)	**471,593**	(420,425)
Cash and cash equivalents at beginning of year		**2,618,766**	3,039,191	**2,618,766**	3,039,191
Cash and cash equivalents at end of year		**3,090,359**	2,618,766	**3,090,359**	2,618,766
Cash and cash equivalents consist of:					
Cash and short-term funds	4 (a)	**2,588,998**	2,116,600	**2,588,998**	2,116,600
Cash and placements with financial institutions	4 (b)	**501,361**	502,166	**501,361**	502,166
		3,090,359	2,618,766	**3,090,359**	2,618,766

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025 (10 REJAB 1447H)

(a) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's and the Bank's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Bank's statement of cash flows as cash flows from financing activities.

	Lease Liabilities Group and Bank	
Group and Bank	**2025 RM'000**	**2024 RM'000**
At 1 January	**45,496**	38,469
Net changes from financing cash flows:		
Payments for the profit portion of lease liabilities	**(2,238)**	(2,019)
Payments for the principal portion of lease liabilities	**(11,361)**	(11,314)
	31,897	25,136
Other changes:		
Finance cost	**2,238**	2,019
Lease modification	**14,576**	18,149
Currency translation	**(10)**	(3)
Termination	**(324)**	(657)
Additions	**1,521**	852
At 31 December	**49,898**	45,496

(b) Cash outflows for leases as a lessee

Group	2025 RM'000	2024 RM'000
Included in net cash from operating activities:		
Payment relating to leases of low-value assets	**7,632**	7,387
Finance cost paid in relation to lease liabilities	**2,238**	2,019
Included in net cash from financing activities:		
Payment of lease liabilities	**11,361**	11,314
Total cash outflows for leases	**21,231**	20,720

Bank	2025 RM'000	2024 RM'000
Included in net cash from operating activities:		
Payment relating to leases of low-value assets	**7,118**	6,967
Finance cost paid in relation to lease liabilities	**2,238**	2,019
Included in net cash from financing activities:		
Payment of lease liabilities	**11,361**	11,314
Total cash outflows for leases	**20,717**	20,300

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025 (10 REJAB 1447H)

(a) Reconciliation of liabilities arising from financing activities: (cont'd.)

The table below details changes in the Group's and the Bank's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Bank's statement of cash flows as cash flows from financing activities. (cont'd.)

	Obligation on financial assets sold under repurchase agreement		Subordinated Sukuk		Recourse obligation on financing sold to Cagamas	
Group and Bank	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	**-**	-	**807,369**	806,924	**1,584,301**	1,058,745
Net changes from financing cash flows:						
Dividend paid on Islamic subordinated sukuk	**-**	-	**(38,489)**	(38,490)	**-**	-
Proceed from recourse obligation on financing sold to Cagamas	**-**	-	**-**	-	**852,711**	752,232
Payment of principal for recourse obligation on financing sold to Cagamas	**-**	-	**-**	-	**(1,230,495)**	(229,587)
Payment of finance cost for recourse obligation on financing sold to Cagamas	**-**	-	**-**	-	**(53,778)**	(42,711)
Proceed from obligation on financial assets sold under repurchase agreement	**4,906,731**	-	**-**	-	**-**	-
Payment of principal for obligation on financial assets sold under repurchase agreement	**(4,807,158)**	-	**-**	-	**-**	-
Payment of finance cost for obligation on financial assets sold under repurchase agreement	**(2,646)**	-	**-**	-	**-**	-
	96,927	-	**768,880**	768,434	**1,152,739**	1,538,679
Other changes:						
Amortisation of cost on subordinated sukuk issued	**-**	-	**422**	422	**-**	-
Finance cost	**-**	-	**38,556**	38,513	**53,201**	45,622
Profit attributable to obligation on financial assets sold under repurchase agreement	**3,110**	-	**-**	-	**-**	-
At 31 December	**100,037**	-	**807,858**	807,369	**1,205,940**	1,584,301

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

CORPORATE INFORMATION

The Bank is a licensed Islamic Bank under the Islamic Financial Services Act, 2013 ("IFSA"), incorporated and domiciled in Malaysia. The registered office and principal place of business of the Bank is located at 30th Floor, Menara Bumiputra, Jalan Melaka, 50100 Kuala Lumpur.

The Bank is principally engaged in Islamic banking business and the provision of related financial services. The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

The immediate holding and ultimate holding companies of the Bank are DRB-HICOM Berhad and Etika Strategi Sdn. Bhd. respectively, both of which are incorporated in Malaysia. DRB-HICOM Berhad, is a public limited liability company listed on the Main Market of Bursa Malaysia Securities Berhad. DRB-HICOM Berhad holds 70% of the Bank's shares, whilst the remaining 30% is held by Khazanah Nasional Berhad.

The consolidated financial statements of the Bank as of and for the year ended 31 December 2025 comprise the Bank and its subsidiaries (together referred to as "the Group").

The financial statements were authorised for issuance by the Board of Directors in accordance with a resolution of the Board of Directors on 24 March 2026.

1. BASIS OF PREPARATION

1.1 Statement of compliance

The financial statements of the Group and of the Bank have been prepared in accordance with the MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued but have not been adopted by the Group and the Bank:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements - Volume 11:
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 10, *Consolidated Financial Statements*
  - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

1. BASIS OF PREPARATION (CONT'D.)

1.1 Statement of compliance (cont'd.)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in* Foreign Exchange Rates - *Translation to a Hyperinflationary Presentation Currency*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Bank plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 January 2027 for the amendments that are effective for annual periods beginning on or after 1 January 2027.

The initial application of the above mentioned accounting standards, interpretations or amendments are not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Bank, except as mentioned below:

MFRS 18, *Presentation and Disclosure in Financial Statements*

- MFRS 18 will replace MFRS 101, Presentation of Financial Statements and applies for annual periods beginning on or after 1 January 2027. The new accounting standard introduces the following key requirements:
  - Entities are required to classify all income and expenses into five categories in the statement of profit and loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal.
  - Management - defined performance measures ("MPMs") are disclosed in a single note in the financial statements.
  - Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group and the Bank are currently assessing the impact of adopting MFRS 18.

1.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below:

Items	Measurement bases
Islamic derivative financial instruments	Fair value
Fair value through profit or loss ("FVTPL")	Fair value
Fair value through other comprehensive income ("FVOCI")	Fair value
Investment properties	Fair value

1. BASIS OF PREPARATION (CONT'D.)

1.3 Functional and presentation currencies

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Bank's functional currency and has been rounded to the nearest thousand ("RM'000"), except when otherwise indicated.

1.4 Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than Note 3 - Significant accounting judgement, estimates and assumptions.

2. MATERIAL ACCOUNTING POLICIES

(a) Investment in subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Bank's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in statement of profit or loss.

(b) Financial assets

(i) Initial recognition and subsequent measurement

The Group and the Bank classify all of their financial assets based on the business model for managing the assets and the assets' contractual cash flow characteristics. All financial assets are recognised initially at fair value plus directly attributable transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

The categories of financial assets under MFRS 9 *Financial Instruments* are as follows:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVTPL")

(1) Financial assets at amortised cost

The Group and the Bank measure financial assets at amortised cost if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit ("SPPP") on the principal amount outstanding; and
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

(b) Financial assets (cont'd.)

(i) Initial recognition and subsequent measurement (cont'd.)

(1) Financial assets at amortised cost (cont'd.)

The details of these conditions are outlined below:

(i) The SPPP test

As a first step of its classification process, the Group and the Bank assess the contractual terms of financial assets to identify whether they meet the SPPP test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there were payments of principal or amortisation of the premium/discount).

The most significant elements of profit within a financing arrangement are typically the consideration for the time value of money and credit risk. To make the SPPP assessment, the Group and the Bank apply judgement and consider relevant factors such as the currency in which the financial asset is denominated, and the period for which the profit rate is set.

In contrast, contractual terms that introduce a more than de *minimis* exposure to risks or volatility in the contractual cash flows that are unrelated to a basic financing arrangement do not give rise to contractual cash flows that are solely payments of principal and profit on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

(ii) Business model assessment

The Group and the Bank determine its business model at the level that best reflects how groups of financial assets are managed to achieve its business objective.

The Group's and the Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The way the performance of the business model and the financial assets held within that business model are evaluated and reported to the key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- The way the managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales which are also important aspects of the Group's and the Bank's assessment.
- The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's and the Bank's original expectations, the Group and the Bank do not change the classification of the remaining financial assets held in that business model, but incorporate such information when assessing newly originated or newly purchased financial assets going forward.

Included in financial assets at amortised cost are cash and short-term funds, deposits and placements with licensed financial institutions, financial investments at amortised cost, financing of customers, statutory deposits with Bank Negara Malaysia and a portion of other assets as disclosed in the respective notes to the financial statements.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

(b) Financial assets (cont'd.)

(i) Initial recognition and subsequent measurement (cont'd.)

(2) Financial assets at fair value through other comprehensive income ("FVOCI")

The Group and the measure financial assets at FVOCI when both of the following conditions are met:

- The contractual terms of the financial assets meet the SPPP test; and
- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in the Other Comprehensive Income ("OCI"). Profit income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. Where the Group and the Bank hold more than one investment in the same security, they are deemed to be disposed off on a first–in-first–out basis. Upon derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

Equity instruments are normally measured at FVTPL. However, for nontraded equity instruments, with an irrevocable option at inception, the Group and the Bank measure the changes through FVOCI (without recycling profit or loss upon derecognition).

Included in financial assets at FVOCI are certain equity and debt instruments.

(3) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at FVTPL are those that are held-for-trading and have been either designated by the Group and the Bank upon initial recognition or are mandatorily required to be measured at fair value under MFRS 9 *Financial Instruments*.

The Group and the Bank designate an instrument at FVTPL upon initial recognition when one of the following criteria is met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The assets and liabilities are part of a group of financial assets, financial liabilities or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

Included in financial assets at FVTPL are financial investments at FVTPL, financial assets designated upon initial recognition, financing of customers and Islamic derivatives financial investments.

Subsequent to initial recognition, financial assets held-for-trading and financial assets designated at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recognised in profit or loss under the caption of 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

(b) Financial assets (cont'd.)

(ii) Reclassifications

Reclassifications of financial assets are made when, and only when, the business model for those assets changes. Such changes are expected to be infrequent and arise as a result of significant external or internal changes such as the termination of a line of business or management buy-over.

(iii) Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from asset have expired.
- The Group and the Bank have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either:
  - The Group and the Bank have transferred substantially all the risks and rewards of the asset; or
  - The Group and the Bank have neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the financial asset.

When the Group and the Bank have transferred their rights to receive cash flows from a financial asset or have entered into a pass through arrangement, and have neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the financial asset, the financial asset is recognised to the extent of the Group's and the Bank's continuing involvement in the financial asset. In that case, the Group and the Bank also recognise an associated liability. The transferred asset and associated liability are measured on a basis that reflects the rights and obligations that the Group and the Bank have retained.

(iv) Impairment of financial assets

The MFRS 9, Financial Instruments impairment requirements are based on an Expected Credit Loss ("ECL") model. The ECL model applies to financial assets measured at amortised cost or at FVOCI (with recycling to profit or loss), irrevocable financing commitments and financial guarantee contracts, and financing of customers and debt instruments held by the Group and the Bank. The ECL model also applies to contract assets under MFRS 15, Revenue from Contracts with Customers and lease receivables under MFRS 117, Leases.

The measurement of ECL involves increased complexity and judgement that include:

(1) Determining a significant increase in credit risk since initial recognition

The assessment of significant deterioration since initial recognition is critical in establishing the point of switching between the requirement to measure an allowance based on 12-month ECL and one that is based on lifetime ECL. The quantitative and qualitative assessments are required to estimate the significant increase in credit risk by comparing the risk of a default occurring on the financial assets as at reporting date with the risk of default occurring on the financial assets as at the date of initial recognition.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

(b) Financial assets (cont'd.)

(iv) Impairment of financial assets (cont'd.)

(1) Determining a significant increase in credit risk since initial recognition (cont'd.)

The criteria for determining whether credit risk has increase significantly vary by portfolio and include quantitative factors as delinquency, historical delinquency trend, changes in credit ratings and qualitative factors as well as a backstop based on delinquency. For retail portfolio, a combination of delinquency, historical delinquency trend and qualitative factors are used to determine significant increase in credit risk. For non-retail portfolio, internally derived credit ratings have been identified as representing the best available determinant of credit risk whilst for financial securities, external ratings attributed by external agencies are used.

The Group and the Bank assign each counterparty, financial security and financial instrument, credit rating at initial recognition based on available information about the counterparty, financial security and financial instrument. Credit risk is deemed to have increase significantly if the credit rating has significantly deteriorated at the reporting date relative to the credit rating at the date of initial recognition.

Nevertheless, regardless of the change in credit rating, a backstop is applied and a financial asset is considered to have experienced a significant increase in credit risk if the financial asset is more than 30 days past due on its contractual payments. In addition, the Group and the Bank may determine that an exposure has demonstrated a significant increase in credit risk based on certain qualitative factors using its expert credit judgement and, where possible, relevant historical experience that are considered to be indicative of such increase whose effect may not otherwise be fully reflected in its quantitative factors.

The Group and the Bank has not used the low credit risk exemption for any financial assets in the current financial year.

The Group and the Bank apply a 3-stage approach based on the change in credit quality since initial recognition:

3-Stage Approach	Stage 1	Stage 2	Stage 3
	Performing	Under-performing	Non-performing
ECL Approach	12-month ECL	Lifetime ECL	Lifetime ECL
Criterion	No significant increase in credit risk	Credit risk increased significantly	Credit-impaired assets
Recognition of profit income	On gross carrying amount	On gross carrying amount	On net carrying amount

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

(b) Financial assets (cont'd.)

(iv) Impairment of financial assets (cont'd.)

(2) ECL Measurement

There are three (3) main components to measure ECL, which include:

(i) probability of default ("PD") model;

(ii) loss given default ("LGD") model; and

(iii) exposure at default ("EAD") model.

MFRS 9, *Financial Instruments* does not distinguish between individual assessment and collective assessment. Therefore, the Group and the Bank have decided to continue to measure the impairment mainly on an individual transaction basis for financial assets that are deemed to be individually significant.

(3) Expected life

Lifetime ECL must be measured over the expected life of the financial asset. This is restricted to the maximum contractual life and takes into account expected prepayment, extension, call and similar options, except for certain revolving financial instruments such as overdraft. The expected life for these revolving facilities generally refers to their behavioural life.

(4) Forward looking information

ECL are the unbiased probability-weighted credit losses determined by evaluating a range of possible outcomes and considering future economic conditions. The reasonable and supportable forward looking information is based on the collation of macroeconomic data obtained from various external sources, such as, but not limited to regulators, government and foreign ministries as well as independent research organisations.

Where applicable, the Bank incorporates forward-looking adjustments in credit risk factors of PD and LGD used in the ECL calculation; taking into account the impact of multiple probability-weighted future forecast economic scenarios.

Embedded in ECL is a broad range of forward-looking information as economic inputs, such as:

- Consumer Price Index;
- Unemployment rates;
- Overnight Policy Rate;
- Private consumption;
- Public consumption;
- Gold price; and
- Oil price.

The Bank applies the following three (3) alternative macroeconomic scenarios to reflect an unbiased probability-weighted range of possible future outcomes in estimating ECL:

Base scenario : This scenario reflects that current macroeconomic conditions continue to prevail; and

Upside and Downside scenarios : These scenarios are set relative to the base scenario, reflecting best and worst-case macroeconomic conditions based on subject matter expert's best judgement from current economic conditions.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

(b) Financial assets (cont'd.)

(iv) Impairment of financial assets (cont'd.)

(5) Financial investments at FVOCI

The ECL for financial investments measured at FVOCI does not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to profit and loss upon derecognition of the assets.

(6) Valuation of collateral held as security for financial assets

The amount and type of collateral required depends on assessment of credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types and collateral and valuation parameters.

The main types of collateral obtained by the Group and the Bank are as follows:

- For home financing - mortgages over residential properties;
- For syndicated financing - charges over the properties being financed;
- For vehicle financing - charges over the vehicles financed; and
- For other financing - charges over business assets such as premises, inventories, trade receivables or deposits.

(7) Impairment process – written off accounts

Where a financing is uncollectible, it is written off against the related allowances for impairment. Such financing are written off after the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of the amounts previously written off are recognised in the statements of profit or loss.

(8) Impairment of other financial assets

The Group and the Bank apply the MFRS 9, Financial Instruments simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance for other financial assets. The simplified approach excludes tracking of changes in credit risk.

(v) Determination of fair value

For financial instruments measured at fair value, the fair value is determined by reference to quoted market prices or by using valuation models. For financial instruments with observable market prices, which are traded in active markets, the fair values are based on their quoted market price or dealer price quotations.

For all other financial instruments, fair value is determined using appropriate valuation techniques. In such cases, the fair values are estimated using discounted cash flow models and option pricing models, and based on observable data in respect of similar financial instruments and using inputs (such as yield curves) existing as at reporting date. The Group and the Bank generally uses widely recognised valuation models with market observable inputs for the determination of fair values, due to the low complexity of financial instruments held; with exception to investment in private equity funds.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

(c) Financial liabilities

(i) Date of recognition

All financial liabilities are initially recognised on the trade date, i.e. the date that the Group and the Bank become a party to the contractual provision of the instruments.

(ii) Initial recognition and subsequent measurement

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are classified as either financial liabilities at FVTPL or at amortised cost.

(1) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities held-for-trading include derivatives entered into by the Group and the Bank that do not meet the hedge accounting criteria. Derivative liabilities are initially and subsequently measured at fair value, with any resultant gains or losses recognised in statements of profit or loss. Net gains or losses on derivatives include exchange differences.

(2) Financial liabilities at amortised cost

The Group's and the Bank's financial liabilities at amortised cost include deposits from customers, deposits and placements of banks and other financial institutions, debt securities, bills and acceptances payable, recourse obligation on financing sold to Cagamas and other liabilities.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is redeemed or otherwise extinguished. When an existing financial liability is replaced by another from the same financier on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statements of profit or loss.

(d) Investment properties

Investment properties, comprising principally land and shop lots, are held for long-term rental yields or for capital appreciation or both, and are not occupied by the Group and the Bank.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, representing open-market value determined annually by registered independent valuer having appropriate recognised professional qualification. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group and the Bank use alternative valuation methods such as recent prices of less active markets or discounted cash flow projections. Changes in fair values are recorded in statements of profit or loss in the year in which they arise.

On disposal of an investment property, or when it is permanently withdrawn from use or no future economic benefits are expected from its disposal, it shall be derecognised. The difference between the net disposal proceeds and the carrying amount is recognised in statements of profit or loss in the period of the retirement or upon disposal.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

(e) Intangible assets

Intangible assets include computer software and software under development.

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group and the Bank. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses, except for software under development which are not subject to amortisation, until the assets are ready for their intended use.

The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets with finite lives are amortised over the useful economic life. Intangibles with finite lives or not yet available for use are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation year and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the intangible asset are accounted for by changing the amortisation year or method, as appropriate and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statements of profit or loss in the expense category consistent with the function of the intangible asset.

Amortisation of intangible asset is provided for on a straight-line basis over the estimated useful lives of the assets, as follows:

- Computer software is amortised over its estimated finite useful lives ranging from five (5) to ten (10) years.

(f) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Bank and the cost of the item can be measured reliably.When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Bank recognise such parts as individual assets with specific useful lives and depreciation respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statements of profit or loss as incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has unlimited useful life and therefore is not depreciated. Work-in-progress property, plant and equipment are also not depreciated until the assets are ready for their intended use.

Depreciation of other property, plant and equipment is provided for on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings on freehold land	40 years
Buildings on leasehold land and leasehold land	40 years or remaining life of the lease, whichever is shorter
Office Building	40 years
Furniture, fixtures and fittings	6 to 7 years
Renovations	5 years
Motor vehicles	5 years
Computer equipment	3 to 5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in statements of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

(g) Leases

(a) Classification

At inception of a contract, the Group and the Bank assesses whether a contract is, or contains, a lease arrangement based on whether the contract that conveys to the user (the lessee) the right to control the use of an identified asset for a period of time in exchange for consideration.

(b) Recognition and initial measurement

(i) The Group and the Bank as lessee

The Group and the Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Bank recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use ("ROU") asset

The Group and the Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets, as follows:

Office building	2 to 3 years

If ownership of the leased asset is transferred to the Group and the Bank at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment in accordance with Note 2(j) on impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group and the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Bank and payments of penalties for terminating the lease, if the lease term reflects the Group and the Bank exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Bank uses its incremental profit rate at the lease commencement date because the profit rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of profit and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

(g) Leases (cont'd.)

(b) Recognition and initial measurement (cont'd.)

(i) The Group and the Bank as lessee (cont'd.)

Short-term leases and leases of low-value assets

The Group and the Bank applies the short-term lease recognition exemption to its short-term leases of office building (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office building that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(ii) The Group and the Bank as lessor

Leases in which the Group and the Bank does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statements of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(h) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Bank's functional currency.

(ii) Foreign currency transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Bank and its subsidiaries, and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the date of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in statements of profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under exchange fluctuation reserve in equity.

The exchange fluctuation reserve is reclassified from equity to statements of profit or loss of the Group and of the Bank on disposal of the foreign operations.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in statements of profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

(h) Foreign currencies (cont'd.)

(iii) Foreign operations

The results and financial position of the Group's and the Bank's foreign operations, whose functional currencies are not the presentation currency, are translated into the presentation currency at average exchange rates for the year, which approximates the exchange rates at the date of the transaction, and at the closing exchange rate as at reporting date respectively. All resulting exchange differences are taken directly to other comprehensive income and are subsequently recognised in the statements of profit or loss upon disposal of the foreign operations.

(i) Provision for liabilities

Provisions are recognised when the Group and the Bank have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(j) Impairment of non-financial assets

The Group and the Bank assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Bank make an estimate of the asset's recoverable amount.

The results and financial position of the Group's and the Bank's foreign operations, whose functional currencies are not the presentation currency, are translated into the presentation currency at average exchange rates for the year, which approximates the exchange rates at the date of the transaction, and at the closing exchange rate as at reporting date respectively. All resulting exchange differences are taken directly to other comprehensive income and are subsequently recognised in the statements of profit or loss upon disposal of the foreign operations.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, o reduce the carrying amount of the other assets in the units or groups of units on a pro-rata basis.

Impairment losses are recognised in the statements of profit or loss. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in statements of profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

(k) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances with banks and other financial institutions, and short term deposits with original maturity tenor of less than three (3) months that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

(l) Contingent liabilities and contingent assets

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Bank. The Group and the Bank do not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(m) Employee benefits

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Bank. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Group and the Bank pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the statements of profit or loss, as they are incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(n) Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Bank and the income can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Profit and income from financing

For all financial assets measured at amortised cost, profit bearing financial assets classified as FVOCI and financial assets designated at FVTPL, profit income or expense is recorded using the effective profit rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, payment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective profit rate, but not future credit losses.

For impaired financial assets, profit/financing income continues to be recognised using the effective profit rate, to the extent that it is probable that the profit can be recovered.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

(n) Income recognition (cont'd.)

(i) Profit and income from financing (cont'd.)

(1) Bai' Bithaman Ajil

This contract involves the purchase and sale of an asset by the Bank to the customer on a deferred payment basis either to be paid in lump sum or instalment basis within an agreed period of time at a price which includes a profit margin agreed by both parties. Financing income is recognised on effective profit rate basis over the period of the contract based on the principal amount outstanding.

(2) Ijarah Thumma Al-Bai'

This contract involves lease ending with transfer of ownership from the lessor to the lessee in the form of sale transaction based on agreed terms and conditions. There are two (2) contracts involved in this arrangement. The first contract is Ijarah where the lessee enjoys the usufruct of the assets for an agreed rental during an agreed period of time while the ownership remains with the lessor. The second contract is the sale contract which may take place at the end of the Ijarah period or at any point of time during the period subject to the agreed terms and conditions between the contracting parties. Financing income is recognised on effective profit rate basis over the lease term.

(3) Bai' Inah

This contract involves sale and purchase of an asset whereby the Bank sells an asset to the customer on a deferred basis and subsequently buys back the asset at a cash price lower than the deferred sales price. Financing income is recognised on effective profit rate basis over the period of the contract based on the principal amount outstanding.

(4) Tawarruq

This contract relates to the arrangement that involves a purchase of an asset or commodity based on Murabahah contract on deferred term and a subsequent sale of the same asset to a third party in order to obtain cash. The commodity trading fee incurred in the Tawarruq arrangement is borne by the Bank and is recognised as an expense in the statements of profit or loss, as they are incurred. Financing income is recognised on effective profit rate basis over the expected life of the contract based on the principal amount outstanding.

(5) Bai' Al-Dayn

This contract involves the sale and purchase of securities or debt certificates which conforms with the Shariah ruling. Securities or debt certificates are issued by a debtor to a creditor as evidence of indebtedness. Income from financing shall be recognised on effective profit rate basis over the expected life of the contract based on principal amount outstanding.

(6) Murabahah

This contract involves the sale of goods or assets by the Bank at a mark-up price to the customer, which includes a profit margin as agreed by both parties. The price, costs and profit margin in Murabahah shall be made transparent and agreeable by both parties. This contract applies to the Bank's financing and advances products.

Financing income under this contract is recognised on effective profit rate basis over the period of the contract based on the principal amount outstanding.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

(n) Income recognition (cont'd.)

(i) Profit and income from financing (cont'd.)

(7) Istisna'

Istisna' contract can be established between a Bank and contractor, developer, or producer that allows the Bank to make progress payments as construction progresses. Istisna' financing is provided in the form of advance progress payments to the contractor who builds, manufactures, constructs or develops the object of sale. Upon completion of the project, the asset is delivered to parties who have earlier on agreed to take delivery of the asset. Financing income is recognised on effective profit rate basis over the period of the contract based on the principal amount outstanding.

(8) Qard

Qard is a contract of loan between two (2) parties on the basis of social welfare or to fulfil a short-term financial need of the borrower. The amount of payment must be equivalent to the amount borrowed. It is, however, legitimate for a borrower to pay more than the amount borrowed as long as it is not stated or agreed at the point of contract. As such, no accrual of income is recognised for this contract.

(9) Murabahah to the Purchase Orderer

Murabahah to the Purchase Orderer is a financing arrangement whereby the Bank purchases goods upon the customer's request and subsequently sells them to the customer at a predetermined profit margin, with payment on a deferred basis.

Financing income from Murabahah transactions is recognised when the significant risks and rewards of ownership have been transferred to the customer, which typically occurs upon execution of the Murabahah sale contract. The profit margin is recognised over the financing period using the effective profit rate method.

(10) Musyarakah Mutanaqisah

In Musyarakah Mutanaqisah contract, the customer and the Bank jointly acquire and own the asset. The Bank then leases its equity or share of asset to the customer on the basis of Ijarah. The customer is given the right to acquire the Bank's equity in the asset periodically. Financing income is accounted for on the basis of reducing balance on a time apportioned basis that reflects the effective yield of the asset.

Financing income under this contract is recognised on effective profit rate basis over the period of the contract based on the principal amount outstanding.

(ii) Fee and other income recognition

Financing arrangement, management and participation fees, underwriting commissions, guarantee fees and brokerage fees are recognised as income based on accrual on time apportionment method. Fees from advisory and corporate finance activities are recognised at net of service taxes and discounts on completion of each stage of the assignment.

Dividend income from securities is recognised when the Bank's right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

(o) Income and deferred taxes

Income tax for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the financial position date. Deferred tax is recognised as income or expense and included in the statements of profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(p) Zakat

The Bank pays zakat on its business to the state zakat authorities, based on the growth model method as approved by the Shariah Committee. The Bank does not pay zakat on behalf of the shareholders or depositors, unless upon request by the shareholders or depositors.

(q) Fair value measurement

The Group and the Bank measure financial instruments such as financial assets at FVTPL, financial investments at FVOCI and derivatives, and non-financial assets such as investment properties at fair value at each statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group and the Bank.

The fair value of an asset or a liability is measured using the assumptions that market participants would be willing to use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2. MATERIAL ACCOUNTING POLICIES (CONT'D.)

(q) Fair value measurement (cont'd.)

The Group and the Bank use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical instruments;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement, which is directly (i.e. prices) or indirectly (i.e. derived from prices) observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Bank determine whether transfers have occurred between fair value hierarchy levels by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The fair value of financial instruments and further details are disclosed in Note 48.

(r) Government financing scheme and government financing facility

Financing under a government scheme is recognised and measured in accordance with MFRS 9, *Financial Instruments*, with the benefit at a below market and concession rate is measured as the difference between the initial carrying amount or fair value of the financing and the amount received. Government financing facility is measured in accordance with the amount received.

The benefit of a financing or a facility under a government scheme that addresses identified costs or expenses incurred by the Group and the Bank is recognised in the profit or loss in the same financial period when the costs or expenses are recognised and when the required conditions are fulfilled in accordance with MFRS 120, *Accounting for Government Grants and Disclosure of Government Assistance*.

(s) Investment accounts

Investment accounts are either:

i. Unrestricted investment accounts

An unrestricted investment account ("UA") refers to a type of investment account where the investment account holder ("IAH") provides the Bank with the mandate to make the ultimate decision without specifying any particular restrictions or conditions. The UA is structured under Mudarabah and Wakalah Bi Al-Istithmar contracts.

Impairment allowances required on the assets for investment accounts are charged to and borne by the investors.

ii. Restricted investment accounts

Restricted investment account ("RIA") refers to a type of investment account where the IAH provides a specific investment mandate to the Bank such as purpose, asset class, economic sector and period of investment.

RIA is accounted for as 'off balance' sheet as the Bank has no risk and reward in respect of the assets related to the RIA or to the residual cash flows from those assets. RIA is a type of restricted investment account based on the Mudarabah contract where the IAH and the Bank agree to share the profit generated from the assets funded by the RIA based on an agreed profit sharing ratio ("PSR"), while losses shall be borne by the IAH.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the Management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Although these estimates are based on the Management's best knowledge of current events and actions, actual results may differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving higher degree of judgment and complexity, are as follows:

3.1 Impairment of financial investments portfolio (Notes 5 and 32)

The Group and the Bank review their debt instruments at FVOCI, and financial investments at amortised cost under MFRS 9, *Financial Instruments*, which requires the recognition of ECL at each reporting date to reflect change in credit risk of the financial investments not at FVTPL. MFRS 9 *Financial Instruments* incorporates forward-looking and historical, current and forecasted information into ECL estimation.

In carrying out the impairment review, the following Management's judgements are required:

(i) Determination whether the investment is impaired based on certain indicators, such as, amongst others, difficulties of the issuers or obligors, deterioration of the credit quality of the issuers or obligors; and

(ii) Determination of ECL that reflect:

  (a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

  (b) The time value of money; and

  (c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.2 Impairment of financing of customers (Notes 7 and 31)

The Group and the Bank review individually its significant financing of customers at each reporting date to assess whether an impairment loss should be recorded in the statements of profit or loss. In particular, Management's judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Group and the Bank make judgements about the customer's financial situation and the net realisable value of collateral. These estimates are based on assumptions on a number of factors and actual results may differ, resulting in future changes to the allowances.

The Group's and the Bank's ECL calculations under MFRS 9, *Financial Instruments* are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

(i) Criteria for assessing if there has been a significant increase in credit risk and the qualitative assessment;

(ii) The segmentation of financial assets when ECL is assessed on a collective basis;

(iii) Development of ECL models, including the various formulas and the choice of inputs;

(iv) Determination of associations between macroeconomic scenarios and economic inputs, such as, unemployment levels and collateral values, and the effect on PDs, LGDs, and EADs including macroeconomic factors as disclosed in Note 47(a)(iii); and

(v) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D.)

3.2 Impairment of financing of customers (Notes 7 and 31) (cont'd.)

Financing that have been assessed individually but for which no impairment is required as well as all individually insignificant financing need to be assessed collectively, in groups of assets with similar credit risk characteristic. This is to determine whether impairment should be made due to incurred loss events for which there is objective evidence but effects of which are not yet evident. The collective assessment takes into account of data from the financing portfolios (such as credit quality, levels of arrears, credit utilisation, financing to collateral ratios, etc.) and judgments on the effect of concentrations of risks (such as the performance of different individual groups).

3.3 Fair value estimation of financial investments at FVTPL and FVOCI (Notes 5(i) and 5(ii))

For financial instruments measured at fair value, where the fair values cannot be derived from active markets, these fair values are determined using a variety of valuation techniques, including the use of mathematical models. Whilst the Group and the Bank generally use widely recognised valuation models with market observable inputs, judgement is required where market observable data are not available. Such judgement normally incorporate assumptions that other market participants would use in their valuations, including assumptions on profit rate yield curves, exchange rates, volatilities and prepayment and default rates.

3.4 Taxation (Note 41)

Significant Management's judgement is required in estimating the provision for income taxes, as there may be differing interpretations of tax law for which the final outcome will not be established until a later date. Liabilities for taxation are recognised based on estimates of whether additional taxes will be payable. The estimation process may involve seeking the advise of experts, where appropriate. Where the final liability for taxation being assessed by the Inland Revenue Board is different from the amounts that were initially recorded, these differences will affect the income tax expense and deferred tax provisions in the period in which the estimate is revised or when the final tax liability is established.

4. (a) CASH AND SHORT-TERM FUNDS

	Note	Group and Bank 2025 RM'000	Group and Bank 2024 RM'000
Cash and balances with banks and other financial institutions		**226,119**	330,115
Money at call and interbank placements maturing within one month		**2,363,067**	1,787,040
		2,589,186	2,117,155
Allowances for impairment loss	**(i)**	**(188)**	(555)
		2,588,998	2,116,600

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

4. (a) CASH AND SHORT-TERM FUNDS (CONT'D.)

(i) Analysis of changes in allowances for impairment losses on cash and short-term funds are as follows:

Group and Bank	Stage 1 12-Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
2025				
At 1 January 2025	**555**	**-**	**-**	**555**
Allowance written back (Note 33)	**(367)**	**-**	**-**	**(367)**
At 31 December 2025	**188**	**-**	**-**	**188**
2024				
At 1 January 2024	258	-	-	258
Allowance made (Note 33)	297	-	-	297
At 31 December 2024	555	-	-	555

(b) DEPOSITS AND PLACEMENTS WITH LICENSED FINANCIAL INSTITUTIONS

	Group and Bank 2025 RM'000	2024 RM'000
Licensed Islamic banks	**501,361**	502,166

The weighted average effective profit rate and weighted average maturity of deposits and placements with licensed financial institutions as at 31 December 2025 for the Group and the Bank were 3.27% per annum and 62 days (2024: 3.66% per annum and 48 days).

5. FINANCIAL INVESTMENTS

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Financial investments at FVTPL	**(i)**	**72,173**	14,888	**70,277**	12,209
Financial investments at FVOCI	**(ii)**	**7,907,895**	7,569,971	**7,907,895**	7,569,971
		7,980,068	7,584,859	**7,978,172**	7,582,180

5. FINANCIAL INVESTMENTS (CONT'D.)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(i) Financial investments at FVTPL				
Government securities and treasury bills:				
Malaysian government investment certificates	**50,576**	-	**50,576**	-
Unquoted securities in Malaysia:				
Islamic private debt securities	-	7,700	**-**	7,700
Unit trusts	**21,597**	7,188	**19,701**	4,509
	72,173	14,888	**70,277**	12,209

	Group and Bank	
	2025 RM'000	2024 RM'000
(ii) Financial investments at FVOCI		
Debt instruments:		
Government securities and treasury bills:		
Malaysian government investment certificates	**5,290,606**	3,932,518
Unquoted securities:		
Islamic private debt securities in Malaysia	**1,753,436**	2,671,595
Cagamas sukuk	**764,164**	749,164
	2,517,600	3,420,759
Equity instruments:		
Quoted securities in Malaysia:		
Quoted shares	**84,863**	136,877
Unquoted securities:		
Private equity funds	**10,195**	75,186
Shares in Malaysia	**4,631**	4,631
	14,826	79,817
Total financial investments at FVOCI	**7,907,895**	7,569,971

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

5. FINANCIAL INVESTMENTS (CONT'D.)

(ii) Financial investments at FVOCI (cont'd.)

Included in financial investments at FVOCI of the Group and the Bank are Malaysian government investment certificates, which are pledged as collateral for obligation on financial assets sold under repurchase agreement.

Movements in the allowances for impairment losses on debt instruments at FVOCI of the Group and the Bank are as follows:

Group and Bank	Stage 1 12-Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
2025				
At 1 January 2025	**59**	**-**	**22,680**	**22,739**
Allowance made (Note 32)	**37**	**-**	**-**	**37**
Amount written back in respect of recoveries (Note 32)	**(35)**	**-**	**-**	**(35)**
At 31 December 2025	**61**	**-**	**22,680**	**22,741**
2024				
At 1 January 2024	49	-	22,667	22,716
Allowance made (Note 32)	81	-	13	94
Amount written back in respect of recoveries (Note 32)	(71)	-	-	(71)
At 31 December 2024	59	-	22,680	22,739

6. ISLAMIC DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

The table below shows the fair values of Islamic derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amounts, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year end and are indicative of neither the market risk nor the credit risk.

	2025			2024		
	Contract/ notional amount	Fair value		Contract/ notional amount	Fair value	
Group and Bank	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
Foreign exchange contracts:						
- Currency forwards Less than one year	**1,055,679**	**6,181**	**(26,934)**	1,095,377	9,672	(13,709)
- Currency swaps Less than one year	**485,799**	**7,317**	**(34)**	726,063	4,789	(3,594)
- Currency spot Less than one year	**29,924**	**51**	**(4)**	29,168	35	(6)
Total	**1,571,402**	**13,549**	**(26,972)**	1,850,608	14,496	(17,309)

7. FINANCING OF CUSTOMERS

(i) By type and Shariah contracts

Group	Bai' Bithaman Ajil RM'000	Ijarah Thumma Al-Bai RM'000	Bai' Inah RM'000	Tawarruq RM'000	Bai' Al-Dayn RM'000	Murabahah RM'000	Istisna' RM'000	Qard RM'000	Murabahah to the Purchase Orderer RM'000	Total financing RM'000
2025										
Cash line	-	-	937	837,118	-	-	-	-	-	838,055
Term financing:										
Home financing	906,181	-	-	11,674,572	-	-	165,088	-	-	12,745,841
Syndicated financing	-	-	-	442,048	-	-	-	-	-	442,048
Hire purchase receivables	17,213	1,014,577	-	-	-	-	-	-	2,126,951	3,158,741
Personal financing	22,721	-	-	7,966,828	-	-	-	-	-	7,989,549
Other term financing	56,939	-	-	3,893,776	-	-	-	-	-	3,950,715
Trust receipts	-	-	-	-	10,635	20,730	-	-	-	31,365
Claims on customers under acceptance credits	-	-	-	-	233,706	1,234,999	-	-	-	1,468,705
Staff financing	10,188	-	-	153,827	-	-	1,003	67	2,042	167,127
Revolving financing	-	-	-	2,160,623	-	-	-	-	-	2,160,623
Credit card	-	-	-	185,159	-	-	-	-	-	185,159
Ar-Rahnu	-	-	-	969,964	-	-	-	-	-	969,964
Total gross financing	1,013,242	1,014,577	937	28,283,915	244,341	1,255,729	166,091	67	2,128,993	34,107,892
Fair value changes arising from fair value hedge[1]	-	-	-	7,763	-	-	-	-	-	7,763
	1,013,242	1,014,577	937	28,291,678	244,341	1,255,729	166,091	67	2,128,993	34,115,655
Less : Allowance for impaired financing										
At amortised cost										
- Stage 1 - 12-Month ECL	(666)	(2,165)	(25)	(98,693)	(93)	(1,017)	(679)	-	(4,551)	(107,889)
- Stage 2 - Lifetime ECL not credit impaired	(206)	(317)	-	(80,925)	-	(14)	(145)	-	(685)	(82,292)
- Stage 3 - Lifetime ECL credit impaired	(1,506)	(431)	-	(146,796)	(1,138)	(2,647)	(278)	-	(1,862)	(154,658)
Total net financing[2]	1,010,864	1,011,664	912	27,965,264	243,110	1,252,051	164,989	67	2,121,895	33,770,816

[1] With the discontinuation of the fair value hedge, the unamortised fair value are amortised to profit or loss over the remaining maturity of the hedged item.

[2] Included in total net financing are financing at fair value through profit or loss amounting RM288,554,000 (2024: RM337,972,000) which mainly consists of the BNM established financing facility to provide relief and support recovery for SMEs in the services sector affected by the containment measures since June 2020.

7. FINANCING OF CUSTOMERS (CONT'D.)

(i) By type and Shariah contracts (cont'd.)

Group	Bai' Bithaman Ajil RM'000	Ijarah Thumma Al-Bai RM'000	Bai' Inah RM'000	Tawarruq RM'000	Bai' Al-Dayn RM'000	Murabahah RM'000	Istisna' RM'000	Qard RM'000	Murabahah to the Purchase Orderer RM'000	Musyarakah Mutanaqisah RM'000	Total financing RM'000
2024											
Cash line	-	-	827	638,497	-	-	-	-	-	-	639,324
Term financing:											
Home financing	996,133	-	-	10,921,314	-	-	86,758	-	-	-	12,004,205
Syndicated financing	-	-	-	482,076	-	-	-	-	-	-	482,076
Hire purchase receivables	27,888	728,158	-	-	-	-	-	-	1,497,154	-	2,253,200
Personal financing	25,548	-	-	8,383,684	-	-	-	-	-	-	8,409,232
Other term financing	75,718	-	-	4,203,305	-	-	-	-	-	44,798	4,323,821
Trust receipts	-	-	-	-	17,747	33,721	-	-	-	-	51,468
Claims on customers under acceptance credits	-	-	-	-	233,213	1,048,183	-	-	-	-	1,281,396
Staff financing	13,055	-	-	123,844	-	-	-	90	898	-	137,887
Revolving financing	-	-	-	2,354,330	-	-	-	-	-	-	2,354,330
Credit card	-	-	-	105,248	-	-	-	-	-	-	105,248
Ar-Rahnu	-	-	-	551,566	-	-	-	-	-	-	551,566
Total gross financing	1,138,342	728,158	827	27,763,864	250,960	1,081,904	86,758	90	1,498,052	44,798	32,593,753
Fair value changes arising from fair value hedge[1]	-	-	-	10,868	-	-	-	-	-	-	10,868
	1,138,342	728,158	827	27,774,732	250,960	1,081,904	86,758	90	1,498,052	44,798	32,604,621
Less : Allowance for impaired financing											
At amortised cost											
- Stage 1 - 12 Months ECL	(971)	(849)	(18)	(112,861)	(230)	(1,049)	(387)	-	(3,479)	-	(119,844)
- Stage 2 - Lifetime ECL not credit impaired	(365)	(38)	-	(36,233)	-	(104)	(36)	-	(463)	-	(37,239)
- Stage 3 - Lifetime ECL credit impaired	(1,716)	(219)	(160)	(88,270)	(4,738)	(2,556)	-	-	(530)	-	(98,189)
Total net financing[2]	1,135,290	727,052	649	27,537,368	245,992	1,078,195	86,335	90	1,493,580	44,798	32,349,349

[1] With the discontinuation of the fair value hedge, the unamortised fair value are amortised to profit or loss over the remaining maturity of the hedged item.

[2] Included in total net financing are financing at fair value through profit or loss amounting RM337,972,000 (2023: RM354,740,000) which mainly consists of the BNM established financing facility to provide relief and support recovery for SMEs in the services sector affected by the containment measures since June 2020.

7. FINANCING OF CUSTOMERS (CONT'D.)

(i) By type and Shariah contracts (cont'd.)

Bank	Bai' Bithaman Ajil RM'000	Ijarah Thumma Al-Bai RM'000	Bai' Inah RM'000	Tawarruq RM'000	Bai' Al-Dayn RM'000	Murabahah RM'000	Istisna' RM'000	Qard RM'000	Murabahah to the Purchase Orderer RM'000	Total financing RM'000
2025										
Cash line	-	-	937	837,118	-	-	-	-	-	838,055
Term financing:										
Home financing	906,181	-	-	11,674,572	-	-	165,088	-	-	12,745,841
Syndicated financing	-	-	-	442,048	-	-	-	-	-	442,048
Hire purchase receivables	17,213	1,014,577	-	-	-	-	-	-	2,126,951	3,158,741
Personal financing	22,721	-	-	7,966,828	-	-	-	-	-	7,989,549
Other term financing	56,939	-	-	3,893,776	-	-	-	-	-	3,950,715
Trust receipts	-	-	-	-	10,635	20,730	-	-	-	31,365
Claims on customers under acceptance credits	-	-	-	-	233,706	1,234,999	-	-	-	1,468,705
Staff financing	10,188	-	-	153,827	-	-	1,003	67	2,042	167,127
Revolving financing	-	-	-	2,160,623	-	-	-	-	-	2,160,623
Credit card	-	-	-	185,159	-	-	-	-	-	185,159
Ar-Rahnu	-	-	-	969,964	-	-	-	-	-	969,964
Total gross financing	1,013,242	1,014,577	937	28,283,915	244,341	1,255,729	166,091	67	2,128,993	34,107,892
Fair value changes arising from fair value hedge[1]	-	-	-	7,763	-	-	-	-	-	7,763
	1,013,242	1,014,577	937	28,291,678	244,341	1,255,729	166,091	67	2,128,993	34,115,655
Less : Allowance for impaired financing										
At amortised cost										
- Stage 1 - 12-Month ECL	(666)	(2,165)	(25)	(98,693)	(93)	(1,017)	(679)	-	(4,551)	(107,889)
- Stage 2 - Lifetime ECL not credit impaired	(206)	(317)	-	(80,925)	-	(14)	(145)	-	(685)	(82,292)
- Stage 3 - Lifetime ECL credit impaired	(1,506)	(431)	-	(146,796)	(1,138)	(2,647)	(278)	-	(1,862)	(154,658)
Total net financing[2]	1,010,864	1,011,664	912	27,965,264	243,110	1,252,051	164,989	67	2,121,895	33,770,816

[1] With the discontinuation of the fair value hedge, the unamortised fair value are amortised to profit or loss over the remaining maturity of the hedged item.

[2] Included in total net financing are financing at fair value through profit or loss amounting RM288,554,000 (2024: RM332,896,000) which mainly consists of the BNM established financing facility to provide relief and support recovery for SMEs in the services sector affected by the containment measures since June 2020.

7. FINANCING OF CUSTOMERS (CONT'D.)

(i) By type and Shariah contracts (cont'd.)

Bank	Bai' Bithaman Ajil RM'000	Ijarah Thumma Al-Bai RM'000	Bai' Inah RM'000	Tawarruq RM'000	Bai' Al-Dayn RM'000	Murabahah RM'000	Istisna' RM'000	Qard RM'000	Murabahah to the Purchase Orderer RM'000	Total financing RM'000
2024										
Cash line	-	-	827	638,497	-	-	-	-	-	639,324
Term financing:										
Home financing	996,133	-	-	10,921,314	-	-	86,758	-	-	12,004,205
Syndicated financing	-	-	-	482,076	-	-	-	-	-	482,076
Hire purchase receivables	27,888	728,158	-	-	-	-	-	-	1,497,154	2,253,200
Personal financing	25,548	-	-	8,383,684	-	-	-	-	-	8,409,232
Other term financing	75,718	-	-	4,203,305	-	-	-	39,722	-	4,318,745
Trust receipts	-	-	-	-	17,747	33,721	-	-	-	51,468
Claims on customers under acceptance credit	-	-	-	-	233,213	1,048,183	-	-	-	1,281,396
Staff financing	13,055	-	-	123,844	-	-	-	90	898	137,887
Revolving financing	-	-	-	2,354,330	-	-	-	-	-	2,354,330
Credit card	-	-	-	105,248	-	-	-	-	-	105,248
Ar-Rahnu	-	-	-	551,566	-	-	-	-	-	551,566
Total gross financing	1,138,342	728,158	827	27,763,864	250,960	1,081,904	86,758	39,812	1,498,052	32,588,677
Fair value changes arising from fair value hedge[1]	-	-	-	10,868	-	-	-	-	-	10,868
	1,138,342	728,158	827	27,774,732	250,960	1,081,904	86,758	39,812	1,498,052	32,599,545
Less : Allowance for impaired financing At amortised cost										
- Stage 1 - 12 Months ECL	(971)	(849)	(18)	(112,861)	(230)	(1,049)	(387)	-	(3,479)	(119,844)
- Stage 2 - Lifetime ECL not credit impaired	(365)	(38)	-	(36,233)	-	(104)	(36)	-	(463)	(37,239)
- Stage 3 - Lifetime ECL credit impaired	(1,716)	(219)	(160)	(88,270)	(4,738)	(2,556)	-	-	(530)	(98,189)
Total net financing[2]	1,135,290	727,052	649	27,537,368	245,992	1,078,195	86,335	39,812	1,493,580	32,344,273

[1] With the discontinuation of the fair value hedge, the unamortised fair value are amortised to profit or loss over the remaining maturity of the hedged item.

[2] Included in total net financing are financing at fair value through profit or loss amounting RM332,896,000 (2023: RM350,490,000) which mainly consists of the BNM established financing facility to provide relief and support recovery for SMEs in the services sector affected by the containment measures since June 2020.

7. FINANCING OF CUSTOMERS (CONT'D.)

(i) By type and Shariah contracts (cont'd.)

	Group	
	2025 RM'000	2024 RM'000
Uses of Qard fund:		
Staff financing	**67**	90
	67	90

	Bank	
	2025 RM'000	2024 RM'000
Staff financing	**67**	90
Other term financing	**-**	39,722
	67	**39,812**

(ii) By type of customer

	Group	
	2025 RM'000	2024 RM'000
Domestic non-banking institutions	**657,618**	600,150
Domestic business enterprises		
- Small business enterprises	**1,633,636**	534,693
- Others	**6,466,266**	6,572,626
Government and statutory bodies	**946,702**	926,616
Individuals	**24,391,994**	23,946,937
Other domestic entities	**8,176**	9,378
Foreign entities	**3,500**	3,353
Gross financing	**34,107,892**	32,593,753

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

7. FINANCING OF CUSTOMERS (CONT'D.)

(ii) By type of customer (cont'd.)

	Bank	
	2025 RM'000	2024 RM'000
Domestic non-banking institutions	**657,618**	600,150
Domestic business enterprises		
- Small business enterprises	**1,633,636**	534,693
- Others	**6,466,266**	6,567,550
Government and statutory bodies	**946,702**	926,616
Individuals	**24,391,994**	23,946,937
Other domestic entities	**8,176**	9,378
Foreign entities	**3,500**	3,353
Gross financing	**34,107,892**	32,588,677

(iii) By profit rate sensitivity

	Group	
	2025 RM'000	2024 RM'000
Fixed rate:		
Home financing	**1,247,880**	1,145,936
Hire purchase receivables	**3,158,741**	2,253,200
Others	**3,163,881**	2,172,642
Variable rate:		
Home financing	**11,497,961**	10,858,269
Others	**15,039,429**	16,163,706
Gross financing	**34,107,892**	32,593,753

	Bank	
	2025 RM'000	2024 RM'000
Fixed rate:		
Home financing	**1,247,880**	1,145,936
Hire purchase receivables	**3,158,741**	2,253,200
Others	**3,163,881**	2,167,566
Variable rate:		
Home financing	**11,497,961**	10,858,269
Others	**15,039,429**	16,163,706
Gross financing	**34,107,892**	32,588,677

7. FINANCING OF CUSTOMERS (CONT'D.)

(iv) By sector

	Group	
	2025 RM'000	2024 RM'000
Agriculture	**107,923**	103,950
Mining and quarrying	**57,606**	38,009
Manufacturing	**973,410**	972,488
Electricity, gas and water	**232,187**	182,517
Construction	**1,252,560**	1,102,478
Household	**25,592,288**	23,950,290
Real estate	**705,520**	841,689
Wholesale, retail and restaurant	**1,297,796**	1,112,201
Transport, storage and communication	**478,898**	358,348
Finance, takaful and business services	**2,219,439**	2,551,486
Community, social and personal service	**243,912**	454,054
Government and statutory bodies	**946,353**	926,243
Gross financing	**34,107,892**	32,593,753

	Bank	
	2025 RM'000	2024 RM'000
Agriculture	**107,923**	103,950
Mining and quarrying	**57,606**	38,009
Manufacturing	**973,410**	972,488
Electricity, gas and water	**232,187**	182,517
Construction	**1,252,560**	1,102,478
Household	**25,592,288**	23,950,290
Real estate	**705,520**	841,689
Wholesale, retail and restaurant	**1,297,796**	1,112,201
Transport, storage and communication	**478,898**	358,348
Finance, takaful and business services	**2,219,439**	2,551,486
Community, social and personal service	**243,912**	448,978
Government and statutory bodies	**946,353**	926,243
Gross financing	**34,107,892**	32,588,677

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

7. FINANCING OF CUSTOMERS (CONT'D.)

(v) By residual contractual maturity

	Group	
	2025 RM'000	2024 RM'000
Maturity		
- within one year	**4,568,187**	4,526,060
- more than one to five years	**5,352,465**	4,329,825
- more than five years	**24,187,240**	23,737,868
Gross financing	**34,107,892**	32,593,753

	Bank	
	2025 RM'000	2024 RM'000
Maturity		
- within one year	**4,568,187**	4,526,060
- more than one to five years	**5,352,465**	4,329,825
- more than five years	**24,187,240**	23,732,792
Gross financing	**34,107,892**	32,588,677

(vi) By geographical area

	Group	
	2025 RM'000	2024 RM'000
Domestic	**34,107,892**	32,593,753
Gross financing	**34,107,892**	32,593,753

	Bank	
	2025 RM'000	2024 RM'000
Domestic	**34,107,892**	32,588,677
Gross financing	**34,107,892**	**32,588,677**

7. FINANCING OF CUSTOMERS (CONT'D.)

(vii) Movements in the gross carrying amount of financing of customers

Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
At 1 January 2025	**30,971,024**	**1,281,550**	**341,179**	**32,593,753**
Total transfer within stages:				
Transfer to Stage 1	**537,754**	**(491,676)**	**(46,078)**	**-**
Transfer to Stage 2	**(1,109,855)**	**1,143,018**	**(33,163)**	**-**
Transfer to Stage 3	**(235,863)**	**(146,363)**	**382,226**	**-**
New financing originated	**9,320,827**	**-**	**-**	**9,320,827**
Financing derecognised	**(7,465,191)**	**(184,625)**	**(66,383)**	**(7,716,199)**
Amount written-off	**-**	**-**	**(90,489)**	**(90,489)**
At 31 December 2025	**32,018,696**	**1,601,904**	**487,292**	**34,107,892**

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2024				
At 1 January 2024	27,485,765	804,196	266,229	28,556,190
Total transfer within stages:				
Transfer to Stage 1	293,689	(267,381)	(26,308)	-
Transfer to Stage 2	(945,572)	982,633	(37,061)	-
Transfer to Stage 3	(254,131)	(85,273)	339,404	-
New financing originated	11,578,349	-	-	11,578,349
Financing derecognised	(7,187,076)	(152,625)	(39,730)	(7,379,431)
Amount written-off	-	-	(161,355)	(161,355)
At 31 December 2024	30,971,024	1,281,550	341,179	32,593,753

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

7. FINANCING OF CUSTOMERS (CONT'D.)

(vii) Movements in the gross carrying amount of financing of customers (cont'd.)

Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
At 1 January 2025	**30,965,948**	**1,281,550**	**341,179**	**32,588,677**
Total transfer within stages:				
Transfer to Stage 1	**537,754**	**(491,676)**	**(46,078)**	**-**
Transfer to Stage 2	**(1,109,855)**	**1,143,018**	**(33,163)**	**-**
Transfer to Stage 3	**(235,863)**	**(146,363)**	**382,226**	**-**
New financing originated	**9,325,903**	**-**	**-**	**9,325,903**
Financing derecognised	**(7,465,191)**	**(184,625)**	**(66,383)**	**(7,716,199)**
Amount written-off	**-**	**-**	**(90,489)**	**(90,489)**
At 31 December 2025	**32,018,696**	**1,601,904**	**487,292**	**34,107,892**

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2024				
At 1 January 2024	27,481,513	804,196	266,229	28,551,938
Total transfer within stages:				
Transfer to Stage 1	293,689	(267,381)	(26,308)	-
Transfer to Stage 2	(945,572)	982,633	(37,061)	-
Transfer to Stage 3	(254,131)	(85,273)	339,404	-
New financing originated	11,577,525	-	-	11,577,525
Financing derecognised	(7,187,076)	(152,625)	(39,730)	(7,379,431)
Amount written-off	-	-	(161,355)	(161,355)
At 31 December 2024	30,965,948	1,281,550	341,179	32,588,677

7. FINANCING OF CUSTOMERS (CONT'D.)

(viii) Movements in the loss allowance for financing of customers

Group and Bank	12 Months ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total ECL RM'000
2025				
At 1 January 2025	**119,844**	**37,239**	**98,189**	**255,272**
Transfer to Stage 1	**25,240**	**(11,402)**	**(13,838)**	**-**
Transfer to Stage 2	**(12,586)**	**22,012**	**(9,426)**	**-**
Transfer to Stage 3	**(30,596)**	**(5,532)**	**36,128**	**-**
Changes in credit risk	**(33,929)**	**41,188**	**137,596**	**144,855**
New financing originated	**55,079**	**-**	**-**	**55,079**
Financing derecognised	**(15,163)**	**(1,213)**	**(3,502)**	**(19,878)**
Amount written off	**-**	**-**	**(90,489)**	**(90,489)**
At 31 December 2025	**107,889**	**82,292**	**154,658**	**344,839**

	12 Months ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total ECL RM'000
2024				
At 1 January 2024	120,238	23,258	79,024	222,520
Transfer to Stage 1	14,360	(5,978)	(8,382)	-
Transfer to Stage 2	(10,476)	21,390	(10,914)	-
Transfer to Stage 3	(14,601)	(2,751)	17,352	-
Changes in credit risk	(33,953)	1,896	184,380	152,323
New financing originated	60,777	-	-	60,777
Financing derecognised	(16,501)	(576)	(1,916)	(18,993)
Amount written off	-	-	(161,355)	(161,355)
At 31 December 2024	119,844	37,239	98,189	255,272

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

8. IMPAIRED FINANCING

(i) Movements in the impaired financing

	Group RM'000	Bank RM'000
2025		
At 1 January 2025	**341,179**	**341,179**
Classified as impaired during the year	**382,226**	**382,226**
Reclassified as performing during the year	**(79,241)**	**(79,241)**
Recovered during the year	**(66,383)**	**(66,383)**
Written off during the year	**(90,489)**	**(90,489)**
Gross impaired financing	**487,292**	**487,292**
Less: Stage 3 - Lifetime ECL credit impaired	**(154,658)**	**(154,658)**
Net impaired financing	**332,634**	**332,634**
Calculation ratio of impaired financing:		
Gross financing of customers	**34,107,892**	**34,107,892**
Less: Stage 3 - Lifetime ECL credit impaired	**(154,658)**	**(154,658)**
Net financing of customers	**33,953,234**	**33,953,234**
Ratio of gross impaired financing to total financing	**1.43%**	**1.43%**
Net impaired financing ratio	**0.98%**	**0.98%**
2024		
At 1 January 2024	266,229	266,229
Classified as impaired during the year	339,404	339,404
Reclassified as performing during the year	(63,369)	(63,369)
Recovered during the year	(39,730)	(39,730)
Written off during the year	(161,355)	(161,355)
Gross impaired financing	341,179	341,179
Less: Stage 3 - Lifetime ECL credit impaired	(98,189)	(98,189)
Net impaired financing	242,990	242,990
Calculation ratio of impaired financing:		
Gross financing of customers	32,593,753	32,588,677
Less: Stage 3 - Lifetime ECL credit impaired	(98,189)	(98,189)
Net financing of customers	32,495,564	32,490,488
Ratio of gross impaired financing to total financing	1.05%	1.05%
Net impaired financing ratio	0.75%	0.75%

8. IMPAIRED FINANCING (CONT'D.)

(ii) Impaired financing by geographical area

	Group and Bank	
	2025 RM'000	2024 RM'000
Domestic	**487,292**	341,179

(iii) Impaired financing by sector

	Group and Bank	
	2025 RM'000	2024 RM'000
Agriculture	**938**	76
Manufacturing	**7,206**	14,353
Construction	**28,238**	6,466
Household	**367,993**	234,347
Real estate	**10,200**	9,887
Electricity, gas and water	**261**	240
Wholesale, retail and restaurant	**50,220**	47,757
Transport, storage and communication	**7,369**	10,712
Finance, takaful and business services	**10,105**	13,422
Community, social and personal service	**4,762**	3,919
	487,292	341,179

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

9. OTHER ASSETS

	Note	Group 2025 RM'000	Group 2024 RM'000
Deposits		**7,287**	7,162
Prepayments		**73,529**	32,418
Tax recoverable		**16,279**	26,103
Golf club membership		**500**	500
Other receivables		**21,422**	21,347
		119,017	87,530
Less: Accumulated impairment losses	a	**(1,860)**	(1,860)
		117,157	85,670

	Note	Bank 2025 RM'000	Bank 2024 RM'000
Deposits		**7,254**	7,129
Prepayments		**73,456**	32,355
Tax recoverable		**16,230**	25,771
Dividend receivable from subsidiaries		**9,000**	-
Amount due from subsidiaries	b	**32,076**	-
Golf club membership		**500**	500
Other receivables		**20,823**	20,898
		159,339	86,653
Less: Accumulated impairment losses	a	**(1,860)**	(1,860)
		157,479	84,793

(a) Movements in the accumulated impairment losses are as follows:

	Group and Bank 2025 RM'000	Group and Bank 2024 RM'000
At 1 January	**(1,860)**	(1,225)
Allowance made (Note 33)	**-**	(635)
At 31 December	**(1,860)**	(1,860)

(b) Amount due from subsidiaries are unsecured and repayable on demand.

10. STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA

The statutory deposits are maintained with Bank Negara Malaysia in compliance with Section 26(2)(c) and Section 26(3) of the Central Bank of Malaysia Act, 2009, the amounts of which are determined at set percentages of total eligible liabilities.

11. INVESTMENT IN SUBSIDIARIES

	Bank	
	2025 RM'000	**2024 RM'000**
Unquoted shares at cost - in Malaysia	**13,823**	13,823
Less: Accumulated impairment losses	**(664)**	(664)
	13,159	13,159

Details of the subsidiary companies that are all incorporated in Malaysia are as follows:

Name	**Principal activities**	**Percentage of equity held**		**Paid up capital**	
		2025 %	**2024 %**	**2025 RM**	**2024 RM**
Muamalat Invest Sdn. Bhd.	Provision of Islamic Fund Management Services	**100**	100	**13,000,000**	13,000,000
Muamalat Venture Sdn. Bhd.	Islamic Venture Capital	**100**	100	**100,002**	100,002
Muamalat Nominees (Tempatan) Sdn. Bhd.	Dormant	**100**	100	**2**	2
Muamalat Nominees (Asing) Sdn. Bhd.	Dormant	**100**	100	**2**	2

The companies above are audited by a firm of chartered accountants, KPMG PLT, Malaysia.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

12. INVESTMENT PROPERTIES

Group and Bank	Freehold land RM'000	Building on freehold land RM'000	Total RM'000
2025			
At fair value			
At 1 January 2025	**15,201**	**43,685**	**58,886**
Change in fair value recognised in profit or loss (Note 30)	**800**	**1,100**	**1,900**
At 31 December 2025	**16,001**	**44,785**	**60,786**
2024			
At fair value			
At 1 January 2024	14,431	42,325	56,756
Change in fair value recognised in profit or loss (Note 30)	770	1,360	2,130
At 31 December 2024	15,201	43,685	58,886

(i) The Group's and the Bank's investment properties consist of a few units of commercial properties and a few pieces of undeveloped freehold commercial land.

(ii) As at 31 December 2025, the fair values of the properties are based on valuations performed by Raine & Horne International Zaki + Partners Sdn. Bhd., an accredited independent valuer. A valuation approach as guided by the Malaysian Valuation Standards as issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, has been applied.

(iii) Description of valuation techniques used and key inputs to valuation on investment properties:

Types of investment properties	Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
- Buildings on freehold land - Freehold land	Direct comparison method ("DCM")	Selling price per square foot ("psf") of comparable properties sold adjusted for location, size and shape of land, planning provisions, land tenure, title restrictions and any other characteristics.	The estimated fair value would increase (decrease) if selling price per square foot ("psf") of comparable properties is higher or (lower).

12. INVESTMENT PROPERTIES (CONT'D.)

(iv) Investment properties comprise a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of up to 3 years. Subsequent renewals are negotiated with the lessee and on average renewal periods are 3 years. The Group and the Bank does not charge variable lease payments that do not depend on an index or rate.

(v) Other income/expenses recognised in profit or loss in relation to investment properties:

	Group and Bank	
	2025	2024
	RM'000	RM'000
Lease income	**188**	829
Direct operating expenses		
- Income generating investment properties	**50**	16
- Non-income generating investment properties	**387**	309

(vi) Fair value of investment properties are categorised as follows:

	Group and Bank	
	Level 3	**Total**
	RM'000	**RM'000**
2025		
Freehold land	**16,001**	**16,001**
Building on freehold land	**44,785**	**44,785**
	60,786	**60,786**
2024		
Freehold land	15,201	15,201
Building on freehold land	43,685	43,685
	58,886	58,886

There is no transfer into/out of Level 3 fair value during the financial year (2024: nil).

(vii) Valuation processes applied for Level 3 fair value

The fair value of investment properties is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuation company provides the fair value of the Bank's investment property portfolio every twelve (12) months.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

13. INTANGIBLE ASSETS

Group	Computer software RM'000	Software under development RM'000	Total RM'000
2025			
Cost			
At 1 January 2025	**435,848**	**36,870**	**472,718**
Additions	**834**	**51,399**	**52,233**
Write-off (Note 38)	**(1,386)**	**-**	**(1,386)**
Reclassification	**68,662**	**(68,662)**	**-**
Transfer to property, plant and equipment (Note 14)	**-**	**(657)**	**(657)**
At 31 December 2025	**503,958**	**18,950**	**522,908**
Accumulated amortisation			
At 1 January 2025	**335,518**	**-**	**335,518**
Charge for the year (Note 38)	**36,838**	**-**	**36,838**
Write-off (Note 38)	**(1,257)**	**-**	**(1,257)**
At 31 December 2025	**371,099**	**-**	**371,099**
Carrying amount as at 31 December 2025	**132,859**	**18,950**	**151,809**
2024			
Cost			
At 1 January 2024	406,455	16,530	422,985
Additions	2,425	58,008	60,433
Write-off (Note 38)	-	(4)	(4)
Reclassification	26,968	(26,968)	-
Transfer to property, plant and equipment (Note 14)	-	(10,696)	(10,696)
At 31 December 2024	435,848	36,870	472,718
Accumulated amortisation			
At 1 January 2024	299,889	-	299,889
Charge for the year (Note 38)	35,629	-	35,629
At 31 December 2024	335,518	-	335,518
Carrying amount as at 31 December 2024	100,330	36,870	137,200

13. INTANGIBLE ASSETS (CONT'D.)

Bank	Computer software RM'000	Software under development RM'000	Total RM'000
2025			
Cost			
At 1 January 2025	**434,447**	**36,870**	**471,317**
Additions	**511**	**51,399**	**51,910**
Reclassification	**68,662**	**(68,662)**	**-**
Transfer to property, plant and equipment (Note 14)	**-**	**(657)**	**(657)**
At 31 December 2025	**503,620**	**18,950**	**522,570**
Accumulated amortisation			
At 1 January 2025	**334,323**	**-**	**334,323**
Charge for the year (Note 38)	**36,760**	**-**	**36,760**
At 31 December 2025	**371,083**	**-**	**371,083**
Carrying amount as at 31 December 2025	**132,537**	**18,950**	**151,487**
2024			
Cost			
At 1 January 2024	405,054	16,530	421,584
Additions	2,425	58,008	60,433
Write-off (Note 38)	-	(4)	(4)
Reclassification	26,968	(26,968)	-
Transfer to property, plant and equipment (Note 14)	-	(10,696)	(10,696)
At 31 December 2024	434,447	36,870	471,317
Accumulated amortisation			
At 1 January 2024	298,773	-	298,773
Charge for the year (Note 38)	35,550	-	35,550
At 31 December 2024	334,323	-	334,323
Carrying amount as at 31 December 2024	100,124	36,870	136,994

14. PROPERTY, PLANT AND EQUIPMENT

Group	Building on freehold land RM'000	Office building RM'000	Furniture, fixtures and fittings RM'000	Motor vehicle RM'000	Computer equipment RM'000	Renovation RM'000	Work-in-progress RM'000	Total RM'000
2025								
Cost								
At 1 January 2025	**19,209**	**19,389**	**102,033**	**2,993**	**120,028**	**86,689**	**-**	**350,341**
Additions	**-**	**-**	**3,407**	**286**	**2,310**	**540**	**1,731**	**8,274**
Write-off (Note 38)	**-**	**-**	**(4,038)**	**(160)**	**(6,532)**	**-**	**-**	**(10,730)**
Disposals	**-**	**-**	**-**	**(469)**	**(3,273)**	**-**	**-**	**(3,742)**
Reclassification	**-**	**-**	**562**	**-**	**-**	**1,148**	**(1,710)**	**-**
Transfer from intangible assets (Note 13)	**-**	**-**	**-**	**-**	**657**	**-**	**-**	**657**
At 31 December 2025	**19,209**	**19,389**	**101,964**	**2,650**	**113,190**	**88,377**	**21**	**344,800**
Accumulated depreciation								
At 1 January 2025	**3,894**	**9,794**	**93,573**	**2,538**	**103,726**	**80,632**	**-**	**294,157**
Charge for the year (Note 38)	**480**	**485**	**2,511**	**230**	**5,655**	**2,066**	**-**	**11,427**
Write-off (Note 38)	**-**	**-**	**(3,980)**	**(160)**	**(6,525)**	**-**	**-**	**(10,665)**
Disposals	**-**	**-**	**-**	**(469)**	**(3,272)**	**-**	**-**	**(3,741)**
At 31 December 2025	**4,374**	**10,279**	**92,104**	**2,139**	**99,584**	**82,698**	**-**	**291,178**
Carrying amount as at 31 December 2025	**14,835**	**9,110**	**9,860**	**511**	**13,606**	**5,679**	**21**	**53,622**
2024								
Cost								
At 1 January 2024	19,209	19,389	97,935	2,769	109,176	84,369	48	332,895
Additions	-	-	1,823	233	2,125	474	4,389	9,044
Write-off (Note 38)	-	-	(316)	-	(1,354)	-	-	(1,670)
Disposals	-	-	-	(9)	(615)	-	-	(624)
Reclassification	-	-	2,591	-	-	1,846	(4,437)	-
Transfer from intangible assets (Note 13)	-	-	-	-	10,696	-	-	10,696
At 31 December 2024	19,209	19,389	102,033	2,993	120,028	86,689	-	350,341
Accumulated depreciation								
At 1 January 2024	3,414	9,309	91,661	2,318	101,277	78,301	-	286,280
Charge for the year (Note 38)	480	485	2,226	229	4,416	2,331	-	10,167
Write-off (Note 38)	-	-	(314)	-	(1,352)	-	-	(1,666)
Disposals	-	-	-	(9)	(615)	-	-	(624)
At 31 December 2024	3,894	9,794	93,573	2,538	103,726	80,632	-	294,157
Carrying amount as at 31 December 2024	15,315	9,595	8,460	455	16,302	6,057	-	56,184

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Bank	Building on freehold land RM'000	Office building RM'000	Furniture, fixtures and fittings RM'000	Motor vehicle RM'000	Computer equipment RM'000	Renovation RM'000	Work-in-progress RM'000	Total RM'000
2025								
Cost								
At 1 January 2025	**19,209**	**19,389**	**101,917**	**2,993**	**119,802**	**86,629**	**-**	**349,939**
Additions	**-**	**-**	**3,403**	**286**	**2,310**	**540**	**1,731**	**8,270**
Write-off (Note 38)	**-**	**-**	**(4,038)**	**(160)**	**(6,532)**	**-**	**-**	**(10,730)**
Disposals	**-**	**-**	**-**	**(469)**	**(3,273)**	**-**	**-**	**(3,742)**
Reclassification	**-**	**-**	**562**	**-**	**-**	**1,148**	**(1,710)**	**-**
Transfer from intangible assets (Note 13)	**-**	**-**	**-**	**-**	**657**	**-**	**-**	**657**
At 31 December 2025	**19,209**	**19,389**	**101,844**	**2,650**	**112,964**	**88,317**	**21**	**344,394**
Accumulated depreciation								
At 1 January 2025	**3,894**	**9,794**	**93,393**	**2,538**	**103,582**	**80,574**	**-**	**293,775**
Charge for the year (Note 38)	**480**	**485**	**2,510**	**229**	**5,644**	**2,067**	**-**	**11,415**
Write-off (Note 38)	**-**	**-**	**(3,980)**	**(160)**	**(6,525)**	**-**	**-**	**(10,665)**
Disposals	**-**	**-**	**-**	**(469)**	**(3,272)**	**-**	**-**	**(3,741)**
At 31 December 2025	**4,374**	**10,279**	**91,923**	**2,138**	**99,429**	**82,641**	**-**	**290,784**
Carrying amount as at 31 December 2025	**14,835**	**9,110**	**9,921**	**512**	**13,535**	**5,676**	**21**	**53,610**
2024								
Cost								
At 1 January 2024	19,209	19,389	97,819	2,769	108,950	84,309	48	332,493
Additions	-	-	1,823	233	2,125	474	4,389	9,044
Write-off (Note 38)	-	-	(316)	-	(1,354)	-	-	(1,670)
Disposals	-	-	-	(9)	(615)	-	-	(624)
Reclassification	-	-	2,591	-	-	1,846	(4,437)	-
Transfer from intangible assets (Note 13)	-	-	-	-	10,696	-	-	10,696
At 31 December 2024	19,209	19,389	101,917	2,993	119,802	86,629	-	349,939
Accumulated depreciation								
At 1 January 2024	3,414	9,309	91,482	2,318	101,147	78,243	-	285,913
Charge for the year (Note 38)	480	485	2,225	229	4,402	2,331	-	10,152
Write-off (Note 38)	-	-	(314)	-	(1,352)	-	-	(1,666)
Disposals	-	-	-	(9)	(615)	-	-	(624)
At 31 December 2024	3,894	9,794	93,393	2,538	103,582	80,574	-	293,775
Carrying amount as at 31 December 2024	15,315	9,595	8,524	455	16,220	6,055	-	56,164

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

15. LEASES

15.1 The Group and the Bank as a lessee

The Group and the Bank have leases for leasehold land, building and office equipment. Lease contracts are typically made for fixed periods of one (1) to three (3) years (2024: one (1) to three (3) years), but may have extension options.

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statements of financial position as a right-of-use asset and a lease liability.

Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term.

(a) Lease liabilities

	Profit rate (%)	Group and Bank 2025 RM'000	Group and Bank 2024 RM'000
Non-current	4.5	**38,147**	36,451
Current	4.5	**11,751**	9,045
		49,898	45,496

(b) Lease payments not recognised as a liability

The Group and the Bank have elected not to recognise a lease liability for shortterm leases (leases with an expected term of twelve (12) months or less) or for leases of low-value assets. Payments made under such leases are expensed on a straight-line basis.

The expenses relating to payments not included in the measurement of the lease liability during the financial year is as follows:

	Group 2025 RM'000	Group 2024 RM'000
Expenses relating to leases of low-value assets (included in administrative expenses)	**7,632**	7,387

	Bank 2025 RM'000	Bank 2024 RM'000
Expenses relating to leases of low-value assets (included in administrative expenses)	**7,118**	6,967

15. LEASES (CONT'D.)

15.1 The Group and the Bank as a lessee (cont'd.)

(c) Right-of-use assets

The net book values of right-of-use assets are recognised and the movements during the year are shown as follows:

Group and Bank	Leasehold Land RM'000	Building RM'000	Office Equipment RM'000	Total RM'000
At 1 January 2025	**197**	**42,651**	**160**	**43,008**
Additions	**-**	**1,521**	**-**	**1,521**
Depreciation charge (Note 38)	**(4)**	**(9,240)**	**(2,561)**	**(11,805)**
Lease modification	**-**	**7,060**	**7,516**	**14,576**
Termination	**-**	**(314)**	**-**	**(314)**
Exchange difference	**-**	**(8)**	**-**	**(8)**
At 31 December 2025	**193**	**41,670**	**5,115**	**46,978**
At 1 January 2024	201	33,103	2,809	36,113
Additions	-	852	-	852
Depreciation charge (Note 38)	(4)	(8,857)	(2,658)	(11,519)
Lease modification	-	18,140	9	18,149
Termination	-	(584)	-	(584)
Exchange difference	-	(3)	-	(3)
At 31 December 2024	197	42,651	160	43,008

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

15. LEASES (CONT'D.)

15.2 The Group and the Bank as a lessor

The Group and the Bank have entered into commercial property leases on its investment properties. These non-cancellable leases have remaining lease terms of between one (1) and three (3) years (2024: one (1) and two (2) years). All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

The Group and the Bank lease out a portion of its buildings to third parties under operating lease. These buildings are classified as property, plant and equipment as the portion held for rental is not significant.

Future minimum rentals receivable under commitments and non-cancellable operating leases at the reporting date are as follows:

	Group	
	2025 RM'000	2024 RM'000
Not later than 1 year	**561**	443
Later than 1 year but not later than 3 years	**1,023**	245
	1,584	688

	Bank	
	2025 RM'000	2024 RM'000
Not later than 1 year	**681**	563
Later than 1 year but not later than 3 years	**1,263**	365
	1,944	928

16. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	**33,438**	24,483	**33,433**	23,943
Recognised in the profit or loss (Note 41)	**(2,309)**	9,031	**(2,285)**	9,566
Recognised in other comprehensive income	**(15,047)**	(76)	**(15,047)**	(76)
At 31 December	**16,082**	33,438	**16,101**	33,433

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set- off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax assets, net	**16,082**	33,438	**16,101**	33,433

16. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

Deferred tax assets and liabilities prior to offsetting are summarised as follows:

Group	Net balance at 1 January RM'000	Recognised in profit or loss RM'000	Recognised in OCI RM'000	Balance as at 31 December 2025 Net RM'000	Deferred tax assets RM'000	Deferred tax liabilities RM'000
2025						
Financial investments at FVOCI	**5,362**	**-**	**(15,047)**	**(9,685)**	**-**	**(9,685)**
ECL	**24,342**	**5,439**	**-**	**29,781**	**29,781**	**-**
Leases	**645**	**102**	**-**	**747**	**747**	**-**
Property,plant and equipment & intangible assets	**(18,054)**	**(9,101)**	**-**	**(27,155)**	**-**	**(27,155)**
Provision for liabilities	**21,266**	**1,333**	**-**	**22,599**	**22,599**	**-**
Other temporary differences	**(123)**	**(82)**	**-**	**(205)**	**-**	**(205)**
Tax assets/(liabilities) before set-off	**33,438**	**(2,309)**	**(15,047)**	**16,082**	**53,127**	**(37,045)**
Set-off of tax	**-**	**-**	**-**	**-**	**(37,045)**	**37,045**
Tax assets	**33,438**	**(2,309)**	**(15,047)**	**16,082**	**16,082**	**-**

Group	Net balance at 1 January RM'000	Recognised in profit or loss RM'000	Recognised in OCI RM'000	Balance as at 31 December 2024 Net RM'000	Deferred tax assets RM'000	Deferred tax liabilities RM'000
2024						
Financial investments at FVOCI	5,438	-	(76)	5,362	5,362	-
ECL	22,623	1,719	-	24,342	24,342	-
Leases	588	57	-	645	645	-
Property,plant and equipment & intangible assets	(16,506)	(1,548)	-	(18,054)	-	(18,054)
Provision for liabilities	12,111	9,155	-	21,266	21,266	-
Other temporary differences	229	(352)	-	(123)	-	(123)
Tax assets/(liabilities) before set-off	24,483	9,031	(76)	33,438	51,615	(18,177)
Set-off of tax	-	-	-	-	(18,177)	18,177
Tax assets	24,483	9,031	(76)	33,438	33,438	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

16. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

Deferred tax assets and liabilities prior to offsetting are summarised as follows: (cont'd.)

Bank	Net balance at 1 January RM'000	Recognised in profit or loss RM'000	Recognised in OCI RM'000	Balance as at 31 December 2025 Net RM'000	Deferred tax assets RM'000	Deferred tax liabilities RM'000
2025						
Financial investments at FVOCI	**4,814**	**-**	**(15,047)**	**(10,233)**	**-**	**(10,233)**
ECL	**24,342**	**5,439**	**-**	**29,781**	**29,781**	**-**
Leases	**643**	**103**	**-**	**746**	**746**	**-**
Property, plant and equipment & intangible assets	**(18,021)**	**(9,110)**	**-**	**(27,131)**	**-**	**(27,131)**
Provision for liabilities	**21,230**	**1,365**	**-**	**22,595**	**22,595**	**-**
Other temporary differences	**425**	**(82)**	**-**	**343**	**343**	**-**
Tax assets/(liabilities) before set-off	**33,433**	**(2,285)**	**(15,047)**	**16,101**	**53,465**	**(37,364)**
Set-off of tax	**-**	**-**	**-**	**-**	**(37,364)**	**37,364**
Tax assets	**33,433**	**(2,285)**	**(15,047)**	**16,101**	**16,101**	**-**

Bank	Net balance at 1 January RM'000	Recognised in profit or loss RM'000	Recognised in OCI RM'000	Balance as at 31 December 2024 Net RM'000	Deferred tax assets RM'000	Deferred tax liabilities RM'000
2024						
Financial investments at FVOCI	4,890	-	(76)	4,814	4,814	-
ECL	22,623	1,719	-	24,342	24,342	-
Leases	612	31	-	643	643	-
Property, plant and equipment & intangible assets	(16,524)	(1,497)	-	(18,021)	-	(18,021)
Provision for liabilities	12,113	9,117	-	21,230	21,230	-
Other temporary differences	229	196	-	425	425	-
Tax assets/(liabilities) before set-off	23,943	9,566	(76)	33,433	51,454	(18,021)
Set-off of tax	-	-	-	-	(18,021)	18,021
Tax assets	23,943	9,566	(76)	33,433	33,433	-

17. DEPOSITS FROM CUSTOMERS

(i) By types of deposits

	Group	
	2025 RM'000	2024 RM'000
Savings deposits		
Qard	**926,213**	881,921
Tawarruq	**846,597**	774,783
	1,772,810	1,656,704
Demand deposits		
Qard	**4,316,801**	4,451,933
Tawarruq	**6,164,713**	4,508,695
	10,481,514	8,960,628
Term deposits		
Mudarabah		
General investment deposits	**-**	3,021
Tawarruq		
Short-term accounts	**11,862,617**	13,026,965
Fixed-term accounts	**13,200,296**	12,755,158
	25,062,913	25,785,144
Other deposits	**72,823**	59,612
	37,390,060	36,462,088

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

17. DEPOSITS FROM CUSTOMERS (CONT'D.)

(i) By types of deposits (cont'd.)

	Bank	
	2025 RM'000	2024 RM'000
Savings deposits		
Qard	**926,213**	881,921
Tawarruq	**846,597**	774,783
	1,772,810	1,656,704
Demand deposits		
Qard	**4,348,310**	4,455,967
Tawarruq	**6,164,713**	4,508,695
	10,513,023	8,964,662
Term deposits		
Mudharabah		
General investment deposits	**-**	3,021
Tawarruq		
Short-term accounts	**11,862,617**	13,026,965
Fixed-term accounts	**13,226,096**	12,765,958
	25,088,713	25,795,944
Other deposits	**72,823**	59,612
	37,447,369	36,476,922

(ii) By types of customer

	Group	
	2025 RM'000	2024 RM'000
Government and statutory bodies	**18,719,204**	18,012,756
Business enterprises	**11,159,706**	9,912,020
Individuals	**3,520,732**	3,473,936
Domestic non-bank financial institutions	**2,574,574**	3,799,735
Domestic banking financial institutions	**69,595**	65,783
Others	**1,346,249**	1,197,858
	37,390,060	36,462,088

17. DEPOSITS FROM CUSTOMERS (CONT'D.)

(ii) By types of customer (cont'd.)

	Bank	
	2025 RM'000	**2024 RM'000**
Government and statutory bodies	**18,719,204**	18,012,756
Business enterprises	**11,205,817**	9,915,033
Individuals	**3,520,732**	3,473,936
Domestic non-bank financial institutions	**2,585,772**	3,811,556
Domestic banking financial institutions	**69,595**	65,783
Others	**1,346,249**	1,197,858
	37,447,369	36,476,922

The maturity structure of term deposits are as follows:

	Group	
	2025 RM'000	**2024 RM'000**
Due within six months	**18,819,055**	18,929,790
More than six months to one year	**5,925,240**	6,145,805
More than one year to three years	**318,152**	414,587
More than three years to five years	**466**	294,962
	25,062,913	25,785,144

	Bank	
	2025 RM'000	**2024 RM'000**
Due within six months	**18,844,855**	18,940,590
More than six months to one year	**5,925,240**	6,145,805
More than one year to three years	**318,152**	414,587
More than three years to five years	**466**	294,962
	25,088,713	25,795,944

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

18. INVESTMENT ACCOUNTS OF CUSTOMERS

(i) By type and Shariah contracts

	Group and Bank 2025 RM'000	2024 RM'000
Unrestricted investment accounts:		
Mudarabah		
Without maturity	**277,033**	245,707
Wakalah		
Maturity		
- within one year	**935,950**	-
	1,212,983	245,707
Restricted investment accounts ("RIA"):		
Mudarabah		
Maturity		
- within one year	**20**	20

RIA is a type of restricted investment account based on the Mudarabah contract where the IAH and the Bank agree to share the profit generated from the assets funded by the RIA based on an agreed profit sharing ratio ("PSR"), while losses shall be borne by the IAH. RIA amounting to RM20,000 (2024: RM20,000) is accounted for as off-balance sheet as the Bank has passed its rights and obligations in respect of the assets related to the RIA or the residual cash flows from those assets to the IAH.

(ii) By types of customer

	Unrestricted investment accounts			Restricted investment accounts
Group and Bank	Mudarabah RM'000	Wakalah RM'000	Total RM'000	Mudarabah RM'000
2025				
Individuals	**273,511**	**808,680**	**1,082,191**	**20**
Business enterprises	**3,265**	**101,865**	**105,130**	**-**
Others	**257**	**25,405**	**25,662**	**-**
	277,033	**935,950**	**1,212,983**	**20**
2024				
Individuals	245,707	-	245,707	20
	245,707	-	245,707	20

18. INVESTMENT ACCOUNTS OF CUSTOMERS (CONT'D.)

(iii) Movement of investment accounts of customers:

Group and Bank	Unrestricted investment accounts Mudarabah RM'000	Wakalah RM'000	Total RM'000	Restricted investment accounts Mudarabah RM'000
2025				
At 1 January 2025	**245,707**	**-**	**245,707**	**20**
New placements	**3,442,606**	**1,012,945**	**4,455,551**	**-**
Income from investments	**11,043**	**17,960**	**29,003**	**-**
Profit distributed	**(234)**	**(11,378)**	**(11,612)**	**-**
Wakalah fee	**-**	**(6,582)**	**(6,582)**	**-**
Redemption	**(3,422,089)**	**(76,995)**	**(3,499,084)**	**-**
At 31 December 2025	**277,033**	**935,950**	**1,212,983**	**20**
2024				
At 1 January 2024	247,689	-	247,689	32
New placements	2,169,944	-	2,169,944	20
Income from investments	10,520	-	10,520	-
Profit distributed	(209)	-	(209)	-
Redemption	(2,182,237)	-	(2,182,237)	(32)
At 31 December 2024	245,707	-	245,707	20

(iv) The allocation of investment assets:

	Group and Bank 2025 RM'000	2024 RM'000
Unrestricted investment accounts:		
Home financing	**277,033**	245,707
Personal financing	**935,950**	-
Total investment	**1,212,983**	245,707
Restricted investment accounts:		
Term financing	**20**	20
Total investment	**20**	20

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

18. INVESTMENT ACCOUNTS OF CUSTOMERS (CONT'D.)

(v) Investment account holders ("IAH") profit sharing ratio and rate of return:

	Group and Bank 2025		Group and Bank 2024	
	Average profit sharing ratio (%)	Average rate of return (%)	Average profit sharing ratio (%)	Average rate of return (%)
Unrestricted investment accounts				
Mudarabah	**2.0%**	**0.09%**	2.0%	0.09%
Wakalah	**-**	**3.11%**	-	-
Restricted investment accounts				
Mudarabah	**95.0%**	**0.00%**	95.0%	0.00%

19. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group and Bank 2025 RM'000	2024 RM'000
Non-Mudarabah		
Bank Negara Malaysia	**381,987**	385,413
Licensed banks	**584,958**	453,308
	966,945	838,721

Included in these balances are the BNM funds received under government financing schemes for the purpose of SME lending at a below market and concession rate with 5.5 years to 8.5 years of maturity to be repaid between 2026 and 2031 of RM269,652,000 (2024: RM313,527,000).

20. BILLS AND ACCEPTANCES PAYABLE

Bills and acceptances payable represent the Group's and the Bank's own bills and acceptances rediscounted and outstanding in the market.

21. OTHER LIABILITIES

	Note	Group 2025 RM'000	Group 2024 RM'000
Sundry creditors		**9,185**	1,783
Allowances for impairment losses on financing commitments and financial guarantee contracts	a	**8,553**	9,588
Provision for bonus		**39,883**	39,687
Accrued expenses		**46,442**	41,231
Accrual for audit fees		**707**	785
Other liabilities		**92,898**	53,896
		197,668	146,970

	Note	Bank 2025 RM'000	Bank 2024 RM'000
Sundry creditors		**9,185**	1,783
Allowances for impairment losses on financing commitments and financial guarantee contracts	a	**8,553**	9,588
Provision for bonus		**39,883**	39,533
Accrued expenses		**45,889**	40,247
Accrual for audit fees		**681**	765
Other liabilities		**92,827**	53,896
Amount due to subsidiaries	b	**859**	1,074
		197,877	146,886

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

21. OTHER LIABILITIES (CONT'D.)

(a) Movements in the allowances for impairment losses on financing commitments and financial guarantee contracts are as follows:

Group and Bank	12 Months ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total ECL RM'000
2025				
At 1 January 2025	**7,209**	**728**	**1,651**	**9,588**
Transfer to Stage 1	**282**	**(76)**	**(206)**	**-**
Transfer to Stage 2	**(186)**	**292**	**(106)**	**-**
Transfer to Stage 3	**(254)**	**(115)**	**369**	**-**
New financing commitment originated	**2,195**	**-**	**-**	**2,195**
Financing commitment derecognised	**(1,437)**	**(67)**	**(485)**	**(1,989)**
Changes in credit risk	**(2,678)**	**225**	**1,594**	**(859)**
Amount written off	**-**	**-**	**(382)**	**(382)**
At 31 December 2025	**5,131**	**987**	**2,435**	**8,553**
2024				
At 1 January 2024	8,121	410	1,700	10,231
Transfer to Stage 1	57	(7)	(50)	-
Transfer to Stage 2	(196)	231	(35)	-
Transfer to Stage 3	(579)	(16)	595	-
New financing commitment originated	4,589	-	-	4,589
Financing commitment derecognised	(3,294)	(94)	(441)	(3,829)
Changes in credit risk	(1,489)	204	1,064	(221)
Amount written off	-	-	(1,182)	(1,182)
At 31 December 2024	7,209	728	1,651	9,588

(b) Amount due to subsidiaries is unsecured and repayable on demand.

22. PROVISION FOR ZAKAT AND TAXATION

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Zakat	**9,800**	8,924	**9,670**	8,661
Taxation	**889**	5	**-**	-
	10,689	8,929	**9,670**	8,661

23. RECOURSE OBLIGATION ON FINANCING SOLD TO CAGAMAS

This represents the proceeds received from house financing sold directly to Cagamas Berhad with recourse to the Bank. Under these agreements, the Bank undertakes to administer the financing on behalf of Cagamas Berhad and to buy-back any financing which are regarded as defective based on prudential criteria set by Cagamas Berhad. These financial liabilities are stated at amortised cost.

24. SUBORDINATED SUKUK

Subordinated sukuk as at 31 December 2025 relates to two tranches of Subordinated Sukuk Murabahah (Series 2 and Series 3) which qualifies for Tier 2 capital under the BNM Policy Document on Capital Adequacy Framework for Islamic Banks (Capital Components). The sukuk carries a tenure of 10 years from the issue date, callable on the 5th anniversary date from the issue date and on every profit payment date thereafter. Table below depicts a summary of the current Subordinated Sukuk Murabahah.

Issue date	Call Date	Maturity Date	Profit Rate (% p.a)	Nominal Value
15 June 2021	15 June 2026	15 June 2031	4.50%, payable semiannually	RM500.0 million
20 July 2022	20 July 2027	20 July 2032	5.33%, payable semiannually	RM300.0 million

The Bank may redeem (in whole or in part) the initial Subordinated Sukuk Murabahah prior to maturity on the Call Date, subject to the redemption conditions as stipulated under the principal terms and conditions of the Subordinated Sukuk Programme being satisfied.

25. SHARE CAPITAL

	Number of shares		Amount	
Group and Bank	2025 '000	2024 '000	2025 RM'000	2024 RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 January/31 December	**1,195,000**	1,195,000	**1,195,000**	1,195,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Bank.

26. PERPETUAL SUKUK

On 19 September 2023, the Bank established a perpetual Sukuk Wakalah Programme of RM5.0 billion in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme") for the issuance of (i) Senior Sukuk Wakalah ("Senior Sukuk Wakalah") and/or (ii) Tier-2 Subordinated Sukuk Wakalah ("Tier 2 Sukuk Wakalah") and/or (iii) Additional Tier-1 Capital Sukuk Wakalah ("AT-1 Sukuk Wakalah") which was lodged with the Securities Commission Malaysia on 24 August 2023.

On 29 September 2023, the Bank issued RM350 million of AT-1 Sukuk Wakalah under its Sukuk Wakalah Programme to fund its Islamic financing activities, working capital requirements and/or investment activities. As of the reporting date, the AT-1 Sukuk Wakalah is recognised as equity due to the payment of any distribution or redemption is at the sole discretion of the Bank.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

27. RESERVES

		Group	
	Note	2025 RM'000	2024 RM'000
Regulatory reserve	(a)	**122,492**	145,404
Retained profits	(b)	**2,026,644**	1,818,444
Exchange fluctuation reserve	(c)	**8,093**	2,973
FVOCI reserve	(d)	**(15,183)**	(11,637)
		2,142,046	1,955,184

		Bank	
	Note	2025 RM'000	2024 RM'000
Regulatory reserve	(a)	**122,492**	145,404
Retained profits	(b)	**2,021,415**	1,808,257
Exchange fluctuation reserve	(c)	**8,093**	2,974
FVOCI reserve	(d)	**(15,183)**	(11,637)
		2,136,817	1,944,998

(a) Regulatory reserve

Regulatory reserve is maintained in aggregate, loss allowance for non-credit impaired exposures (commonly known as Stage 1 and Stage 2 provisions) that has been assessed and recognised in accordance with MFRS Accounting Standards and which has been transferred from the retained profits, of no less than 1% of total credit exposures, net of loss allowances for credit-impaired exposures, in accordance with BNM's Policy Document on Financial Reporting for Islamic Banking Institutions issued on 29 April 2022.

(b) Retained profits

The Bank may distribute dividends out of its entire retained profits as at 31 December 2025 under the single tier system.

(c) Exchange fluctuation reserve

The exchange fluctuation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(d) Fair value through other comprehensive income

This represents the cumulative fair value changes, net of tax, of fair value through other comprehensive income financial assets until they are disposed of or impaired.

28. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	Group and Bank 2025 RM'000	2024 RM'000
Income derived from investment of:		
(i) Fixed-term accounts	**776,986**	634,833
(ii) Other deposits	**1,421,390**	1,454,897
	2,198,376	2,089,730

(i) Income derived from investment of fixed-term accounts

	Group and Bank 2025 RM'000	2024 RM'000
Finance income and hibah:		
Income from financing	**626,040**	515,403
Financial investments at FVTPL	**1,122**	542
Financial investments at FVOCI	**104,863**	81,012
Financial investments at amortised cost	**-**	1,691
Money at call and deposit with financial institutions	**18,817**	15,566
	750,842	614,214
Amortisation of premium, net	**(13,837)**	(9,316)
Total finance income and hibah	**737,005**	604,898
of which:		
Income from impaired financing	**6,990**	4,735
Other operating income		
Net gain from sale of:		
- financial investments at FVTPL	**68**	6
- financial investments at FVOCI	**9,939**	4,330
Unrealised loss on revaluation of financial investments at FVTPL	**(2,148)**	(4,785)
	7,859	(449)
Fees and commission		
Guarantee fees	**769**	647
Processing fees	**957**	1,436
Service charges and fees	**6,904**	5,023
Commission	**23,492**	23,278
	32,122	30,384
Total	**776,986**	634,833

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

28. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS (CONT'D.)

(ii) Income derived from investment of other deposits

	Group and Bank 2025 RM'000	2024 RM'000
Finance income and hibah		
Income from financing	**1,145,250**	1,181,185
Financial investments at FVTPL	**2,053**	1,243
Financial investments at FVOCI	**191,832**	185,660
Financial investments at amortised cost	**-**	3,875
Money at call and deposit with financial institutions	**34,427**	35,675
	1,373,562	1,407,638
Amortisation of premium, net	**(25,312)**	(21,349)
Total finance income and hibah	**1,348,250**	1,386,289
of which:		
Income from impaired financing	**12,787**	10,851
Other operating income		
Net gain from sale of:		
- financial investments at FVTPL	**125**	15
- financial investments at FVOCI	**18,182**	9,924
Unrealised loss on revaluation of financial investments at FVTPL	**(3,930)**	(10,965)
	14,377	(1,026)
Fees and commission		
Guarantee fees	**1,407**	1,483
Processing fees	**1,751**	3,291
Service charges and fees	**12,629**	11,512
Commission	**42,976**	53,348
	58,763	69,634
Total	**1,421,390**	1,454,897

29. INCOME DERIVED FROM INVESTMENT OF INVESTMENT ACCOUNT FUNDS

	Group and Bank 2025 RM'000	2024 RM'000
Finance income and hibah		
Income from financing	**29,003**	10,520

30. INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	Group		Bank	
	2025 RM'000	2024 RM'000	**2025 RM'000**	2024 RM'000
Finance income and hibah				
Financial investments at FVOCI	**8,330**	8,384	**8,330**	8,384
Money at call and deposit with financial institutions	**1,370**	1,512	**1,370**	1,512
Amortisation of premium, net	**(462)**	(728)	**(462)**	(728)
Total finance income and hibah	**9,238**	9,168	**9,238**	9,168
Other operating income				
Gains/(losses) on foreign exchange:				
- realised	**46,540**	22,739	**46,540**	22,739
- unrealised	**(10,610)**	5,887	**(10,610)**	5,887
Unwinding of financial liabilities	**(6,614)**	(4,429)	**(6,614)**	(4,429)
Net gain from sale of financial investments at FVOCI	**59**	8	**59**	8
Unrealised gain on revaluation of financial investments at FVTPL	**191**	546	**192**	535
Gross dividend income				
- unquoted shares in Malaysia	**59**	69	**-**	-
- subsidiary	**-**	-	**15,900**	6,000
	29,625	24,820	**45,467**	30,740
Fees and commission				
Corporate advisory fees	**2,613**	2,834	**5,455**	2,390
Service charges and fees	**18,468**	6,327	**66**	121
Commission	**1,469**	1,364	**1,469**	1,364
	22,550	10,525	**6,990**	3,875
Other income				
Rental income	**489**	1,136	**609**	1,256
Gain from sale of property, plant and equipment	**198**	10	**198**	10
Gain from termination of right-of-use asset	**10**	73	**10**	73
Fair value adjustments of investment properties (Note 12)	**1,900**	2,130	**1,900**	2,130
	2,597	3,349	**2,717**	3,469
Total	**64,010**	47,862	**64,412**	47,252

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

31. ALLOWANCE FOR IMPAIRMENT ON FINANCING

	Group and Bank 2025 RM'000	2024 RM'000
Expected credit losses on advances and financing made/(written back):		
Financing and advances		
- Stage 1	**4,067**	10,129
- Stage 2	**40,133**	1,430
- Stage 3	**135,203**	183,087
Impaired financing recovered	**(96,709)**	(36,292)
	82,694	158,354

32. ALLOWANCE FOR IMPAIRMENT LOSSES ON FINANCIAL INVESTMENTS, NET

	Group and Bank 2025 RM'000	2024 RM'000
Allowance for/(write-back of) impairment losses on financial investments at FVOCI, net (Note 5(ii))		
- Allowance made	**37**	94
- Amount written back in respect of recoveries	**(35)**	(71)
Allowance for impairment losses on financial investments at amortised cost	**-**	44,760
	2	44,783

33. ALLOWANCE FOR IMPAIRMENT LOSSES ON OTHER FINANCIAL ASSETS, NET

	Group and Bank 2025 RM'000	2024 RM'000
Allowance for impairment losses on other financial assets		
Cash and short-term funds (Note 4(a)(i))	**(367)**	297
Other financial assets	**-**	635
	(367)	932

34. INCOME ATTRIBUTABLE TO DEPOSITORS

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits from customers				
- Mudarabah funds	**16**	46	**16**	46
- Non-Mudarabah funds	**1,114,559**	1,068,877	**1,114,961**	1,069,206
Deposits and placements of banks and other financial institutions				
- Non-Mudarabah funds	**28,073**	25,361	**28,073**	25,361
Obligation on financial assets sold under repurchase agreement	**3,110**	-	**3,110**	-
	1,145,758	1,094,284	**1,146,160**	1,094,613

35. PERSONNEL EXPENSES

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Salary and wages	**223,549**	219,350	**222,271**	217,974
Contribution to Employees' Provident Fund	**42,618**	42,284	**42,426**	42,070
Social security contributions	**3,043**	2,695	**3,043**	2,695
Allowances and bonuses	**24,026**	43,386	**24,048**	43,276
Chief Executive Officers, Directors and Shariah Committee members' remuneration (Note 36)	**7,082**	7,264	**6,451**	6,839
Others	**44,868**	39,213	**44,770**	39,145
	345,186	354,192	**343,009**	351,999

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

36. CEOs, DIRECTORS AND SHARIAH COMMITTEE MEMBERS' REMUNERATION

		Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(a)	**Chief Executive Officers**				
	Salaries and wages	**2,054**	1,793	**1,550**	1,464
	Bonus	**1,218**	1,291	**1,218**	1,291
	Other emoluments	**475**	510	**413**	470
	Benefits-in-kind	**95**	88	**90**	88
		3,842	3,682	**3,271**	3,313
(b)	**Non-Executive Directors**				
	Fees	**1,634**	1,869	**1,594**	1,829
	Benefits-in-kind	**72**	41	**72**	41
	Other emoluments	**1,088**	1,185	**1,068**	1,169
		2,794	3,095	**2,734**	3,039
(c)	**Shariah Committee members**				
	Allowance	**446**	487	**446**	487
	Total	**7,082**	7,264	**6,451**	6,839
	Total (excluding benefits-in-kind)	**6,915**	7,135	**6,289**	6,710

36. CEOs, DIRECTORS AND SHARIAH COMMITTEE MEMBERS' REMUNERATION (CONT'D.)

The total remuneration (including benefits-in-kind) of the CEOs, Directors and Shariah Committee members' of the Group are as follows:

	Remuneration received from the Group					
Group	Salary RM'000	Fees RM'000	Bonus RM'000	Other emoluments RM'000	Benefits-in-kind RM'000	Total RM'000
2025						
Note 36(a):						
Chief Executive Officer:						
Datuk Khairul Kamarudin	1,550	-	1,218	413	90	3,271
Chief Executive Officer of the subsidiaries:						
Khadijah Sairah Ibrahim	504	-	-	62	5	571
Total Chief Executive Officers' remuneration	2,054	-	1,218	475	95	3,842
Note 36(b):						
Non-Executive Directors:						
Tan Sri Tajuddin Atan	-	345	-	50	72	467
Tan Sri Che Khalib Mohamad Noh	-	132	-	68	-	200
Dato' Ibrahim Taib	-	200	-	122	-	322
Md. Khairuddin Hj. Arshad	-	200	-	201	-	401
Johari Abdul Muid	-	200	-	241	-	441
Mohd Razlan Mohamed	-	200	-	182	-	382
Roshidah Abdullah	-	200	-	140	-	340
Ainol Roznain Yaacob*	-	117	-	64	-	181
Dato' Suhana Dewi Selamat*	-	-	-	-	-	-
Directors of the subsidiaries:						
Roshidah Abdullah	-	20	-	10	-	30
Md. Khairuddin Hj. Arshad	-	20	-	10	-	30
Total Directors' remuneration	-	1,634	-	1,088	72	2,794
Total Chief Executive Officers and Directors' remuneration	2,054	1 ,634	1,218	1,563	167	6,636
Note 36(c):						
Shariah Committee:						
Dr. Yusri Mohamad	-	66	-	16	1	83
Dr. Ahmad Zakirullah Mohamed Shaarani	-	60	-	12	1	73
Dr. Muhamad Azhari Wahid	-	60	-	12	1	73
Dr. Mohd Shahid Mohd Noh	-	60	-	12	1	73
Dr. Badruddin Bin Hj. Ibrahim	-	60	-	10	1	71
Khairun Najmi Bin Saripudin	-	60	-	12	1	73
Total Shariah Committee members' remuneration	-	366	-	74	6	446

* With effective from 1 August 2025, no remuneration shall be paid in lieu of Khazanah Nasional Berhad's ("Khazanah") waiver of Director's fees and meeting allowances to its Nominee Director, who is a Khazanah employee. The said waiver applies to all Khazanah's investee companies.Nominee Director, who is a Khazanah employee. The said waiver applies to all Khazanah's investee companies.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

36. CEOs, DIRECTORS AND SHARIAH COMMITTEE MEMBERS' REMUNERATION (CONT'D.)

The total remuneration (including benefits-in-kind) of the CEOs, Directors and Shariah Committee members' of the Group are as follows: (cont'd.)

	Remuneration received from the Group					
Group	**Salary RM'000**	**Fees RM'000**	**Bonus RM'000**	**Other emoluments RM'000**	**Benefits-in-kind RM'000**	**Total RM'000**
2024						
Note 36(a):						
Chief Executive Officer:						
Datuk Khairul Kamarudin	1,464	-	1,291	470	88	3,313
Chief Executive Officer of the subsidiaries:						
Khadijah Sairah Ibrahim	329	-	-	40	-	369
Total Chief Executive Officers' remuneration	1,793	-	1,291	510	88	3,682
Note 36(b):						
Non-Executive Directors:						
Tan Sri Tajuddin Atan	-	429	-	54	41	524
Tan Sri Che Khalib Mohamad Noh	-	200	-	96	-	296
Dato' Ibrahim Taib	-	200	-	131	-	331
Md. Khairuddin Hj. Arshad	-	200	-	197	-	397
Johari Abdul Muid	-	200	-	250	-	450
Mohd Razlan Mohamed	-	200	-	186	-	386
Roshidah Abdullah	-	200	-	146	-	346
Ainol Roznain Yaacob	-	200	-	109	-	309
Directors of the subsidiaries:						
Roshidah Abdullah	-	20	-	8	-	28
Md. Khairuddin Hj. Arshad	-	20	-	8	-	28
Total Directors' remuneration	-	1,869	-	1,185	41	3,095
Total Chief Executive Officers and Directors' remuneration	1,793	1,869	1,291	1,695	129	6,777
Note 36(c):						
Shariah Committee:						
Dr. Yusri Mohamad	-	66	-	25	1	92
Dr. Ahmad Zakirullah Mohamed Shaarani	-	60	-	18	1	79
Dr. Muhamad Azhari Wahid	-	60	-	18	1	79
Dr. Mohd Shahid Mohd Noh	-	60	-	18	1	79
Dr. Badruddin Bin Hj. Ibrahim	-	60	-	18	1	79
Khairun Najmi Bin Saripudin	-	60	-	18	1	79
Total Shariah Committee members' remuneration	-	366	-	115	6	487

36. CEOs, DIRECTORS AND SHARIAH COMMITTEE MEMBERS' REMUNERATION (CONT'D.)

The total remuneration (including benefits-in-kind) of the CEOs, Directors and Shariah Committee members' of the Bank are as follows:

	Remuneration received from the Bank					
Bank	**Salary RM'000**	**Fees RM'000**	**Bonus RM'000**	**Other emoluments RM'000**	**Benefits-in-kind RM'000**	**Total RM'000**
2025						
Note 36(a):						
Chief Executive Officer:						
Datuk Khairul Kamarudin	**1,550**	**-**	**1,218**	**413**	**90**	**3,271**
Total Chief Executive Officer's remuneration	**1,550**	**-**	**1,218**	**413**	**90**	**3,271**
Note 36(b):						
Non-Executive Directors:						
Tan Sri Tajuddin Atan	**-**	**345**	**-**	**50**	**72**	**467**
Tan Sri Che Khalib Mohamad Noh	**-**	**132**	**-**	**68**	**-**	**200**
Dato' Ibrahim Taib	**-**	**200**	**-**	**122**	**-**	**322**
Md. Khairuddin Hj. Arshad	**-**	**200**	**-**	**201**	**-**	**401**
Johari Abdul Muid	**-**	**200**	**-**	**241**	**-**	**441**
Mohd Razlan Mohamed	**-**	**200**	**-**	**182**	**-**	**382**
Roshidah Abdullah	**-**	**200**	**-**	**140**	**-**	**340**
Ainol Roznain Yaacob*	**-**	**117**	**-**	**64**	**-**	**181**
Dato' Suhana Dewi Selamat*	**-**	**-**	**-**	**-**	**-**	**-**
Total Directors' remuneration	**-**	**1,594**	**-**	**1,068**	**72**	**2,734**
Total Chief Executive Officers and Directors' remuneration	**1,550**	**1,594**	**1,218**	**1,481**	**162**	**6,005**
Note 36(c):						
Shariah Committee:						
Dr. Yusri Mohamad	**-**	**66**	**-**	**16**	**1**	**83**
Dr. Ahmad Zakirullah Mohamed Shaarani	**-**	**60**	**-**	**12**	**1**	**73**
Dr. Muhamad Azhari Wahid	**-**	**60**	**-**	**12**	**1**	**73**
Dr. Mohd Shahid Mohd Noh	**-**	**60**	**-**	**12**	**1**	**73**
Dr. Badruddin Bin Hj. Ibrahim	**-**	**60**	**-**	**10**	**1**	**71**
Khairun Najmi Bin Saripudin	**-**	**60**	**-**	**12**	**1**	**73**
Total Shariah Committee members' remuneration	**-**	**366**	**-**	**74**	**6**	**446**

* With effective from 1 August 2025, no remuneration shall be paid in lieu of Khazanah Nasional Berhad's ("Khazanah") waiver of Director's fees and meeting allowances to its Nominee Director, who is a Khazanah employee. The said waiver applies to all Khazanah's investee companies.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

36. CEOs, DIRECTORS AND SHARIAH COMMITTEE MEMBERS' REMUNERATION (CONT'D.)

The total remuneration (including benefits-in-kind) of the CEOs, Directors and Shariah Committee members' of the Bank are as follows: (cont'd.)

	Remuneration received from the Bank					
Bank	Salary RM'000	Fees RM'000	Bonus RM'000	Other emoluments RM'000	Benefits-in-kind RM'000	Total RM'000
2024						
Note 36(a):						
Chief Executive Officer:						
Datuk Khairul Kamarudin	1,464	-	1,291	470	88	3,313
Total Chief Executive Officer's remuneration	1,464	-	1,291	470	88	3,313
Note 36(b):						
Non-Executive Directors:						
Tan Sri Tajuddin Atan	-	429	-	54	41	524
Tan Sri Che Khalib Mohamad Noh	-	200	-	96	-	296
Dato' Ibrahim Taib	-	200	-	131	-	331
Md. Khairuddin Hj. Arshad	-	200	-	197	-	397
Johari Abdul Muid	-	200	-	250	-	450
Mohd Razlan Mohamed	-	200	-	186	-	386
Roshidah Abdullah	-	200	-	146	-	346
Ainol Roznain Yaacob	-	200	-	109	-	309
Total Directors' remuneration	-	1,829	-	1,169	41	3,039
Total Chief Executive Officers and Directors' remuneration	1,464	1,829	1,291	1,639	129	6,352
Note 36(c):						
Shariah Committee:						
Dr. Yusri Mohamad	-	66	-	25	1	92
Dr. Ahmad Zakirullah Mohamed Shaarani	-	60	-	18	1	79
Dr. Muhamad Azhari Wahid	-	60	-	18	1	79
Dr. Mohd Shahid Mohd Noh	-	60	-	18	1	79
Dr. Badruddin Bin Hj. Ibrahim	-	60	-	18	1	79
Khairun Najmi Bin Saripudin	-	60	-	18	1	79
Total Shariah Committee members' remuneration	-	366	-	115	6	487

37. KEY MANAGEMENT PERSONNEL REMUNERATION

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Bank either directly or indirectly.

The remuneration of Chief Executive Officers' and other key members of management during the financial year was as follows:

	Group	
	2025 RM'000	**2024 RM'000**
Short-term employees benefits (salary, bonus, allowances)	**14,966**	13,831
Included in the total key management personnel are:		
Chief Executive Officers' remuneration (Note 36(a))	**3,842**	3,682

Number of employees categorised as key management personnel of the Group as at 31 December 2025 was 17 (2024: 16).

	Bank	
	2025 RM'000	**2024 RM'000**
Short-term employees benefits (salary, bonus, allowances)	**14,395**	13,462
Included in the total key management personnel are:		
Chief Executive Officer's remuneration (Note 36(a))	**3,271**	3,313

Number of employees categorised as key management personnel of the Bank as at 31 December 2025 was 16 (2024: 15).

38. OTHER OVERHEADS AND EXPENDITURES

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Marketing				
Advertisement and publicity	**10,923**	14,682	**10,886**	14,682
Donation and sponsorship	**394**	663	**394**	663
Others	**921**	1,493	**918**	1,487
	12,238	16,838	**12,198**	16,832

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

38. OTHER OVERHEADS AND EXPENDITURES (CONT'D.)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Establishment				
Rental	**551**	463	**551**	463
Depreciation of right-of-use assets (Note 15)	**11,805**	11,519	**11,805**	11,519
Depreciation of property, plant and equipment (Note 14)	**11,427**	10,167	**11,415**	10,152
Amortisation of intangible assets (Note 13)	**36,838**	35,629	**36,760**	35,550
Information technology expenses	**90,781**	82,295	**90,381**	82,098
Repair and maintenance	**6,137**	6,145	**6,137**	6,142
Hire of equipment	**7,081**	6,924	**6,567**	6,504
Takaful	**10,564**	11,694	**10,564**	11,694
Utilities expenses	**5,514**	5,515	**5,482**	5,482
Security expenses	**9,391**	10,451	**9,391**	10,451
Others	**6,259**	6,351	**6,259**	6,350
	196,348	187,153	**195,312**	186,405
General expenses				
Auditors' fees				
- statutory audit				
- KPMG PLT	**1,237**	965	**1,211**	945
- regulatory related services				
- KPMG PLT	**20**	20	**-**	-
- others				
- Local affiliates of KPMG PLT	**59**	46	**46**	33
Professional fees	**3,762**	4,666	**3,631**	4,510
Legal expenses	**423**	496	**423**	496
Telephone	**1,536**	1,413	**1,535**	1,412
Stationery and printing	**1,908**	1,980	**1,905**	1,972
Postage and courier	**4,188**	3,679	**4,188**	3,679
Travelling	**2,241**	2,113	**2,237**	2,113
Property, plant and equipment written off (Note 14)	**65**	4	**65**	4
Intangible assets written off (Note 13)	**129**	4	**-**	4
Others	**26,178**	22,586	**28,428**	25,574
	41,746	37,972	**43,669**	40,742
	250,332	241,963	**251,179**	243,979

39. FINANCE COSTS

	Group and Bank	
	2025	2024
	RM'000	RM'000
Subordinated sukuk	**38,556**	38,513
Financing sold to Cagamas	**53,201**	45,622
Lease charges	**2,238**	2,019
	93,995	86,154

40. ZAKAT

	Group		Bank	
	2025	2024	**2025**	2024
	RM'000	RM'000	**RM'000**	RM'000
Provision of zakat for the year	**9,801**	8,924	**9,670**	8,661
Under/(Over) provision in prior year	**4**	(99)	**4**	(85)
	9,805	8,825	**9,674**	8,576

41. TAXATION

	Group		Bank	
	2025	2024	**2025**	2024
	RM'000	RM'000	**RM'000**	RM'000
Current income tax	**73,186**	43,324	**70,098**	41,904
(Over)/Under provision in prior years	**(1,960)**	57	**(2,345)**	76
	71,226	43,381	**67,753**	41,980
Deferred tax: (Note 16)				
Relating to origination and reversal of temporary differences	**(43)**	(9,731)	**(72)**	(9,718)
Under provision in prior years	**2,352**	700	**2,357**	152
	2,309	(9,031)	**2,285**	(9,566)
	73,535	34,350	**70,038**	32,414

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

41. TAXATION (CONT'D.)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Bank is as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before taxation	**307,087**	129,316	**308,417**	128,554
Taxation at Malaysian statutory tax rate of 24% (2024: 24%)	**73,701**	31,036	**74,020**	30,853
Income not subject to tax	**(2,476)**	(533)	**(8,105)**	(3,037)
Expenses not deductible for tax purposes	**1,918**	3,090	**4,111**	4,370
(Over)/Under provision of income tax in prior years	**(1,960)**	57	**(2,345)**	76
Under provision of deferred tax in prior years	**2,352**	700	**2,357**	152
Income tax expense for the year	**73,535**	34,350	**70,038**	32,414

42. EARNINGS PER SHARE

	Group	
Basic and diluted	2025 RM'000	2024 RM'000
Profit attributable to ordinary equity holders of the Bank (RM'000)	**223,747**	86,141
Weighted average number of ordinary shares in issue ('000)	**1,195,000**	1,195,000
Basic earnings per share (sen)	**18.72**	7.21

There were no diluted shares at the end of reporting period, accordingly diluted earnings per share is not presented.

43. DIVIDENDS

The Directors did not declare any final dividend for the financial year ended 31 December 2025.

44. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group and the Bank if the Group or the Bank has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Bank and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group and the Bank have related party relationships with substantial shareholders, subsidiaries and key management personnel. The Group's and the Bank's significant transactions and balances with related parties are as follows:

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Holding company				
Expenditure				
- hibah on deposits	**5,090**	7,382	**5,090**	7,382
Amounts due to				
- deposits	**229,120**	151,513	**229,120**	151,513
Subsidiaries				
Income				
- dividend income	**-**	-	**15,900**	6,000
- rental income	**-**	-	**120**	120
- management fee	**-**	-	**4,974**	1,924
Expenditure				
- fund management fee	**-**	-	**2,013**	2,130
- profit sharing incentive	**-**	-	**304**	746
- hibah on deposits	**-**	-	**402**	329
Amounts due from				
- financing	**-**	-	**32,076**	39,722
- dividend income	**-**	-	**9,000**	-
Amounts due to				
- management fee/profit sharing incentive	**-**	-	**542**	1,074
- deposits	**-**	-	**57,309**	14,832
Key management personnel and Directors				
Amounts due to				
- deposits	**3,673**	13,761	**3,671**	13,761
Amounts due from				
- financing	**5,339**	4,529	**4,921**	4,529

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

44. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

The Group and the Bank have related party relationships with substantial shareholders, subsidiaries and key management personnel. The Group's and the Bank's significant transactions and balances with related parties are as follows: (cont'd.)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Related companies*				
Income				
- profit on financing	**100,464**	99,197	**100,464**	99,197
Expenditure				
- hibah on deposits	**44,780**	50,755	**44,780**	50,755
- seconded staff salary and related expenses	**-**	374	**-**	374
- mailing and courier service	**2,545**	2,325	**2,545**	2,325
- software license fee	**10**	412	**10**	412
- rental (offsite ATM and branch)	**9**	10	**9**	10
- purchase of fixed assets	**362**	233	**362**	233
- marketing expenses	**1,008**	16	**1,008**	16
- repair and maintenance	**365**	4	**365**	4
- others	**283**	497	**283**	497
Amounts due to				
- deposits	**1,471,797**	1,004,109	**1,471,797**	1,004,109
Amounts due from				
- financing	**2,148,862**	2,151,296	**2,148,862**	2,151,296

* Related companies are companies within the DRB-HICOM Berhad Group and companies subject to common control or significant influence.

- The transactions of the Group and the Bank with related parties were sourced within Malaysia.

45. CREDIT EXPOSURES ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES

	Group	
	2025 RM'000	**2024 RM'000**
Outstanding credit exposures with connected parties	**2,605,493**	3,051,929
Percentage of outstanding credit exposures with connected parties as proportion of total credit exposures	**5.4%**	6.7%
Percentage of outstanding credit exposures with connected parties which are non-performing or in default	**0.0%**	0.0%

	Bank	
	2025 RM'000	**2024 RM'000**
Outstanding credit exposures with connected parties	**2,759,846**	3,091,651
Percentage of outstanding credit exposures with connected parties as proportion of total credit exposures	**5.8%**	6.8%
Percentage of outstanding credit exposures with connected parties which are non-performing or in default	**0.0%**	0.0%

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties for Islamic Banks, which were issued on 16 July 2014.

Credit transactions and exposures with connected parties as disclosed above include the extension of credit facilities and/or off-balance sheet credit exposures such as guarantees, traderelated facilities, and financing commitments. It also includes holdings of equities and corporate sukuk issued by the connected parties.

The above-mentioned credit transactions with connected parties are all transacted on an arm's length basis and on terms and conditions no more favourable than those entered into with other counterparties with similar circumstances and credit worthiness. Due care has been taken to ensure that the credit worthiness of connected parties are not less than that normally required of other persons.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

46. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

Risk-weighted exposures of the Group and the Bank are as follows:

	Group and Bank					
	2025			2024		
The commitments and contingencies constitute the following:	Principal amount RM'000	Credit equivalent amount RM'000	Total risk-weighted amount RM'000	Principal amount RM'000	Credit equivalent amount RM'000	Total risk-weighted amount RM'000
Contingent liabilities						
Direct credit substitutes	**964,294**	**964,294**	**933,859**	643,892	643,892	630,620
Trade-related contingencies	**387,443**	**77,489**	**9,422**	676,873	135,375	1,745
Transaction related contingencies	**496,576**	**248,288**	**233,613**	442,614	221,307	210,053
Commitments						
Credit extension commitment:						
- Maturity within one (1) year	**906,304**	**181,261**	**161,252**	748,737	149,747	132,074
- Maturity exceeding one (1) year	**1,352,362**	**676,181**	**311,145**	1,382,862	691,431	363,400
Other miscellaneous commitments & contingencies	**561,878**	**90,151**	**67,750**	349,722	57,459	43,094
Islamic derivative financial instruments						
Foreign exchange related contracts	**1,571,402**	**37,100**	**28,005**	1,850,608	45,625	36,350
	6,240,259	**2,274,764**	**1,745,046**	6,095,308	1,944,836	1,417,336

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview

The integrated risk management system enables the Group and the Bank to achieve a single view of risks across its various business operations and in order to gain strategic competitive advantage from its capabilities. It can be described as the strategy and technique of managing risks by taking a holistic approach towards risk management process, which includes risk identification, measurement and management. It also aims at integrating the control and optimisation of the principal risk areas of Market Risk ("MR"), Asset and Liability Management ("ALM"), Credit Risk ("CR"), Operational Risk ("OR") and Shariah Compliance Risk; and building the requisite risk management organisation, infrastructure, process and technology with the objective of advancing the Group and the Bank towards value protection and creation.

Generally, the objectives of the Group's and the Bank's integrated risk management system include the following:

- Identifying all the risks exposures and their impact;
- Establishment of sound policies and procedures in line with the Group's and Bank's strategy, lines of business and nature of operations;
- Set out an enterprise-wide organisation structure and defining the appropriate roles and responsibilities; and
- Instill the risk culture within the Group and the Bank.

Risk governance

A stable enterprise-level organisation structure for risk management is necessary to ensure a uniform view of risks across the Group and the Bank and form strong risk governance.

The Board of Directors has the overall responsibility for understanding the risks undertaken by the Group and the Bank and ensuring that these risks are properly managed. While the Board of Directors is ultimately responsible for risk management of the Group and the Bank, it has entrusted the Board Risk & Compliance Committee ("BRCC") to carry out its functions. BRCC, which is chaired by an independent director of the Board, oversees the overall management of risks.

The execution of the Board's risk strategies and policies is the responsibility of the Group's and the Bank's Management and the conduct of these functions are being exercised under a management committee structure, namely, the Executive Risk Management Committee ("ERMC"), which is chaired by the Chief Executive Officer ("CEO"). The Committee focuses on the overall business strategies and day-to-day business operations of the Group and the Bank in respect of risk management.

In addition, as an Islamic Bank, a Shariah Committee ("SC") is set up as an independent external body to decide on Shariah issues and simultaneously to assist towards risk mitigation and compliance with the Shariah principles.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Risk governance (cont'd.)

There are other risk committees set up at the Management level to oversee specific risk areas and control function of which the following are the details:

Committee	Objective
Asset & Liability Committee ("ALCO")	To ensure that all strategies conform to the Bank's risk appetite and levels of exposure as determined by the BRCC. These include areas of capital management, funding and liquidity management and market risk.
Credit Committee ("CC")	To manage the direction of the Bank's business exposures. These include authority to decide on new and/or additional exposures and review the direction of existing exposure.
Investment Committee ("IC")	To manage the Bank's investments and decide on new and/or additional investment in securities and/or other Treasury investment-related activities.
Enterprise Risk Management Committee ("ERMCo")	To manage threats/risks and strategic opportunities that arise from both internal and external factors and have an impact on the Bank's strategic objectives/goals.
Operational Risk Management Committee	To ensure effective implementation of Operational Risk Management Framework.
Asset Quality Impairment Committee ("AQIC")	To deliberate the conduct of Corporate, Commercial and SME accounts and to assess the accounts' financial health, adequacy of provision and accuracy of account classification (Early Care, High Risk or Impaired). The outcome will be presented to CC for approval.
Model Validation Committee ("MVAC")	To challenge the model development and model validation in compliance with credit risk models, whether internally or externally developed and validated. The outcome of MVAC will be presented to ERMC and BRCC for approval.
Credit Risk Management Committee ("CRMC")	To ensure financing activities are in line with the Bank's credit risk appetite and policies and to deliberate on the effectiveness of the credit risk mitigation.
Recovery Management Team ("RMT")	To manage the implementation, communication and strategy selection in accordance with the Bank's Recovery Plan Document.
Climate Risk Working Group ("CRWG")	To ensure the compliance with climate risk obligations, driving climate risk-related strategies, and managing climate risk to strengthen the Bank's resilience.

To carry out the day-to-day risk management functions, a dedicated Risk Management Department ("RMD") and Technology and Cyber Risk Department ("TCRD") that are independent of profit and volume target, exists to support the above committees.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Categories of financial instruments

The tables below provide an analysis of financial instruments categorised as follows:

(a) Amortised cost ("AC")

(b) Fair value through other comprehensive income ("FVOCI")

(c) Fair value through profit or loss ("FVTPL")

Group	Carrying amount RM'000	Amortised cost RM'000	FVOCI RM'000	FVTPL RM'000
2025				
Financial assets				
Cash and short-term funds	**2,588,998**	**2,588,998**	**-**	**-**
Deposits and placements with licensed financial institutions	**501,361**	**501,361**	**-**	**-**
Financial investments	**7,980,068**	**-**	**7,907,895**	**72,173**
Islamic derivative financial assets	**13,549**	**-**	**-**	**13,549**
Financing of customers	**33,770,816**	**33,482,262**	**-**	**288,554**
Statutory deposits with Bank Negara Malaysia	**365,000**	**365,000**	**-**	**-**
Other financial assets*	**26,849**	**26,849**	**-**	**-**
	45,246,641	**36,964,470**	**7,907,895**	**374,276**
Financial liabilities				
Deposits from customers	**37,390,060**	**37,390,060**	**-**	**-**
Investment accounts of customers	**1,212,983**	**1,212,983**	**-**	**-**
Deposits and placements of banks and other financial institutions	**966,945**	**966,945**	**-**	**-**
Obligation on financial assets sold under repurchase agreement	**100,037**	**100,037**	**-**	**-**
Bills and acceptances payable	**11,375**	**11,375**	**-**	**-**
Islamic derivative financial liabilities	**26,972**	**-**	**-**	**26,972**
Other financial liabilities	**197,668**	**197,668**	**-**	**-**
Lease liabilities	**49,898**	**49,898**	**-**	**-**
Recourse obligation on financing sold to Cagamas	**1,205,940**	**1,205,940**	**-**	**-**
Subordinated sukuk	**807,858**	**807,858**	**-**	**-**
	41,969,736	**41,942,764**	**-**	**26,972**

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Categories of financial instruments (cont'd.)

Group	Carrying amount RM'000	Amortised cost RM'000	FVOCI RM'000	FVTPL RM'000
2024				
Financial assets				
Cash and short-term funds	2,116,600	2,116,600	-	-
Deposits and placements with licensed financial institutions	502,166	502,166	-	-
Financial investments	7,584,859	-	7,569,971	14,888
Islamic derivative financial assets	14,496	-	-	14,496
Financing of customers	32,349,349	32,011,377	-	337,972
Statutory deposits with Bank Negara Malaysia	680,000	680,000	-	-
Other financial assets*	26,649	26,649	-	-
	43,274,119	35,336,792	7,569,971	367,356
Financial liabilities				
Deposits from customers	36,462,088	36,462,088	-	-
Investment accounts of customers	245,707	245,707	-	-
Deposits and placements of banks and other financial institutions	838,721	838,721	-	-
Bills and acceptances payable	6,027	6,027	-	-
Islamic derivative financial liabilities	17,309	-	-	17,309
Other financial liabilities	146,970	146,970	-	-
Lease liabilities	45,496	45,496	-	-
Recourse obligation on financing sold to Cagamas	1,584,301	1,584,301	-	-
Subordinated sukuk	807,369	807,369	-	-
	40,153,988	40,136,679	-	17,309

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Categories of financial instruments (cont'd.)

Bank	Carrying amount RM'000	Amortised cost RM'000	FVOCI RM'000	FVTPL RM'000
2025				
Financial assets				
Cash and short-term funds	**2,588,998**	**2,588,998**	**-**	**-**
Deposits and placements with licensed financial institutions	**501,361**	**501,361**	**-**	**-**
Financial investments	**7,978,172**	**-**	**7,907,895**	**70,277**
Islamic derivative financial assets	**13,549**	**-**	**-**	**13,549**
Financing of customers	**33,770,816**	**33,482,262**	**-**	**288,554**
Statutory deposits with Bank Negara Malaysia	**365,000**	**365,000**	**-**	**-**
Other financial assets*	**67,293**	**67,293**	**-**	**-**
	45,285,189	**37,004,914**	**7,907,895**	**372,380**
Financial liabilities				
Deposits from customers	**37,447,369**	**37,447,369**	**-**	**-**
Investment accounts of customers	**1,212,983**	**1,212,983**	**-**	**-**
Deposits and placements of banks and other financial institutions	**966,945**	**966,945**	**-**	**-**
Obligation on financial assets sold under repurchase agreement	**100,037**	**100,037**	**-**	**-**
Bills and acceptances payable	**11,375**	**11,375**	**-**	**-**
Islamic derivative financial liabilities	**26,972**	**-**	**-**	**26,972**
Other financial liabilities	**197,877**	**197,877**	**-**	**-**
Lease liabilities	**49,898**	**49,898**	**-**	**-**
Recourse obligation on financing sold to Cagamas	**1,205,940**	**1,205,940**	**-**	**-**
Subordinated sukuk	**807,858**	**807,858**	**-**	**-**
	42,027,254	**42,000,282**	**-**	**26,972**

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Categories of financial instruments (cont'd.)

Bank	Carrying amount RM'000	Amortised cost RM'000	FVOCI RM'000	FVTPL RM'000
2024				
Financial assets				
Cash and short-term funds	2,116,600	2,116,600	-	-
Deposits and placements with licensed financial institutions	502,166	502,166	-	-
Financial investments	7,582,180	-	7,569,971	12,209
Islamic derivative financial assets	14,496	-	-	14,496
Financing of customers	32,344,273	32,011,377	-	332,896
Statutory deposits with Bank Negara Malaysia	680,000	680,000	-	-
Other financial assets*	26,167	26,167	-	-
	43,265,882	35,336,310	7,569,971	359,601
Financial liabilities				
Deposits from customers	36,476,922	36,476,922	-	-
Investment accounts of customers	245,707	245,707	-	-
Deposits and placements of banks and other financial institutions	838,721	838,721	-	-
Bills and acceptances payable	6,027	6,027	-	-
Islamic derivative financial liabilities	17,309	-	-	17,309
Other financial liabilities	146,886	146,886	-	-
Lease liabilities	45,496	45,496	-	-
Recourse obligation on financing sold to Cagamas	1,584,301	1,584,301	-	-
Subordinated sukuk	807,369	807,369	-	-
	40,168,738	40,151,429	-	17,309

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

(a) Credit risk

Credit risk is defined as the potential loss to the Group and the Bank as a result of defaults in payment by counterparties via financing and investing activities. The Group and the Bank comprehend that credit risk is inherent in its credit products activities such as credit financing facilities activities (funded/non-funded facilities); treasury activities (including inter-bank money market, money and capital trading, foreign exchange); and investment banking activities (including underwriting of corporate sukuk issuance).

The Group's and the Bank's RMD and Senior Management, via ERMC, implement and execute policies in managing credit risk to ensure that the Bank's exposure to credit is always kept within the Group's and the Bank's risk appetite parameters, and that the Group and the Bank are able to identify its risk tolerance levels. The administration of credit risk is governed by a full set of credit-related policies such as Credit Risk Policy ("CRP"), Guidelines to Credit Risk Policies ("GCRP"), product manuals and standard operating procedures.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

Credit exposures are controlled via a thorough credit assessment process which include, among others, assessing the adequacy of the identified source of payments and/or income generation from the counterparty, as well as determining the appropriate structure for financing.

As a supporting tool for the assessment, the Group and the Bank adopt credit risk rating (internal/external) mechanisms. The internal risk rating/grading mechanism is consistent with the nature, size and complexity of the Group's and the Bank's activities. It is also in compliance with the regulatory authority's requirements. Where applicable, the external rating assessment will be applied. This is provided by more than one of the selected reputable External Credit Assessment Institutions ("ECAI").

To mitigate credit concentration risks, the Group and the Bank set exposure limits to individual/single customer, groups of related customers, connected parties, global counterparty, industry/sector and other various funded and non-funded exposures. This is monitored and enforced throughout the credit delivery process.

The Group and the Bank also introduced the Credit Risk Mitigation Techniques ("CRMT") to ascertain the strength of collaterals and securities pledged for financing. The technique outlines the criteria for the eligibility and valuation as well as the monitoring process of the collaterals and securities pledged.

The Group's and the Bank's credit risk disclosures also cover past due and impaired financing including the approaches in determining the individual and collective impairment provisions.

Included in financing of customers is a financing given to a corporate customer which is hedged by profit rate derivatives. The hedge achieved the criteria for hedge accounting and the financing is carried at fair value.

(i) Maximum credit risk exposures and credit risk concentration

The following tables present the Group's and the Bank's maximum exposure to credit risk (without taking account of any collateral held or other credit enhancements) for each class of financial assets, including derivatives with positive fair values, and commitments and contingencies. Where financial assets are recorded at fair value, the amounts shown represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values. Included in commitments and contingencies are contingent liabilities and credit commitments. For contingent liabilities, the maximum exposures to credit risk is the maximum amount that the Group or the Bank would have to pay if the obligations for which the instruments are issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of undrawn credit granted to customers and derivative financial instruments.

A concentration credit risk exists when a number of counterparties are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic and other conditions.

By sector analysis

The presented analysis of credit risk concentration relates to financial assets, including derivatives with positive fair values, and commitments and contingencies, subject to credit risk and are based on the sector in which the counterparties are engaged (for non-individual counterparties) or the economic purpose of the credit exposure (for individuals). The exposures to credit risk are presented without taking into account of any collateral held or other credit enhancements.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

(i) Maximum credit risk exposures and credit risk concentration (cont'd.)

By sector analysis (cont'd.)

Group	Government and statutory bodies RM'000	Finance, takaful and business services RM'000	Agriculture, manufacturing, wholesale, retail and restaurant RM'000	Construction and real estate RM'000	Transport, storage and communication RM'000	Household RM'000	Others RM'000	Total RM'000
2025								
On-balance sheet exposures								
Cash and short-term funds	-	2,588,998	-	-	-	-	-	2,588,998
Deposits and placements with licensed financial institutions	-	501,361	-	-	-	-	-	501,361
Financial investments at FVTPL	50,576	-	-	-	-	-	21,597	72,173
Financial investments at FVOCI	5,341,769	1,037,403	56,674	150,399	406,190	-	915,460	7,907,895
Islamic derivative financial assets	-	7,753	5,784	-	-	-	12	13,549
Financing of customers	953,594	2,209,125	2,358,106	1,930,385	476,536	25,312,003	531,067	33,770,816
Statutory deposits with Bank Negara Malaysia	365,000	-	-	-	-	-	-	365,000
Other financial assets*	-	-	-	-	-	-	26,849	26,849
	6,710,939	6,344,640	2,420,564	2,080,784	882,726	25,312,003	1,494,985	45,246,641
Commitments and contingencies								
Contingent liabilities	1	175,574	376,588	730,189	54,914	3,737	507,310	1,848,313
Commitments	102,382	383,567	445,661	404,258	74,238	299,504	549,056	2,258,666
Other miscellaneous commitment and contingencies	648	7,521	43,817	29,282	1,117	478,309	1,184	561,878
Islamic derivative financial liabilities	812,199	525,538	233,648	17	-	-	-	1,571,402
	915,230	1,092,200	1,099,714	1,163,746	130,269	781,550	1,057,550	6,240,259
Total credit exposures	7,626,169	7,436,840	3,520,278	3,244,530	1,012,995	26,093,553	2,552,535	51,486,900

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

(i) Maximum credit risk exposures and credit risk concentration (cont'd.)

By sector analysis (cont'd.)

Group	Government and statutory bodies RM'000	Finance, takaful and business services RM'000	Agriculture, manufacturing, wholesale, retail and restaurant RM'000	Construction and real estate RM'000	Transport, storage and communication RM'000	Household RM'000	Others RM'000	Total RM'000
2024								
On balance sheet exposures								
Cash and short-term funds	-	2,116,600	-	-	-	-	-	2,116,600
Deposits and placements with licensed financial institutions	-	502,166	-	-	-	-	-	502,166
Financial investments at FVTPL	-	-	-	-	-	-	14,888	14,888
Financial investments at FVOCI	4,100,765	1,169,956	50,452	210,034	640,027	-	1,398,737	7,569,971
Islamic derivative financial assets	7,957	4,825	1,714	-	-	-	-	14,496
Financing of customers	936,362	2,533,867	2,167,419	1,935,806	356,390	23,748,359	671,146	32,349,349
Statutory deposits with Bank Negara Malaysia	680,000	-	-	-	-	-	-	680,000
Other financial assets*	-	-	-	-	-	-	26,649	26,649
	5,725,084	6,327,414	2,219,585	2,145,840	996,417	23,748,359	2,111,420	43,274,119
Commitments and contingencies								
Contingent liabilities	-	141,582	243,003	509,471	69,215	2,597	797,511	1,763,379
Commitments	-	270,702	456,369	369,219	67,268	623,353	344,688	2,131,599
Other miscellaneous commitment and contingencies	-	401	32,862	20,465	1,127	294,867	-	349,722
Islamic derivative financial liabilities	894,550	780,300	175,758	-	-	-	-	1,850,608
	894,550	1,192,985	907,992	899,155	137,610	920,817	1,142,199	6,095,308
Total credit exposures	6,619,634	7,520,399	3,127,577	3,044,995	1,134,027	24,669,176	3,253,619	49,369,427

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

(i) Maximum credit risk exposures and credit risk concentration (cont'd.)

By sector analysis (cont'd.)

Bank	Government and statutory bodies RM'000	Finance, takaful and business services RM'000	Agriculture, manufacturing, wholesale, retail and restaurant RM'000	Construction and real estate RM'000	Transport, storage and communication RM'000	Household RM'000	Others RM'000	Total RM'000
2025								
On balance sheet exposures								
Cash and short-term funds	-	2,588,998	-	-	-	-	-	2,588,998
Deposits and placements with licensed financial institutions	-	501,361	-	-	-	-	-	501,361
Financial investments at FVTPL	50,576	-	-	-	-	-	19,701	70,277
Financial investments at FVOCI	5,341,769	1,037,403	56,674	150,399	406,190	-	915,460	7,907,895
Islamic derivative financial assets	-	7,753	5,784	-	-	-	12	13,549
Financing of customers	953,594	2,209,125	2,358,106	1,930,385	476,536	25,312,003	531,067	33,770,816
Statutory deposits with Bank Negara Malaysia	365,000	-	-	-	-	-	-	365,000
Other financial assets*	-	-	-	-	-	-	67,293	67,293
	6,710,939	6,344,640	2,420,564	2,080,784	882,726	25,312,003	1,533,533	45,285,189
Commitments and contingencies								
Contingent liabilities	1	175,574	376,588	730,189	54,914	3,737	507,310	1,848,313
Commitments	102,382	383,567	445,661	404,258	74,238	299,504	549,056	2,258,666
Other miscellaneous commitment and contingencies	648	7,521	43,817	29,282	1,117	478,309	1,184	561,878
Islamic derivative financial liabilities	812,199	525,538	233,648	17	-	-	-	1,571,402
	915,230	1,092,200	1,099,714	1,163,746	130,269	781,550	1,057,550	6,240,259
Total credit exposures	7,626,169	7,436,840	3,520,278	3,244,530	1,012,995	26,093,553	2,591,083	51,525,448

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

(i) Maximum credit risk exposures and credit risk concentration (cont'd.)

By sector analysis (cont'd.)

Bank	Government and statutory bodies RM'000	Finance, takaful and business services RM'000	Agriculture, manufacturing, wholesale, retail and restaurant RM'000	Construction and real estate RM'000	Transport, storage and communication RM'000	Household RM'000	Others RM'000	Total RM'000
2024								
On balance sheet exposures								
Cash and short-term funds	-	2,116,600	-	-	-	-	-	2,116,600
Deposits and placements with licensed financial institutions	-	502,166	-	-	-	-	-	502,166
Financial investments at FVTPL	-	-	-	-	-	-	12,209	12,209
Financial investments at FVOCI	4,100,765	1,169,956	50,452	210,034	640,027	-	1,398,737	7,569,971
Islamic derivative financial assets	7,957	4,825	1,714	-	-	-	-	14,496
Financing of customers	936,362	2,533,867	2,167,419	1,935,806	356,390	23,748,359	666,070	32,344,273
Statutory deposits with Bank Negara Malaysia	680,000	-	-	-	-	-	-	680,000
Other financial assets*	-	-	-	-	-	-	26,167	26,167
	5,725,084	6,327,414	2,219,585	2,145,840	996,417	23,748,359	2,103,183	43,265,882
Commitments and contingencies								
Contingent liabilities	-	141,582	243,003	509,471	69,215	2,597	797,511	1,763,379
Commitments	-	270,702	456,369	369,219	67,268	623,353	344,688	2,131,599
Other miscellaneous commitment and contingencies	-	401	32,862	20,465	1,127	294,867	-	349,722
Islamic derivative financial liabilities	894,550	780,300	175,758	-	-	-	-	1,850,608
	894,550	1,192,985	907,992	899,155	137,610	920,817	1,142,199	6,095,308
Total credit exposures	6,619,634	7,520,399	3,127,577	3,044,995	1,134,027	24,669,176	3,245,382	49,361,190

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

(i) Maximum credit risk exposures and credit risk concentration (cont'd.)

By geographical analysis

The analysis of credit concentration risk of financial assets and commitments and contingencies of the Group and the Bank categorised by geographical distribution (based on the geographical location where the credit risk resides) are as follows:

	Group		Bank	
	Domestic RM'000	Labuan RM'000	Domestic RM'000	Labuan RM'000
2025				
On-Balance Sheet Exposures				
Cash and short-term funds	**2,588,446**	**552**	**2,588,446**	**552**
Deposits and placements with licensed financial institutions	**501,361**	**-**	**501,361**	**-**
Financial investments at FVTPL	**72,173**	**-**	**70,277**	**-**
Financial investments at FVOCI	**7,897,700**	**10,195**	**7,897,700**	**10,195**
Islamic derivative financial assets	**13,549**	**-**	**13,549**	**-**
Financing of customers	**33,770,816**	**-**	**33,770,816**	**-**
Statutory deposits with Bank Negara Malaysia	**365,000**	**-**	**365,000**	**-**
Other financial assets*	**26,846**	**3**	**67,290**	**3**
	45,235,891	**10,750**	**45,274,439**	**10,750**
Commitments and contingencies				
Contingent liabilities	**1,848,313**	**-**	**1,848,313**	**-**
Commitments	**2,258,666**	**-**	**2,258,666**	**-**
Other miscellaneous commitment and contingencies	**561,878**	**-**	**561,878**	**-**
Islamic derivative financial liabilities	**1,571,402**	**-**	**1,571,402**	**-**
	6,240,259	**-**	**6,240,259**	**-**
Total credit exposures	**51,476,150**	**10,750**	**51,514,698**	**10,750**

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

(i) Maximum credit risk exposures and credit risk concentration (cont'd.)

By geographical analysis (cont'd.)

The analysis of credit concentration risk of financial assets and commitments and contingencies of the Group and the Bank categorised by geographical distribution (based on the geographical location where the credit risk resides) are as follows: (cont'd.)

	Group		Bank	
	Domestic RM'000	Labuan RM'000	Domestic RM'000	Labuan RM'000
2024				
On Balance Sheet Exposures				
Cash and short-term funds	2,069,181	47,419	2,069,181	47,419
Deposits and placements with licensed financial institutions	502,166	-	502,166	-
Financial investments at FVTPL	14,888	-	12,209	-
Financial investments at FVOCI	7,494,785	75,186	7,494,785	75,186
Islamic derivative financial assets	14,496	-	14,496	-
Financing of customers	32,349,349	-	32,344,273	-
Statutory deposits with Bank Negara Malaysia	680,000	-	680,000	-
Other financial assets*	26,646	3	26,164	3
	43,151,511	122,608	43,143,274	122,608
Commitments and contingencies				
Contingent liabilities	1,763,379	-	1,763,379	-
Commitments	2,131,599	-	2,131,599	-
Other miscellaneous commitment and contingencies	349,722	-	349,722	-
Islamic derivative financial liabilities	1,850,608	-	1,850,608	-
	6,095,308	-	6,095,308	-
Total credit exposures	49,246,819	122,608	49,238,582	122,608

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

(ii) Credit quality for financing of customers

The credit quality for financing of customers is managed by the Group and the Bank using internal credit ratings. The table below shows the credit quality for financing of customers exposed to credit risk, based on the Group's and the Bank's internal credit ratings.

Financing of customers are analysed as follows:

Group	Neither past due nor impaired Good RM'000	Satisfactory RM'000	Past due but not impaired RM'000	Impaired financing RM'000	Total RM'000
2025					
Term financing					
- Home financing	**11,176,975**	**780,073**	**573,571**	**215,222**	**12,745,841**
- Personal financing	**7,253,993**	**375,942**	**228,141**	**131,473**	**7,989,549**
- Hire purchase receivables	**3,055,198**	**48,732**	**47,680**	**7,131**	**3,158,741**
- Syndicated financing	**442,048**	**-**	**-**	**-**	**442,048**
- Other term financing	**3,695,993**	**102,666**	**56,020**	**96,036**	**3,950,715**
Other financing	**5,636,870**	**127,875**	**26,587**	**37,429**	**5,828,761**
	31,261,077	**1,435,288**	**931,999**	**487,291**	**34,115,655**
Less:					
- Stage 1 - 12 Months ECL	**(104,395)**	**(3,494)**	**-**	**-**	**(107,889)**
- Stage 2 - Lifetime ECL not credit impaired	**-**	**(63,233)**	**(19,059)**	**-**	**(82,292)**
- Stage 3 - Lifetime ECL credit impaired	**-**	**-**	**-**	**(154,658)**	**(154,658)**
Total net financing	**31,156,682**	**1,368,561**	**912,940**	**332,633**	**33,770,816**

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

(ii) Credit quality for financing of customers (cont'd.)

The credit quality for financing of customers is managed by the Group and the Bank using internal credit ratings. The table below shows the credit quality for financing of customers exposed to credit risk, based on the Group's and the Bank's internal credit ratings. (cont'd.)

Financing of customers are analysed as follows: (cont'd.)

Group	Neither past due nor impaired Good RM'000	Satisfactory RM'000	Past due but not impaired RM'000	Impaired financing RM'000	Total RM'000
2024					
Term financing					
- Home financing	10,894,099	521,719	447,825	140,562	12,004,205
- Personal financing	7,885,358	243,561	198,342	81,971	8,409,232
- Hire purchase receivables	2,200,669	22,898	23,490	6,143	2,253,200
- Syndicated financing	482,076	-	-	-	482,076
- Other term financing	4,097,458	109,705	42,331	74,327	4,323,821
Other financing	4,944,827	117,431	31,653	38,176	5,132,087
	30,504,487	1,015,314	743,641	341,179	32,604,621
Less:					
- Stage 1					
- 12 Months ECL	(117,596)	(2,248)	-	-	(119,844)
- Stage 2					
- Lifetime ECL not credit impaired	-	(19,811)	(17,428)	-	(37,239)
- Stage 3					
- Lifetime ECL credit impaired	-	-	-	(98,189)	(98,189)
Total net financing	30,386,891	993,255	726,213	242,990	32,349,349

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

(ii) Credit quality for financing of customers (cont'd.)

The credit quality for financing of customers is managed by the Group and the Bank using internal credit ratings. The table below shows the credit quality for financing of customers exposed to credit risk, based on the Group's and the Bank's internal credit ratings. (cont'd.)

Financing of customers are analysed as follows: (cont'd.)

Bank	Neither past due nor impaired Good RM'000	Satisfactory RM'000	Past due but not impaired RM'000	Impaired financing RM'000	Total RM'000
2025					
Term financing					
- Home financing	**11,176,975**	**780,073**	**573,571**	**215,222**	**12,745,841**
- Personal financing	**7,253,993**	**375,942**	**228,141**	**131,473**	**7,989,549**
- Hire purchase receivables	**3,055,198**	**48,732**	**47,680**	**7,131**	**3,158,741**
- Syndicated financing	**442,048**	**-**	**-**	**-**	**442,048**
- Other term financing	**3,695,993**	**102,666**	**56,020**	**96,036**	**3,950,715**
Other financing	**5,636,870**	**127,875**	**26,587**	**37,429**	**5,828,761**
	31,261,077	**1,435,288**	**931,999**	**487,291**	**34,115,655**
Less:					
- Stage 1 - 12 Months ECL	**(104,395)**	**(3,494)**	**-**	**-**	**(107,889)**
- Stage 2 - Lifetime ECL not credit impaired	**-**	**(63,233)**	**(19,059)**	**-**	**(82,292)**
- Stage 3 - Lifetime ECL credit impaired	**-**	**-**	**-**	**(154,658)**	**(154,658)**
Total net financing	**31,156,682**	**1,368,561**	**912,940**	**332,633**	**33,770,816**

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

(ii) Credit quality for financing of customers (cont'd.)

The credit quality for financing of customers is managed by the Group and the Bank using internal credit ratings. The table below shows the credit quality for financing of customers exposed to credit risk, based on the Group's and the Bank's internal credit ratings. (cont'd.)

Financing of customers are analysed as follows: (cont'd.)

Bank	Neither past due nor impaired Good RM'000	Satisfactory RM'000	Past due but not impaired RM'000	Impaired financing RM'000	Total RM'000
2024					
Term financing					
- Home financing	10,894,099	521,719	447,825	140,562	12,004,205
- Personal financing	7,885,358	243,561	198,342	81,971	8,409,232
- Hire purchase receivables	2,200,669	22,898	23,490	6,143	2,253,200
- Syndicated financing	482,076	-	-	-	482,076
- Other term financing	4,092,382	109,705	42,331	74,327	4,318,745
Other financing	4,944,827	117,431	31,653	38,176	5,132,087
	30,499,411	1,015,314	743,641	341,179	32,599,545
Less:					
- Stage 1 - 12 Months ECL	(117,596)	(2,248)	-	-	(119,844)
- Stage 2 - Lifetime ECL not credit impaired	-	(19,811)	(17,428)	-	(37,239)
- Stage 3 - Lifetime ECL credit impaired	-	-	-	(98,189)	(98,189)
Total net financing	30,381,815	993,255	726,213	242,990	32,344,273

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

(ii) Credit quality for financing of customers (cont'd.)

Neither past due nor impaired

Financing of customers which are neither past due nor impaired are categorised into the following grades:

- "Good grade" refers to financing of customers which are neither past due nor impaired in the last six (6) months and have never undergone any rescheduling or restructuring exercise previously.

- "Satisfactory grade" refers to financing of customers which may have been past due but not impaired or impaired during the last six (6) months or have undergone a rescheduling or restructuring exercise previously.

Past due but not impaired

Past due but not impaired financing of customers refers to instances where the customer has failed to make principal or profit payment or both after the contractual due date for more than one (1) day but less than three (3) months.

Ageing analysis of past due but not impaired is as follows:

Group and Bank	1 - 2 months RM'000	>2 - 3 months RM'000	Total RM'000
2025			
Term financing			
- Home financing	**572,509**	**1,062**	**573,571**
- Personal financing	**222,655**	**5,486**	**228,141**
- Hire purchase receivables	**47,483**	**197**	**47,680**
- Other term financing	**45,685**	**10,335**	**56,020**
Other financing	**19,337**	**7,250**	**26,587**
Total	**907,669**	**24,330**	**931,999**
2024			
Term financing			
- Home financing	447,041	784	447,825
- Personal financing	194,662	3,680	198,342
- Hire purchase receivables	23,355	135	23,490
- Other term financing	41,645	686	42,331
Other financing	30,144	1,509	31,653
Total	736,847	6,794	743,641

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

(ii) Credit quality for financing of customers (cont'd.)

Collateral and other credit enhancements

The amount and type of collateral required depends on assessment of credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained by the Group and the Bank are as follows:

- For home financing - mortgages over residential properties;
- For syndicated financing - charges over the properties being financed;
- For hire purchase receivables - charges over the vehicles financed; and
- For other financing - charges over business assets such as premises, inventories, trade receivables or deposits.

The financial effect of collateral (i.e. quantification of the extent to which collateral and other credit enhancements mitigate credit risk) held for financing of customers for the Group and the Bank are at 51.08% as at 31 December 2025 (51.24% and 51.25% respectively as at 31 December 2024). Meanwhile, the financial effect of collateral held for other financial assets is not significant.

As at 31 December 2025, the fair value of collateral that the Group and the Bank hold relating to financing of non-retail customers determined to be impaired amounts to RM76,965,000 (2024: RM83,639,000). The collateral consists of cash, securities, letters of guarantee, and properties.

The following table presents credit exposure from home financing that are credit impaired by ranges of financing-to-value ("FTV"). FTV is calculated as the ratio of the gross amount of the financing to the value of the collateral.

	Group and Bank	
	2025	**2024**
	RM'000	**RM'000**
FTV Ratio		
Less than 51%	**16,287**	18,289
51-70%	**13,986**	11,502
More than 70%	**184,949**	110,771
Total	**215,222**	140,562

Repossessed collateral

It is the Group's and the Bank's policy that dictates disposal of repossessed collateral to be carried out in an orderly manner. The proceeds are used to reduce or pay the outstanding balance of financing. Collateral repossessed are subject to disposal as soon as it is practical to do so. At present, the Group and the Bank do not occupy repossessed properties for its own business use.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

(iii) Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 2(b)(iv) Material accounting policies and in Note 3 Significant accounting judgements, estimates and assumptions.

The probability weights for each scenario are determined using forecasted GDP growth rate as GDP reflects the overall condition of the economy. The information is sourced internally from the Bank's Economics Department.

The following table shows the forecast of the key forward-looking economic variables used in each of the economic scenarios for the ECL calculations for the financial year ended 31 December 2025.

Key Variable	ECL Scenario	Assigned Probabilities (%)	2025 (Actual)	2026 (Forecast)	2027 (Forecast)
Consumer Price Index (YOY%)	Base case	70.00%	1.40%	2.20%	2.50%
	Upside	20.00%	1.40%	2.90%	3.00%
	Downside	10.00%	1.40%	1.20%	1.00%
Unemployment Rate (%)	Base case	70.00%	2.90%	3.05%	3.00%
	Upside	20.00%	2.90%	2.70%	2.60%
	Downside	10.00%	2.90%	4.50%	4.80%
Overnight Policy Rate (%)	Base case	70.00%	2.75%	2.75%	3.00%
	Upside	20.00%	2.75%	3.50%	3.75%
	Downside	10.00%	2.75%	1.75%	1.50%
Private Consumption (YOY %)	Base case	70.00%	5.00%	5.00%	6.00%
	Upside	20.00%	5.00%	6.80%	7.00%
	Downside	10.00%	5.00%	3.50%	3.00%
Public Consumption (YOY %)	Base case	70.00%	7.10%	5.00%	5.30%
	Upside	20.00%	7.10%	7.00%	7.50%
	Downside	10.00%	7.10%	4.00%	4.30%
Gold Price (USD/oz)	Base case	70.00%	4322.36	3300.00	3450.00
	Upside	20.00%	4322.36	3700.00	4000.00
	Downside	10.00%	4322.36	1200.00	1100.00
Oil Price (USD/Bbl)	Base case	70.00%	60.49	70.00	75.00
	Upside	20.00%	60.49	95.00	100.00
	Downside	10.00%	60.49	50.00	45.00

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

(iii) Analysis of inputs to the ECL model under multiple economic scenarios (cont'd.)

31 December 2024

Key Variable	ECL Scenario	Assigned Probabilities (%)	2024 (Actual)	2025 (Forecast)	2026 (Forecast)
Consumer Price Index (YOY%)	Base case	70.00%	1.91%	2.50%	2.60%
	Upside	20.00%	1.91%	2.80%	2.90%
	Downside	10.00%	1.91%	1.80%	1.75%
Unemployment Rate (%)	Base case	70.00%	3.60%	3.30%	3.30%
	Upside	20.00%	3.60%	3.10%	3.00%
	Downside	10.00%	3.60%	4.30%	4.50%
Overnight Policy Rate (%)	Base case	70.00%	3.00%	3.00%	3.00%
	Upside	20.00%	3.00%	3.50%	3.50%
	Downside	10.00%	3.00%	2.00%	2.00%
Private Consumption (YOY %)	Base case	70.00%	5.95%	6.20%	6.50%
	Upside	20.00%	5.95%	6.50%	6.80%
	Downside	10.00%	5.95%	3.80%	3.50%
Public Consumption (YOY %)	Base case	70.00%	3.64%	4.70%	5.00%
	Upside	20.00%	3.64%	6.20%	7.00%
	Downside	10.00%	3.64%	3.00%	4.00%
Gold Price (USD/oz)	Base case	70.00%	2503.38	2550.00	2600.00
	Upside	20.00%	2503.38	2650.00	2700.00
	Downside	10.00%	2503.38	1500.00	1200.00

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

(iv) Credit quality for financial investments

Set out below are the credit quality for financial investments (non-money market instruments - debt securities) analysed by ratings from external credit ratings agencies:

Group and Bank	Financial investments at FVOCI Non-Money Market Instruments - Debt Domestic Ratings RM'000	Total RM'000
2025		
AAA+ to AA-	**1,183,959**	**1,183,959**
Unrated	**69,490**	**69,490**
Defaulted	**546**	**546**
Sovereign	**6,554,211**	**6,554,211**
Total	**7,808,206**	**7,808,206**
2024		
AAA+ to AA-	1,256,288	1,256,288
Unrated	68,660	68,660
Defaulted	546	546
Sovereign	6,027,783	6,027,783
Total	7,353,277	7,353,277

The ratings shown for debt securities are based on the ratings assigned to the specific debt issuance. As at the reporting date and prior year, none of the financial investments mentioned above are past due, except for defaulted corporate sukuk of the Group and the Bank held under financial investments at FVOCI with carrying amount of RM546,000 (2024: RM546,000), which have been fully provided for.

(b) Market risk

Market risk refer to the potential loss arising from adverse movements in market variables such as rate of return, foreign exchange rate, equity prices and commodity prices.

Types of market risk

(i) Traded market risk

Traded market risk, primarily rate of return risk and credit spread risk, exists in the Group's and the Bank's trading positions held for the purpose of benefitting from short-term price movements, which are conducted primarily by the treasury operations.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Market risk (cont'd.)

Types of market risk (cont'd.)

(i) Traded market risk (cont'd.)

Risk measurement approach

The Group's and the Bank's traded market risk framework comprises market risk policies and practices, delegation of authority, market risk limits and valuation methodologies. The Group's and the Bank's traded market risk for its profit-sensitive fixed income instruments is measured by the present value of a one basis point change ("PV01") and is monitored independently by the Treasury Middle Office ("TMO") on a daily basis against approved market risk limits. In addition, the TMO is also responsible to monitor and report on limit excesses and the daily mark-to-market valuation of fixed income securities. The market risk limits are determined after taking into account the risk appetite and the risk-return relationship and are periodically reviewed by Risk Management Department. Changes to market risk limits must be approved by the Board of Directors. The trading positions and limits are regularly reported to the ALCO. The Group and the Bank maintain its policy of prohibiting exposures in trading financial derivative positions unless with the prior specific approval of the Board of Directors.

(ii) Non-traded market risk

The Group's and the Bank's core non-traded market risk refers to the rate of return risk in the Group's and the Bank's Islamic banking business, foreign exchange risk, and equity risk.

Rate of return risk

Rate of return risk refers to the potential loss of income arising from changes in market rates in regards to return on the assets and on the returns payable on funding. The risk arises from option portfolios embedded in the Group's and the Bank's assets and liabilities.

Rate of return risk emanates from the repricing mismatches of the Group's and the Bank's banking assets and liabilities and also from the Group's and the Bank's investment of its surplus funds.

Risk measurement approach

The primary objective in managing the rate of return risk is to manage the volatility in the Group's and the Bank's net profit income ("NPI") and economic value of equity ("EVE"), whilst balancing the cost of such hedging activities on the current revenue streams. This shall be achieved in a variety of ways that involve the offsetting of positions against each other for any matching assets and liabilities, the acquisition of new financial assets and liabilities to narrow the mismatch in profit rate sensitive assets and liabilities, and entering into derivative financial instruments which have the opposite effects.

The Group and the Bank use various tools including repricing gap reports, sensitivity analysis, and income scenario simulations to measure its rate of return risk. The impact on earnings and EVE is considered at all times in measuring the rate of return risk and is subject to limits approved by the Board of Directors.

The following tables indicate the effective profit rates at the reporting date and the Group's and the Bank's sensitivity to profit rates by time band based on the earlier of contractual repricing date and maturity date. Actual repricing dates may differ from contractual repricing dates due to prepayment of financing or early withdrawal of deposits.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Market risk (cont'd.)

Types of market risk (cont'd.)

(ii) Non-traded market risk (cont'd.)

Rate of return risk (cont'd.)

Group	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non-profit sensitive RM'000	Trading books RM'000	Total RM'000	Effective profit rate %
2025									
ASSETS									
Cash and short-term funds	2,360,733	-	-	-	-	228,265	-	2,588,998	2.8%
Deposits and placements with licensed financial institutions	-	400,000	100,000	-	-	1,361	-	501,361	3.3%
Financial investments at FVTPL	-	-	-	-	-	21,597	50,576	72,173	-
Financial investments at FVOCI	-	400,394	1,133,025	5,453,480	737,746	183,250	-	7,907,895	3.5%
Islamic derivative financial assets	-	-	-	-	-	-	13,549	13,549	-
Financing of customers:									
- non-impaired	26,132,657	24,748	234,376	3,298,424	3,806,219	131,940	-	33,628,364	5.3%
- impaired*	-	-	-	-	-	142,452	-	142,452	-
Other non-profit sensitive balances	-	-	-	-	-	811,434	-	811,434	-
TOTAL ASSETS	28,493,390	825,142	1,467,401	8,751,904	4,543,965	1,520,299	64,125	45,666,226	
LIABILITIES AND EQUITY									
Deposits from customers	18,885,630	6,760,160	11,173,361	300,865	-	270,044	-	37,390,060	3.0%
Investment accounts of customers	283,866	14,711	903,183	-	-	11,223	-	1,212,983	3.1%
Deposits and placements of banks and other financial institutions	584,270	-	-	-	-	382,675	-	966,945	3.5%
Obligation on financial assets sold under repurchase agreement	-	99,573	-	-	-	464	-	100,037	3.1%
Bills and acceptances payable	-	-	-	-	-	11,375	-	11,375	-
Islamic derivative financial liabilities	-	-	-	-	-	-	26,972	26,972	-
Recourse obligation on financing sold to Cagamas	-	-	-	1,200,001	-	5,939	-	1,205,940	3.8%
Subordinated sukuk	-	-	500,000	-	300,000	7,858	-	807,858	4.8%
Other non-profit sensitive balances	-	-	-	-	-	258,255	-	258,255	-
TOTAL LIABILITIES	19,753,766	6,874,444	12,576,544	1,500,866	300,000	947,833	26,972	41,980,425	
TOTAL PROFIT SENSITIVITY GAP	8,739,624	(6,049,302)	(11,109,143)	7,251,038	4,243,965	572,466	37,153	3,685,801	

* This is arrived at after deducting impairment allowances from the gross impaired financing.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Market risk (cont'd.)

Types of market risk (cont'd.)

(ii) Non-traded market risk (cont'd.)

Rate of return risk (cont'd.)

Group	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non-profit sensitive RM'000	Trading books RM'000	Total RM'000	Effective profit rate %
2024									
ASSETS									
Cash and short-term funds	1,785,250	-	-	-	-	331,350	-	2,116,600	3.2%
Deposits and placements with licensed financial institutions	-	500,000	-	-	-	2,166	-	502,166	3.7%
Financial investments at FVTPL	-	-	6,071	-	-	8,817	-	14,888	5.0%
Financial investments at FVOCI	-	35,041	927,951	4,715,583	1,600,598	215,612	75,186	7,569,971	3.6%
Islamic derivative financial assets	-	-	-	-	-	-	14,496	14,496	-
Financing of customers:									
- non-impaired	26,691,865	27,777	189,072	1,882,941	3,339,556	132,233	-	32,263,444	5.5%
- impaired*	-	-	-	-	-	85,905	-	85,905	-
Other non-profit sensitive balances	-	-	-	-	-	1,094,386	-	1,094,386	-
TOTAL ASSETS	28,477,115	562,818	1,123,094	6,598,524	4,940,154	1,870,469	89,682	43,661,856	
LIABILITIES AND EQUITY									
Deposits from customers	17,662,698	5,145,623	11,942,014	708,439	-	1,003,314	-	36,462,088	3.2%
Investment accounts of customers	-	-	-	-	-	245,707	-	245,707	0.1%
Deposits and placements of banks and other financial institutions	340,729	111,819	-	5,000	-	381,173	-	838,721	4.7%
Bills and acceptances payable	-	-	-	-	-	6,027	-	6,027	-
Islamic derivative financial liabilities	-	-	-	-	-	-	17,309	17,309	-
Recourse obligation on financing sold to Cagamas	-	-	1,027,786	550,000	-	6,515	-	1,584,301	4.0%
Subordinated sukuk	-	-	-	-	800,000	7,369	-	807,369	4.8%
Other non-profit sensitive balances	-	-	-	-	-	201,395	-	201,395	-
TOTAL LIABILITIES	18,003,427	5,257,442	121,969,800	1,263,439	800,000	1,851,500	171309	40,162,917	
TOTAL PROFIT SENSITIVITY GAP	10,473,688	(4,694,624)	(11,846,706)	5,335,085	4,140,154	18,969	72,373	3,498,939	

* This is arrived at after deducting impairment allowances from the gross impaired financing.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Market risk (cont'd.)

Types of market risk (cont'd.)

(ii) Non-traded market risk (cont'd.)

Rate of return risk (cont'd.)

Bank	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non-profit sensitive RM'000	Trading books RM'000	Total RM'000	Effective profit rate %
2025									
ASSETS									
Cash and short-term funds	2,360,733	-	-	-	-	228,265	-	2,588,998	2.8%
Deposits and placements with licensed financial institutions	-	400,000	100,000	-	-	1,361	-	501,361	3.3%
Financial investments at FVTPL	-	-	-	-	-	19,701	50,576	70,277	-
Financial investments at FVOCI	-	400,394	1,133,025	5,453,480	737,746	183,250	-	7,907,895	3.5%
Islamic derivative financial assets	-	-	-	-	-	-	13,549	13,549	-
Financing of customers:									
- non-impaired	26,132,657	24,748	234,376	3,298,424	3,806,219	131,940	-	33,628,364	5.3%
- impaired*	-	-	-	-	-	142,452	-	142,452	-
Other non-profit sensitive balances	-	-	-	-	-	864,600	-	864,600	-
TOTAL ASSETS	28,493,390	825,142	1,467,401	8,751,904	4,543,965	1,571,569	64,125	45,717,496	
LIABILITIES AND EQUITY									
Deposits from customers	18,936,739	6,766,360	11,173,361	300,865	-	270,044	-	37,447,369	3.0%
Investment accounts of customers	283,866	14,711	903,183	-	-	11,223	-	1,212,983	3.1%
Deposits and placements of banks and other financial institutions	584,270	-	-	-	-	382,675	-	966,945	3.5%
Obligation on financial assets sold under repurchase agreement	-	99,573	-	-	-	464	-	100,037	3.1%
Bills and acceptances payable	-	-	-	-	-	11,375	-	11,375	-
Islamic derivative financial liabilities	-	-	-	-	-	-	26,972	26,972	-
Recourse obligation on financing sold to Cagamas	-	-	-	1,200,001	-	5,939	-	1,205,940	3.8%
Subordinated sukuk	-	-	500,000	-	300,000	7,858	-	807,858	4.8%
Other non-profit sensitive balances	-	-	-	-	-	257,445	-	257,445	-
TOTAL LIABILITIES	19,804,875	6,880,644	12,576,544	1,500,866	300,000	947,023	26,972	42,036,924	
TOTAL PROFIT SENSITIVITY GAP	8,688,515	(6,055,502)	(11,109,143)	7,251,038	4,243,965	624,546	37,153	3,680,572	

* This is arrived at after deducting impairment allowances from the gross impaired financing.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Market risk (cont'd.)

Types of market risk (cont'd.)

(ii) Non-traded market risk (cont'd.)

Rate of return risk (cont'd.)

Bank	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non-profit sensitive RM'000	Trading books RM'000	Total RM'000	Effective profit rate %
2024									
ASSETS									
Cash and short-term funds	1,785,250	-	-	-	-	331,350	-	2,116,600	3.2%
Deposits and placements with licensed financial institutions	-	500,000	-	-	-	2,166	-	502,166	3.7%
Financial investments at FVTPL	-	-	6,071	-	-	6,138	-	12,209	5.0%
Financial investments at FVOCI	-	35,041	927,951	4,715,583	1,600,598	215,612	75,186	7,569,971	3.6%
Islamic derivative financial assets	-	-	-	-	-	-	14,496	14,496	-
Financing of customers:									
- non-impaired	26,691,865	27,777	189,072	1,882,941	3,339,556	127,157	-	32,258,368	5.5%
- impaired*	-	-	-	-	-	85,905	-	85,905	-
Other non-profit sensitive balances	-	-	-	-	-	1,106,437	-	1,106,437	-
TOTAL ASSETS	28,477,115	562,818	1,123,094	6,598,524	4,940,154	1,874,765	89,682	43,666,152	
LIABILITIES AND EQUITY									
Deposits from customers	17,671,498	5,147,623	11,942,014	708,439	-	1,007,348	-	36,476,922	3.2%
Investment accounts of customers	-	-	-	-	-	245,707	-	245,707	0.1%
Deposits and placements of banks and other financial institutions	340,729	111,819	-	5,000	-	381,173	-	838,721	4.7%
Bills and acceptances payable	-	-	-	-	-	6,027	-	6,027	-
Islamic derivative financial liabilities	-	-	-	-	-	-	17,309	17,309	-
Recourse obligation on financing sold to Cagamas	-	-	1,027,786	550,000	-	6,515	-	1,584,301	4.0%
Subordinated sukuk	-	-	-	-	800,000	7,369	-	807,369	4.8%
Other non-profit sensitive balances	-	-	-	-	-	201,043	-	201,043	-
TOTAL LIABILITIES	18,012,227	5,259,442	12,969,800	1,263,439	800,000	1,855,182	17,309	40,177,399	
TOTAL PROFIT SENSITIVITY GAP	10,464,888	(4,696,624)	(11,846,706)	5,335,085	4,140,154	19,583	72,373	3,488,753	

* This is arrived at after deducting impairment allowances from the gross impaired financing.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Market risk (cont'd.)

Types of market risk (cont'd.)

(ii) Non-traded market risk (cont'd.)

Rate of return risk (cont'd.)

Effects of rate of return risk

- Earnings at Risk ("EAR")

  The focus of analysis is more on the impact of changes in rate of return on accrual or reported earnings. Variation in earnings such as reduced earnings or outright losses can threaten the financial stability of the Group and the Bank by undermining its capital adequacy and reducing market confidence.

- Economic Value of Equity ("EVE")

  Economic value of an instrument represents an assessment of present value of its expected net cash flows, discounted to reflect market rates. Economic value of the Group and the Bank can be viewed as the present value of the Group's and the Bank's expected net cash flows, which can be defined as the expected cash flows on assets minus the expected cash flows on liabilities plus the expected net cash flows on off-balance sheet position. The sensitivity of the Group's and the Bank's economic value to fluctuation in rate of return is particularly an important consideration of shareholders and Management.

- Value at Risk ("VaR")

  VaR approach is used to estimate the maximum potential loss of the investment portfolio over a specified time.

Rate of return risk measurement

- Gap analysis

  Repricing gap analysis measures the difference or gap between the absolute value of rate of return sensitive assets and rate of return sensitive liabilities, which are expected to experience changes in contractual rates (re-priced) over the residual maturity period or on maturity.

  A rate sensitive gap greater than one (>1) implies that the rate of return in sensitive assets is greater than the rate of return in sensitive liabilities. As rate of return rises, the income on assets will increase faster than the funding costs, resulting in higher spread income.

  A rate sensitive gap less than one (<1) suggests a higher ratio of rate of return in sensitive liabilities than in sensitive assets. If rate of returns rises, funding costs will grow at a faster rate than the income on assets, resulting in a fall in spread income (net rate of return income).

- Simulation analysis

  Detail assessments on the potential effects of changes in rate of return on the Group's and the Bank's earnings are carried out by simulating future path of rate of returns and also their impact on cash flows.

  Simulation analysis will also be used to evaluate the impact of possible decisions on the following:

  - Product pricing changes;
  - New product introduction;
  - Derivatives and hedging strategies; and
  - Changes in the asset-liability mix.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Market risk (cont'd.)

Types of market risk (cont'd.)

(ii) Non-traded market risk (cont'd.)

Rate of return risk (cont'd.)

Sensitivity analysis for rate of return risk

The analysis measures the increase or decline in earnings and economic value for upward and downward rate shocks, which are consistent with shocks applied in the stress test for measuring:

	Group		Bank	
Increase/(decrease) in basis points	-50 Basis Points RM'000	+50 Basis Points RM'000	-50 Basis Points RM'000	+50 Basis Points RM'000
Impact on Earnings:				
2025				
MYR	**(33,634)**	**33,634**	**(33,513)**	**33,513**
USD	**1,561**	**(1,561)**	**1,561**	**(1,561)**
2024				
MYR	(35,940)	35,940	(35,890)	35,890
USD	2,304	(2,304)	2,304	(2,304)
EUR	222	(222)	222	(222)
Impact on Equity:				
2025				
MYR	**88,794**	**(88,794)**	**88,786**	**(88,786)**
USD	**(82)**	**82**	**(82)**	**82**
2024				
MYR	92,673	(92,673)	92,670	(92,670)
USD	(189)	189	(189)	189
EUR	(12)	12	(12)	12

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Market risk (cont'd.)

Types of market risk (cont'd.)

(ii) Non-traded market risk (cont'd.)

Foreign exchange risk

Foreign exchange ("FX") risk arises as a result of movements in relative currencies due to the Group's and the Bank's operations in business activities, trading activities and structural foreign exchange exposures from foreign investments and capital management activities.

Generally, the Group and the Bank are exposed to three (3) types of foreign exchange risk, namely, translation risk, transactional risk and economic risk, which are managed in accordance with the market risk policy and limits. The FX translation risks are mitigated as the assets are funded in the same currency. The Group and the Bank controls its FX exposures by transacting in permissible currencies. The Group and the Bank have an internal Foreign Exchange Net Open Position ("FX NOP") to measure, control and monitor its FX risk, and implements FX hedging strategies to minimise FX exposures. Stress testing is conducted periodically to ensure sufficient capital to buffer the FX risk.

The table below analyses the net foreign exchange positions of the Group and the Bank by major currencies, which are mainly in United States Dollar, Australian Dollar, Swiss Franc, Euro, the Great Britain Pound, Japanese Yen and Canadian Dollar.

Group	Malaysian Ringgit RM'000	United States Dollar RM'000	Australian Dollar RM'000	Swiss Franc RM'000	Euro RM'000	Great Britain Pound RM'000	Japanese Yen RM'000	Canadian Dollar RM'000	Others RM'000	Total RM'000
2025										
Assets										
Cash and short-term funds	2,386,605	144,457	2,187	2,295	5,832	2,159	36,618	3,218	5,627	2,588,998
Deposits and placements with licensed financial institutions	501,361	-	-	-	-	-	-	-	-	501,361
Financial investments at FVTPL	72,173	-	-	-	-	-	-	-	-	72,173
Financial investments at FVOCI	7,897,700	10,195	-	-	-	-	-	-	-	7,907,895
Islamic derivative financial assets	13,549	-	-	-	-	-	-	-	-	13,549
Financing of customers	33,768,439	2,377	-	-	-	-	-	-	-	33,770,816
Other financial assets*	26,846	3	-	-	-	-	-	-	-	26,849
Statutory deposits with Bank Negara Malaysia	365,000	-	-	-	-	-	-	-	-	365,000
Total financial assets	45,031,673	157,032	2,187	2,295	5,832	2,159	36,618	3,218	5,627	45,246,641

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Market risk (cont'd.)

Types of market risk (cont'd.)

(ii) Non-traded market risk (cont'd.)

Foreign exchange risk (cont'd.)

Group	Malaysian Ringgit RM'000	United States Dollar RM'000	Australian Dollar RM'000	Swiss Franc RM'000	Euro RM'000	Great Britain Pound RM'000	Japanese Yen RM'000	Canadian Dollar RM'000	Others RM'000	Total RM'000
2025 (cont'd.)										
Liabilities										
Deposits from customers	37,267,627	121,909	58	-	370	80	-	-	16	37,390,060
Investment accounts of customers	1,212,983	-	-	-	-	-	-	-	-	1,212,983
Deposits and placements of banks and other financial institutions	682,309	284,636	-	-	-	-	-	-	-	966,945
Obligation on financial assets sold under repurchase agreement	100,037	-	-	-	-	-	-	-	-	100,037
Bills and acceptances payable	11,375	-	-	-	-	-	-	-	-	11,375
Islamic derivative financial liabilities	26,972	-	-	-	-	-	-	-	-	26,972
Other financial liabilities	197,128	545	-	-	69	(74)	-	-	-	197,668
Lease liabilities	49,734	164	-	-	-	-	-	-	-	49,898
Recourse obligation on financing sold to Cagamas	1,205,940	-	-	-	-	-	-	-	-	1 ,205,940
Subordinated sukuk	807,858	-	-	-	-	-	-	-	-	807,858
Total financial liabilities	41,561,963	407,254	58	-	439	6	-	-	16	41,969,736
Net on-balance sheet open position	3,469,710	(250,222)	2,129	2,295	5,393	2,153	36,618	3,218	5,611	3,276,905

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Market risk (cont'd.)

Types of market risk (cont'd.)

(ii) Non-traded market risk (cont'd.)

Foreign exchange risk (cont'd.)

Group	Malaysian Ringgit RM'000	United States Dollar RM'000	Australian Dollar RM'000	Swiss Franc RM'000	Euro RM'000	Great Britain Pound RM'000	Japanese Yen RM'000	Canadian Dollar RM'000	Others RM'000	Total RM'000
2024										
Assets										
Cash and short-term funds	1,791,333	137,966	1,438	68,565	56,260	2,130	40,072	4,388	14,448	2,116,600
Deposits and placements with licensed financial institutions	502,166	-	-	-	-	-	-	-	-	502,166
Financial investments at FVTPL	14,888	-	-	-	-	-	-	-	-	14,888
Financial investments at FVOCI	7,494,786	75,185	-	-	-	-	-	-	-	7,569,971
Islamic derivative financial assets	14,496	-	-	-	-	-	-	-	-	14,496
Financing of customers	32,331,321	18,028	-	-	-	-	-	-	-	32,349,349
Other financial assets*	26,646	3	-	-	-	-	-	-	-	26,649
Statutory deposits with Bank Negara Malaysia	680,000	-	-	-	-	-	-	-	-	680,000
Total financial assets	42,855,636	231,182	1,438	68,565	56,260	2,130	40,072	4,388	14,448	43,274,119

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Market risk (cont'd.)

Types of market risk (cont'd.)

(ii) Non-traded market risk (cont'd.)

Foreign exchange risk (cont'd.)

Group	Malaysian Ringgit RM'000	United States Dollar RM'000	Australian Dollar RM'000	Swiss Franc RM'000	Euro RM'000	Great Britain Pound RM'000	Japanese Yen RM'000	Canadian Dollar RM'000	Others RM'000	Total RM'000
2024 (cont'd.)										
Liabilities										
Deposits from customers	36,106,253	180,682	27	-	154,071	79	-	-	20,976	36,462,088
Investment accounts of customers	245,707	-	-	-	-	-	-	-	-	245,707
Deposits and placements of banks and other financial institutions	435,417	356,359	-	-	46,945	-	-	-	-	838,721
Bills and acceptances payable	6,027	-	-	-	-	-	-	-	-	6,027
Islamic derivative financial liabilities	17,309	-	-	-	-	-	-	-	-	17,309
Other financial liabilities	146,364	616	-	-	67	(77)	-	-	-	146,970
Lease liabilities	45,391	105	-	-	-	-	-	-	-	45,496
Recourse obligation on financing sold to Cagamas	1,584,301	-	-	-	-	-	-	-	-	1,584,301
Subordinated sukuk	807,369	-	-	-	-	-	-	-	-	807,369
Total financial liabilities	39,394,138	537,762	27	-	201,083	2	-	-	20,976	40,153,988
Net on-balance sheet open position	3,461,498	(306,580)	1,411	68,565	(144,823)	2,128	40,072	4,388	(6,528)	3,120,131

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Market risk (cont'd.)

Types of market risk (cont'd.)

(ii) Non-traded market risk (cont'd.)

Foreign exchange risk (cont'd.)

Bank	Malaysian Ringgit RM'000	United States Dollar RM'000	Australian Dollar RM'000	Swiss Franc RM'000	Euro RM'000	Great Britain Pound RM'000	Japanese Yen RM'000	Canadian Dollar RM'000	Others RM'000	Total RM'000
2025										
Assets										
Cash and short-term funds	2,386,605	144,457	2,187	2,295	5,832	2,159	36,618	3,218	5,627	2,588,998
Deposits and placements with licensed financial institutions	501,361	-	-	-	-	-	-	-	-	501,361
Financial investments at FVTPL	70,277	-	-	-	-	-	-	-	-	70,277
Financial investments at FVOCI	7,897,700	10,195	-	-	-	-	-	-	-	7,907,895
Islamic derivative financial assets	13,549	-	-	-	-	-	-	-	-	13,549
Financing of customers	33,768,439	2,377	-	-	-	-	-	-	-	33,770,816
Other financial assets*	67,290	3	-	-	-	-	-	-	-	67,293
Statutory deposits with Bank Negara Malaysia	365,000	-	-	-	-	-	-	-	-	365,000
Total financial assets	45,070,221	157,032	2,187	2,295	5,832	2,159	36,618	3,218	5,627	45,285,189

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Market risk (cont'd.)

Types of market risk (cont'd.)

(ii) Non-traded market risk (cont'd.)

Foreign exchange risk (cont'd.)

Bank	Malaysian Ringgit RM'000	United States Dollar RM'000	Australian Dollar RM'000	Swiss Franc RM'000	Euro RM'000	Great Britain Pound RM'000	Japanese Yen RM'000	Canadian Dollar RM'000	Others RM'000	Total RM'000
2025 (cont'd.)										
Deposits from customers	37,324,936	121,909	58	-	370	80	-	-	16	37,447,369
Investment accounts of customers	1,212,983	-	-	-	-	-	-	-	-	1,212,983
Deposits and placements of banks and other financial institutions	682,309	284,636	-	-	-	-	-	-	-	966,945
Obligation on financial assets sold under repurchase agreement	100,037	-	-	-	-	-	-	-	-	100,037
Bills and acceptances payable	11,375	-	-	-	-	-	-	-	-	11,375
Islamic derivative financial liabilities	26,972	-	-	-	-	-	-	-	-	26,972
Other financial liabilities	197,337	545	-	-	69	(74)	-	-	-	197,877
Lease liabilities	49,734	164	-	-	-	-	-	-	-	49,898
Recourse obligation on financing sold to Cagamas	1,205,940	-	-	-	-	-	-	-	-	1,205,940
Subordinated sukuk	807,858	-	-	-	-	-	-	-	-	807,858
Total financial liabilities	41,619,481	407,254	58	-	439	6	-	-	16	42,027,254
Net on-balance sheet open position	3,450,740	(250,222)	2,129	2,295	5,393	2,153	36,618	3,218	5,611	3,257,935

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Market risk (cont'd.)

Types of market risk (cont'd.)

(ii) Non-traded market risk (cont'd.)

Foreign exchange risk (cont'd.)

Bank	Malaysian Ringgit RM'000	United States Dollar RM'000	Australian Dollar RM'000	Swiss Franc RM'000	Euro RM'000	Great Britain Pound RM'000	Japanese Yen RM'000	Canadian Dollar RM'000	Others RM'000	Total RM'000
2024										
Assets										
Cash and short-term funds	1,791,333	137,966	1,438	68,565	56,260	2,130	40,072	4,388	14,448	2,116,600
Deposits and placements with licensed financial institutions	502,166	-	-	-	-	-	-	-	-	502,166
Financial investments at FVTPL	12,209	-	-	-	-	-	-	-	-	12,209
Financial investments at FVOCI	7,494,786	75,185	-	-	-	-	-	-	-	7,569,971
Islamic derivative financial assets	14,496	-	-	-	-	-	-	-	-	14,496
Financing of customers	32,326,245	18,028	-	-	-	-	-	-	-	32,344,273
Other financial assets*	26,164	3	-	-	-	-	-	-	-	26,167
Statutory deposits with Bank Negara Malaysia	680,000	-	-	-	-	-	-	-	-	680,000
Total financial assets	42,847,399	231,182	1,438	68,565	56,260	2,130	40,072	4,388	14,448	43,265,882

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Market risk (cont'd.)

Types of market risk (cont'd.)

(ii) Non-traded market risk (cont'd.)

Foreign exchange risk (cont'd.)

Bank	Malaysian Ringgit RM'000	United States Dollar RM'000	Australian Dollar RM'000	Swiss Franc RM'000	Euro RM'000	Great Britain Pound RM'000	Japanese Yen RM'000	Canadian Dollar RM'000	Others RM'000	Total RM'000
2024 (cont'd.)										
Liabilities										
Deposits from customers	36,121,087	180,682	27	-	154,071	79	-	-	20,976	36,476,922
Investment accounts of customers	245,707	-	-	-	-	-	-	-	-	245,707
Deposits and placements of banks and other financial institutions	435,417	356,359	-	-	46,945	-	-	-	-	838,721
Bills and acceptances payable	6,027	-	-	-	-	-	-	-	-	6,027
Islamic derivative financial liabilities	17,309	-	-	-	-	-	-	-	-	17,309
Other financial liabilities	146,280	616	-	-	67	(77)	-	-	-	146,886
Lease liabilities	45,391	105	-	-	-	-	-	-	-	45,496
Recourse obligation on financing sold to Cagamas	1,584,301	-	-	-	-	-	-	-	-	1,584,301
Subordinated sukuk	807,369	-	-	-	-	-	-	-	-	807,369
Total financial liabilities	39,408,888	537,762	27	-	201,083	2	-	-	20,976	40,168,738
Net on-balance sheet open position	3,438,511	(306,580)	1,411	68,565	(144,823)	2,128	40,072	4,388	(6,528)	3,097,144

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Market risk (cont'd.)

Types of market risk (cont'd.)

(ii) Non-traded market risk (cont'd.)

Foreign currency risk

Foreign exchange risk arises from the movements in exchange rates that adversely affect the revaluation of the Group and the Bank foreign currency positions.

	Group and Bank			
	2025		2024	
	1% appreciation RM'000	1% depreciation RM'000	1% appreciation RM'000	1% depreciation RM'000
Impact to profit after tax and reserves	**1,928**	**(1,928)**	3,414	(3,414)

Interpretation of impact

The Group and the Bank measure the foreign exchange sensitivity based on the foreign exchange net open positions (including foreign exchange structural position) under an adverse movement in all foreign currencies against reporting currency (MYR). The result implies that the Group and the Bank may be subjected to additional translation (loss)/gain if MYR appreciated/depreciated against other currencies or vice versa.

(c) Liquidity and funding risk

Liquidity and funding risk is the potential inability of the Group and the Bank to meet its funding requirements arising from cash flow mismatches at a reasonable cost while market liquidity risk refers to the Group's and the Bank's potential inability to liquidate positions quickly and with insufficient volumes, at a reasonable price.

The Group and the Bank monitor the maturity profile of assets and liabilities so that adequate liquidity is maintained at all times. The Group's and the Bank's ability to maintain a stable liquidity profile is primarily due to its success in retaining and growing its customer deposits base.

The marketing strategy of the Group and the Bank has ensured a balanced mix of deposits level. Stability of the deposits base thus minimises the Group's and the Bank's dependency on volatile short-term receiving. Considering the effective maturities of deposits are based largely on retention history (behavioral method) and in view of the ready availability of liquidity investments, the Group and the Bank are able to ensure that sufficient liquidity is always available whenever necessary.

The Asset & Liability Committee ("ALCO") chaired by the Chief Executive Officer, is being conducted on a monthly basis, which purpose is to review the Liquidity Gap Profile of the Group and the Bank. In addition, the Group and the Bank apply the liquidity stress test which addresses strategic issues concerning liquidity risk.

The tables depicted in the following pages are the analysis of assets and liabilities of the Group and the Bank based on remaining contractual maturities.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Liquidity and funding risk (cont'd.)

(i) Maturity analysis of assets, liabilities, commitments and contingencies based on remaining contractual maturity:

Group	On demand or up to 1 Month RM'000	>1-3 Months RM'000	>3-6 Months RM'000	>6-12 Months RM'000	>1 Year RM'000	Total RM'000
2025						
Assets						
Cash and short-term funds	2,588,998	-	-	-	-	2,588,998
Deposits and placements with licensed financial institutions	-	401,154	100,207	-	-	501,361
Financial investments at FVTPL	-	50,576	-	-	21,597	72,173
Financial investments at FVOCI	546	403,726	146,219	998,500	6,358,904	7,907,895
Islamic derivative financial assets	7,609	4,126	1,453	361	-	13,549
Financing of customers	789,668	703,978	455,597	2,457,654	29,363,919	33,770,816
Statutory deposits with Bank Negara Malaysia	-	-	-	-	365,000	365,000
Other financial assets*	26,849	-	-	-	-	26,849
Total financial assets	3,413,670	1,563,560	703,476	3,456,515	36,109,420	45,246,641
Liabilities						
Deposits from customers	18,980,747	6,798,851	5,349,944	5,925,339	335,179	37,390,060
Investment accounts of customers	283,981	14,895	174,816	739,291	-	1,212,983
Deposits and placements of banks and other financial institutions	584,958	-	48,530	-	333,457	966,945
Obligation on financial assets sold under repurchase agreement	-	100,037	-	-	-	100,037
Bills and acceptances payable	11,375	-	-	-	-	11,375
Islamic derivative financial liabilities	10,540	5,705	9,724	1,003	-	26,972
Other financial liabilities	197,668	-	-	-	-	197,668
Lease liabilities	965	1,940	2,921	5,926	38,146	49,898
Recourse obligation on financing sold to Cagamas	-	-	-	-	1,205,940	1,205,940
Subordinated sukuk	7,165	-	1,051	-	799,642	807,858
Total financial liabilities	20,077,399	6,921,428	5,586,986	6,671,559	2,712,364	41,969,736
Net maturity mismatch	(16,663,729)	(5,357,868)	(4,883,510)	(3,215,044)	33,397,056	3,276,905
Commitments and contingencies						
Contingent liabilities	19,366	42,737	61,541	153,071	1,571,598	1,848,313
Commitments	121,319	120,632	96,114	71,783	1,848,818	2,258,666
Other miscellaneous commitment and contingencies	61,058	2,554	892	-	497,374	561,878
Islamic derivative financial liabilities	524,655	308,641	455,822	282,284	-	1,571,402
Total commitments and contingencies	726,398	474,564	614,369	507,138	3,917,790	6,240,259

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Liquidity and funding risk (cont'd.)

(i) Maturity analysis of assets, liabilities, commitments and contingencies based on remaining contractual maturity: (cont'd.)

Group	On demand or up to 1 Month RM'000	>1-3 Months RM'000	>3-6 Months RM'000	>6-12 Months RM'000	>1 Year RM'000	Total RM'000
2024						
Assets						
Cash and short-term funds	2,116,600	-	-	-	-	2,116,600
Deposits and placements with licensed financial institution	-	502,166	-	-	-	502,166
Financial investments at FVTPL	-	-	-	14,888	-	14,888
Financial investments at FVOCI	-	35,574	352,544	582,061	6,599,792	7,569,971
Islamic derivative financial assets	1,280	815	7,369	5,032	-	14,496
Financing of customers	658,964	668,895	305,246	2,782,243	27,934,001	32,349,349
Statutory deposits with Bank Negara Malaysia	-	-	-	-	680,000	680,000
Other financial assets*	55	-	-	26,594	-	26,649
Total financial assets	2,776,899	1,207,450	665,159	3,410,818	35,213,793	43,274,119
Liabilities						
Deposits from customers	18,460,450	5,182,191	5,904,482	6,145,805	769,160	36,462,088
Investment accounts of customers	245,707	-	-	-	-	245,707
Deposits and placements of banks and other financial institutions	341,353	111,955	-	-	385,413	838,721
Bills and acceptances payable	-	6,027	-	-	-	6,027
Islamic derivative financial assets	1,201	10,559	168	5,381	-	17,309
Other financial liabilities	44,099	-	-	111,800	-	155,899
Lease liabilities	963	1,320	2,274	4,488	36,451	45,496
Recourse obligation on financing sold to Cagamas	-	-	729,330	301,635	553,336	1,584,301
Subordinated sukuk	7,160	-	989	-	799,220	807,369
Total financial liabilities	19,100,933	5,312,052	6,637,243	6,569,109	2,543,580	40,162,917
Net maturity mismatch	(16,324,034)	(4,104,602)	(5,972,084)	(3,158,291)	32,670,213	3,111,202
Commitments and contingencies						
Contingent liabilities	19,210	26,417	55,850	160,978	1,500,924	1,763,379
Commitments	303,384	191,893	68,142	57,493	1,510,687	2,131,599
Other miscellaneous commitment and contingent contingencies	54,266	-	-	-	295,456	349,722
Islamic derivative financial liabilities	310,472	333,361	60,718	631,512	514,545	1,850,608
Total commitments and contingencies	687,332	551,671	184,710	849,983	3,821,612	6,095,308

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Liquidity and funding risk (cont'd.)

(i) Maturity analysis of assets, liabilities, commitments and contingencies based on remaining contractual maturity: (cont'd.)

Bank	On demand or up to 1 Month RM'000	>1-3 Months RM'000	>3-6 Months RM'000	>6-12 Months RM'000	>1 Year RM'000	Total RM'000
2025						
Assets						
Cash and short-term funds	2,588,998	-	-	-	-	2,588,998
Deposits and placements with licensed financial institutions	-	401,154	100,207	-	-	501,361
Financial investments at FVTPL	-	50,576	-	-	19,701	70,277
Financial investments at FVOCI	546	403,726	146,219	998,500	6,358,904	7,907,895
Islamic derivative financial assets	7,609	4,126	1,453	361	-	13,549
Financing of customers	789,668	703,978	455,597	2,457,654	29,363,919	33,770,816
Statutory deposits with Bank Negara Malaysia	-	-	-	-	365,000	365,000
Other financial assets*	67,793	-	-	-	-	67,793
Total financial assets	3,454,614	1,563,560	703,476	3,456,515	36,107,524	45,285,689
Liabilities						
Deposits from customers	19,031,857	6,805,051	5,349,944	5,925,338	335,179	37,447,369
Investment accounts of customers	283,981	14,895	174,816	739,291	-	1,212,983
Deposits and placements of banks and other financial institutions	584,958	-	48,530	-	333,457	966,945
Obligation on financial assets sold under repurchase agreement	-	100,037	-	-	-	100,037
Bills and acceptances payable	11,375	-	-	-	-	11,375
Islamic derivative financial liabilities	10,540	5,706	9,724	1,002	-	26,972
Other financial liabilities	197,877	-	-	-	-	197,877
Lease liabilities	965	1,940	2,921	5,926	38,146	49,898
Recourse obligation on financing sold to Cagamas	-	-	-	-	1,205,940	1,205,940
Subordinated sukuk	7,165	-	1,051	-	799,642	807,858
Total financial liabilities	20,128,718	6,927,629	5,586,986	6,671,557	2,712,364	42,027,254
Net maturity mismatch	(16,674,104)	(5,364,069)	(4,883,510)	(3,215,042)	33,395,160	3,258,435
Commitments and contingencies						
Contingent liabilities	19,366	42,737	61,541	153,071	1,571,598	1,848,313
Commitments	121,319	120,632	96,114	71,783	1,848,818	2,258,666
Other miscellaneous commitment and contingencies	61,058	2,554	892	-	497,374	561,878
Islamic derivative financial liabilities	524,655	308,641	455,822	282,284	-	1,571,402
Total commitments and contingencies	726,398	474,564	614,369	507,138	3,917,790	6,240,259

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Liquidity and funding risk (cont'd.)

(i) Maturity analysis of assets, liabilities, commitments and contingencies based on remaining contractual maturity: (cont'd.)

Bank	On demand or up to 1 Month RM'000	>1-3 Months RM'000	>3-6 Months RM'000	>6-12 Months RM'000	>1 Year RM'000	Total RM'000
2024						
Assets						
Cash and short-term funds	2,116,600	-	-	-	-	2,116,600
Deposits and placements with licensed financial institution	-	502,166	-	-	-	502,166
Financial investments at FVTPL	-	-	-	12,209	-	12,209
Financial investments at FVOCI	-	35,574	352,544	582,061	6,599,792	7,569,971
Islamic derivative financial assets	1,280	815	7,369	5,032	-	14,496
Financing of customers	658,964	668,895	305,246	2,782,243	27,928,925	32,344,273
Statutory deposits with Bank Negara Malaysia	-	-	-	-	680,000	680,000
Other financial assets*	-	-	-	26,167	-	26,167
Total financial assets	2,776,844	1,207,450	665,159	3,407,712	35,208,717	43,265,882
Liabilities						
Deposits from customers	18,473,284	5,184,191	5,904,482	6,145,805	769,160	36,476,922
Investment accounts of customers	245,707	-	-	-	-	245,707
Deposits and placements of banks and other financial institutions	341,353	111,955	-	-	385,413	838,721
Bills and acceptances payable	-	6,027	-	-	-	6,027
Islamic derivative financial assets	1,201	10,559	168	5,381	-	17,309
Other financial liabilities	43,860	-	-	111,687	-	155,547
Lease liabilities	963	1,320	2,274	4,488	36,451	45,496
Recourse obligation on financing sold to Cagamas	-	-	729,330	301,635	553,336	1,584,301
Subordinated sukuk	7,160	-	989	-	799,220	807,369
Total financial liabilities	19,113,528	5,314,052	6,637,243	6,568,996	2,543,580	40,177,399
Net maturity mismatch	(16,336,684)	(4,106,602)	(5,972,084)	(3,161,284)	32,665,137	3,088,483
Commitments and contingencies						
Contingent liabilities	19,210	26,417	55,850	160,978	1,500,924	1,763,379
Commitments	303,384	191,893	68,142	57,493	1,510,687	2,131,599
Other miscellaneous commitment and contingent contingencies	54,266	-	-	-	295,456	349,722
Islamic derivative financial liabilities	310,472	333,361	60,718	631,512	514,545	1,850,608
Total commitments and contingencies	687,332	551,671	184,710	849,983	3,821,612	6,095,308

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Liquidity and funding risk (cont'd.)

(ii) Maturity analysis of financial liabilities on an undiscounted basis

The following tables show the contractual undiscounted cash flows payable for financial liabilities by remaining contractual maturities. The financial liabilities in the tables depicted in the following pages will not agree to the balances reported in the statement of financial position as the tables incorporate all contractual cash flows, on an undiscounted basis, relating to both principal and profit payments. The contractual maturity profile does not necessarily reflect the behavioural cash flows.

The cash flows of commitments and contingent liabilities are not presented on an undiscounted basis as the total outstanding contractual amounts do not represent future cash requirements since the Group and the Bank expect many of these contingencies to expire or be unconditionally cancelled without being called or drawn upon and many of the contingent liabilities are reimbursable by customers.

Group	On demand or up to 1 Month RM'000	>1-3 Months RM'000	>3-6 Months RM'000	>6-12 Months RM'000	>1 Year RM'000	Total RM'000
2025						
Non-derivative liabilities						
Deposits from customers	19,021,267	6,838,212	5,428,291	6,099,088	371,390	37,758,248
Investment accounts of customers	283,996	14,973	177,714	761,346	-	1,238,029
Deposits and placements of banks and other financial institutions	585,995	-	48,530	-	333,457	967,982
Bills and acceptances payable	11,375	-	-	-	-	11,375
Other financial liabilities	197,668	-	-	-	-	197,668
Lease liabilities	1,147	2,295	3,426	6,836	41,079	54,783
Recourse obligation on financing sold to Cagamas	-	-	-	-	1,350,395	1,350,395
Obligation on financial assets sold under repurchase agreement	-	100,366	-	-	-	100,366
Subordinated sukuk	7,995	-	11,250	19,245	997,414	1,035,904
Derivative liabilities	10,540	5,706	9,724	1,002	-	26,972
Total financial liabilities	20,119,983	6,961,552	5,678,935	6,887,517	3,093,735	42,741,722

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Liquidity and funding risk (cont'd.)

(ii) Maturity analysis of financial liabilities on an undiscounted basis (cont'd.)

Group	On demand or up to 1 Month RM'000	>1-3 Months RM'000	>3-6 Months RM'000	>6-12 Months RM'000	>1 Year RM'000	Total RM'000
2024						
Non-derivative liabilities						
Deposits from customers	18,467,016	5,215,305	5,994,636	6,332,995	850,049	36,860,001
Investment accounts of customers	245,707	-	-	-	-	245,707
Deposits and placements of banks and other financial institutions	341,999	112,778	-	-	385,413	840,190
Bills and acceptances payable	-	6,027	-	-	-	6,027
Other financial liabilities	44,099	-	-	102,873	-	146,972
Lease liabilities	1,129	1,851	2,742	5,347	39,456	50,525
Recourse obligation on financing sold to Cagamas	-	-	738,730	312,261	640,673	1,691,664
Subordinated sukuk	7,995	-	11,250	19,245	1,016,182	1,054,672
Derivative liabilities	1,201	10,559	168	5,381	-	17,309
Total financial liabilities	19,109,146	5,346,520	6,747,526	6,778,102	2,931,773	40,913,067

Bank	On demand or up to 1 Month RM'000	>1-3 Months RM'000	>3-6 Months RM'000	>6-12 Months RM'000	>1 Year RM'000	Total RM'000
2025						
Non-derivative liabilities						
Deposits from customers	**19,040,926**	**6,844,445**	**5,428,291**	**6,099,088**	**371,390**	**37,784,140**
Investment accounts of customers	**283,996**	**14,973**	**177,714**	**761,346**	**-**	**1,238,029**
Deposits and placements of banks and other financial institutions	**585,995**	**-**	**48,530**	**-**	**333,457**	**967,982**
Bills and acceptances payable	**11,375**	**-**	**-**	**-**	**-**	**11,375**
Other financial liabilities	**197,877**	**-**	**-**	**-**	**-**	**197,877**
Lease liabilities	**1,147**	**2,295**	**3,426**	**6,836**	**41,079**	**54,783**
Recourse obligation on financing sold to Cagamas	**-**	**-**	**-**	**-**	**1,350,395**	**1,350,395**
Obligation on financial assets sold under repurchase agreement	**-**	**100,366**	**-**	**-**	**-**	**100,366**
Subordinated sukuk	**7,995**	**-**	**11,250**	**19,245**	**997,414**	**1,035,904**
Derivative liabilities	**10,540**	**5,706**	**9,724**	**1,002**	**-**	**26,972**
Total financial liabilities	**20,139,851**	**6,967,785**	**5,678,935**	**6,887,517**	**3,093,735**	**42,767,823**

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Liquidity and funding risk (cont'd.)

(ii) Maturity analysis of financial liabilities on an undiscounted basis (cont'd.)

Bank	On demand or up to 1 Month RM'000	>1-3 Months RM'000	>3-6 Months RM'000	>6-12 Months RM'000	>1 Year RM'000	Total RM'000
2024						
Non-derivative liabilities						
Deposits from customers	18,483,900	5,217,317	5,994,636	6,332,995	850,049	36,878,897
Investment accounts of customers	245,707	-	-	-	-	245,707
Deposits and placements of banks and other financial institutions	341,999	112,778	-	-	385,413	840,190
Bills and acceptances payable	-	6,027	-	-	-	6,027
Other financial liabilities	43,860	-	-	103,026	-	146,886
Lease liabilities	1,129	1,851	2,742	5,347	39,456	50,525
Recourse obligation on financing sold to Cagamas	-	-	738,730	312,261	640,673	1,691,664
Subordinated sukuk	7,995	-	11,250	19,245	1,016,182	1,054,672
Derivative liabilities	1,201	10,559	168	5,381	-	17,309
Total financial liabilities	19,125,791	5,348,532	6,747,526	6,778,255	2,931,773	40,931,877

(d) Operational risk

Operational risk is defined as the risk of losses resulting from inadequate or failed internal processes and systems, human factors, and/or from various external events. The objective of operational risk management ("ORM") is to effectively manage these risks to minimise possible financial losses arising from operational lapses. In relation to ORM, the key risk organs which play a critical role in the overall integrated risk management framework are the ORM unit, Operational Risk Management Committee ("ORMC"), Internal Audit, Compliance, and the business lines.

The operational risk management processes include establishment of system of internal controls, identification and assessment of operational risk inherent in new and existing products, processes and systems, regular disaster recovery and business continuity planning and simulations, self-compliance audit, and operational risk incident reporting and data collection.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

48. FAIR VALUE MEASUREMENTS

(a) Financial instruments measured at fair value

Determination of fair value and the fair value hierarchy

Level 1 - Quoted (unadjusted) market prices in active markets for identical instruments;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is either directly (i.e. prices) or indirectly (i.e. derived from prices), observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Where such quoted and observable market prices are not available, fair values are determined using appropriate valuation techniques, which include the use of mathematical models, such as discounted cash flow models and option pricing models, comparison to similar instruments for which market observable prices exist and other valuation techniques. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial and non-financial instruments at the reporting date, that would have been determined by market participants acting at arm's length. Valuation techniques used incorporate assumptions regarding discount rates, profit rate yield curves, estimates of future cash flows and other factors. Changes in these assumptions could materially affect the fair values derived. The Group and the Bank generally uses widely recognised valuation techniques with market observable inputs for the determination of fair value, which require minimal Management's judgement and estimation, due to the low complexity of the financial instruments held.

The following table shows the financial instruments which are measured at fair value at the reporting date analysed by the various level within the fair value hierarchy:

		Valuation technique using:		
Group	Quoted Market Price Level 1 RM'000	Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	Total RM'000
2025				
Financial assets				
Financial investments at FVTPL	-	72,173	-	72,173
Financial investments at FVOCI	84,863	7,808,206	14,826	7,907,895
Islamic derivative financial assets	-	13,549	-	13,549
Financing of customers	-	-	288,554	288,554
Total financial assets measured at fair value	84,863	7,893,928	303,380	8,282,171
Financial liabilities				
Islamic derivative financial liabilities	-	26,972	-	26,972
Total financial liabilities measured at fair value	-	26,972	-	26,972

48. FAIR VALUE MEASUREMENTS (CONT'D.)

(a) Financial instruments measured at fair value (cont'd.)

Determination of fair value and the fair value hierarchy (cont'd.)

The following table shows the financial instruments which are measured at fair value at the reporting date analysed by the various level within the fair value hierarchy: (cont'd.)

Group	Quoted Market Price Level 1 RM'000	Valuation technique using: Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	Total RM'000
2024				
Financial assets				
Financial investments at FVTPL	-	7,188	7,700	14,888
Financial investments at FVOCI	136,877	7,353,277	79,817	7,569,971
Islamic derivative financial assets	-	14,496	-	14,496
Financing of customers	-	-	337,972	337,972
Total financial assets measured at fair value	136,877	7,374,961	425,489	7,937,327
Financial liabilities				
Islamic derivative financial liabilities	-	17,309	-	17,309
Total financial liabilities measured at fair value	-	17,309	-	17,309

Bank	Quoted Market Price Level 1 RM'000	Valuation technique using: Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	Total RM'000
2025				
Financial assets				
Financial investments at FVTPL	**-**	**70,277**	**-**	**70,277**
Financial investments at FVOCI	**84,863**	**7,808,206**	**14,826**	**7,907,895**
Islamic derivative financial assets	**-**	**13,549**	**-**	**13,549**
Financing of customers	**-**	**-**	**288,554**	**288,554**
Total financial assets measured at fair value	**84,863**	**7,892,032**	**303,380**	**8,280,275**
Financial liabilities				
Islamic derivative financial liabilities	**-**	**26,972**	**-**	**26,972**
Total financial liabilities measured at fair value	**-**	**26,972**	**-**	**26,972**

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

48. FAIR VALUE MEASUREMENTS (CONT'D.)

(a) Financial instruments measured at fair value (cont'd.)

Determination of fair value and the fair value hierarchy (cont'd.)

The following table shows the financial instruments which are measured at fair value at the reporting date analysed by the various level within the fair value hierarchy: (cont'd.)

		Valuation technique using:		
	Quoted Market Price Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Bank	RM'000	RM'000	RM'000	RM'000
2024				
Financial assets				
Financial investments at FVTPL	-	4,509	7,700	12,209
Financial investments at FVOCI	136,877	7,353,277	79,817	7,569,971
Islamic derivative financial assets	-	14,496	-	14,496
Financing of customers	-	-	332,896	332,896
Total financial assets measured at fair value	136,877	7,372,282	420,413	7,929,572
Financial liabilities				
Islamic derivative financial liabilities	-	17,309	-	17,309
Total financial liabilities measured at fair value	-	17,309	-	17,309

48. FAIR VALUE MEASUREMENTS (CONT'D.)

(a) Financial instruments measured at fair value (cont'd.)

Determination of fair value and the fair value hierarchy (cont'd.)

The following table shows a reconciliation of Level 3 fair values:

	Group	
	2025 RM'000	2024 RM'000
At 1 January	**425,489**	484,635
Loss recognised in statements of profit or loss	**(12,320)**	(21,843)
Loss recognised in statements of other comprehensive income	**(58,070)**	(5,527)
Redemption	**(44,798)**	(29,139)
Foreign exchange translation difference	**(6,921)**	(2,637)
At 31 December	**303,380**	425,489

	Bank	
	2025 RM'000	2024 RM'000
At 1 January	**420,413**	480,385
Loss recognised in statements of profit or loss	**(12,320)**	(21,844)
Loss recognised in statements of other comprehensive income	**(58,070)**	(5,527)
Redemption	**(39,722)**	(29,964)
Foreign exchange translation difference	**(6,921)**	(2,637)
At 31 December	**303,380**	420,413

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

48. FAIR VALUE MEASUREMENTS (CONT'D.)

(b) Financial instruments not carried at fair value

The estimated fair values of those on-balance sheet financial assets and financial liabilities as at the reporting date approximate their carrying amounts as shown in the statement of financial position, except for the financial assets and liabilities as disclosed below.

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total fair value RM'000	Carrying Amount RM'000
2025					
Financial assets					
Financing of customers	-	-	**32,865,373**	**32,865,373**	**33,482,262**
Financial liabilities					
Deposits from customers	-	-	**37,399,799**	**37,399,799**	**37,390,060**
Deposits and placements of banks and other financial institutions	-	-	**966,945**	**966,945**	**966,945**
Subordinated sukuk	-	**815,748**	-	**815,748**	**807,858**
2024					
Financial assets					
Financing of customers	-	-	31,764,792	31,764,792	32,011,377
Financial liabilities					
Deposits from customers	-	-	36,477,844	36,477,844	36,462,088
Deposits and placements of banks and other financial institutions	-	-	838,721	838,721	838,721
Subordinated sukuk	-	815,556	-	815,556	807,369

48. FAIR VALUE MEASUREMENTS (CONT'D.)

(b) Financial instruments not carried at fair value (cont'd.)

The estimated fair values of those on-balance sheet financial assets and financial liabilities as at the reporting date approximate their carrying amounts as shown in the statement of financial position, except for the financial assets and liabilities as disclosed below. (cont'd.)

Bank	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total fair value RM'000	Carrying Amount RM'000
2025					
Financial assets					
Financing of customers	**-**	**-**	**33,153,927**	**33,153,927**	**33,482,262**
Financial liabilities					
Deposits from customers	**-**	**-**	**37,457,108**	**37,457,108**	**37,447,369**
Deposits and placements of banks and other financial institutions	**-**	**-**	**966,945**	**966,945**	**966,945**
Subordinated sukuk	**-**	**815,748**	**-**	**815,748**	**807,858**
2024					
Financial assets					
Financing of customers	-	-	31,680,359	31,680,359	32,011,377
Financial liabilities					
Deposits from customers	-	-	36,492,678	36,492,678	36,476,922
Deposits and placements of banks and other financial institutions	-	-	838,721	838,721	838,721
Subordinated sukuk	-	815,556	-	815,556	807,369

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

48. FAIR VALUE MEASUREMENTS (CONT'D.)

(b) Financial instruments not carried at fair value (cont'd.)

Fair value is the estimated amount at which a financial asset or liability can be exchanged between two (2) parties under normal market conditions. However, for certain assets such as financing and deposits, the respective fair values are not readily available as there is no open market where these instruments are traded. The fair values for these instruments are estimated based on the assumptions depicted below. These methods are subjective in nature, therefore, the fair values presented may not be indicative of the actual realisable value.

Financing of customers

The fair values of financing of customers not designated as hedged item are estimated based on expected future cash flows of contractual instalment payments, discounted at applicable and prevailing rates at reporting date offered for similar facilities to new customers with similar credit profiles. In respect of non-performing financing, the fair values are deemed to approximate the carrying values, which are net of allowance for impairment losses.

Deposits from customers and deposits and placements of banks and other financial institution

The fair values of deposits from customers and deposits and placements of banks and other financial institutions with maturities of less than one year are estimated to approximate their carrying values due to the relatively short maturity of these instruments. The fair values of deposits from customers and deposits and placements of banks and other financial institutions with remaining maturities of more than one year are estimated based on discounted cash flows using applicable rates currently offered for deposits with similar remaining maturities.

Subordinated sukuk

The fair values of subordinated obligations are estimated by discounting the expected future cash flows using the applicable prevailing profit rates for financing with similar risk profiles.

49. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements are as follows:

Group and Bank	Gross amount of recognised financial assets/ (financial liabilities) RM'000	Gross amount set off in the statement of financial position RM'000	Net amount presented in the statement of financial position RM'000	Amount not set-off in the statement of financial position: Amount related to recognised financial instruments RM'000	Amount not set-off in the statement of financial position: Amount related to financial collateral RM'000	Net amount RM'000
2025						
Derivative assets	**13,549**	**-**	**13,549**	**-**	**-**	**13,549**
Derivative liabilities	**(26,972)**	**-**	**(26,972)**	**-**	**-**	**(26,972)**
2024						
Derivative assets	14,496	-	14,496	-	-	14,496
Derivative liabilities	(17,309)	-	(17,309)	-	-	(17,309)

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to off-set the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

The amount not set-off in the statement of financial position relate to transactions where:

(i) the counterparty has an offsetting exposure with the Group and the Bank and a master netting or similar arrangements is in place with a right to set off only in the event of default, insolvency or bankruptcy; and

(ii) cash or securities are received or cash pledged in respect of the transaction described above.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

50. CAPITAL AND OTHER COMMITMENTS

Capital expenditure approved by the Directors but not provided for in the financial statements amounted to:

	Group and Bank	
	2025 RM'000	2024 RM'000
Approved and contracted for	**7,002**	21,486
Approved but not contracted for	**141,158**	95,008
	148,160	116,494

51. CAPITAL ADEQUACY

(a) The core capital ratios and risk-weighted capital ratios of the Group and the Bank are as follows:

	Group	
	2025 RM'000	2024 RM'000
Computation of total risk-weighted assets ("RWA")		
Total credit RWA	**24,153,813**	23,914,985
Less: Credit risk absorbed by profit-sharing investment account ("PSIA")	**(1,114,082)**	(117,142)
Total market RWA	**83,806**	105,498
Total operational RWA	**1,508,404**	1,559,286
Total RWA	**24,631,941**	25,462,627
Computation of capital ratios		
Tier-1 capital		
Share capital	**1,195,000**	1,195,000
Retained profits	**2,026,644**	1,818,444
Other Reserves		
Regulatory reserve	**122,492**	145,404
FVOCI reserve	**(15,183)**	(11,637)
Foreign exchange translation reserve	**8,093**	2,973
Less: Regulatory Adjustment		
Deferred tax assets	**(41,407)**	(51,615)
Investment property gain	**(12,393)**	(10,493)
Regulatory reserve	**(122,492)**	(145,404)
Cumulative gains of financing measured at FVTPL	**(11,140)**	(12,655)
Intangible asset (net of deferred tax liabilities)	**(126,484)**	(119,023)
Total Common Equity Tier-1 Capital	**3,023,130**	2,810,994

51. CAPITAL ADEQUACY (CONT'D.)

(a) The core capital ratios and risk-weighted capital ratios of the Group and the Bank are as follows: (cont'd.)

	Group	
	2025 RM'000	**2024 RM'000**
Additional Tier-1 capital		
Perpetual Sukuk	**350,000**	350,000
Total Tier-I Capital	**3,373,130**	3,160,994
Tier 2 capital		
Subordinated sukuk	**800,000**	800,000
Loss provision and regulatory reserve*	**287,997**	297,473
Add: Investment property gain	**5,577**	4,722
Total Tier 2 Capital	**1,093,574**	1,102,195
Total Capital Base	**4,466,704**	4,263,189
Ratio (%)		
CET 1 Capital	**12.273%**	11.040%
Tier 1 Capital	**13.694%**	12.414%
Total Capital	**18.134%**	16.743%

* Tier 2 Capital comprise collective allowance on non-impaired financing customers and regulatory reserve, subject to maximum of 1.25% of total credit risk-weighted assets less credit risk absorbed by profit sharing investment account.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

51. CAPITAL ADEQUACY (CONT'D.)

(a) The core capital ratios and risk-weighted capital ratios of the Group and the Bank are as follows: (cont'd.)

	Bank	
	2025 RM'000	**2024 RM'000**
Computation of total risk-weighted assets ("RWA")		
Total credit RWA	**24,192,227**	23,903,796
Less: Credit risk absorbed by profit-sharing investment account ("PSIA")	**(1,114,082)**	(117,142)
Total market RWA	**83,806**	105,498
Total operational RWA	**1,509,588**	1,549,255
Total RWA	**24,671,539**	25,441,407
Computation of capital ratios		
Tier-1 capital		
Share capital	**1,195,000**	1,195,000
Retained profits	**2,021,415**	1,808,257
Other Reserves		
Regulatory reserve	**122,492**	145,404
FVOCI reserve	**(15,183)**	(11,637)
Foreign exchange translation reserve	**8,093**	2,974
Regulatory Adjustment		
Deferred tax assets	**(41,426)**	(51,454)
Investment property gain	**(12,393)**	(10,493)
Regulatory reserve	**(122,492)**	(145,404)
Investment in subsidiaries	**(13,159)**	(13,159)
Cumulative gains of financing measured at FVTPL	**(11,140)**	(12,655)
Intangible asset (net of deferred tax liabilities)	**(126,162)**	(118,973)
Total Common Equity Tier- 1 Capital	**3,005,045**	2,787,860
Additional Tier 1 Capital		
Perpetual Sukuk	**350,000**	350,000
Total Tier-I Capital	**3,355,045**	3,137,860
Tier 2 capital		
Subordinated sukuk	**800,000**	800,000
Loss provision and regulatory reserve*	**288,477**	297,333
Add: Investment property gain	**5,577**	4,722
Total Tier 2 Capital	**1,094,054**	1,102,055
Total Capital Base	**4,449,099**	4,239,915

* Tier 2 Capital comprise collective allowance on non-impaired financing customers and regulatory reserve, subject to maximum of 1.25% of total credit risk-weighted assets less credit risk absorbed by profit sharing investment account.

51. CAPITAL ADEQUACY (CONT'D.)

(a) The core capital ratios and risk-weighted capital ratios of the Group and the Bank are as follows: (cont'd.)

	Bank	
	2025 RM'000	2024 RM'000
Computation of capital ratios (cont'd.)		
Ratio (%)		
CET 1 Capital	**12.180%**	10.958%
Tier 1 Capital	**13.599%**	12.334%
Total Capital	**18.033%**	16.665%

The capital adequacy ratios of the Bank are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued on 14 June 2024 and 18 December 2023, respectively. The Group and Bank have adopted the Standardised Approach for credit risk and market risk, and the Standardised Approach (2024: Basic Indicator Approach) for operational risk. The minimum regulatory capital adequacy requirement for Islamic Bank Common Equity Tier 1 capital, Tier 1 capital, and Total Capital are 4.5%, 6.0% and 8.0% of total RWA, respectively, for the current year (2024: 4.5%, 6.0% and 8.0% of total RWA).

(b) Credit risk disclosure by risk weights of the Group and the Bank, are as follows:

	Group			
	2025		2024	
	Total exposures after netting and credit risk mitigation RM'000	Total risk-weighted assets RM'000	Total exposures after netting and credit risk mitigation RM'000	Total risk-weighted assets RM'000
0%	**15,244,436**	**-**	14,036,021	-
20%	**4,864,457**	**972,891**	4,416,488	883,298
35%	**3,930,557**	**1,375,695**	3,919,976	1,371,991
50%	**1,713,221**	**856,611**	1,475,609	737,804
75%	**4,875,133**	**3,656,350**	3,403,765	2,552,824
100%	**17,211,260**	**17,211,260**	18,236,206	18,236,206
150%	**54,004**	**81,006**	88,575	132,862
Risk-weighted assets for credit risk	**47,893,068**	**24,153,813**	45,576,640	23,914,985
Less: Credit risk absorbed by PSIA		**(1,114,082)**		(117,142)
		23,039,731		23,797,843

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

51. CAPITAL ADEQUACY (CONT'D.)

(b) Credit risk disclosure by risk weights of the Group and the Bank, are as follows: (cont'd.)

	Bank			
	2025		2024	
	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000
0%	**15,244,436**	**-**	14,036,021	-
20%	**4,864,457**	**972,891**	4,416,488	883,298
35%	**3,930,557**	**1,375,695**	3,919,976	1,371,991
50%	**1,713,221**	**856,611**	1,475,609	737,804
75%	**4,875,133**	**3,656,350**	3,403,765	2,552,824
100%	**17,249,674**	**17,249,674**	18,232,631	18,232,631
150%	**54,004**	**81,006**	83,499	125,248
Risk-weighted assets for credit risk	**47,931,482**	**24,192,227**	45,567,989	23,903,796
Less: Credit risk absorbed by PSIA		**(1,114,082)**		(117,142)
		23,078,145		23,786,654

Capital management

Board of Directors holds the ultimate responsibility in approving the capital management strategy. At the Management level, capital management strategy review is a periodic exercise that is under the purview of Asset & Liability Committee ("ALCO"). The said exercise refers to an assessment of the Bank's capital requirement vis-à-vis the development of the Bank as well as broad environment, i.e. regulatory and macroeconomic setting.

The Bank has adopted the Standardised Approach for the measurement of credit and market risks, and the Basic Indicator Approach for operational risk, in compliance with BNM's requirements vis-à-vis the Capital Adequacy Framework for Islamic Bank. In addition, the stress testing process forecast the Bank's capital requirements under plausible and worst case stress scenarios to assess the Bank's capital to withstand the shocks.

52. SEGMENT INFORMATION

(a) Business segments

The Group and the Bank are organised into three (3) major business segments:

(i) Business banking - this segment comprises the full range of products and services offered to business customers in the region, ranging from large corporates and the public sector and also commercial enterprises. The products and services offered include long-term financing such as project financing, short-term credit (e.g Muamalat Cashline and trade financing), and fee-based services (e.g cash management).

(ii) Consumer banking - this segment comprises the full range of products and services offered to individual customers in Malaysia, including savings accounts, current accounts, fixed-term accounts, remittance services, internet banking services, cash management services, consumer financing such as mortgage financing, personal financing, hire purchases receivable, micro financing, wealth management and bancatakaful products, where the Bank acts as an intermediary to takaful companies.

(iii) Treasury banking - this segment comprises the full range of products and services relating to treasury activities and services, including foreign exchange, money market, derivatives and trading of capital market securities.

Others include investment banking and other business segments which consists of rental services, none of which is of sufficient size to be reported separately.

Group	Business banking RM'000	Consumer banking RM'000	Treasury banking RM'000	Others RM'000	Total RM'000
2025					
Revenue	**444,340**	**1,441,785**	**381,491**	**23,773**	**2,291,389**
Total income	**213,957**	**496,904**	**50,214**	**372,944**	**1,134,019**
Allowance for impairment losses on financing	**43,922**	**(127,877)**	**1,261**	**-**	**(82,694)**
Allowance for impairment losses on financial investments, net	**-**	**-**	**(2)**	**-**	**(2)**
Allowance for impairment losses on other financial assets, net	**-**	**-**	**367**	**-**	**367**
Other expenses	**-**	**-**	**-**	**(55,090)**	**(55,090)**
Total net income	**257,879**	**369,027**	**51,840**	**317,854**	**996,600**
Total overhead expenses					**(689,513)**
Profit before zakat and taxation					**307,087**
Zakat					**(9,805)**
Taxation					**(73,535)**
Profit for the year					**223,747**

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

52. SEGMENT INFORMATION (CONT'D.)

(a) Business segments (cont'd.)

Group	Business banking RM'000	Consumer banking RM'000	Treasury banking RM'000	Others RM'000	Total RM'000
2024					
Revenue	436,225	1,368,167	331,465	12,255	2,148,112
Total income	140,649	493,638	(25,628)	444,960	1,053,619
Allowance for impairment losses on financing	(65,640)	(92,714)	-	-	(158,354)
Allowance for impairment losses on financial investments, net	-	-	(44,783)	-	(44,783)
Allowance for impairment losses on other financial assets, net	-	-	(932)	-	(932)
Other expenses	-	-	-	(37,925)	(37,925)
Total net income	75,009	400,924	(71,343)	407,035	811,625
Total overhead expenses					(682,309)
Profit before zakat and taxation					129,316
Zakat					(8,825)
Taxation					(34,350)
Profit for the year					86,141

Bank	Business banking RM'000	Consumer banking RM'000	Treasury banking RM'000	Others RM'000	Total RM'000
2025					
Revenue	**444,340**	**1,441,786**	**381,491**	**24,174**	**2,291,791**
Total income	**213,957**	**496,904**	**50,214**	**372,944**	**1,134,019**
Allowance for impairment losses on financing	**43,922**	**(127,877)**	**1,261**	**-**	**(82,694)**
Allowance for impairment losses on financial investments, net	**-**	**-**	**(2)**	**-**	**(2)**
Allowance for impairment losses on other financial assets, net	**-**	**-**	**367**	**-**	**367**
Other expenses	**-**	**-**	**-**	**(55,090)**	**(55,090)**
Total net income	**257,879**	**369,027**	**51,840**	**317,854**	**996,600**
Total overhead expenses					**(688,183)**
Profit before zakat and taxation					**308,417**
Zakat					**(9,674)**
Taxation					**(70,038)**
Profit for the year					**228,705**

52. SEGMENT INFORMATION (CONT'D.)

(a) Business segments (cont'd.)

Bank	Business banking RM'000	Consumer banking RM'000	Treasury banking RM'000	Others RM'000	Total RM'000
2024					
Revenue	436,225	1,368,167	331,465	11,645	2,147,502
Total income	140,649	493,638	(25,628)	444,021	1,052,680
Allowance for impairment losses on financing	(65,640)	(92,714)	-	-	(158,354)
Allowance for impairment losses on financial investments, net	-	-	(44,783)	-	(44,783)
Allowance for impairment losses on other financial assets, net	-	-	(932)	-	(932)
Other expenses	-	-	-	(37,925)	(37,925)
Total net income	75,009	400,924	(71,343)	406,096	810,686
Total overhead expenses					(682,132)
Profit before zakat and taxation					128,554
Zakat					(8,576)
Taxation					(32,414)
Profit for the year					87,564

53. SHARIAH DISCLOSURES

(a) Shariah governance

Overview

The Group's and the Bank's shariah governance structure are governed by BNM's Policy Document on Shariah Governance which come into effect on 1 April 2020 and any related guidelines issued by the authorities, subject to variations and amendments from time to time.

In this context, Shariah non-compliance risk defined as the risk that arises from the Group's and the Bank's failure to comply with the Shariah rules and principles determined by the Shariah Committee ("SC") of the Group and the Bank and relevant Shariah Authorities ("SA") committees.

This risk is managed through the Bank's Shariah Governance Policy, which was endorsed by the SC and approved by the Board of Directors. The policy is drawn up in accordance to BNM Policy Document on Shariah Governance.

To ensure the operations and business activities of the Group and the Bank remain consistent with Shariah principles and requirements, the Group and the Bank have established an internal SC and an internal Shariah organisation, which consists of the Shariah Department, Shariah Audit under the Internal Audit Department, Shariah Review under Regulatory Advisory & Compliance Division, and Shariah Risk under the Risk Management Department.

Rectification Process of Shariah Non-Compliance Income ("SNCI") and Unidentified Funds

Policy on Management of Shariah Non-Compliance Income was formulated pursuant to BNM's Policy Document on Shariah Governance, which defines the principles and practices to be applied by the Bank in managing its SNCI.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025 (10 REJAB 1447H)

53. SHARIAH DISCLOSURES (CONT'D.)

(a) Shariah governance (cont'd.)

Rectification Process of Shariah Non-Compliance Income ("SNCI") and Unidentified Funds (cont'd.)

SNCI is an income generated from any transactions that breaches the governing Shariah principles and requirements as determined by the Group's and the Bank's SC and/or other Shariah Authorities ("SA").

The SA are as follows:

- Shariah Advisory Council of Bank Negara Malaysia.
- Shariah Advisory Council of Securities Commission Malaysia.
- Any other relevant Shariah resolutions and rulings as prescribed and determined by the SC of the Group and the Bank from time to time.

(i) Shariah non-compliance income and events

	No. of event	RM
2025		
Shariah non-compliance events/income during the year	-	-
2024		
Shariah non-compliance events/income during the year	-	-

Any reported SNCI will be utilised to fund charitable activities as guided by SC of the Bank.

(ii) Unidentified fund / earning prohibited by Shariah

During the normal course of the Group's and the Bank's daily operations, there could be certain funds received by the Group and the Bank where the source is not clear or uncertain, and/or prohibited by Shariah. These funds are therefore not recognised as income and are retained in the Maslahah Ammah account. The utilisation of the funds follow the similar procedures set for the SNCI funds.

Examples of unidentified funds are cash excess discovered at branch counter and automated teller machines ("ATM"), and unidentified credit balances, whilst earning prohibited by Shariah were interest income derived from Nostro accounts.

	2025 RM'000	2024 RM'000
At 1 January	-	14
Sources of charity funds		
Unidentified fund/earning prohibited by Shariah, during the year	**26**	-
Uses of charity funds		
Contribution to non-profit organisation	-	(14)
Undistributed charity funds at 31 December	**26**	-

(b) Recognition and measurement by main class of Shariah contracts

The recognition and measurement of each main class of Shariah contract is dependent on the nature of the products, either financing or deposit product. The accounting policies for each of these products are disclosed in their respective policies.

BASEL II PILLAR 3 DISCLOSURE

368 Statement by President & Chief Executive Officer

369 Pillar 3 Disclosure Content

370 Abbreviations

371 Overview

371 1.0 Scope of Application

372 2.0 Capital Management

372 2.1 Internal Capital Adequacy Assessment Process ("ICAAP")

380 3.0 Risk Management

383 4.0 Credit Risk (General Disclosure)

403 5.0 Credit Risk (Disclosures for Portfolio under The Standardised Approach)

410 6.0 Credit Risk Mitigation ("CRM") Disclosures under The Standardised Approach

414 7.0 General Disclosure for Off-Balance Sheet Exposure and Counterparty Credit Risk ("CCR")

415 8.0 Market Risk and Assets-Liability Management ("ALM")

418 8.1 Market Risk (Disclosures for Portfolios under The Standardised Approach)

419 8.2 Disclosure for Equities

420 8.3 Disclosure for Rate of Return Risk in Banking Book ("RORBB")

422 8.4 Liquidity Risk

428 9.0 Operational Risk Management ("ORM") Disclosures

429 10.0 Shariah Governance Disclosures

BASEL II PILLAR 3 DISCLOSURE

STATEMENT BY PRESIDENT & CHIEF EXECUTIVE OFFICER

In the name of Allah, The Most Beneficent, The Most Merciful

In accordance with the requirement of BNM's Policy Document on Capital Adequacy Framework for Islamic Banks ('CAFIB') – Disclosure Requirement ('Pillar 3'), and on behalf of the Board and management of Bank Muamalat Malaysia Berhad, I am pleased to provide an attestation on the Pillar 3 disclosures of the Group and the Bank for year ended 31 December 2025.

Datuk Khairul Kamarudin
President & Chief Executive Officer

BASEL II
PILLAR 3 DISCLOSURE
CONTENT

Table No.	Content	Page
Table 1	Capital adequacy ratios	373
Table 2	Capital structure	374
Table 3	Minimum capital requirement and risk-weighted assets	375
Table 4	Minimum capital requirement and risk-weighted assets by exposures	376
Table 5	Risk governance structure	380
Table 6	Risk Committees & functions	381
Table 7	Risk management model	382
Table 8	Credit risk exposures and credit risk concentration by sector analysis	384
Table 9	Credit risk exposures and credit risk concentration by geographical analysis	388
Table 10	Credit risk exposures of financial assets by remaining contractual maturity	390
Table 11	Credit quality of financing of customers	393
Table 12	Past due but not impaired	397
Table 13	Impaired financing by economic purpose	399
Table 14	Impaired financing by geographical distribution	401
Table 15	Rating distribution on credit exposures	403
Table 16	Credit risk disclosure by risk weights	408
Table 17	Credit risk mitigation on credit exposures	410
Table 18	Commitments and contingencies	414
Table 19	Islamic derivative financial assets/(liabilities)	415
Table 20	Minimum regulatory requirement for market risk	418
Table 21	Equity exposures	419
Table 22	Rate of return risks	420
Table 23	Sensitivity analysis of rate of return risk	421
Table 24	Liquidity risk indicators	422
Table 25	Maturity analysis of assets and liabilities based on remaining contractual maturity	424
Table 26	Operational Risk Management minimum capital requirement	429
Table 27	Shariah governance structure	430

BASEL II PILLAR 3 DISCLOSURE

ABBREVIATIONS

ALCO	Asset-Liability Management Committee
ALM	Asset and Liability Management
BCM	Business Continuity Management
BCP	Business Continuity Plan
BIA	Business Impact Analysis
BOD	Board of Director
BNM	Bank Negara Malaysia
BRCC	Board Risk & Compliance Committee
BU	Business Unit
CAFIB	Capital Adequacy Framework for Islamic Banks
CBs	Corporate Bonds
CC	Credit Committee
CCR	Counterparty Credit Risk
CEO	Chief Executive Officer
CPs	Commercial Papers
CR	Credit Risk
CRP	Credit Risk Policy
CRM	Credit Risk Mitigation
CSRD	Credit Supervision and Recovery Department
EAR	Earning At Risk
ECAI	External Credit Assessment Institutions
ERMC	Executive Risk Management Committee
EVE	Economic Value Perspective
FDI	Foreign Direct Investments
GCRP	Guidelines to Credit Risk Policies
IC	Investment Committee
ICAAP	Internal Capital Adequacy Assessment Process
IFIs	Islamic Financial Institutions
IFSB	Islamic Financial Services Board
IPRS	Islamic Profit Rate Swap
IRB Approach	Internal Ratings Based Approach
MFRS 9	Malaysian Financial Reporting Standards
MARC	Malaysian Rating Corporation Berhad
MDB	Multilateral Development Bank
MISB	Muamalat Invest Sdn Bhd
MR	Market Risk
OR	Operational Risk
ORM	Operational Risk Management
ORMC	Operational Risk Management Committee
PDS	Private Debt Securities
PSEs	Non- Federal Government Public Sector Entities
RA	Risk Assessment
R&I	Rating and Investment Information, Inc
RAM	RAM Rating Services Berhad
RORBB	Rate of Return Risk in Banking Book
RMD	Risk Management Department
RWA	Risk Weighted Assets
RWCAF	Risk Weighted Capital Adequacy Framework
TBPS	Trading Book Policy Statement
S&P	Standard and Poor's
SC	Shariah Committee
SNCI	Shariah Non-Compliance Income
SRP	Shariah Review Program
SU	Support Unit
VaR	Value at Risk

BASEL II PILLAR 3 DISCLOSURE

OVERVIEW

The Pillar 3 Disclosure is a regulatory requirement aimed at enhancing market transparency and discipline. It is prepared in accordance to the Bank Negara Malaysia's ("BNM's") guidelines "Capital Adequacy Framework for Islamic Banks ("CAFIB") - Disclosure Requirements ("Pillar 3")" and contains qualitative and quantitative information on Bank Muamalat Malaysia Berhad's ("BMMB") risk exposures and capital adequacy levels as well as on its capital and risk management practices.

In assessing its capital position, BMMB applies the prescribed Standardised Approach to measure its credit and market risk exposures and the Basic Indicator Approach for operational risk, as outlined under the BNM's CAFIB guidelines.

This Pillar 3 disclosure is published for the financial year ended 31 December 2025 and should be read in conjunction with BMMB's audited financial statement for the year ended 31 December 2025.

1.0 SCOPE OF APPLICATION

The Pillar 3 Disclosure is prepared on a consolidated basis and comprises information on BMMB and its subsidiaries (hereinafter referred as "the Group and the Bank"). Information on subsidiaries is available in Note 11 to the financial statements.

The basis of consolidation for financial accounting purposes is described in Notes 2.2 to the financial statements, and differs from that used for regulatory capital purposes. The investment in subsidiary companies is deducted from regulatory capital at entity level and consolidated at group level.

There are no significant restrictions or impediments on the transfer of funds or regulatory capital within the Group.

There were no capital deficiencies in any of the subsidiary companies of the Group as at the financial year end.

All information in the ensuing paragraphs is based on the Group's position. Certain information on capital adequacy relating to the Group and the Bank is presented on a voluntary basis to provide additional information to users. The capital-related information of the Group and the Bank, which is presented on a global basis, includes its offshore banking activities in Labuan as determined under the CAFIB.

This document discloses the Group's and the Bank's quantitative disclosures in accordance with the disclosure requirements as outlined in the CAFIB – Disclosure Requirements ("Pillar 3") issued by BNM.

These disclosures have been reviewed and verified by internal auditors and approved by the Board and Directors of the Group.

Scope of disclosure

The detailed scope of published disclosure is subject to the following classification of information:

- Insignificant, i.e. its exclusion or distortion cannot influence the assessment or decision of a person using such information to make economic decisions, or influence such an assessment or decision,
- Reserved, i.e. its public distribution might adversely influence the position of the Group and the Bank on the market according to regulations on competition and consumer protection,
- Subject to law-protected confidentiality, such information is not published. In case of not publishing reserved information or the one which is subject to law-protected confidentiality, the Group and the Bank disclose information which is less detailed.

BASEL II
PILLAR 3 DISCLOSURE

2.0 CAPITAL MANAGEMENT

BMMB's capital management framework was designed to protect the interests of its key stakeholders and maximize shareholder value through optimum use of its capital resources. The primary capital management objective is to ensure efficient capital utilization while in pursuit of strategic and business objectives. It is also aimed at ensuring sufficient level of capital is maintained at all times to support the business growth targets while keeping it in line with the Bank's risk appetite as well as regulatory requirements.

To determine the appropriate level and composition of capital to be held, the Bank uses the risk and capital adequacy assessment approaches as outlined under the Internal Capital Adequacy Assessment Process ("ICAAP"). The capital levels are assessed based on the Bank's strategic and business targets, taking into account current and forecasted economic and market conditions as well as the regulatory capital standards.

The Bank prepares its strategic, business and capital plans on an annual basis. Guided by the Board-approved risk appetite statement, the plans cover a minimum of three-year planning horizon and these are subjected to a stress test covering several possible stressed scenarios. Based on the ICAAP and stress test analysis, internal capital targets are set for key capital ratios to facilitate capital management and monitoring.

Arising from the strategic planning and capital assessment process, an annual capital plan is drawn up to ensure that sufficient capital is held to meet business growth targets as well as to maintain adequate buffer under foreseeable adverse economic scenarios. The capital plan also addresses any capital issuance requirements,optimal capital instrument composition and maturity profile, and capital contingency planning.

2.1 INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS ("ICAAP")

BMMB's approach towards assessing the adequacy of its internal capital levels in relation to its risk profile is addressed in the Internal Capital Adequacy Assessment Process ("ICAAP"). This is in line with BNM's requirement as stipulated under the guideline, "Capital Adequacy Framework for Islamic Banks ("CAFIB") - Internal Capital Adequacy Assessment Process ("Pillar 2")".

The ICAAP covers an assessment of all risk exposures, particularly on those deemed as material risks, and the effectiveness of related risk controls and mitigations. The risk and capital assessment also looks at the adequacy of capital in relation to other discretionary and non-discretionary risk and where required, additional capital and buffers are allocated for risk exposures that are deemed inadequately covered under the Pillar 1 capital.

The ICAAP further addresses the current and future capital levels to be considered or maintained to ensure its adequacy to support the Bank's business operations on a going-concern basis. In terms of its capital mix, the Bank's capital consists primarily of Tier 1 capital and common equity, which enhances the Bank's ability to absorb potential losses under unforeseeable circumstances.

2.1 INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS ("ICAAP") (CONT'D)

Stress Test

Stress testing is an important tool used in assessing and determining appropriateness of capital levels to ensure its ability to absorb stress events in order to protect the depositors and other stakeholders.

Stress testing is performed to identify early warning signs and potential risk events that may adversely impact the Bank's risk profile. Stress testing is also used to determine the level of capital buffers that are considered adequate to ensure that the Bank does not breach the minimum regulatory ratios under stress scenarios and to formulate appropriate management actions.

The Bank employs two stress test approaches, namely sensitivity and scenario analyses. The stress testing supports management and decision making in the following areas:

i. Assessment of the Bank's material risk profile under stress events and estimate the potential impact and implications to the Bank;

ii. Assessment of capital adequacy in relation to the Bank's risk profile, which is integral to the ICAAP;

iii. Facilitate capital and liquidity contingency planning across a range of stressed conditions and aiding in the development and formulation of appropriate strategies for maintaining required level of capital and management of identified risks; and

iv. Embedded as an integral part of the strategic planning and management process.

The tables below present the capital adequacy ratios of the Group and the Bank.

Table 1: Capital adequacy ratios

	Group		Bank	
	2025	**2024**	**2025**	**2024**
Core Capital ratio	**12.273%**	11.040%	**12.180%**	10.958%
Tier 1 Capital ratio	**13.694%**	12.414%	**13.599%**	12.334%
Risk-weighted capital ratio	**18.134%**	16.743%	**18.033%**	16.665%

The following table represents the Group's and Bank's capital position as at 31 December 2025. Details on capital instruments, including share capital and reserves are found in Notes 25 and 27 of the financial statements.

BASEL II
PILLAR 3 DISCLOSURE

2.1 INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS ("ICAAP") (CONT'D)

Table 2: Capital structure

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Tier-I capital				
Share capital	**1,195,000**	1,195,000	**1,195,000**	1,195,000
Retained profits	**2,026,644**	1,818,444	**2,021,415**	1,808,257
Other Reserves				
Regulatory reserve	**122,492**	145,404	**122,492**	145,404
Unrealised losses on fair value through other comprehensive income ("FVOCI") financial instruments	**(15,183)**	(11,637)	**(15,183)**	(11,637)
Foreign exchange translation reserve	**8,093**	2,973	**8,093**	2,974
Regulatory Adjustment				
Less: Regulatory reserve	**(122,492)**	(145,404)	**(122,492)**	(145,404)
Less: Investment property gain	**(12,393)**	(10,493)	**(12,393)**	(10,493)
Less: Deferred tax assets	**(41,407)**	(51,615)	**(41,426)**	(51,454)
Less: Investment in subsidiaries	**-**	-	**(13,159)**	(13,159)
Less: Cumulative gains of financing measured at FVTPL	**(11,140)**	(12,655)	**(11,140)**	(12,655)
Less: Intangible Asset (net of deferred tax liabilities)	**(126,484)**	(119,023)	**(126,162)**	(118,973)
Total Common Equity Tier- I Capital	**3,023,130**	2,810,994	**3,005,045**	2,787,860
Additional Tier-1 Capital				
Perpetual Sukuk	**350,000**	350,000	**350,000**	350,000
Total Tier-I Capital	**3,373,130**	3,160,994	**3,355,045**	3,137,860
Tier- 2 capital				
Subordinated sukuk	**800,000**	800,000	**800,000**	800,000
Collective assessment allowance for non-impaired financing and regulatory reserve	**287,997**	297,473	**288,477**	297,333
Add: Investment property gain	**5,577**	4,722	**5,577**	4,7223
Total Tier-II Capital	**1,093,574**	1,102,195	**1,094,054**	1,102,055
Total Capital Base	**4,466,704**	4,263,189	**4,449,099**	4,239,915

The capital adequacy ratios of the Bank are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) and Capital Adequacy Framework for Islamic Banks (Risk Weighted Assets) issued on 14 June 2024 and 18 December 2023, respectively. The Group and Bank have adopted the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk. The minimum regulatory capital adequacy requirement for Islamic Bank Common Equity Tier I capital, Tier I capital, and Total Capital are 4.5%, 6.0% and 8.0% of total RWA, respectively, for the current period (December 2024: 4.5%, 6.0% and 8.0% of total RWA).

2.1 INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS ("ICAAP") (CONT'D)

The following tables present the minimum regulatory capital requirement to support the Group's and the Bank's risk-weighted assets:

Table 3: Minimum capital requirement and risk-weighted assets

	31 December 2025		31 December 2024	
	Risk Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000	Risk Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
Group				
Credit Risk	**24,153,813**	**1,932,305**	23,914,985	1,913,199
Less: Credit risk absorbed by profit-sharing investment account ("PSIA")	**1,114,082**	**-**	117,142	-
Market Risk	**83,806**	**6,704**	105,498	8,440
Operational Risk	**1,508,404**	**120,672**	1,559,286	124,743
Total	**24,631,941**	**2,059,681**	25,462,627	2,046,382

	31 December 2025		31 December 2024	
	Risk Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000	Risk Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
Bank				
Credit Risk	**24,192,227**	**1,935,378**	23,903,796	1,912,304
Less: Credit risk absorbed by profit-sharing investment account ("PSIA")	**1,114,082**	**-**	117,142	-
Market Risk	**83,806**	**6,704**	105,498	8,440
Operational Risk	**1,509,588**	**120,767**	1,549,255	123,940
Total	**24,671,539**	**2,062,849**	25,441,407	2,044,684

The Group and the Bank do not have any capital requirement for Large Exposure Risk as there is no amount in excess of the lowest threshold arising from equity holdings as specified in the BNM's RWCAF.

BASEL II
PILLAR 3 DISCLOSURE

2.1 INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS ("ICAAP") (CONT'D)

Risk-weighted and capital requirements for credit risk, market risk and operational risk are as follows:

Table 4: Minimum capital requirement and risk-weighted assets by exposures

Group 31 December 2025	Gross Exposures RM'000	*Net Exposures RM'000	Risk Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
(i) Credit Risk (Standardised Approach)				
(a) On Balance Sheet Exposures				
Sovereign/Central Banks	**7,132,557**	**7,132,557**	**-**	**-**
Public Sector Entities	**1,004,845**	**1,004,845**	**44,868**	**3,589**
Banks, Development Financial Institution & MDBs	**1,490,524**	**1,490,524**	**298,105**	**23,848**
Takaful Cos, Securities Firms & Fund Managers	**170,653**	**170,653**	**117,781**	**9,423**
Corporates	**9,350,082**	**9,350,082**	**5,244,212**	**419,537**
Regulator Retail	**14,033,115**	**14,033,115**	**11,304,384**	**904,351**
Residential Real Estate	**11,663,963**	**11,663,963**	**4,908,654**	**392,692**
Higher Risk Assets	**6,096**	**6,096**	**9,138**	**731**
Other Assets	**436,238**	**436,238**	**272,269**	**21,781**
Defaulted Exposures	**330,231**	**330,231**	**209,357**	**16,749**
	45,618,304	**45,618,304**	**22,408,768**	**1,792,701**
(b) Off-Balance Sheet Exposures**				
Credit-related off-balance sheet exposure	**2,237,664**	**2,237,664**	**1,717,040**	**137,363**
Islamic derivative financial instruments	**37,100**	**37,100**	**28,005**	**2,240**
	2,274,764	**2,274,764**	**1,745,045**	**139,603**
Total Credit Exposures	**47,893,068**	**47,893,068**	**24,153,813**	**1,932,304**
(c) Credit Risk Absorb by PSIA	**1,212,983**	**1,212,983**	**1,114,082**	**-**

	Long Position	Short Position	Risk Weighted Assets	Capital Requirement
(ii) Market Risk (Standardised Approach)				
Benchmark Rate Risk	**695,007**	**(881,159)**	**67,238**	**5,379**
Foreign Currency Risk	**13,367**	**(16,568)**	**16,568**	**1,325**
			83,806	**6,704**
(iii) Operational Risk (Basic Indicators Approach)			**1,508,404**	**120,673**
(iv) Total RWA and Capital Requirements			**24,631,941**	**2,059,681**

* After netting and credit risk mitigation
** Credit Risk of off balance sheet items

2.1 INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS ("ICAAP") (CONT'D)

Risk-weighted and capital requirements for credit risk, market risk and operational risk are as follows: (cont'd)

Table 4: Minimum capital requirement and risk-weighted assets by exposures (cont'd)

Group 31 December 2024	Gross Exposures RM'000	*Net Exposures RM'000	Risk Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
(i) Credit Risk (Standardised Approach)				
(a) On Balance Sheet Exposures				
Sovereign/Central Banks	5,434,138	5,434,138	-	-
Public Sector Entities	1,131,027	1,131,027	48,802	3,904
Banks, Development Financial Institution & MDBs	1,700,787	1,700,787	340,157	27,213
Takaful Cos, Securities Firms & Fund Managers	177,691	177,691	148,647	11,892
Corporates	11,128,047	11,128,047	6,135,340	490,827
Regulator Retail	12,735,194	12,735,194	10,573,870	845,910
Residential Real Estate	10,669,536	10,669,536	4,784,787	382,783
Higher Risk Assets	45,714	45,714	68,558	5,485
Other Assets	366,681	366,681	241,189	19,295
Defaulted Exposures	242,989	242,989	156,300	12,504
	43,631,804	43,631,804	22,497,650	1,799,813
(b) Off-Balance Sheet Exposures**				
Credit-related off-balance sheet exposure	1,899,211	1,899,211	1,380,985	110,479
Islamic derivative financial instruments	45,625	45,625	36,350	2,908
	1,944,836	1,944,836	1,417,335	113,387
Total Credit Exposures	45,576,640	45,576,640	23,914,985	1,913,200
(c) Credit Risk Absorb by PSIA	245,707	245,707	117,142	-

	Long Position	Short Position	Risk Weighted Assets	Capital Requirement
(ii) Market Risk (Standardised Approach)				
Benchmark Rate Risk	642,407	(1,031,569)	85,467	6,837
Foreign Currency Risk	13,893	(20,031)	20,031	1,602
			105,498	8,439
(iii) Operational Risk (Basic Indicators Approach)			1,559,286	124,743
(iv) Total RWA and Capital Requirements			25,462,627	2,046,382

* After netting and credit risk mitigation
** Credit Risk of off balance sheet items

BASEL II
PILLAR 3 DISCLOSURE

2.1 INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS ("ICAAP") (CONT'D)

Risk-weighted and capital requirements for credit risk, market risk and operational risk are as follows: (cont'd)

Table 4: Minimum capital requirement and risk-weighted assets by exposures (cont'd)

Bank 31 December 2025	Gross Exposures RM'000	*Net Exposures RM'000	Risk Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
(i) Credit Risk (Standardised Approach)				
(a) On Balance Sheet Exposures				
Sovereign/Central Banks	**7,132,557**	**7,132,557**	**-**	**-**
Public Sector Entities	**1,004,845**	**1,004,845**	**44,868**	**3,589**
Banks, Development Financial Institution & MDBs	**1,490,524**	**1,490,524**	**298,105**	**23,848**
Takaful Cos, Securities Firms & Fund Managers	**170,653**	**170,653**	**117,781**	**9,423**
Corporates	**9,388,497**	**9,388,497**	**5,242,316**	**419,385**
Regulator Retail	**14,033,115**	**14,033,115**	**11,304,384**	**904,351**
Residential Real Estate	**11,663,963**	**11,663,963**	**4,908,654**	**392,692**
Higher Risk Assets	**6,096**	**6,096**	**9,138**	**731**
Other Assets	**436,237**	**436,237**	**312,579**	**25,006**
Defaulted Exposures	**330,231**	**330,231**	**209,357**	**16,749**
	45,656,718	**45,656,718**	**22,447,182**	**1,795,774**
(b) Off-Balance Sheet Exposures**				
Credit-related off-balance sheet exposure	**2,237,664**	**2,237,664**	**1,717,040**	**137,363**
Islamic derivative financial instruments	**37,100**	**37,100**	**28,005**	**2,240**
	2,274,764	**2,274,764**	**1,745,045**	**139,603**
Total Credit Exposures	**47,931,482**	**47,931,482**	**24,192,227**	**1,935,377**
(c) Credit Risk Absorb by PSIA	**1,212,983**	**1,212,983**	**1,114,082**	**-**

	Long Position	Short Position	Risk Weighted Assets	Capital Requirement
(ii) Market Risk (Standardised Approach)				
Benchmark Rate Risk	**695,007**	**(881,159)**	**67,238**	**5,379**
Foreign Currency Risk	**13,367**	**(16,568)**	**16,568**	**1,325**
			83,806	**6,704**
(iii) Operational Risk (Basic Indicators Approach)			**1,509,588**	**120,768**
(iv) Total RWA and Capital Requirements			**24,671,539**	**2,062,849**

* After netting and credit risk mitigation
** Credit Risk of off balance sheet items

2.1 INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS ("ICAAP") (CONT'D)

Risk-weighted and capital requirements for credit risk, market risk and operational risk are as follows: (cont'd)

Table 4: Minimum capital requirement and risk-weighted assets by exposures (cont'd)

Bank 31 December 2024	Gross Exposures RM'000	*Net Exposures RM'000	Risk Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
(i) Credit Risk (Standardised Approach)				
(a) On Balance Sheet Exposures				
Sovereign/Central Banks	5,434,138	5,434,138	-	-
Public Sector Entities	1,131,027	1,131,027	48,802	3,904
Banks, Development Financial Institution & MDBs	1,700,787	1,700,787	340,157	27,213
Takaful Cos, Securities Firms & Fund Managers	177,691	177,691	148,647	11,892
Corporates	11,119,396	11,119,396	6,125,046	490,004
Regulator Retail	12,735,194	12,735,194	10,573,870	845,910
Residential Real Estate	10,669,536	10,669,536	4,784,787	382,783
Higher Risk Assets	45,714	45,714	68,558	5,485
Other Assets	366,681	366,681	240,294	19,224
Defaulted Exposures	242,989	242,989	156,300	12,504
	43,623,153	43,623,153	22,486,461	1,798,919
(b) Off-Balance Sheet Exposures**				
Credit-related off-balance sheet exposure	1,899,211	1,899,211	1,380,985	110,479
Islamic derivative financial instruments	45,625	45,625	36,350	2,908
	1,944,836	1,944,836	1,417,335	113,387
Total Credit Exposures	45,567,989	45,567,989	23,903,796	1,912,306
(c) Credit Risk Absorb by PSIA	245,707	245,707	117,142	-

	Long Position	Short Position	Risk Weighted Assets	Capital Requirement
(ii) Market Risk (Standardised Approach)				
Benchmark Rate Risk	642,407	(1,031,569)	85,467	6,837
Foreign Currency Risk	13,893	(20,031)	20,031	1,602
			105,498	8,439
(iii) Operational Risk (Basic Indicators Approach)			1,549,255	123,939
(iv) Total RWA and Capital Requirements			25,441,407	2,044,684

* After netting and credit risk mitigation
** Credit Risk of off balance sheet items

BASEL II
PILLAR 3 DISCLOSURE

3.0 RISK MANAGEMENT

Overview

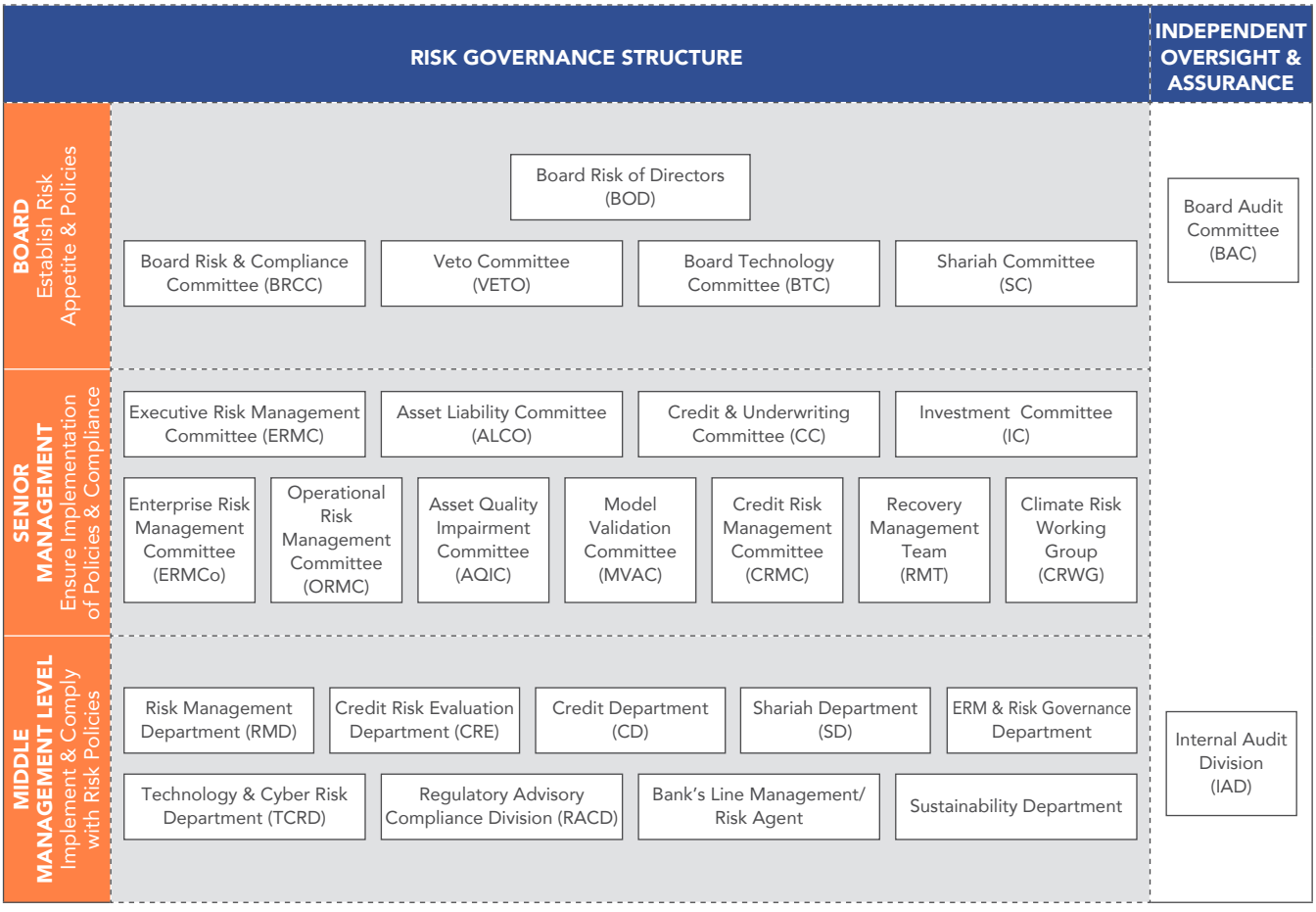
Risk is inherent in every aspect of our business activity and to manage this effectively, BMMB has undertaken an integrated risk management approach to ensure that a broad spectrum of risk types are considered and addressed. The Bank's risk management framework and structure are built on formal governance processes that outline responsibilities for risk management activities, as well as the governance and oversight of these activities.

An integral part of this approach is the systematic process of risk identification and measurement. Appropriate risk management strategies are then developed in line with the Bank's business plans and objectives, which include the ongoing monitoring and control of the identified risk exposures. The management and control over the principal risk areas of credit, market, asset and liability management, operational and Shariah are integrated to optimize and secure the Bank's strategic and competitive advantage.

Risk Governance

The Board of Directors holds the ultimate responsibility for the overall risk governance and oversight. This includes determining the appropriate risk strategies, setting the Bank's risk appetite and ensuring that the risks are monitored and controlled effectively. The Board oversees the risk management of the Bank through a clearly defined governance structure, which include board and management level committees with distinct roles and responsibilities.

Table 5: Risk Governance Structure



3.0 RISK MANAGEMENT (CONT'D)

Risk Governance (cont'd)

The Board's primary oversight role is to understand the risks undertaken by the Bank and ensure that these risks are properly managed. While the Board is ultimately responsible for the Bank's management of risks, it has entrusted the Board Risk & Compliance Committee ("BRCC") to carry out specific risk management and compliance oversight functions on its behalf.

BRCC, which is chaired by an independent director of the Board, is a board-level committee that oversees the overall management of risks and compliances and deliberates on risk and compliance related issues and resolutions. The BRCC, acting on behalf of the Board, also ensures that the appropriate processes, resources, policies and guidelines are in place to manage the Bank's risks and compliances.

In addition, the Board is also supported by the Shariah Committee ("SC"), which was set up as an independent external body to decide on Shariah issues and to simultaneously assist towards risk mitigation and compliance with the Shariah principles.

The execution of the board-approved risk strategies and policies is the responsibility of the Bank's management and these functions are also exercised under a committee structure. Heading the management-level risk committees is the Executive Risk Management Committee ("ERMC"), which is chaired by the Chief Executive Officer ("CEO"). The ERMC focuses on the overall business strategies and the Bank's day-to-day operations in respect of risk management.

Other management-level risk committees are set up to oversee specific risk areas and its related control functions as described below:

Table 6: Risk Committees & Functions

Committee	Objective
Asset & Liability Committee ("ALCO")	To ensure that all strategies conform to the Bank's risk appetite and levels of exposure as determined by the BRCC. These include areas of capital management, funding and liquidity management and market risk.
Credit & Underwriting Committee ("CC")	To manage the direction of the Bank's business exposures. These include authority to decide on new and/or additional exposures and review the direction of existing exposure.
Investment Committee ("IC")	To manage the Bank's investments and decide on new and/or additional investment in securities and/or other Treasury investment-related activities.
Enterprise Risk Management Committee ("ERMCo")	To manage threats/risk and strategic opportunities that arise from both internal and external factors and have an impact on the Bank's strategic objectives/goals.
Operational Risk Management Committee ("ORMC")	To ensure effective implementation of Operational Risk Management Framework.
Asset Quality Impairment Committee ("AQIC")	To deliberate the conduct of Corporate, Commercial and SME account and to assess the account's financial health, adequacy of provision and accuracy of accounts classification (Early Care, High Risk or Impaired). The outcome will be presented to "CC" for approval.
Model Validation Committee ("MVAC")	To challenge the model development and model validation in compliance with credit risk models, whether internally or externally developed and validated. The outcome of MVAC will be presented to ERMC and BRCC for approval.
Credit Risk Management Committee ("CRMC")	To ensure financing activities are in line with the Bank's credit risk appetite and policies and to deliberate on the effectiveness of the credit risk mitigation.

BASEL II
PILLAR 3 DISCLOSURE

3.0 RISK MANAGEMENT (CONT'D)

Risk Governance (cont'd)

Other management-level risk committees are set up to oversee specific risk areas and its related control functions as described below: (cont'd)

Table 6: Risk Committees & Functions (cont'd)

Committee	Objective
Recovery Management Team (RMT)	To manage the implementation, communication and strategy selection accordance with the approved BMMB's Recovery Plan Document.
Climate Risk Working Group (CRWG)	To ensure the compliance with climate risk obligations, driving climate risk-related strategies, and managing climate risk to strengthen the Bank's resilience.

To carry out the day-to-day risk management functions, a dedicated Risk Management Department ("RMD") and Technology and Cyber Risk Department ("TCRD") that are independent of profit and volume target, exists to support the above committees.

The Bank's risk governance structure is based on the principle that each line of business is responsible for managing the risk inherent in their undertaken business activities. The line managers are therefore responsible for the identification, measurement and management of risks within their respective areas of responsibility.

The risk governance framework is implemented under a "distributed function" approach where risk is being managed based on the three lines of defense model. The components and their respective roles are as described below:

Table 7: Risk Management Model

Three (3) Lines of Defence Model	
All units have a specific responsibility for risk management under the above model	
First Line Defense Model **Business Units**	• Risks are directly undertaken and assumed in the day-to-day business activities and operations. • As front-liners, responsible for carrying out the established processes for identifying, mitigating and managing risks within their respective environment aligned with the Bank's strategic targets.
Second Line Defense Model **Risk Management Control & Compliance**	• Ensures independent oversight and management of all material risks undertaken by the Bank. • Provides specialised resources for developing risk frameworks, policies, methodologies and tools for risk identification, measurement and control. • Provides the control function, which monitors the risk by using various key indicators and reports, guided by established risk appetite and tolerance limits.
Third Line Defense Model **Internal Audit**	• Provides independent review and assurance on adequacy of risk management processes and effectiveness of the first two lines of defence in fufilling their mandates.

3.0 RISK MANAGEMENT (CONT'D)

Risk Appetite

Central to the Bank's risk management framework is the risk appetite. The risk appetite is defined as the level of risk that the Bank is willing to accept in fulfilling its business objectives. The Board, BRCC and senior management is responsible for determining the Bank's risk appetite and risk management strategy. The risk appetite is reviewed by the Board on an annual basis, in alignment with the annual strategic and business planning process.

The risk appetite framework is embedded within the Bank's key decision-making processes and supports the implementation of its strategy. It sets out the principles and policies that guide the Bank's behavior and decision-making for all risk taking activities towards achieving an optimal balance between risk and return. It also provides a clear reference point to monitor risk taking, to trigger appropriate action as the boundaries are approached or breached, and to minimize the likelihood of 'surprises' when adverse risk events occur.

As outlined in the risk appetite framework, a set of risk appetite statements has been developed to define the related risk capacity, appetite, tolerance and limits/targets of the Bank. The risk appetite statements, together with the risk tolerance limits and thresholds, are formulated to cover several key strategic and business risk levels or metrics such as capital ratios, liquidity, earnings volatility, asset portfolio composition and asset quality. The risk appetite, which is expressed in quantitative and qualitative forms, also incorporates the Bank's key performance indicators and states its stance towards reputational and Shariah non-compliance.

4.0 CREDIT RISK (GENERAL DISCLOSURE)

Credit risk is defined as the potential financial loss caused by a retail customer or a wholesale business failing to meet their obligations to the Bank as they become due. This covers all credit exposures, including guarantees and irrevocable undrawn facilities.

Risk arising from changes in credit quality is a central feature of the Bank's business, where uncertainty over the recoverability of financing and other amounts due from counterparties are inherent across most of the Bank's activities.

Adverse changes in the credit quality of a customer/counterparty or a general deterioration in the economic condition could affect the value of the Bank's assets and its overall financial performance. To a lesser degree, the Bank is also exposed to other forms of credit risk, such as settlement and pre-settlement risks, arising mainly from activities involving foreign exchange, investment securities, equities, commodities and derivatives transactions.

The BRCC and ERMC are the key board and management-level oversight committees responsible for the overall credit risk management. Their responsibilities include approving and reviewing risk strategies and policies, resolving any policy-related issues, and monitoring of the Bank's asset portfolios and risk profile.

Credit risk is managed under an established framework of policies, processes and procedures, forming part of the overall risk governance framework. The risk management processes include assessing, measuring, mitigating and managing credit risk within the Bank's risk appetite.

Key components of the framework are the Credit Risk Policy ("CRP") and Guidelines to Credit Risk Policies ("GCRP"), which outline credit-related policies and procedures for managing credit risk. These cover risk policies, controls and prudential limits; risk rating methodologies and application; financing underwriting standards and pricing; delegated credit approving authority; credit review and management of distressed assets; and rehabilitation, restructuring and provisioning for impaired financing. The policies are periodically reviewed and updated to ensure its effectiveness and continued relevance.

An important element of credit risk management involves the allocation of the Bank's financing exposures into risk rating categories. This approach provides for sufficient level of granularity and detail to facilitate identification, monitoring and management of the overall credit risk profile on a regular basis. These rating categories are also linked credit pricing and defined in relation to profit spread.

BASEL II
PILLAR 3 DISCLOSURE

4.0 CREDIT RISK (GENERAL DISCLOSURE) (CONT'D)

Credit approvals are performed under a formal delegated approval structure comprising a hierarchy of approving authorities with clearly defined scope and limits. The Credit Committee ("CC") is the main management-level committee involved in approving of credit proposals (for amounts exceeding that of the lower individual authority limits) and the monitoring and management of distressed financing assets.

The Bank conducts regular review of its credit exposures based on portfolio segments and concentrations to ensure these exposures remain within the Board-approved risk appetite and risk tolerance levels. These review and analysis reports also provide the basis for ongoing risk management strategy and policy formulation.

Credit Risk Exposures and Credit Risk Concentration

Table 8: Credit risk exposures and credit risk concentration by sector analysis

Group 31 December 2025	Government and statutory bodies RM'000	Finance, takaful and business services RM'000	Agriculture, manufacturing, wholesale, retail and restaurant RM'000	Construction and real estate RM'000	Transport Storage and Communication RM'000	Household RM'000	Others RM'000	Total RM'000
On balance sheet exposures								
Cash and short-term funds	-	2,588,998	-	-	-	-	-	2,588,998
Deposits and placements with licensed financial institutions	-	501,361	-	-	-	-	-	501,361
Financial investments at FVTPL	50,576	-	-	-	-	-	21,597	72,173
Financial investments at FVOCI	5,341,769	1,037,403	56,674	150,399	406,190	-	915,460	7,907,895
Islamic derivative financial assets	-	7,753	5,784	-	-	-	12	13,549
Financing of customers	953,594	2,209,125	2,358,106	1,930,385	476,536	25,312,003	531,067	33,770,816
Statutory deposits with Bank Negara Malaysia	365,000	-	-	-	-	-	-	365,000
Other financial assets*	-	-	-	-	-	-	26,849	26,849
	6,710,939	6,344,640	2,420,564	2,080,784	882,726	25,312,003	1,494,985	45,246,641
Commitments and contingencies								
Contingent liabilities	1	175,574	376,588	730,189	54,914	3,737	507,310	1,848,313
Commitments	102,382	383,567	445,661	404,258	74,238	299,504	549,056	2,258,666
Other miscellaneous commitment and contingencies	648	7,521	43,817	29,282	1,117	478,309	1,184	561,878
Islamic derivative financial liabilities	812,199	525,538	233,648	17	-	-	-	1,571,402
	915,230	1,092,200	1,099,714	1,163,746	130,269	781,550	1,057,550	6,240,259
Total credit exposures	7,626,169	7,436,840	3,520,278	3,244,530	1,012,995	26,093,553	2,552,535	51,486,900

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

4.0 CREDIT RISK (GENERAL DISCLOSURE) (CONT'D)

Credit Risk Exposures and Credit Risk Concentration (cont'd)

Table 8: Credit risk exposures and credit risk concentration by sector analysis (cont'd)

Group 31 December 2024	Government and statutory bodies RM'000	Finance, takaful and business services RM'000	Agriculture, manufacturing, wholesale, retail and restaurant RM'000	Construction and real estate RM'000	Transport Storage and Communication RM'000	Household RM'000	Others RM'000	Total RM'000
On balance sheet exposures								
Cash and short-term funds	-	2,116,600	-	-	-	-	-	2,116,600
Deposits and placements with licensed financial institutions	-	502,166	-	-	-	-	-	502,166
Financial investments at FVTPL	-	-	-	-	-	-	14,888	14,888
Financial investments at FVOCI	4,100,765	1,169,956	50,452	210,034	640,027	-	1,398,737	7,569,971
Islamic derivative financial assets	7,957	4,825	1,714	-	-	-	-	14,496
Financing of customers	936,362	2,533,867	2,167,419	1,935,806	356,390	23,748,359	671,146	32,349,349
Statutory deposits with Bank Negara Malaysia	680,000	-	-	-	-	-	-	680,000
Other financial assets*	-	-	-	-	-	-	26,649	26,649
	5,725,084	6,327,414	2,219,585	2,145,840	996,417	23,748,359	2,111,420	43,274,119
Commitments and contingencies								
Contingent liabilities	-	141,582	243,003	509,471	69,215	2,597	797,511	1,763,379
Commitments	-	270,702	456,369	369,219	67,268	623,353	344,688	2,131,599
Other miscellaneous commitment and contingencies	-	401	32,862	20,465	1,127	294,867	-	349,722
Islamic derivative financial liabilities	894,550	780,300	175,758	-	-	-	-	1,850,608
	894,550	1,192,985	907,992	899,155	137,610	920,817	1,142,199	6,095,308
Total credit exposures	6,619,634	7,520,399	3,127,577	3,044,995	1,134,027	24,669,176	3,253,619	49,369,427

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

BASEL II
PILLAR 3 DISCLOSURE

4.0 CREDIT RISK (GENERAL DISCLOSURE) (CONT'D)

Credit Risk Exposures and Credit Risk Concentration (cont'd)

Table 8: Credit risk exposures and credit risk concentration by sector analysis (cont'd)

Bank 31 December 2025	Government and statutory bodies RM'000	Finance, takaful and business services RM'000	Agriculture, manufacturing, wholesale, retail and restaurant RM'000	Construction and real estate RM'000	Transport Storage and Communication RM'000	Household RM'000	Others RM'000	Total RM'000
On balance sheet exposures								
Cash and short-term funds	-	2,588,998	-	-	-	-	-	2,588,998
Deposits and placements with licensed financial institutions	-	501,361	-	-	-	-	-	501,361
Financial investments at FVTPL	50,576	-	-	-	-	-	19,701	70,277
Financial investments at FVOCI	5,341,769	1,037,403	56,674	150,399	406,190	-	915,460	7,907,895
Islamic derivative financial assets	-	7,753	5,784	-	-	-	12	13,549
Financing of customers	953,594	2,209,125	2,358,106	1,930,385	476,536	25,312,003	531,067	33,770,816
Statutory deposits with Bank Negara Malaysia	365,000	-	-	-	-	-	-	365,000
Other financial assets*	-	-	-	-	-	-	67,293	67,293
	6,710,939	6,344,640	2,420,564	2,080,784	882,726	25,312,003	1,533,533	45,285,189
Commitments and contingencies								
Contingent liabilities	1	175,574	376,588	730,189	54,914	3,737	507,310	1,848,313
Commitments	102,382	383,567	445,661	404,258	74,238	299,504	549,056	2,258,666
Other miscellaneous commitment and contingencies	648	7,521	43,817	29,282	1,117	478,309	1,184	561,878
Islamic derivative financial liabilities	812,199	525,538	233,648	17	-	-	-	1,571,402
	915,230	1,092,200	1,099,714	1,163,746	130,269	781,550	1,057,550	6,240,259
Total credit exposures	7,626,169	7,436,840	3,520,278	3,244,530	1,012,995	26,093,553	2,591,083	51,525,448

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

4.0 CREDIT RISK (GENERAL DISCLOSURE) (CONT'D)

Credit Risk Exposures and Credit Risk Concentration (cont'd)

Table 8: Credit risk exposures and credit risk concentration by sector analysis (cont'd)

Bank 31 December 2024	Government and statutory bodies RM'000	Finance, takaful and business services RM'000	Agriculture, manufacturing, wholesale, retail and restaurant RM'000	Construction and real estate RM'000	Transport Storage and Communication RM'000	Household RM'000	Others RM'000	Total RM'000
On balance sheet exposures								
Cash and short-term funds	-	2,116,600	-	-	-	-	-	2,116,600
Deposits and placements with licensed financial institutions	-	502,166	-	-	-	-	-	502,166
Financial investments at FVTPL	-	-	-	-	-	-	12,209	12,209
Financial investments at FVOCI	4,100,765	1,169,956	50,452	210,034	640,027	-	1,398,737	7,569,971
Islamic derivative financial assets	7,957	4,825	1,714	-	-	-	-	14,496
Financing of customers	936,362	2,533,867	2,167,419	1,935,806	356,390	23,748,359	666,070	32,344,273
Statutory deposits with Bank Negara Malaysia	680,000	-	-	-	-	-	-	680,000
Other financial assets*	-	-	-	-	-	-	26,167	26,167
	5,725,084	6,327,414	2,219,585	2,145,840	996,417	23,748,359	2,103,183	43,265,882
Commitments and contingencies								
Contingent liabilities	-	141,582	243,003	509,471	69,215	2,597	797,511	1,763,379
Commitments	-	270,702	456,369	369,219	67,268	623,353	344,688	2,131,599
Other miscellaneous commitment and contingencies	-	401	32,862	20,465	1,127	294,867	-	349,722
Islamic derivative financial liabilities	894,550	780,300	175,758	-	-	-	-	1,850,608
	894,550	1,192,985	907,992	899,155	137,610	920,817	1,142,199	6,095,308
Total credit exposures	6,619,634	7,520,399	3,127,577	3,044,995	1,134,027	24,669,176	3,245,382	49,361,190

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

BASEL II
PILLAR 3 DISCLOSURE

4.0 Credit Risk (General Disclosure) (cont'd)

Credit Risk Exposures and Credit Risk Concentration (cont'd)

Table 9: Credit risk exposures and credit risk concentration by geographical analysis

The analysis of credit concentration risk of financial assets and commitments and contingencies of the Group and the Bank categorised by geographical distribution (based on the geographical location where the credit risk resides) are as follows:

	Group		Bank	
31 December 2025	Domestic RM'000	Labuan RM'000	Domestic RM'000	Labuan RM'000
On Balance Sheet Exposures				
Cash and short-term funds	2,588,446	552	2,588,446	552
Deposits and placements with licensed financial institutions	501,361	-	501,361	-
Financial investments at FVTPL	72,173	-	70,277	-
Financial investments at FVOCI	7,897,700	10,195	7,897,700	10,195
Islamic derivative financial assets	13,549	-	13,549	-
Financing of customers	33,770,816	-	33,770,816	-
Statutory deposits with Bank Negara Malaysia	365,000	-	365,000	-
Other financial assets*	26,846	3	67,290	3
	45,235,891	10,750	45,274,439	10,750
Commitments and contingencies				
Contingent liabilities	1,848,313	-	1,848,313	-
Commitments	2,258,666	-	2,258,666	-
Other miscellaneous commitment and contingencies	561,878	-	561,878	-
Islamic derivative financial liabilities	1,571,402	-	1,571,402	-
	6,240,259	-	6,240,259	-
Total credit exposures	51,476,150	10,750	51,514,698	10,750

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

4.0 Credit Risk (General Disclosure) (cont'd)

Credit Risk Exposures and Credit Risk Concentration (cont'd)

Table 9: Credit risk exposures and credit risk concentration by geographical analysis (cont'd)

The analysis of credit concentration risk of financial assets and commitments and contingencies of the Group and the Bank categorised by geographical distribution (based on the geographical location where the credit risk resides) are as follows: (cont'd)

	Group		Bank	
31 December 2024	**Domestic RM'000**	**Labuan RM'000**	**Domestic RM'000**	**Labuan RM'000**
On Balance Sheet Exposures				
Cash and short-term funds	2,069,181	47,419	2,069,181	47,419
Deposits and placements with licensed financial institutions	502,166	-	502,166	-
Financial investments at FVTPL	14,888	-	12,209	-
Financial investments at FVOCI	7,494,785	75,186	7,494,785	75,186
Islamic derivative financial assets	14,496	-	14,496	-
Financing of customers	32,349,349	-	32,344,273	-
Statutory deposits with Bank Negara Malaysia	680,000	-	680,000	-
Other financial assets*	26,646	3	26,164	3
	43,151,511	122,608	43,143,274	122,608
Commitments and contingencies				
Contingent liabilities	1,763,379	-	1,763,379	-
Commitments	2,131,599	-	2,131,599	-
Other miscellaneous commitment and contingencies	349,722	-	349,722	-
Islamic derivative financial liabilities	1,850,608	-	1,850,608	-
	6,095,308	-	6,095,308	-
Total credit exposures	49,246,819	122,608	49,238,582	122,608

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

BASEL II
PILLAR 3 DISCLOSURE

4.0 CREDIT RISK (GENERAL DISCLOSURE) (CONT'D)

Credit Risk Exposures of Financial Assets by Maturity Distribution

Table 10: Credit risk exposures of financial assets by remaining contractual maturity

Group 31 December 2025	Up to 6 months RM'000	> 6 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
On-Balance Sheet Exposures					
Cash and short-term funds	**2,588,998**	**-**	**-**	**-**	**2,588,998**
Deposits and placements with licensed financial institutions	**501,361**	**-**	**-**	**-**	**501,361**
Financial investments at FVTPL	**50,576**	**-**	**21,597**	**-**	**72,173**
Financial investments at FVOCI	**550,491**	**998,500**	**5,608,386**	**750,518**	**7,907,895**
Islamic derivative financial assets	**13,188**	**361**	**-**	**-**	**13,549**
Financing of customers	**1,949,243**	**2,457,654**	**5,328,275**	**24,035,644**	**33,770,816**
Statutory deposits with Bank Negara Malaysia	**-**	**-**	**-**	**365,000**	**365,000**
Other financial assets*	**26,849**	**-**	**-**	**-**	**26,848**
Total On-Balance Sheet Exposures	**5,680,706**	**3,456,514**	**10,958,258**	**25,151,162**	**45,246,640**

Group 31 December 2024	Up to 6 months RM'000	> 6 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
On-Balance Sheet Exposures					
Cash and short-term funds	2,116,600	-	-	-	2,116,600
Deposits and placements with licensed financial institutions	502,166	-	-	-	502,166
Financial investments at FVTPL	-	14,888	-	-	14,888
Financial investments at FVOCI	388,118	582,061	6,599,792	-	7,569,971
Islamic derivative financial assets	9,464	5,032	-	-	14,496
Financing of customers	1,633,105	2,782,243	27,934,001	-	32,349,349
Statutory deposits with Bank Negara Malaysia	-	-	-	680,000	680,000
Other financial assets*	55	26,594	-	-	26,649
Total On-Balance Sheet Exposures	4,649,508	3,410,818	34,533,793	680,000	43,274,119

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

4.0 CREDIT RISK (GENERAL DISCLOSURE) (CONT'D)

Credit Risk Exposures of Financial Assets by Maturity Distribution (cont'd)

Table 10: Credit risk exposures of financial assets by remaining contractual maturity (cont'd)

Bank 31 December 2025	Up to 6 months RM'000	> 6 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
On-Balance Sheet Exposures					
Cash and short-term funds	**2,588,998**	**-**	**-**	**-**	**2,588,998**
Deposits and placements with licensed financial institutions	**501,361**	**-**	**-**	**-**	**501,361**
Financial investments at FVTPL	**50,576**	**-**	**19,701**	**-**	**70,277**
Financial investments at FVOCI	**550,491**	**998,500**	**5,608,386**	**750,517**	**7,907,894**
Islamic derivative financial assets	**13,188**	**361**	**-**	**-**	**13,549**
Financing of customers	**1,949,243**	**2,457,654**	**5,328,275**	**24,035,644**	**33,770,816**
Statutory deposits with Bank Negara Malaysia	**-**	**-**	**-**	**365,000**	**365,000**
Other financial assets*	**67,793**	**-**	**-**	**-**	**67,793**
Total On-Balance Sheet Exposures	**5,721,650**	**3,456,515**	**10,956,362**	**25,151,161**	**45,285,688**

Bank 31 December 2024	Up to 6 months RM'000	> 6 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
On-Balance Sheet Exposures					
Cash and short-term funds	2,116,600	-	-	-	2,116,600
Deposits and placements with licensed financial institutions	502,166	-	-	-	502,166
Financial investments at FVTPL	-	12,209	-	-	12,209
Financial investments at FVOCI	388,118	582,061	6,599,792	-	7,569,971
Islamic derivative financial assets	9,464	5,032	-	-	14,496
Financing of customers	1,633,105	2,782,243	27,928,925	-	32,344,273
Statutory deposits with Bank Negara Malaysia	-	-	-	680,000	680,000
Other financial assets*	-	26,167	-	-	26,167
Total On-Balance Sheet Exposures	4,649,453	3,407,712	34,528,717	680,000	43,265,882

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

BASEL II
PILLAR 3 DISCLOSURE

4.0 CREDIT RISK (GENERAL DISCLOSURE) (CONT'D)

Credit Risk Management Approach

Credit risk is inherent in all credit-related activities such as in the granting of financing facilities and participation in treasury and investment banking activities.

Credit risk exposures are controlled and managed at every stage of the credit process through various methods and techniques. At the point of origination, the credit exposure is assessed using well-defined financing criteria, which include the identifying of a clear and adequate source of payment or income generation from the customer, structuring of an effective financing package and incorporation of appropriate risk mitigants.

The Bank's credit-origination and granting activities are segregated by business lines based on customer types/business segments. Specifically, these are Business Banking for corporate, commercial and retail SME customers, Consumer Banking for retail/individual customers and Investment Banking for syndications and capital market instruments. These departments are responsible for marketing, developing and managing the Bank's financing and investment assets as well as ensuring the quality and timely delivery of products and services.

The Bank has an established structure to facilitate the credit approval process defining the appropriate level of approving authority and limits. These authorities and limits are duly sanctioned by the Board and subject to periodic reviews to assess its effectiveness as well as compliance. To enhance risk identification, the financing proposals from origination departments are subjected to independent credit reviews and risk assessments by the relevant credit risk evaluation units before submission to the approving authority for decision.

Credit portfolios are managed and monitored against stipulated portfolio exposure limits to avoid credit concentration and excessive build-up of exposures preserving portfolios' quality through timely and appropriate corrective actions.

The Credit Risk report is produced and deliberated at the management and board level committees on a monthly basis to monitor overall exposures and limits. Risk Profiling Analysis on selected asset portfolios is conducted on a regular basis to assess the asset quality for potential deterioration or concentration build-up and emerging weaknesses or threats arising from internal and external factors.

Stress Test on credit exposures is used as a tool to identify possible events or future changes in the financial and economic conditions that could have an unfavorable impact on the Bank's exposures. It is also assess the Bank's ability to withstand such changes in relation to capital and earnings capacity to absorb significant losses.

The monitoring and recovery of delinquent and problematic financing accounts are undertaken by Credit Recovery Department (CRD). Within the CRD, the Business Collection & Recovery Unit has been tasked to monitor and undertake pre-emptive measures on business financing with early warning signs to prevent further deterioration and/or initiate rehabilitation actions such as rescheduling and restructuring of the affected accounts.

Classification and loss provisioning of the Bank's impaired financing and investment assets is performed upon determination of impairment evidence and by categorization into individual and collective assessment. The process and approach is defined in the GCRP and other related policies and SOPs as prescribed under the MFRS 9 and BNM guidelines.

The Bank implemented credit risk rating approaches for its business and consumer financing portfolios i.e. application and behavioral scorecards. The credit scorecards developed using statistical and heuristic-based methodologies and applied to assess the customers' risk levels and serve as a tool to assist in the Bank's credit decision making process. The credit risk ratings are also used in portfolio monitoring and limit setting and in building a more robust estimation of credit losses as required by regulatory standards.

4.0 CREDIT RISK (GENERAL DISCLOSURE) (CONT'D)

Credit Quality Financing of Customers

Table 11: Credit quality of financing of customers

The credit quality for financing of customers is managed by the Group and the Bank using the internal credit ratings. The table below shows the credit quality for financing of customers exposed to credit risk, based on the Group's and the Bank's internal credit ratings.

Financing of customers are analysed as follows:

Group 31 December 2025	Neither past due nor impaired Good RM'000	 Satisfactory RM'000	Past due but not impaired RM'000	Impaired financing RM'000	Total RM'000
Term financing					
- Home financing	**11,176,975**	**780,073**	**573,571**	**215,222**	**12,745,841**
- Personal financing	**7,253,993**	**375,942**	**228,141**	**131,473**	**7,989,549**
- Hire purchase receivables	**3,055,198**	**48,732**	**47,680**	**7,131**	**3,158,741**
- Syndicated financing	**442,048**	**-**	**-**	**-**	**442,048**
- Other term financing	**3,695,993**	**102,666**	**56,020**	**96,036**	**3,950,715**
Other financing	**5,636,870**	**127,875**	**26,587**	**37,429**	**5,828,761**
	31,261,077	**1,435,288**	**931,999**	**487,291**	**34,115,655**
Less:					
- Stage 1 - 12 Months ECL	**(104,395)**	**(3,494)**	**-**	**-**	**(107,889)**
- Stage 2 - Lifetime ECL not credit impaired	**-**	**(63,233)**	**(19,059)**	**-**	**(82,292)**
-Stage 3 - Lifetime ECL credit impaired	**-**	**-**	**-**	**(154,658)**	**(154,658)**
Total net financing	**31,156,682**	**1,368,561**	**912,940**	**332,633**	**33,770,816**

BASEL II
PILLAR 3 DISCLOSURE

4.0 CREDIT RISK (GENERAL DISCLOSURE) (CONT'D)

Credit Quality Financing of Customers (cont'd)

Table 11: Credit quality of financing of customers (cont'd)

Financing of customers are analysed as follows: (cont'd)

Group 31 December 2024	Neither past due nor impaired Good RM'000	 Satisfactory RM'000	Past due but not impaired RM'000	Impaired financing RM'000	Total RM'000
Term financing					
- Home financing	10,894,099	521,719	447,825	140,562	12,004,205
- Personal financing	7,885,358	243,561	198,342	81,971	8,409,232
- Hire purchase receivables	2,200,669	22,898	23,490	6,143	2,253,200
- Syndicated financing	482,076	-	-	-	482,076
- Other term financing	4,097,458	109,705	42,331	74,327	4,323,821
Other financing	4,944,827	117,431	31,653	38,176	5,132,087
	30,504,487	1,015,314	743,641	341,179	32,604,621
Less:					
- Stage 1 - 12 Months ECL	(117,596)	(2,248)	-	-	(119,844)
- Stage 2 - Lifetime ECL not credit impaired	-	(19,811)	(17,428)	-	(37,239)
- Stage 3 - Lifetime ECL credit impaired	-	-	-	(98,189)	(98,189)
Total net financing	30,386,891	993,255	726,213	242,990	32,349,349

4.0 CREDIT RISK (GENERAL DISCLOSURE) (CONT'D)

Credit Quality Financing of Customers (cont'd)

Table 11: Credit quality of financing of customers (cont'd)

The credit quality for financing of customers is managed by the Group and the Bank using the internal credit ratings. The table below shows the credit quality for financing of customers exposed to credit risk, based on the Group's and the Bank's internal credit ratings.

Financing of customers are analysed as follows:

Bank 31 December 2025	Neither past due nor impaired Good RM'000	 Satisfactory RM'000	Past due but not impaired RM'000	Impaired financing RM'000	Total RM'000
Term financing					
- Home financing	**11,176,975**	**780,073**	**573,571**	**215,222**	**12,745,841**
- Personal financing	**7,253,993**	**375,942**	**228,141**	**131,473**	**7,989,549**
- Hire purchase receivables	**3,055,198**	**48,732**	**47,680**	**7,131**	**3,158,741**
- Syndicated financing	**442,048**	**-**	**-**	**-**	**442,048**
- Other term financing	**3,695,993**	**102,666**	**56,020**	**96,036**	**3,950,715**
Other financing	**5,636,870**	**127,875**	**26,587**	**37,429**	**5,828,761**
	31,261,077	**1,435,288**	**931,999**	**487,291**	**34,115,655**
Less:					
- Stage 1 - 12 Months ECL	**(104,395)**	**(3,494)**	**-**	**-**	**(107,889)**
-Stage 2 - Lifetime ECL not credit impaired	**-**	**(63,233)**	**(19,059)**	**-**	**(82,292)**
-Stage 3 - Lifetime ECL credit impaired	**-**	**-**	**-**	**(154,658)**	**(154,658)**
Total net financing	**31,156,682**	**1,368,561**	**912,940**	**332,633**	**33,770,816**

BASEL II
PILLAR 3 DISCLOSURE

4.0 CREDIT RISK (GENERAL DISCLOSURE) (CONT'D)

Credit Quality Financing of Customers (cont'd)

Table 11: Credit quality of financing of customers (cont'd)

Financing of customers are analysed as follows: (cont'd)

Bank 31 December 2024	Neither past due nor impaired Good RM'000	 Satisfactory RM'000	Past due but not impaired RM'000	Impaired financing RM'000	Total RM'000
Term financing					
- Home financing	10,894,099	521,719	447,825	140,562	12,004,205
- Personal financing	7,885,358	243,561	198,342	81,971	8,409,232
- Hire purchase receivables	2,200,669	22,898	23,490	6,143	2,253,200
- Syndicated financing	482,076	-	-	-	482,076
- Other term financing	4,092,382	109,705	42,331	74,327	4,318,745
Other financing	4,944,827	117,431	31,653	38,176	5,132,087
	30,499,411	1,015,314	743,641	341,179	32,599,545
Less:					
- Stage 1 - 12 Months ECL	(117,596)	(2,248)	-	-	(119,844)
- Stage 2 - Lifetime ECL not credit impaired	-	(19,811)	(17,428)	-	(37,239)
- Stage 3 - Lifetime ECL credit impaired	-	-	-	(98,189)	(98,189)
Total net financing	30,381,815	993,255	726,213	242,990	32,344,273

4.0 CREDIT RISK (GENERAL DISCLOSURE) (CONT'D)

Credit Quality Financing of Customers (cont'd)

Financing of customers are analysed as follows: (cont'd.)

(i) Neither past due nor impaired

Gross financing and advances which are neither past due nor impaired:

- "Good Grade" refers to financing and advances which are neither past due nor impaired in the last six months and have never undergone any rescheduling or restructuring exercise previously.
- "Satisfactory Grade" refers to financing and advances which may have been past due or impaired during the last six months or have undergone a rescheduling or restructuring exercise previously.

(ii) Past due but not impaired

Past due but not impaired financing of customers refers to where the customer has failed to make a principal or profit payment after the contractual due date for more than one day but less than three (3) months.

Aging analysis of past due but not impaired is as follows:

Table 12: Past due but not impaired

Group and Bank 31 December 2025	1 - 2 months RM'000	>2 - 3 months RM'000	Total RM'000
Term financing			
- Home financing	**572,509**	**1,062**	**573,571**
- Personal financing	**222,655**	**5,486**	**228,141**
- Hire purchase receivables	**47,483**	**197**	**47,680**
- Other term financing	**45,685**	**10,335**	**56,020**
Other financing	**19,337**	**7,250**	**26,587**
Total	**907,669**	**24,330**	**931,999**

Group and Bank 31 December 2024	1 - 2 months RM'000	>2 - 3 months RM'000	Total RM'000
Term financing			
- Home financing	447,041	784	447,825
- Personal financing	194,662	3,680	198,342
- Hire purchase receivables	23,355	135	23,490
- Other term financing	41,645	686	42,331
Other financing	30,144	1,509	31,653
Total	736,847	6,794	743,641

BASEL II
PILLAR 3 DISCLOSURE

4.0 CREDIT RISK (GENERAL DISCLOSURE) (CONT'D)

Credit Quality Financing of Customers (cont'd)

Financing of customers are analysed as follows: (cont'd.)

(ii) Past due but not impaired (cont'd)

The following tables present an analysis of the past due but not impaired financing by economic purpose.

Group and Bank	31 December 2025 RM'000	31 December 2024 RM'000
Purchase of transport vehicles	**47,680**	23,490
Purchase of landed properties of which:		
– residential	**547,890**	425,010
– non-residential	**15,326**	15,572
Personal use	**258,714**	219,701
Construction	**282**	965
Working capital	**56,867**	53,407
Other purpose	**5,240**	5,496
	931,999	743,641

The following table presents an analysis of the past due but not impaired financing by geographical area:

Group and Bank	31 December 2025 RM'000	31 December 2024 RM'000
Domestic	**931,999**	743,641

(iii) Impaired financing

A financing of customer is considered past due when any payment (whether principal and/or profit) due under the contractual terms are received late or missed.

Financing and advances are classified as credit-impaired when they fulfil any of the following criteria:

(a) principal or profit or both are past due for ninety (90) days or more; or

(b) outstanding amount is in excess of approved limit for ninety (90) days or more in the case of revolving facilities; or

(c) where a financing is in arrears or the outstanding amount has been in excess of the approved limit for less than ninety (90) days, the financing exhibits indications of significant credit weaknesses; or

(d) where a financing has been classified as rescheduled and restructured (''R&R''), the financing will be classified as credit-impaired until payments based on the revised and/or restructured terms have been continuously paid for a period of at least six (6) months; or

(e) for payments scheduled on intervals of ninety (90) days or more, as soon as default occurs.

In addition, financing that is considered individually significant, the Bank assesses on a case-by-case basis at each reporting date whether there is any objective evidence that a financing is credit-impaired.

The financial effects of the adoption of MFRS 9 in relation to other areas on the Group's and the Bank's financial statements are disclosed in Note 2.4.

4.0 CREDIT RISK (GENERAL DISCLOSURE) (CONT'D)

Credit Quality Financing of Customers (cont'd)

Impaired financing (cont'd)

Table 13: Impaired financing by economic purpose

The following tables present an analysis of the impaired financing by economic purpose.

31 December 2025 Group	Impaired Financing RM'000	Individual Assessment Allowance at 1 January RM'000	Net Charge for the Year RM'000	Amounts Written Off/Other Movements RM'000	Individual Assessment Allowance at 31 December RM'000	Collective Assessment Allowance at 31 December RM'000	Total Impairment Allowances for Financing RM'000
Purchase of securities	**29**	**-**	**-**	**-**	**-**	**2,926**	**2,926**
Purchase of transport vehicles	**6,620**	**54**	**2,917**	**2,971**	**-**	**10,047**	**10,047**
Purchase of landed properties of which:							
– residential	**204,461**	**8,492**	**2,119**	**-**	**10,611**	**65,464**	**76,075**
– non-residential	**15,058**	**1,387**	**513**	**-**	**1,900**	**1,278**	**3,178**
Purchase of fixed assets (excluding landed properties)	**511**	**-**	**-**	**-**	**-**	**6,156**	**6,156**
Personal use	**147,510**	**1,195**	**727**	**-**	**1,922**	**188,357**	**190,279**
Construction	**-**	**-**	**-**	**-**	**-**	**1,224**	**1,224**
Working capital	**107,853**	**14,119**	**22,522**	**4,183**	**32,458**	**18,145**	**50,603**
Other purpose	**5,249**	**-**	**159**	**-**	**159**	**4,192**	**4,351**
	487,291	**25,247**	**28,957**	**7,154**	**47,050**	**297,789**	**344,839**

31 December 2024 Group	Impaired Financing RM'000	Individual Assessment Allowance at 1 January RM'000	Net Charge for the Year RM'000	Amounts Written Off/Other Movements RM'000	Individual Assessment Allowance at 31 December RM'000	Collective Assessment Allowance at 31 December RM'000	Total Impairment Allowances for Financing RM'000
Purchase of securities	3	-	-	-	-	86	86
Purchase of transport vehicles	6,143	3	51	-	54	5,713	5,767
Purchase of landed properties of which:							
– residential	132,837	10,140	5,674	7,322	8,492	57,770	66,262
– non-residential	12,593	1,705	4,411	4,729	1,387	1,230	2,617
Purchase of fixed assets (excluding landed properties)	-	-	-	-	-	8,587	8,587
Personal use	95,109	1,595	(400)	-	1,195	125,436	126,631
Construction	-	-	-	-	-	2,510	2,510
Working capital	93,030	6,267	146,694	138,842	14,119	24,506	38,625
Other purpose	1,464	351	(352)	-	-	4,187	4,187
	341,179	20,061	156,078	150,892	25,247	230,025	255,272

BASEL II
PILLAR 3 DISCLOSURE

4.0 CREDIT RISK (GENERAL DISCLOSURE) (CONT'D)

Credit Quality Financing of Customers (cont'd)

Impaired financing (cont'd)

Table 13: Impaired financing by economic purpose (cont'd)

The following tables present an analysis of the impaired financing by economic purpose.

31 December 2025 Bank	Impaired Financing RM'000	Individual Assessment Allowance at 1 January RM'000	Net Charge for the Year RM'000	Amounts Written Off/Other Movements RM'000	Individual Assessment Allowance at 31 December RM'000	Collective Assessment Allowance at 31 December RM'000	Total Impairment Allowances for Financing RM'000
Purchase of securities	**29**	**-**	**-**	**-**	**-**	**2,926**	**2,926**
Purchase of transport vehicles	**6,620**	**54**	**2,917**	**2,971**	**-**	**10,047**	**10,047**
Purchase of landed properties of which:							
– residential	**204,461**	**8,492**	**2,119**	**-**	**10,611**	**65,464**	**76,075**
– non-residential	**15,058**	**1,387**	**513**	**-**	**1,900**	**1,278**	**3,178**
Purchase of fixed assets (excluding landed properties)	**511**	**-**	**-**	**-**	**-**	**6,156**	**6,156**
Personal use	**147,510**	**1,195**	**727**	**-**	**1,922**	**188,357**	**190,279**
Construction	**-**	**-**	**-**	**-**	**-**	**1,224**	**1,224**
Working capital	**107,853**	**14,119**	**22,522**	**4,183**	**32,458**	**18,145**	**50,603**
Other purpose	**5,249**	**-**	**159**	**-**	**159**	**4,192**	**4,351**
	487,291	**25,247**	**28,957**	**7,154**	**47,050**	**297,789**	**344,839**

31 December 2024 Bank	Impaired Financing RM'000	Individual Assessment Allowance at 1 January RM'000	Net Charge for the Year RM'000	Amounts Written Off/Other Movements RM'000	Individual Assessment Allowance at 31 December RM'000	Total Collective Assessment Allowance at 31 December RM'000	Impairment Allowances for Financing RM'000
Purchase of securities	3	-	-	-	-	86	86
Purchase of transport vehicles	6,143	3	58	7	54	5,713	5,767
Purchase of landed properties of which:							
– residential	132,837	10,140	5,674	7,322	8,492	57,770	66,262
– non-residential	12,593	1,705	4,411	4,729	1,387	1,230	2,617
Purchase of fixed assets (excluding landed properties)	-	-	-	-	-	8,587	8,587
Personal use	95,109	1,595	(400)	-	1,195	125,436	126,631
Construction	-	-	-	-	-	2,510	2,510
Working capital	93,030	6,267	74,043	66,191	14,119	24,506	38,625
Other purpose	1,464	351	(352)	-	-	4,187	4,187
	341,179	20,061	83,434	78,249	25,247	230,025	255,272

4.0 CREDIT RISK (GENERAL DISCLOSURE) (CONT'D)

Credit Quality Financing of Customers (cont'd)

Table 14: Impaired financing by geographical distribution

The following tables present an analysis of the impaired financing by geographical distribution.

31 December 2025 Group	Impaired Financing RM'000	Individual Assessment Allowance at 1 January RM'000	Net Charge for the Year RM'000	Amounts Written Off/Other Movements RM'000	Individual Assessment Allowance at 31 December RM'000	Collective Assessment Allowance at 31 December RM'000	Total Impairment Allowances for Financing RM'000
Domestic	**487,291**	**25,247**	**28,957**	**7,154**	**47,050**	**297,789**	**344,839**

31 December 2024 Group	Impaired Financing RM'000	Individual Assessment Allowance at 1 January RM'000	Net Charge for the Year RM'000	Amounts Written Off/Other Movements RM'000	Individual Assessment Allowance at 31 December RM'000	Collective Assessment Allowance at 31 December RM'000	Total Impairment Allowances for Financing RM'000
Domestic	341,179	20,061	156,078	150,892	25,247	230,025	255,272

31 December 2025 Bank	Impaired Financing RM'000	Individual Assessment Allowance at 1 January RM'000	Net Charge for the Year RM'000	Amounts Written Off/Other Movements RM'000	Individual Assessment Allowance at 31 December RM'000	Collective Assessment Allowance at 31 December RM'000	Total Impairment Allowances for Financing RM'000
Domestic	**487,291**	**25,247**	**28,957**	**7,154**	**47,050**	**297,789**	**344,839**

31 December 2024 Bank	Impaired Financing RM'000	Individual Assessment Allowance at 1 January RM'000	Net Charge for the Year RM'000	Amounts Written Off/Other Movements RM'000	Individual Assessment Allowance at 31 December RM'000	Collective Assessment Allowance at 31 December RM'000	Total Impairment Allowances for Financing RM'000
Domestic	341,179	20,061	83,434	78,249	25,247	230,025	255,272

BASEL II
PILLAR 3 DISCLOSURE

4.0 CREDIT RISK (GENERAL DISCLOSURE) (CONT'D)

Credit Quality Financing of Customers (cont'd)

(iv) Impaired financing

Collateral and other credit enhancements

The amount and type of collateral required depends on as assessment of credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types and collateral and valuation parameters.

The main types of collateral obtained by the Group and the Bank are as follows:

– For home financing - mortgages over residential properties;

– For syndicated financing - charges over the properties being financed;

– For vehicle financing - charges over the vehicles financed;

– For share margin financing - pledges over securities from listed exchange;

– For other financing - charges over business assets such as premises, inventories, trade receivables or deposits.

The financial effect of collateral (quantification of the extent to which collateral and other credit enhancements mitigate credit risk) held for financing of customer for the Group and the Bank are at **51.08** as at 31 December 2025 (The Group and the Bank are at 51.24% and 51.25% respectively as at 31 December 2024). The financial effect of collateral held for other financial assets is not significant.

As at 31 December 2025, the fair value of collateral that the Group and the Bank hold relating to financing of customers individually determined to be impaired amounts to RM76,965,000 as compared against 31 December 2024 total amount of RM83,639,000 The collateral consists of cash, securities, letters of guarantee, and properties.

The following table presents credit exposure from home financing that are credit Impaired by ranges of financing-to-value ("FTV").FTV is calculated as the ratio of the gross amount of the financing to the value of the collateral.

	Group and Bank	
	2025 RM'000	2024 RM'000
FTV Ratio		
Less than 51%	**16,287**	18,289
51-70%	**13,986**	11,502
More than 70%	**184,949**	110,770
Total	**215,222**	140,561

(v) Repossessed Collateral

It is the Group's and the Bank's policy to dispose of repossessed collateral in an orderly manner. The proceeds are used to reduce or pay the outstanding balance of financing and securities. Collateral's repossessed by the Bank are subject to disposal as soon as practicable. Foreclosed properties are recognised in other assets on the statement of financial position. The Group and the Bank do not occupy repossessed properties for its own business use.

5.0 CREDIT RISK (DISCLOSURES FOR PORTFOLIO UNDER THE STANDARDISED APPROACH)

The Group and the Bank use the external rating agencies such as MARC, RAM, Moody's, Standard & Poors, Fitch and R&I for rating of commercial papers (CPs) and corporate bonds (CBs) or participation of syndication or underwriting of PDS issuance.

Each ECAI is used based on the types of exposures as described per Capital Adequacy Framework for Islamic Banks (CAFIB). The Group's and the Bank's credit exposures that are presently not mapped to the ECAI ratings are depicted below as unrated. Rating for financing exposure based on the obligor rating and treasury exposure based on issue rating of the exposure.

Table 15: Rating distribution on credit exposures

Group
31 December 2025

Exposure Class	Rating by Approved ECAIS										
	AAA RM'000	AA+ RM'000	AA RM'000	AA- RM'000	A RM'000	BBB RM'000	BB+TO BB- RM'000	P1/MARC1 RM'000	Unrated RM'000	Others RM'000	Grand Total RM'000
On and Off Balance-Sheet Exposures											
Credit Exposures – Standardised Approach											
Sovereigns/Central Banks	**7,409,809**	-	-	-	-	-	-	-	-	-	**7,409,809**
Public Sector Entities	-	-	**32,136**	-	-	-	-	-	**1,039,075**	-	**1,071,211**
Banks, Development Financial Institutions & MDBs	**804,065**	-	**370,922**	-	**134,014**	-	-	-	**192,892**	-	**1,501,893**
Takaful Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-	-	**170,653**	-	**170,653**
Corporates	**978,677**	**226,595**	**55,303**	**15,947**	**101,184**	-	-	-	**9,581,978**	-	**10,959,684**
Regulatory Retail	-	-	-	-	-	-	-	-	**14,509,977**	-	**14,509,977**
Residential Mortgages	-	-	-	-	-	-	-	-	**11,825,117**	-	**11,825,117**
Higher Risk Assets	-	-	-	-	-	-	-	-	**8,486**	-	**8,486**
Other Assets	-	-	-	-	-	-	-	-	**436,238**	-	**436,238**
Total	**9,192,551**	**226,595**	**458,361**	**15,947**	**235,198**	-	-	-	**37,764,416**	-	**47,893,068**

Group
31 December 2024

Exposure Class	Rating by Approved ECAIS										
	AAA RM'000	AA+ RM'000	AA RM'000	AA- RM'000	A RM'000	BBB RM'000	BB+TO BB- RM'000	P1/MARC1 RM'000	Unrated RM'000	Others RM'000	Grand Total RM'000
On and Off Balance-Sheet Exposures											
Credit Exposures – Standardised Approach											
Sovereigns/Central Banks	5,613,639	-	-	-	-	-	-	-	-	-	5,613,639
Public Sector Entities	-	-	35,093	-	-	-	-	-	1,168,235	-	1,203,328
Banks, Development Financial Institutions & MDBs	539,704	100,194	489,773	50,026	100,008	-	-	-	432,675	-	1,712,380
Takaful Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-	-	177,691	-	177,691
Corporates	1,171,519	224,762	25,205	15,708	100,330	-	-	-	10,883,192	-	12,420,716
Regulatory Retail	-	-	-	-	-	-	-	-	13,257,537	-	13,257,537
Residential Mortgages	-	-	-	-	-	-	-	-	10,776,892	-	10,776,892
Higher Risk Assets	-	-	-	-	-	-	-	-	47,776	-	47,776
Other Assets	-	-	-	-	-	-	-	-	366,681	-	366,681
Total	7,324,862	324,956	550,071	65,734	200,338	-	-	-	37,110,679	-	45,576,640

5.0 CREDIT RISK (DISCLOSURES FOR PORTFOLIO UNDER THE STANDARDISED APPROACH) (CONT'D)

Table 15: Rating distribution on credit exposures (cont'd)

Bank
31 December 2025

Exposure Class	Rating by Approved ECAIS										
	AAA RM'000	AA+ RM'000	AA RM'000	AA- RM'000	A RM'000	BBB RM'000	BB+TO BB- RM'000	P1/MARC1 RM'000	Unrated RM'000	Others RM'000	Grand Total RM'000
On and Off Balance-Sheet Exposures											
Credit Exposures – Standardised Approach											
Sovereigns/Central Banks	7,409,809	-	-	-	-	-	-	-	-	-	7,409,809
Public Sector Entities	-	-	32,136	-	-	-	-	-	1,039,075	-	1,071,211
Banks, Development Financial Institutions & MDBs	804,065	-	370,922	-	134,014	-	-	-	192,892	-	1,501,893
Takaful Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-	-	170,653	-	170,653
Corporates	978,677	226,595	55,303	15,947	101,184	-	-	-	9,620,391	-	10,998,097
Regulatory Retail	-	-	-	-	-	-	-	-	14,509,977	-	14,509,977
Residential Mortgages	-	-	-	-	-	-	-	-	11,825,117	-	11,825,117
Higher Risk Assets	-	-	-	-	-	-	-	-	8,488	-	8,488
Other Assets	-	-	-	-	-	-	-	-	436,237	-	436,237
Total	9,192,551	226,595	458,361	15,947	235,198	-	-	-	37,802,830	-	47,931,482

Group
31 December 2024

Exposure Class	Rating by Approved ECAIS										
	AAA RM'000	AA+ RM'000	AA RM'000	AA- RM'000	A RM'000	BBB RM'000	BB+TO BB- RM'000	P1/MARC1 RM'000	Unrated RM'000	Others RM'000	Grand Total RM'000
On and Off Balance-Sheet Exposures											
Credit Exposures – Standardised Approach											
Sovereigns/Central Banks	5,613,639	-	-	-	-	-	-	-	-	-	5,613,639
Public Sector Entities	-	-	35,093	-	-	-	-	-	1,168,235	-	1,203,328
Banks, Development Financial Institutions & MDBs	539,704	100,194	489,773	50,026	100,008	-	-	-	432,675	-	1,712,380
Takaful Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-	-	177,691	-	177,691
Corporates	1,171,519	224,762	25,205	15,708	100,330	-	-	-	10,874,539	-	12,412,063
Regulatory Retail	-	-	-	-	-	-	-	-	13,257,537	-	13,257,537
Residential Mortgages	-	-	-	-	-	-	-	-	10,776,892	-	10,776,892
Higher Risk Assets	-	-	-	-	-	-	-	-	47,778	-	47,778
Other Assets	-	-	-	-	-	-	-	-	366,681	-	366,681
Total	7,324,862	324,956	550,071	65,734	200,338	-	-	-	37,102,028	-	45,567,989

5.0 CREDIT RISK (DISCLOSURES FOR PORTFOLIO UNDER THE STANDARDISED APPROACH) (CONT'D)

Table 15: Rating distribution on credit exposures (cont'd)

		Ratings of Corporate by Approved ECAIs				
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB1 to BB3	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
Exposure Class	RII Inc	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
		RM'000	RM'000	RM'000	RM'000	RM'000
On and Off Balance-Sheet Exposures						
Credit Exposures (Using Corporate Risk Weights)						
Group and Bank						
31 December 2025						
Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates)		**32,136**	**-**	**-**	**-**	**1,039,075**
Takaful Companies, Securities Firms & Fund Managers		**-**	**-**	**-**	**-**	**-**
Corporates		**1,276,521**	**101,184**	**-**	**-**	**9,620,392**
Total		**1,308,657**	**101,184**	**-**	**-**	**10,659,467**
Group and Bank						
31 December 2024						
Public Sector Entities(applicable for entities risk weighted based on their external ratings as corporates)		35,093	-	-	-	1,168,235
Takaful Companies, Securities Firms & Fund Managers		-	-	-	-	-
Corporates		1,437,194	100,330	-	-	10,874,540
Total		1,472,287	100,330	-	-	12,042,775

BASEL II
PILLAR 3 DISCLOSURE

5.0 CREDIT RISK (DISCLOSURES FOR PORTFOLIO UNDER THE STANDARDISED APPROACH) (CONT'D)

Table 15: Rating distribution on credit exposures (cont'd)

	Short term Ratings of Banking Institutions and Corporate by Approved ECAIs					
	Moody's	P-1	P-2	P-3	Others	Unrated
	S&P	A-1	A-2	A-3	Others	Unrated
	Fitch	F1+,F1	2	3	B to D	Unrated
	RAM	P-1	P-2	P-3	NP	Unrated
	MARC	MARC-1	MARC-2	MARC-3-	MARC-4	Unrated
Exposure Class	RII Inc	a-1+,a-1	a-2	a-3	b,c	Unrated
		RM'000	RM'000	RM'000	RM'000	RM'000
On and Off Balance-Sheet Exposures						
Group and Bank						
31 December 2025						
Banks, MDBs and FDIs		-	-	-	-	-
Credit Exposures (using Corporate Risk Weights)						
Corporates		-	-	-	-	-
Total		-	-	-	-	-
Group and Bank						
31 December 2024						
Banks, MDBs and FDIs		-	-	-	-	-
Credit Exposures (using Corporate Risk Weights)						
Corporates		-	-	-	-	-
Total		-	-	-	-	-

5.0 CREDIT RISK (DISCLOSURES FOR PORTFOLIO UNDER THE STANDARDISED APPROACH) (CONT'D)

Table 15: Rating distribution on credit exposures (cont'd)

		Ratings of Sovereigns and Central Banks by Approved ECAIs					
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
Exposure Class	RII Inc	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group and Bank							
31 December 2025							
On and Off Balance-Sheet Exposures							
Sovereigns and Central Banks		**7,409,809**	-	-	-	-	-
Total		**7,409,809**	-	-	-	-	-
Group and Bank							
31 December 2024							
On and Off Balance-Sheet Exposures							
Sovereigns and Central Banks		5,613,639	-	-	-	-	-
Total		5,613,639	-	-	-	-	-

		Ratings of Banking Institutions by Approved ECAIs					
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	C+ to D	Unrated
Exposure Class	RII Inc	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On and Off Balance-Sheet Exposures							
Group and Bank							
31 December 2025							
Banks, MDBs and FDIs		**1,174,987**	**134,014**	-	-	-	**192,892**
Total		**1,174,987**	**134,014**	-	-	-	**192,892**
Group and Bank							
31 December 2024							
Banks, MDBs and FDIs		1,179,698	100,008	-	-	-	432,675
Total		1,179,698	100,008	-	-	-	432,675

5.0 CREDIT RISK (DISCLOSURES FOR PORTFOLIO UNDER THE STANDARDISED APPROACH) (CONT'D)

Credit risk disclosure by risk weights (including deducted exposures) are as follows:

Table 16: Credit risk disclosure by risk weights

	Exposures after Netting and Credit Risk Mitigation											
	Sovereign & Central Banks RM'000	Public Sector Entities RM'000	Banks, MDBs and FDIs RM'000	Corporate RM'000	Regulatory Retail RM'000	Residential Real Estate RM'000	Fund Managers Exposures RM'000	Equity Exposures RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Total Exposures after Netting and Credit Risk Mitigation RM'000	Total Risk Weighted Assets RM'000
31 December 2025												
Group												
Risk-Weights												
0%	**7,409,809**	**780,503**	**-**	**2,647,876**	**938,956**	**3,343,629**	**-**	**-**	**3**	**123,657**	**15,244,433**	**-**
20%	**-**	**290,709**	**1,501,893**	**1,862,184**	**1,104,148**	**39,435**	**66,089**	**-**	**-**	**-**	**4,864,458**	**972,890**
35%	**-**	**-**	**-**	**-**	**-**	**3,930,557**	**-**	**-**	**-**	**-**	**3,930,557**	**1,375,695**
50%	**-**	**-**	**-**	**100,417**	**33,143**	**1,579,662**	**-**	**-**	**-**	**-**	**1,713,222**	**856,611**
75%	**-**	**-**	**-**	**-**	**4,371,821**	**503,312**	**-**	**-**	**-**	**-**	**4,875,133**	**3,656,350**
100%	**-**	**-**	**-**	**6,389,517**	**8,016,389**	**2,428,522**	**104,564**	**-**	**-**	**272,269**	**17,211,261**	**17,211,261**
150%	**-**	**-**	**-**	**-**	**45,521**	**-**	**-**	**-**	**8,483**	**-**	**54,004**	**81,006**
Total	**7,409,809**	**1,071,212**	**1,501,893**	**10,999,994**	**14,509,978**	**11,825,117**	**170,653**	**-**	**8,486**	**395,926**	**47,893,068**	**24,153,813**
31 December 2024												
Group												
Risk-Weights												
0%	5,613,639	887,019	-	3,762,084	1,106,878	2,540,008	-	-	9	126,386	14,036,022	-
20%	-	316,310	1,712,381	1,539,841	747,335	64,316	36,305	-	-	-	4,416,488	883,297
35%	-	-	-	-	-	3,919,976	-	-	-	-	3,919,976	1,371,991
50%	-	-	-	100,330	23,627	1,351,652	-	-	-	-	1,475,609	737,804
75%	-	-	-	-	2,903,135	500,630	-	-	-	-	3,403,765	2,552,824
100%	-	-	-	7,012,489	8,440,829	2,400,311	141,387	-	-	241,189	18,236,205	18,236,207
150%	-	-	-	5,076	35,733	-	-	-	47,766	-	88,575	132,862
Total	5,613,639	1,203,329	1,712,381	12,419,820	13,257,537	10,776,893	177,692	-	47,775	367,575	45,576,640	23,914,985

5.0 CREDIT RISK (DISCLOSURES FOR PORTFOLIO UNDER THE STANDARDISED APPROACH) (CONT'D)

Credit risk disclosure by risk weights (including deducted exposures) are as follows: (cont'd)

Table 16: Credit risk disclosure by risk weights (cont'd)

	Exposures after Netting and Credit Risk Mitigation											
	Sovereign & Central Banks RM'000	Public Sector Entities RM'000	Banks, MDBs and FDIs RM'000	Corporate RM'000	Regulatory Retail RM'000	Residential Real Estate RM'000	Fund Managers Exposures RM'000	Equity Exposures RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Total Exposures after Netting and Credit Risk Mitigation RM'000	Total Risk Weighted Assets RM'000
31 December 2025												
Bank												
Risk-Weights												
0%	**7,409,809**	**780,503**	**-**	**2,647,876**	**938,956**	**3,343,629**	**-**	**-**	**3**	**123,657**	**15,244,433**	**-**
20%	**-**	**290,709**	**1,501,893**	**1,862,184**	**1,104,148**	**39,435**	**66,089**	**-**	**-**	**-**	**4,864,458**	**972,891**
35%	**-**	**-**	**-**	**-**	**-**	**3,930,557**	**-**	**-**	**-**	**-**	**3,930,557**	**1,375,695**
50%	**-**	**-**	**-**	**100,417**	**33,143**	**1,579,662**	**-**	**-**	**-**	**-**	**1,713,222**	**856,611**
75%	**-**	**-**	**-**	**-**	**4,371,821**	**503,312**	**-**	**-**	**-**	**-**	**4,875,133**	**3,656,350**
100%	**-**	**-**	**-**	**6,387,621**	**8,016,389**	**2,428,522**	**104,564**	**-**	**-**	**312,579**	**17,249,675**	**17,249,674**
150%	**-**	**-**	**-**	**-**	**45,521**	**-**	**-**	**-**	**8,483**	**-**	**54,004**	**81,006**
Total	**7,409,809**	**1,071,212**	**1,501,893**	**10,998,098**	**14,509,978**	**11,825,117**	**170,653**	**-**	**8,486**	**436,236**	**47,931,482**	**24,192,227**
31 December 2024												
Bank												
Risk-Weights												
0%	5,613,639	887,019	-	3,762,084	1,106,878	2,540,008	-	-	9	126,386	14,036,021	-
20%	-	316,310	1,712,381	1,539,841	747,335	64,316	36,305	-	-	-	4,416,488	883,298
35%	-	-	-	-	-	3,919,976	-	-	-	-	3,919,976	1,371,991
50%	-	-	-	100,330	23,627	1,351,652	-	-	-	-	1,475,609	737,804
75%	-	-	-	-	2,903,135	500,630	-	-	-	-	3,403,765	2,552,824
100%	-	-	-	7,009,810	8,440,829	2,400,311	141,387	-	-	240,292	18,232,631	18,232,631
150%	-	-	-	-	35,733	-	-	-	47,766	-	83,499	125,248
Total	5,613,639	1,203,329	1,712,381	12,412,065	13,257,537	10,776,893	177,692	-	47,775	366,678	45,567,989	23,903,796

BASEL II
PILLAR 3 DISCLOSURE

6.0 CREDIT RISK MITIGATION ("CRM") DISCLOSURES UNDER THE STANDARDISED APPROACH

Upon assessment of a customer's credit standing and payment capacity and identification of the proposed financing's source of payment, the Bank may provide a financing facility on a secured, partially secured or unsecured basis. In mitigating its credit exposure, the Group and the Bank may employ Credit Risk Mitigants in the form of collaterals and other supports. Examples of these CRMs include charges over residential and commercial properties being financed; pledge over shares and marketable securities, ownership claims over vehicles being financed, and supports in the form of debentures, assignments and guarantees.

The Bank utilise specific techniques to identify eligible collaterals and securities and ascertain their value, and subsequently, implement adequate monitoring process to ensure continued coverage and enforceability.

Credit documentation, administration and disbursement are carried out under clear guidelines and procedures to ensure protection and enforceability of collaterals and other credit risk mitigants. Valuation updates of collaterals are concurrently done during the periodic review of the financing facilities to reflect current market value and ensure adequacy and continued coverage.

The following tables present the credit exposures covered by eligible financial collateral and financial guarantees as defined under the Standardised Approach. Eligible financial collateral consists primarily of cash, securities from listed exchange, unit trust or marketable securities. The Group and the Bank do not have any credit exposure, which is reduced through the application of other eligible collateral.

Table 17: Credit risk mitigation on credit exposures

Group 31 December 2025	Gross Exposures RM'000	Total Exposures Covered by Eligible Financial Collateral RM'000	*Net Exposures RM'000
Credit Risk			
(a) On Balance sheet exposures			
Sovereign/Central banks	**7,132,557**	**-**	**7,132,557**
Public sector entities	**1,004,845**	**-**	**1,004,845**
Banks, Development Financial Institution & MDBs	**1,490,524**	**-**	**1,490,524**
Takaful Cos, Securities Firms & Fund Managers	**170,653**	**-**	**170,653**
Corporates	**9,350,083**	**-**	**9,350,083**
Regulatory retail	**14,033,115**	**-**	**14,033,115**
Residential real estate	**11,663,963**	**-**	**11,663,963**
Higher risk assets	**6,096**	**-**	**6,096**
Other assets	**436,238**	**-**	**436,238**
Defaulted exposure	**330,230**	**-**	**330,230**
	45,618,304	**-**	**45,618,304**
(b) Off-Balance Sheet Exposures			
Credit-related off-balance sheet exposure	**2,237,664**	**-**	**2,237,664**
Islamic derivative financial instruments	**37,100**	**-**	**37,100**
	2,274,764	**-**	**2,274,764**
Total Credit Exposures	**47,893,068**	**-**	**47,893,068**

* After netting and credit risk mitigation

6.0 CREDIT RISK MITIGATION ("CRM") DISCLOSURES UNDER THE STANDARDISED APPROACH (CONT'D)

Table 17: Credit risk mitigation on credit exposures (cont'd)

Group 31 December 2024	Gross Exposures RM'000	Total Exposures Covered by Eligible Financial Collateral RM'000	*Net Exposures RM'000
Credit Risk			
(a) On Balance sheet exposures			
Sovereign/Central banks	5,434,138	-	5,434,138
Public sector entities	1,131,027	-	1,131,027
Banks, Development Financial Institution & MDBs	1,700,787	-	1,700,787
Takaful Cos, Securities Firms & Fund Managers	177,691	-	177,691
Corporates	11,128,047	-	11,128,047
Regulatory retail	12,735,194	-	12,735,194
Residential real estate	10,669,536	-	10,669,536
Higher risk assets	45,714	-	45,714
Other assets	366,681	-	366,681
Defaulted exposure	242,989	-	242,989
	43,631,804	-	43,631,804
(b) Off-Balance Sheet Exposures			
Credit-related off-balance sheet exposure	1,899,211	-	1,899,211
Islamic derivative financial instruments	45,625	-	45,625
	1,944,836	-	1,944,836
Total Credit Exposures	45,576,640	-	45,576,640

* After netting and credit risk mitigation

BASEL II
PILLAR 3 DISCLOSURE

6.0 CREDIT RISK MITIGATION ("CRM") DISCLOSURES UNDER THE STANDARDISED APPROACH (CONT'D)

Table 17: Credit risk mitigation on credit exposures (cont'd)

Bank 31 December 2025	Gross Exposures RM'000	Total Exposures Covered by Eligible Financial Collateral RM'000	*Net Exposures RM'000
Credit Risk			
(a) On Balance sheet exposures			
Sovereign/Central Banks	**7,132,557**	**-**	**7,132,557**
Public Sector Entities	**1,004,845**	**-**	**1,004,845**
Banks, Development Financial Institution & MDBs	**170,653**	**-**	**170,653**
Takaful Cos, Securities Firms & Fund Managers	**1,490,524**	**-**	**1,490,524**
Corporates	**9,388,496**	**-**	**9,388,496**
Regulatory Retail	**14,033,115**	**-**	**14,033,115**
Residential Real Estate	**11,663,963**	**-**	**11,663,963**
Higher Risk Assets	**6,096**	**-**	**6,096**
Other Assets	**436,237**	**-**	**436,237**
Defaulted Exposures	**330,231**	**-**	**330,231**
	45,656,717	**-**	**45,656,717**
(b) Off-Balance Sheet Exposures			
Credit-related Off-Balance Sheet Exposure	**2,237,664**	**-**	**2,237,664**
Islamic derivative financial instruments	**37,101**	**-**	**37,101**
	2,274,765	**-**	**2,274,765**
Total Credit Exposures	**47,931,482**	**-**	**47,931,482**

* After netting and credit risk mitigation

6.0 CREDIT RISK MITIGATION ("CRM") DISCLOSURES UNDER THE STANDARDISED APPROACH (CONT'D)

Table 17: Credit risk mitigation on credit exposures (cont'd)

Bank 31 December 2024	Gross Exposures RM'000	Total Exposures Covered by Eligible Financial Collateral RM'000	*Net Exposures RM'000
Credit Risk			
(a) On Balance sheet exposures			
Sovereign/Central Banks	5,434,138	-	5,434,138
Public Sector Entities	1,131,027	-	1,131,027
Banks, Development Financial Institution & MDBs	177,691	-	177,691
Takaful Cos, Securities Firms & Fund Managers	1,700,787	-	1,700,787
Corporates	11,119,395	-	11,119,395
Regulatory Retail	12,735,194	-	12,735,194
Residential Real Estate	10,669,536	-	10,669,536
Higher Risk Assets	45,714	-	45,714
Other Assets	366,681	-	366,681
Defaulted Exposures	242,989	-	242,989
	43,623,152	-	43,623,152
(b) Off-Balance Sheet Exposures			
Credit-related Off-Balance Sheet Exposure	1,899,211	-	1,899,211
Islamic derivative financial instruments	45,626	-	45,626
	1,944,837	-	1,944,837
Total Credit Exposures	45,567,989	-	45,567,989

* After netting and credit risk mitigation

BASEL II
PILLAR 3 DISCLOSURE

7.0 GENERAL DISCLOSURE FOR OFF-BALANCE SHEET EXPOSURE AND COUNTERPARTY CREDIT RISK ("CCR")

Commitments and contingencies

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to its customers.

Notwithstanding the above, the Bank establishes specific limits to manage its exposure to off-balance sheet and counterparty risks, which are derived based on, amongst others, the respective counterparty's financial strength and credit rating, sector limits, SCEL limits, connected party, domicile country's risk rating, existing relationship with the Bank and utilization trend of allocated limits. These limits are monitored and reviewed on a regular basis. No material losses are anticipated as a result of these transactions. Risk weighted exposures of commitments and contingencies are as follows:

Table 18: Commitments and contingencies

	Group and Bank					
	31 December 2025			31 December 2024		
The commitments and contingencies constitute the following:	Principal amount RM'000	Credit equivalent amount RM'000	Total risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount RM'000	Total risk weighted amount RM'000
Contingent liabilities						
Direct credit substitutes	**964,294**	**964,294**	**933,859**	643,892	643,892	630,620
Trade-related contingencies	**387,443**	**77,489**	**9,422**	676,873	135,375	1,745
Transaction related contingencies	**496,576**	**248,288**	**233,613**	442,614	221,307	210,053
Commitments						
Credit extension commitment:						
- Maturity within one year	**906,304**	**181,261**	**161,252**	748,736	149,747	132,074
- Maturity exceeding one year	**1,352,362**	**676,181**	**311,145**	1,382,862	691,431	363,400
Other miscellaneous commitments & contingencies	**561,878**	**90,151**	**67,750**	349,722	57,459	43,094
Islamic derivative financial instruments						
Foreign exchange related contracts	**1,571,402**	**37,100**	**28,005**	1,850,609	45,625	36,350
- Maturity within one year	**1,571,402**	**37,100**	**28,005**	1,850,609	45,625	36,350
Total off-balance sheet exposures	**6,240,259**	**2,274,764**	**1,745,046**	6,095,308	1,944,836	1,417,336

7.0 GENERAL DISCLOSURE FOR OFF-BALANCE SHEET EXPOSURE AND COUNTERPARTY CREDIT RISK ("CCR") (CONT'D)

Islamic derivative financial assets/(liabilities)

The table below shows the fair values of Islamic derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amounts, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year end and are indicative of neither the market risk nor the credit risk.

Table 19: Islamic derivative financial assets/(liabilities)

	31 December 2025			31 December 2024		
	Contract/ notional amount	Fair value		Contract/ notional amount	Fair value	
Group and Bank	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
Trading derivatives:						
Foreign exchange contracts:						
- Currency forwards						
Less than one year	**1,055,679**	**6,181**	**(26,933)**	1,095,377	9,672	(13,709)
- Currency swaps						
Less than one year	**485,799**	**7,318**	**(34)**	726,063	4,791	(3,594)
- Currency spot						
Less than one year	**29,924**	**51**	**(4)**	29,168	35	(6)
Total	**1,571,402**	**13,550**	**(26,971)**	1,850,608	14,498	(17,309)

8.0 MARKET RISK AND ASSETS-LIABILITY MANAGEMENT ("ALM")

Market risk is defined as the risk of losses in on and off-balance sheet positions arising from movements in market prices. Asset-Liability Management ("ALM") refers to the coordinated management of the Group's and the Bank's balance sheet, which includes assets, liabilities and capital. The main focus of ALM is on the Group's and the Bank's overall performance that can be measured in terms of net income. In turn, the primary determinant of net income will be the overall risk-return position of the Group and the Bank.

The key objective of market risk management and ALM of the Bank is to manage and control market risk exposures in order to optimise return on risk while maintaining a market profile that is consistent with the Bank's strategic, business plan and risk appetite.

BASEL II
PILLAR 3 DISCLOSURE

8.0 MARKET RISK AND ASSETS-LIABILITY MANAGEMENT ("ALM") (CONT'D)

The Bank's market risk management and ALM objectives are to:

- Ensure the implementation of an effective market risk management system in the Bank;
- Assume an appropriate balance between the level of risk and the level of return desired in order to maximize the return to shareholders' funds;
- Ensure prudent management of the Bank's resources to support the growth of the Bank's economic value; and
- Proactively manage the Bank's balance sheet in order to maximize earnings and attain its strategic goal within the overall risk/return preferences.

The Bank has an independent market risk control function that is responsible for measuring and managing market risk exposures in accordance with the Board-approved policies and guidelines. The unit reports to the ALCO Committee on a monthly basis, where issues on balance sheet and capital management are proactively discussed and any recommendation and decision reached are then escalated to the ERMC, BRCC and Board respectively.

The Bank has formulated several strategies to effectively manage and ensure a sound balance sheet profile that complements both regulatory and business requirements. Among the strategies implemented for FYE 31 December 2025 were:

- On-going enhancement of Fund Transfer Pricing ("FTP") as a mechanism for distributing revenue between profit centres and to improve profitability through improved pricing;
- Concentrate more on sourcing for stable deposits from retail and small businesses segments, longer term deposits, and deposits from transactional and operational accounts; and
- Offering of investment account products as risk absorbent.

The Bank's market risk management and ALM processes, which include risk identification, measurement, mitigation, monitoring and reporting are guided by the Market Risk Management Framework ("MRMF") and the Trading Book and Banking Book Policy Statement ("TBPS").

The Bank defines and segregates its trading and banking book positions as outlined under the TBPS. The policy covers the definition of trading and banking book for financial instruments, classification, performance, limit monitoring, position valuation and hedging requirements.

8.0 MARKET RISK AND ASSETS-LIABILITY MANAGEMENT ("ALM") (CONT'D)

Market Risk Measurement

1. Value at Risk

Value at Risk which includes the historical simulation is widely used by the Bank as a tool to measure the risk of loss on a specific portfolio of financial assets, limit setting activities and market forecasting.

2. Sensitivity Analysis

The Bank uses various methodologies in assessing the sensitivity of the Bank's portfolio against changes in the market variables.

3. Stress Testing and Scenario Analyses

Stress testing and scenario analyses are used as market risk and ALM tools for evaluation of potential impact on the Bank's performance under plausible extreme adverse conditions. The stress testing include the assessment on the funding and market liquidity, rate of return risk, displaced commercial risk and currency volatility.

Valuation Policy

The Group and the Bank adhere to the minimum prudent valuation practices as stipulated in the CAFIB and MFRS 9 guidelines. Based on these prudential requirements, broad internal guidelines have been drawn out as summarized below:

- **Systems and Controls**

  The Group and the Bank have established and maintained adequate systems and controls to give the management and supervisors the confidence that the valuation estimates are prudent and reliable.

- **Valuation Methodologies**

  There are three levels of fair value hierarchy applied to reflect the level of judgment involved in estimating fair values. The hierarchy is as follows:

  Level 1 - Quoted (unadjusted) market prices in active markets for identical instruments;

  Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement that is directly (i.e. prices) or indirectly (i.e. derived from prices), observable; and

  Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

BASEL II
PILLAR 3 DISCLOSURE

8.1 MARKET RISK (DISCLOSURES FOR PORTFOLIOS UNDER THE STANDARDISED APPROACH)

The Group and the Bank use the standardized approach in computing the market risk weighted assets of the trading book position of the Group and the Bank. The following is the minimum regulatory requirement for market risk.

Table 20: Minimum regulatory requirement for market risk

Group and Bank
31 December 2025

	Long Position RM'000	Short Position RM'000	Risk Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
Benchmark Rate Risk	**695,007**	**(881,159)**	**67,238**	**5,379**
Foreign Currency Risk	**13,367**	**(16,568)**	**16,568**	**1,325**
Total	**708,374**	**(897,727)**	**83,806**	**6,704**

Group and Bank
31 December 2024

	Long Position RM'000	Short Position RM'000	Risk Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
Benchmark Rate Risk	642,407	(1,031,569)	85,467	6,837
Foreign Currency Risk	13,893	(20,031)	20,031	1,602
Total	656,300	(1,051,600)	105,498	8,439

8.2 DISCLOSURE FOR EQUITIES

The classification of equity investments must be made at the point of transaction. Equities are classified under the banking book when they are acquired and held for yield or capital growth purposes.

The Bank also engages in direct acquisition of newly-listed quoted shares. As stipulated under the TBPS, these investments are considered under the trading position with the exception of investments in subsidiaries and associates which would require BNM's prior approval. Equities held under the trading book position are subject to market risk capital charge as specified in the CAFIB.

The oversight and supervision of investments in equities and equity funds resides within the Investment Committee's ("IC") authority. This covers decisions on purchase and sale of stocks and ongoing review and monitoring of performance.

Table 21: Equity exposures

Group and Bank
31 December 2025

Publicly Traded	Gross Credit Exposure RM'000	Risk Weighted Assets RM'000	Unrealised Gain/ (Losses) RM'000
Investment in Quoted Shares	-	-	-
Total	-	-	-
Cumulative realised gains arising from sales and liquidations in the reporting period			**16,295**

Group and Bank
31 December 2024

Publicly Traded	Gross Credit Exposure RM'000	Risk Weighted Assets RM'000	Unrealised Gain/ (Losses) RM'000
Investment in Quoted Shares	-	-	-
Total	-	-	-
Cumulative realised gains arising from sales and liquidations in the reporting period			1,933

BASEL II
PILLAR 3 DISCLOSURE

8.3 DISCLOSURE FOR RATE OF RETURN RISK IN BANKING BOOK ("RORBB")

Rate of Return Risk ("RoR") Management

Rate of return risk refers to the variability of the Bank's assets and liabilities resulting from the volatility of the market benchmark rates, both in the trading and banking books. The Bank actively manages the following risks:

Table 22: Rate of return risks

Risk	Definition
Repricing Risk	Timing differences in the maturity and repricing of the Bank's assets and liabilities
Yield Curve Risk	Unanticipated yield curve shifts that has adverse impact on the Bank's income and economic values
Basis Risk	Arises from imperfect correlation in the adjustment of rates earned and paid on different instruments with otherwise similar repricing characteristics
Optionality/Embedded Option Risk	The risk arising from options embedded in the Bank's assets, liabilities and off-balance sheet portfolio

Rate of Return Risk Measurement

The Bank measures various parallel rate shocks scenarios (up to 200 basis points as per Basel II recommendations) and its impact on earnings and equities by assessing key assumptions which incorporates the Bank's balance sheet profile, business strategies, economic outlook and behavioural analysis of non-maturity deposits. Among the various analyses that are carried out are:

1. **Earning at Risk ("EaR")**

   The focus of this analysis is more on the impact of changes in rate of return on accrual or reported earnings. Variation in earnings such as reduced earnings or outright losses can threaten the financial stability of the Bank by undermining its capital adequacy and reducing market confidence.

2. **Economic Value of Equity ("EVE")**

   Economic value of a bank can be viewed as the present value of the Bank's expected net repricing balance weighted by duration, which can be defined as the expected repricing balance on assets minus the expected repricing balance on liabilities plus the expected net repricing balance on off-balance-sheet position. The sensitivity of a bank's economic value to fluctuation in rate of return is particularly an important consideration of shareholders and management.

3. **Value at Risk ("VaR")**

   VaR approach is used to estimate the maximum potential loss of the investment portfolio over a specified time.

4. **Repricing Gap Analysis**

   Repricing gap analysis measures the difference or gap between the absolute value of rate of return sensitive assets and rate of return sensitive liabilities, which are expected to experience changes in contractual rates (repriced) over the residual maturity period or on maturity.

5. **Other Risk Assessment**

   Simulation analysis is used to evaluate the impact of possible decisions that includes assessment on product pricing, new product introduction, derivatives and hedging strategies, changes in the asset-liability mix and short term funding decisions.

8.3 DISCLOSURE FOR RATE OF RETURN RISK IN BANKING BOOK ("RORBB") (CONT'D)

Rate of Return Risk ("RoR") Management (cont'd)

Table 23: Sensitivity analysis of rate of return risk

The increase or decline in earnings and economic value for upwards and downward rate shocks which are consistent with shocks applied in the stress test for measuring:

	Group		Bank	
Increase/(decrease) in basis points	-50 Basis Points RM'000	+50 Basis Points RM'000	-50 Basis Points RM'000	+50 Basis Points RM'000
Impact on Earnings:				
31 December 2025				
MYR	**(33,634)**	**33,634**	**(33,513)**	**33,513**
USD	**1,561**	**(1,561)**	**1,561**	**(1,561)**
EUR	**-**	**-**	**-**	**-**
31 December 2024				
MYR	(35,940)	35,940	(35,890)	35,890
USD	2,304	(2,304)	2,304	(2,304)
EUR	222	(222)	222	(222)
Impact on Equity:				
31 December 2025				
MYR	**88,794**	**(88,794)**	**88,786**	**(88,786)**
USD	**(82)**	**82**	**(82)**	**82**
EUR	**-**	**-**	**-**	**-**
31 December 2024				
MYR	92,673	(92,673)	92,670	(92,670)
USD	(189)	189	(189)	189
EUR	(12)	12	(12)	12

BASEL II
PILLAR 3 DISCLOSURE

8.4 LIQUIDITY RISK

Liquidity and Funding Risk

Liquidity risk is best described as the inability to fund any obligation on time as they fall due, whether due to increase in assets or demand for funds from the depositors. The Bank will incur liquidity risk if it is unable to create liquidity and this has serious implication on its reputation and continued existence.

In view of this, it is the Bank's priority to manage and maintain a stable source of financial resources towards fulfilling the above expectation. The Bank, through active balance sheet management, ensures that sufficient cash and liquid assets availability are in place to meet the short and long term obligations as they fall due.

Generally, liquidity risk can be divided into two types, which are:

- **Funding Liquidity Risk**

  Refers to the potential inability of the Bank to meet its funding requirements arising from cash flow mismatches at a reasonable cost.

- **Market Liquidity Risk**

  Refers to the Bank's potential inability to liquidate positions quickly and insufficient volumes, at a reasonable price.

As stated in the policy, the Bank's liquidity risk magnitude segregated into the following:

Table 24: Liquidity risk indicators

Magnitude	Indicators
Low	Earnings and capital exposure from the liquidity risk profile is negligible.
Moderate	Earnings or capital exposure from the liquidity risk profile is manageable.
High	Funding sources and liability structure suggest current or potential difficulty in maintaining long-term and cost-effective liquidity.

The Bank liquidity management is carried out in accordance to the regulatory requirements and internal limits as approved by ALCO, ERMC and/or BRRC. The limits are continuously reviewed to incorporate the depth and latest development of liquidity in local market.

The Bank monitors the maturity profile of its assets and liabilities so that adequate liquidity is maintained at all times. The Bank's ability to maintain a stable liquidity profile relies primarily on its ability to grow and retain its customer deposit base. The Bank's marketing strategy is therefore focused on ensuring a balanced mix of deposits, hence, reducing concentration or over-reliance on a specific source of deposit or funding.

Stability of the deposit base minimizes the Bank's dependency on volatile short-term deposits. Considering the effective maturities of deposits based on retention history (behavioral method/analysis) and availability of high liquid financial assets, the Bank is able to ensure sufficient liquidity.

The ALCO meets on a monthly basis to review the Bank's liquidity profile and deliberates on appropriate strategies to manage and mitigate the risk exposure. In addition, liquidity stress test is periodically conducted to address strategic issues concerning liquidity risk.

8.4 LIQUIDITY RISK (CONT'D)

Liquidity and Funding Risk (cont'd)

To effectively manage its liquidity, the Bank has the following policies and strategies in place:

- **Management under normal condition:**

  Normal condition is defined as the situation in which the Bank is able to meet any liquidity demands when they come due.

  The Bank monitors its liquidity positions through liquidity controls such as maximum cumulative outflows, deposits concentration, financing to total available funds ("FTAF")

- **Management under crisis condition:**

  Crisis condition is defined as the situation in which the Bank faces difficulties to meet liquidity demand when they fall due. The crisis can be classified into three levels as follows:

Contingency Level	Trigger/Status
Level 1	Abnormal event that interrupts normal business operations at a minimal level.
Level 2	Disruption event tantamount or escalates to a crisis e.g. massive or continuous withdrawal of deposits in a particular branch or area, difficulties in borrowing from interbank market.
Level 3	Critically threatens the operations, staffs, shareholders value, stakeholders, brand, reputation of which a crisis management is necessary to be put in place.

The Bank's Liquidity Crisis Management is guided by Liquidity Crisis Contingency Plan ("LCCP") Policy.

8.4 LIQUIDITY RISK (CONT'D)

Liquidity and Funding Risk (cont'd)

Table 25: Maturity analysis of assets and liabilities based on remaining contractual maturity.

Group 31 December 2025	On demand or up to 1 month RM'000	>1-3 Months RM'000	>3-6 Months RM'000	>6-12 Months RM'000	>1 - 5 Years RM'000	Over 5 Years RM'000	Total RM'000
ASSETS							
Cash and short-term funds	2,588,998	-	-	-	-	-	2,588,998
Deposits and placements with licensed financial institutions	-	401,154	100,207	-	-	-	501,361
Financial investments at FVTPL	-	50,576	-	-	21,597	-	72,173
Financial investments at FVOCI	546	403,726	146,219	998,500	5,608,386	750,518	7,907,895
Islamic derivative financial assets	7,609	4,126	1,453	361	-	-	13,549
Financing of customers	789,668	703,978	455,597	2,457,654	5,328,275	24,035,644	33,770,816
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	365,000	365,000
Other financial assets*	26,849	-	-	-	-	-	26,849
Total financial assets	3,413,670	1,563,560	703,476	3,456,515	10,958,258	25,151,162	45,246,641
LIABILITIES AND EQUITY							
Deposits from customers	18,980,747	6,798,851	5,349,944	5,925,339	321,351	13,828	37,390,060
Investment accounts of customers	283,981	14,895	174,816	739,291	-	-	1,212,983
Deposits and placements of banks and other financial institutions	584,958	-	48,530	-	333,457	-	966,945
Obligation on financial assets sold under repurchase agreement	-	100,037	-	-	-	-	100,037
Bills and acceptances payable	11,375	-	-	-	-	-	11,375
Islamic derivative financial liabilities	10,540	5,705	9,724	1,003	-	-	26,972
Other financial liabilities	197,668	-	-	-	-	-	197,668
Leases liabilities	965	1,940	2,921	5,926	38,146	-	49,898
Recourse obligation on financing sold to Cagamas	-	-	-	-	1,205,940	-	1,205,940
Subordinated sukuk	7,165	-	1,051	-	-	799,642	807,858
Total financial liabilities	20,077,399	6,921,428	5,586,986	6,671,559	1,898,894	813,470	41,969,736
Commitments and contingencies							
Contingent liabilities	19,366	42,737	61,541	153,071	1,571,598	-	1,848,313
Commitments	121,319	120,632	96,114	71,783	1,848,818	-	2,258,666
Other miscellaneous commitment and contingencies	61,058	2,554	892	-	497,374	-	561,878
Islamic derivative financial liabilities	524,655	308,641	455,822	282,284	-	-	1,571,402
Total commitments and contingencies	726,398	474,564	614,369	507,138	3,917,790	-	6,240,259

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

8.4 LIQUIDITY RISK (CONT'D)

Liquidity and Funding Risk (cont'd)

Table 25: Maturity analysis of assets and liabilities based on remaining contractual maturity. (cont'd)

Group 31 December 2024	On demand or up to 1 month RM'000	>1-3 Months RM'000	>3-6 Months RM'000	>6-12 Months RM'000	>1 - 5 Years RM'000	Over 5 Years RM'000	Total RM'000
ASSETS							
Cash and short-term funds	2,116,600	-	-	-	-	-	2,116,600
Deposits and placements with licensed financial institutions	-	502,166	-	-	-	-	502,166
Financial investments at FVTPL	-	-	-	14,888	-	-	14,888
Financial investments at FVOCI	-	35,574	352,544	582,061	6,599,792	-	7,569,971
Islamic derivative financial assets	1,280	815	7,369	5,032	-	-	14,496
Financing of customers	658,964	668,895	305,246	2,782,243	27,934,001	-	32,349,349
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	680,000	680,000
Other financial assets*	55	-	-	26,594	-	-	26,649
Total financial assets	2,776,899	1,207,450	665,159	3,410,818	34,533,793	680,000	43,274,119
LIABILITIES AND EQUITY							
Deposits from customers	18,460,450	5,182,191	5,904,482	6,145,805	769,160	-	36,462,088
Investment accounts of customers	245,707	-	-	-	-	-	245,707
Deposits and placements of banks and other financial institutions	341,353	111,955	-	-	385,413	-	838,721
Bills and acceptances payable	-	6,027	-	-	-	-	6,027
Islamic derivative financial liabilities	1,201	10,559	168	5,381	-	-	17,309
Other financial liabilities	44,099	-	-	111,800	-	-	155,899
Leases liabilities	963	1,320	2,274	4,488	36,451	-	45,496
Recourse obligation on financing sold to Cagamas	-	-	729,330	301,635	553,336	-	1,584,301
Subordinated sukuk	7,160	-	989	-	799,220	-	807,369
Total financial liabilities	19,100,933	5,312,052	6,637,243	6,569,109	2,543,580	-	40,162,917
Commitments and contingencies							
Contingent liabilities	19,210	26,417	55,850	160,978	1,472,345	28,579	1,763,379
Commitments	303,384	191,893	68,142	57,493	311,124	1,199,563	2,131,599
Other miscellaneous commitment and contingencies	54,266	-	-	-	289,090	6,366	349,722
Islamic derivative financial liabilities	310,472	333,361	60,718	631,512	514,545	-	1,850,608
Total commitments and contingencies	687,332	551,671	184,710	849,983	2,587,104	1,234,508	6,095,308

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

8.4 LIQUIDITY RISK (CONT'D)

Liquidity and Funding Risk (cont'd)

Table 25: Maturity analysis of assets and liabilities based on remaining contractual maturity. (cont'd)

Bank 31 December 2025	On demand or up to 1 month RM'000	>1-3 Months RM'000	>3-6 Months RM'000	>6-12 Months RM'000	>1 - 5 Years RM'000	Over 5 Years RM'000	Total RM'000
ASSETS							
Cash and short-term funds	2,588,998	-	-	-	-	-	2,588,998
Deposits and placements with licensed financial institutions	-	401,154	100,207	-	-	-	501,361
Financial investments at FVTPL	-	50,576	-	-	19,701	-	70,277
Financial investments at FVOCI	546	403,726	146,219	998,500	5,608,386	750,517	7,907,894
Islamic derivative financial assets	7,609	4,126	1,453	361	-	-	13,549
Financing of customers	789,668	703,978	455,597	2,457,654	5,328,275	24,035,644	33,770,816
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	365,000	365,000
Other financial assets*	67,793	-	-	-	-	-	67,793
Total financial assets	3,454,614	1,563,560	703,476	3,456,515	10,956,362	25,151,161	45,285,688
LIABILITIES AND EQUITY							
Deposits from customers	19,031,857	6,805,051	5,349,944	5,925,338	321,351	13,828	37,447,369
Investment accounts of customers	283,981	14,895	174,816	739,291	-	-	1,212,983
Deposits and placements of banks and other financial institutions	584,958	-	48,530	-	333,457	-	966,945
Obligation on financial assets sold under repurchase agreement	-	100,037	-	-	-	-	100,037
Bills and acceptances payable	11,375	-	-	-	-	-	11,375
Islamic derivative financial liabilities	10,540	5,706	9,724	1,002	-	-	26,972
Other financial liabilities	197,877	-	-	-	-	-	197,877
Leases liabilities	965	1,940	2,921	5,926	38,146	-	49,898
Recourse obligation on financing sold to Cagamas	-	-	-	-	1,205,940	-	1,205,940
Subordinated sukuk	7,165	-	1,051	-	-	799,642	807,858
Total financial liabilities	20,128,718	6,927,629	5,586,986	6,671,557	1,898,894	813,470	42,027,254
Commitments and contingencies							
Contingent liabilities	19,366	42,737	61,541	153,071	1,571,598	-	1,848,313
Commitments	121,319	120,632	96,114	71,783	1,848,818	-	2,258,666
Other miscellaneous commitment and contingencies	61,058	2,554	892	-	497,374	-	561,878
Islamic derivative financial liabilities	524,655	308,641	455,822	282,284	-	-	1,571,402
Total commitments and contingencies	726,398	474,564	614,369	507,138	3,917,790	-	6,240,259

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

8.4 LIQUIDITY RISK (CONT'D)

Liquidity and Funding Risk (cont'd)

Table 25: Maturity analysis of assets and liabilities based on remaining contractual maturity. (cont'd)

Bank 31 December 2024	On demand or up to 1 month RM'000	>1-3 Months RM'000	>3-6 Months RM'000	>6-12 Months RM'000	>1 - 5 Years RM'000	Over 5 Years RM'000	Total RM'000
ASSETS							
Cash and short-term funds	2,116,600	-	-	-	-	-	2,116,600
Deposits and placements with licensed financial institutions	-	502,166	-	-	-	-	502,166
Financial investments at FVTPL	-	-	-	12,209	-	-	12,209
Financial investments at FVOCI	-	35,574	352,544	582,061	6,599,792	-	7,569,971
Islamic derivative financial assets	1,280	815	7,369	5,032	-	-	14,496
Financing of customers	658,964	668,895	305,246	2,782,243	27,928,925	-	32,344,273
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	680,000	680,000
Other financial assets *	-	-	-	26,167	-	-	26,167
Total financial assets	2,776,844	1,207,450	665,159	3,407,712	34,528,717	680,000	43,265,882
LIABILITIES AND EQUITY							
Deposits from customers	18,473,284	5,184,191	5,904,482	6,145,805	769,160	-	36,476,922
Investment accounts of customers	245,707	-	-	-	-	-	245,707
Deposits and placements of banks and other financial institutions	341,353	111,955	-	-	385,413	-	838,721
Bills and acceptances payable	-	6,027	-	-	-	-	6,027
Islamic derivative financial liabilities	1,201	10,559	168	5,381	-	-	17,309
Other financial liabilities	43,860	-	-	111,687	-	-	155,547
Leases liabilities	963	1,320	2,274	4,488	36,451	-	45,496
Recourse obligation on financing sold to Cagamas	-	-	729,330	301,635	553,336	-	1,584,301
Subordinated sukuk	7,160	-	989	-	799,220	-	807,369
Total financial liabilities	19,113,528	5,314,052	6,637,243	6,568,996	2,543,580	-	40,177,399
Commitments and contingencies							
Contingent liabilities	19,210	26,417	55,850	160,978	1,472,345	28,579	1,763,379
Commitments	303,384	191,893	68,142	57,493	311,124	1,199,563	2,131,599
Other miscellaneous commitment and contingencies	54,266	-	-	-	289,090	6,366	349,722
Islamic derivative financial liabilities	310,472	333,361	60,718	631,512	514,545	-	1,850,608
Total commitments and contingencies	687,332	551,671	184,710	849,983	2,587,104	1,234,508	6,095,308

* These balances exclude balances which are not within the scope of MFRS 9, *Financial Instruments*.

BASEL II
PILLAR 3 DISCLOSURE

9.0 OPERATIONAL RISK MANAGEMENT ("ORM") DISCLOSURES

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events which includes wide spectrum of risks such as fraud, physical damage, business disruption, transaction failures, legal, regulatory breaches including fiduciary breaches and Shariah non-compliance as well as employee health and safety hazards.

The objective of operational risk management is to effectively manage these risks in order to avoid or reduce any possible financial or non-financial losses arising from operational lapses.

In relation to operational risk management, the Operational Risk Management Section ("OSRMS"), Operational Risk Management Committee ("ORMS"), Internal Audit, Compliance, as well as the business and functional units play a significant role in the overall integrated risk management framework.

The management of operational risks is targeted at preventing and managing loss events and potential risks by using operational risk tools, namely, Risk and Control Self Assessment ("RCSA"), Key Risk Indicator (KRI), Incident Management and Data Collection ("IMDC"), Scenario Analysis ("SA"), Control Self Test ("CST") and Stress Test ("ST").

The risk management processes and controls are established in line with the Bank's operational risk management framework, internal policies, regulatory requirements and standard operating procedures as guidance.

The Muamalat Operational Risk Solution ("MORiS")

The MORiS is a web-based application that is used as a tool in risk identification and assessment. It also acts as a centralized loss incidents database by capturing and storing loss-related data and is used to track risk exposures against established key risk indicators ("KRI") overtime.

Its key objective is to improve monitoring and reporting of risk activities in branches and the head office through the Risk & Control Self-Assessment ("RCSA"), Incident Management Data Collection ("IMDC"), and Key Risk Indicator ("KRI").

Business Continuity Management ("BCM")

The Bank adopts the BNM's Policy on Business Continuity Management, which entails enterprise-wide planning and arrangements of key resources and procedures that would enable the Bank to respond and continue to operate critical business functions across a broad spectrum of interruptions to business, arising from internal or external events.

BCM Methodology

The Bank develops the Business Continuity Plan ("BCP") by way of completing the Risk Assessment ("RA") and Business Impact Analysis ("BIA"). RA is a tool used to identify potential threats for all business functions. A BIA will be carried out to identify critical business functions' recovery time objective ("RTO") and maximum tolerable downtime ("MTD") taking into account the Bank's resources and infrastructures. The RA and BIA sessions are conducted annually with the business units.

9.0 OPERATIONAL RISK MANAGEMENT ("ORM") DISCLOSURES (CONT'D.)

ORM Minimum Capital Requirement

The Group and the Bank adopt the Basic Indicator Approach ("BIA") to determine the minimum capital requirement for its operational risk. Under this approach, the Group and the Bank set aside a fixed percentage (α or alpha factor) of 15% of positive annual average gross income, averaged over the previous three years. The Group's and the Bank's minimum capital is presented in table below:

Table 26: ORM minimum capital requirement

	31 December 2025		31 December 2024	
	Risk Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000	Risk Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
Group	**1,508,404**	**120,672**	1,559,285	124,743
Bank	**1,509,588**	**120,767**	1,549,255	123,940

10.0 SHARIAH GOVERNANCE DISCLOSURES

Overview

BMMB's shariah governance structure is governed by BNM's Shariah Governance Policy Document ("SGPD"), the Islamic Financial Services Act 2013 ("IFSA"), and any related guidelines issued by the authorities, subject to variations and amendments from time to time.

Shariah governance system as defined by the Islamic Financial Services Board's ("IFSB") Guiding Principles on Shariah Governance System on Institutions Offering Islamic Financial Services ("IFSB-10") refers to a set of institutional and organizational arrangements to oversee Shariah compliance aspects in Islamic financial institutions ("IFI").

The SGPD defines "Shariah non-compliance risk" as the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which an IFI may suffer arising from failure to comply with the rulings of the Shariah Advisory Council ("SAC") of BNM, standards on Shariah matters issued by BNM pursuant to Section 29(1) of the IFSA, or decisions or advice of the Bank's Shariah Committee ("SC").

Shariah risk management and governance in BMMB are in accordance with the Shariah Governance Policy ("Policy"), which was endorsed by the Shariah Committee and approved by the Board. The policy is drawn up in accordance to the SGPD issued by BNM on 20 September 2019.

In ensuring the operations and business activities of the Bank remain consistent with Shariah principles and regulatory requirements, the Bank has established its own internal Shariah Committee and internal Shariah Organs, which consist of Shariah Department, Shariah Audit, Shariah Review and Shariah Risk Management.

BASEL II
PILLAR 3 DISCLOSURE

10.0 SHARIAH GOVERNANCE DISCLOSURES (CONT'D)

Shariah Governance Structure

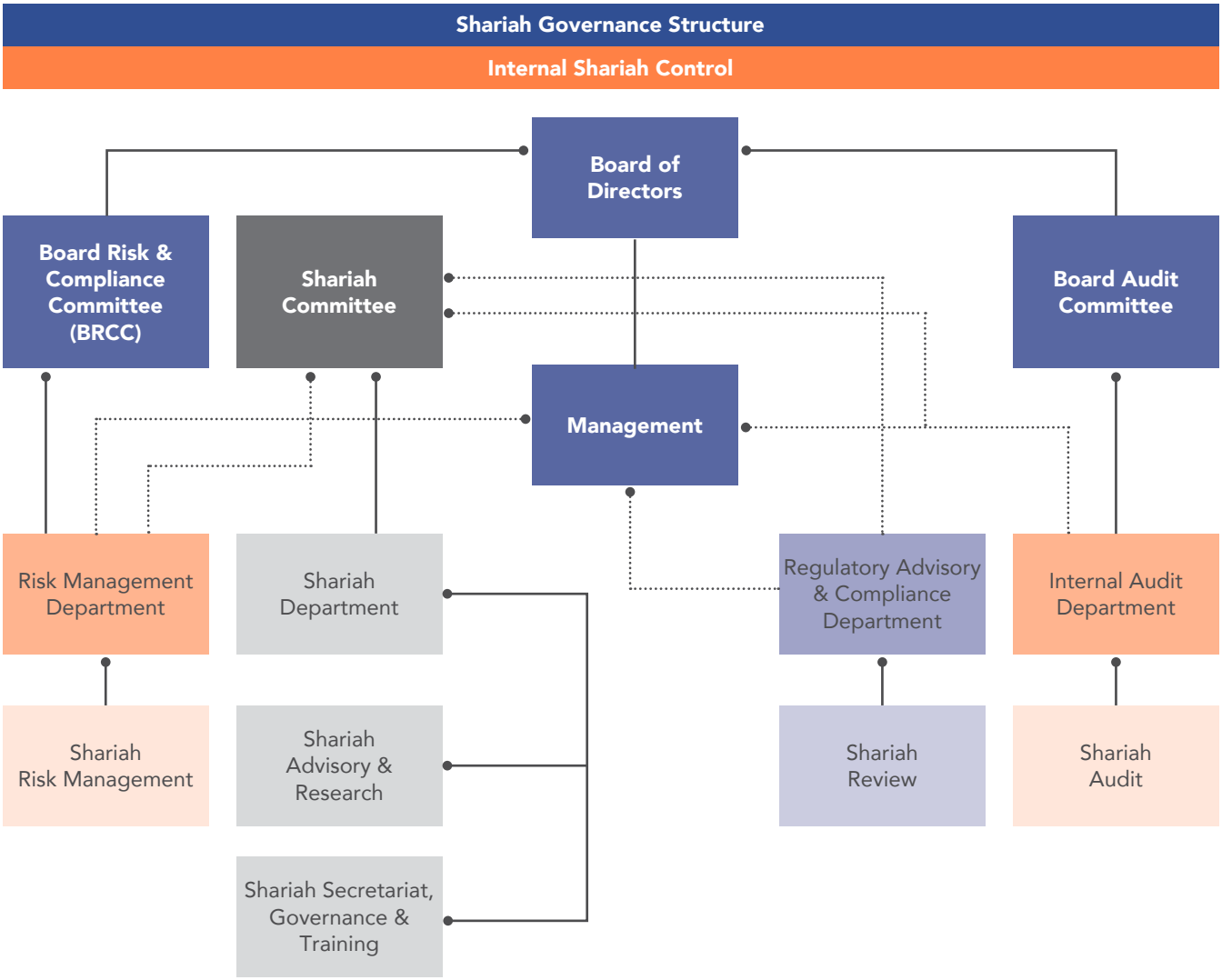
Internal Shariah Control

Shariah compliance management is driven top down from the Board through the Shariah Committee ("SC") who has the responsibility of understanding Shariah-related matters in the activities assumed by the Group and the Bank.

The Group and the Bank align its Shariah Management and Compliance organisational responsibilities with the objective of ensuring a single view of risks across the Group and the Bank and putting in place capabilities for an integrated compliance management. The SC function independently and ensure the integration of compliance management.

In ensuring that the compliance management functions are able to provide an independent evaluation of its overall business decision and strategies, the functions are segregated to the business operating units.

Table 27: Shariah governance structure



10.0 SHARIAH GOVERNANCE DISCLOSURES (CONT'D)

Rectification Process of Shariah Non-Compliance Income ("SNCI") and Unidentified Funds

Earning Prohibited by Shariah

The Bank defines the principles for managing Shariah Non-Compliance Income ("SNCI") in its Policy on Shariah Risk Management while the operational practices and procedures to be applied in managing SNCI are outlined in the Guidelines on Shariah Risk Management.

SNCI is an income generated from any transaction(s) that breaches the governing Shariah principles and requirements as determined by the Bank's SC and/or other Shariah Authorities (SA).

The SA are as follows:

- Shariah Advisory Council of Bank Negara Malaysia.
- Shariah Advisory Council of Securities Commission Malaysia.
- Any other relevant Shariah resolutions and rulings as prescribed and determined by the SC of the Bank from to time.

The amount of SNCI and events decided by SC is as follows:

31 December 2025	31 December 2024
Event - Nil **SNCI - Nil**	Event - Nil SNCI - Nil

Unidentified fund/Shubhah and other earning prohibited by Shariah

During the Group's and the Bank's daily operations, there are certain funds received by the Group and the Bank where the source is not clear or uncertain, and/or prohibited by Shariah. These funds are therefore not recognised as income and are retained in the Maslahah Ammah account. The utilisation of the funds follow the similar procedures set for the SNCI funds.

Examples of unidentified funds are cash excess discovered at branch counter and automated teller machines ("ATM"), and unidentified credit balances, whilst earning prohibited by Shariah were interest income derived from Nostro accounts.

The total unidentified fund / earnings prohibited by Shariah and the unidentified funds during the financial year were recorded at RM26,013 (31 December 2024: Nil).

CORPORATE INFORMATION

(INFORMATION AS AT 29 APRIL 2026)

BOARD OF DIRECTORS

Chairman	Tan Sri Tajuddin Atan, FCB Independent Non-Executive Director
Members	Johari Abdul Muid Senior Independent Non-Executive Director
	Tan Sri Che Khalib Mohamad Noh Non-Independent Non-Executive Director *(Retired on 27 August 2025)*
	Dato' Ibrahim Taib Non-Independent Non-Executive Director
	Mohd Razlan Mohamed Independent Non-Executive Director
	Md Khairuddin Haji Arshad Independent Non-Executive Director
	Roshidah Abdullah Independent Non-Executive Director
	Dato' Suhana Dewi Selamat Non-Independent Non-Executive Director *(Appointed on 1 October 2025)*
	Ainol Roznain Yaacob Non-Independent Non-Executive Director *(Retired on 30 September 2025)*

BOARD AUDIT COMMITTEE

Chairman	Roshidah Abdullah
Members	Johari Abdul Muid
	Dato' Suhana Dewi Selamat *(Appointed on 30 October 2025)*
	Md Khairuddin Haji Arshad
	Ainol Roznain Yaacob *(Ceased on 30 September 2025)*

BOARD RISK AND COMPLIANCE COMMITTEE

Chairman	Md Khairuddin Haji Arshad
Members	Johari Abdul Muid
	Dato' Ibrahim Taib
	Mohd Razlan Mohamed

BOARD NOMINATION AND REMUNERATION COMMITTEE

Chairman	Johari Abdul Muid
Members	Roshidah Abdullah
	Mohd Razlan Mohamed
	Dato' Suhana Dewi Selamat *(Appointed on 30 October 2025)*
	Ainol Roznain Yaacob *(Ceased on 30 September 2025)*
	Tan Sri Che Khalib Mohamad Noh *(Ceased on 27 August 2025)*

VETO COMMITTEE

Chairman	Mohd Razlan Mohamed
Members	Johari Abdul Muid
	Md Khairuddin Haji Arshad
	Tan Sri Che Khalib Mohamad Noh *(Ceased on 27 August 2025)*

BOARD TECHNOLOGY COMMITTEE

Chairman	Dato' Ibrahim Taib
Members	Johari Abdul Muid
	Roshidah Abdullah

SHARIAH COMMITTEE

Chairman	Dr. Yusri Mohamad
Members	Dr. Mohd Shahid Mohd Noh
	Dr. Ahmad Zakirullah Mohamed Shaarani
	Dr. Muhamad Azhari Wahid
	Dr. Badruddin Hj. Ibrahim
	Khairun Najmi Saripudin

COMPANY SECRETARY

Daisy anak Francis
SSM Practicing Certificate No: 202008002477
(LS0010019)

REGISTERED OFFICE

30th Floor, Menara Bumiputra
Jalan Melaka
50100 Kuala Lumpur
Wilayah Persekutuan

Tel : 603-2600 5500
Website : www.muamalat.com.my

AUDITORS

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Tel : +603 7721 3388
Fax : +603 7721 3999

BRANCH NETWORK

CENTRAL

Jalan Melaka
Menara Bumiputra,
Jalan Melaka PO Box 10407,
50100 W.P Kuala Lumpur.

Jalan Ipoh
Ground Floor, Wisma TCT,
No. 516-1,
Batu 3, Jalan Ipoh,
51200 Kuala Lumpur.

Sungai Besi
No. 2 & 2A, Jalan Tasik Utama 7,
Medan Niaga Tasik Damai,
Sungai Besi,
57000 Kuala Lumpur.

Jalan TAR
No. 399, Ground Floor,
Bangunan UMNO Lama,
Jalan Tuanku Abdul Rahman,
50100 Kuala Lumpur.

Putrajaya
No. 2 & 4, Ground & 1st Floor,
Jalan Diplomatik 2,
Pusat Komersial Diplomatik,
Precinct 15,
62050 Putrajaya.

Taman Melawati
Lot G-3A, B-1-3 & G-05,
Melawati Corporate Office,
Taman Melawati,
53100 Kuala Lumpur.

Alam Damai
No. 6, Jalan Alam Damai 1,
Alam Damai, Cheras,
56000 Kuala Lumpur.

Bandar Baru Bangi
Ground, 1st & 2nd Floor, 32 & 33,
Jalan Medan Pusat Bandar 4,
Seksyen 9,
43650 Bandar Baru Bangi,
Selangor.

Batu Caves
No. 3A & 3A-1 (Ground & Level 1) &
No. 5 (Ground Floor),
Prima Samudera,
Jalan Samudera Utara 11,
Taman Samudera,
68100 Batu Caves,
Selangor.

Glenmarie
No. 2, Jalan Presiden F U1/F,
Accentra Glenmarie,
Seksyen U1,
40150 Shah Alam,
Selangor.

Kajang
Ground & 1st Floor,
No. 2-1-G/1,
Jalan Prima Saujana 2/1,
Prima Saujana,
43000 Kajang,
Selangor.

Klang
No. 46 & 48,
Jalan Kelicap 42A/KU1,
Klang Bandar Diraja,
Off Jalan Meru,
41050 Klang,
Selangor.

Petaling Jaya
No. B-29-1 & 2, Block B, Jaya One,
72A, Jalan Universiti,
46200 Petaling Jaya,
Selangor.

Rawang
No. 9 & 11,
Jalan Bandar Baru Rawang 1,
Bandar Baru Rawang,
48000 Rawang, Selangor.

Laman Seri
Ground & 1st Floor No. G03A & 103A,
Laman Seri Business Park,
No. 7, Jalan Sukan, Seksyen 13,
40100 Shah Alam, Selangor.

Shah Alam, PKNS
G-1, 2 & 3 Ground Floor,
Kompleks PKNS,
40000 Shah Alam,
Selangor.

Subang Jaya
Ground & 1st Floor,
No. 1, Jalan USJ Sentral 2,
USJ Sentral,
47600 Subang Jaya,
Selangor.

Universiti Islam Antarabangsa (UIA)
Lot AHC 1-3 & Lot AHC 2-1,
Azman Hashim Complex,
Universiti Islam Antarabangsa Malaysia,
Jalan Gombak,
53100 Kuala Lumpur.

Ampang Point
No. 23 & 23-A,
Jalan Mamanda 7/1,
Off Jalan Ampang,
68000 Ampang, Selangor.

Puncak Alam
No. 31, Jalan Niaga Bestari 3,
Puncak Bestari,
Bandar Puncak Alam,
42300 Selangor.

BRANCH NETWORK

NORTHERN

Kangar
No. 11 & 13,
Jalan Bukit Lagi,
01000 Kangar,
Perlis.

Alor Setar
Ground & Mezzanine Floor,
Lot No. 2242 & 1009,
Menara Dewan Perhimpunan
Melayu Kedah,
(DPMK) Lebuhraya Darul Aman,
05100 Alor Setar,
Kedah.

Bayan Baru
No. 58 & 60,
Taman Sri Tunas,
Jalan Tengah,
11950 Bayan Baru,
Pulau Pinang.

Kulim
No. 6, Bangunan Al-Ikhwan,
Pusat Perniagaan Putra,
Jalan Kilang Lama,
09000 Kulim,
Kedah.

Parit Buntar
No. 40 & 42,
Jalan Wawasan 4,
Taman Wawasan Jaya,
Pusat Bandar Baru,
34200 Parit Buntar,
Perak.

Seberang Jaya
Ground, 1st & 2nd Floor,
No. 27 & 28, Jalan Todak 2,
Bandar Sunway, Seberang Jaya,
13700 Perai, Butterworth,
Pulau Pinang.

Sungai Petani
No. 21, Lot 88,
Jalan Perdana Heights 2/2,
Perdana Heights,
08000, Sungai Petani,
Kedah.

Taiping
98-100, Ground & 1st Floor,
Jalan Kota,
34000 Taiping,
Perak.

Souq Al-Bukhary
Ground Floor,
Bazaar Souq Al-Bukhary,
No 3, Jalan Tun Abdul Razak,
05200 Alor Setar,
Kedah.

Lebuh Pantai
No. 64, Lebuh Pantai,
10300, Georgetown,
Pulau Pinang.

Ipoh
Ground & Mezzanine Floor,
Wisma Maju UMNO,
Jalan Sultan Idris Shah,
30000 Ipoh,
Perak.

Seri Manjung
Ground & 1st Floor,
No. 392, Taman Samudera,
32040 Seri Manjung,
Perak.

SOUTHERN

Port Dickson
No. 3 & 3A, Jalan Remis 2,
Medan Remis, Telok Kemang,
71050 Negeri Sembilan.

Seremban
Wisma Great Eastern,
No. 105, 107 & 109,
Jalan Yam Tuan,
70000 Seremban,
Negeri Sembilan.

Batu Pahat
Ground & 1st Floor, No. 24 & 25,
Jalan Kundang, Taman Bukit Pasir,
83000 Batu Pahat,
Johor.

Johor Bahru
Ground & 1st Floor,
Lot 1 & 2,
Kebun Teh Commercial City,
Jalan Kebun Teh,
80250 Johor Bahru,
Johor.

Johor Jaya
149, Jalan Mutiara Emas 10/19,
Taman Mount Austin,
81100 Johor Bahru.

Kluang
No. 1, Jalan Persiaran,
Dato' Haji Ismail Hassan,
86000 Kluang, Johor.

Kulai
No. 32 Jalan Sri Putra 1,
Bandar Putra,
81000 Kulai, Johor.

Melaka
Melaka International Bowling Centre
(MIBC),
Jalan Konvensyen,
Kompleks MITC,
75450 Ayer Keroh,
Melaka.

Segamat
No. 37 & 38,
Jalan Genuang Perdana,
Taman Genuang Perdana,
85000 Segamat,
Johor.

Taman Universiti
Ground & 1st Floor,
No. 28, Jalan Kebudayaan 5,
Taman Universiti,
81300 Skudai,
Johor.

Universiti Tun
Hussein Onn Malaysia
Ground Floor,
Bangunan Pusat Khidmat Pelajar,
Universiti Tun Hussein Onn Malaysia,
86400 Parit Raja,
Batu Pahat, Johor.

SOUTHERN

Taman Cheng Baru
No.92, Jalan Cheng Baru 1,
Taman Cheng Baru,
75250 Melaka.

Kota Tinggi
No. 23, 25 & 27,
Jalan Seri Warisan,
Kota Heritage Mall,
81900 Kota Tinggi,
Johor.

Gemas
No. 16, Jalan DS 1/1, Dataran Satria 1,
73400 Gemas, Negeri Sembilan.

Muar
No. 8 & 9, Pusat Dagangan Bakri,
Jalan Bakri, 84000 Muar,
Johor.

Alor Gajah
KM 41-1, 41-2, 41-3,
Pusat Perniagaan Jelatang,
Mukim Kelemak,
78000 Alor Gajah,
Melaka.

Jasin
JC 1853, Jalan Bestari 5,
Bandar Jasin Bestari Seksyen 2,
77200 Jasin,
Melaka.

EAST COAST

Jalan Sultan Yahya Petra
Ground Floor,
Lot PT 265 & PT 266,
Wisma Nik Kob,
Jalan Sultan Yahya Petra,
15200 Kota Bharu,
Kelantan.

Kota Bharu
Ground & First Floor,
Bangunan Perbadanan,
Menteri Besar Kelantan (PMBK),
Jalan Kuala Krai,
15150 Kota Bharu,
Kelantan.

Kuala Terengganu
1, Jalan Air Jerneh,
20300 Kuala Terengganu,
Terengganu.

Kok Lanas
Ground & 1st Floor, Lot PT 5080,
Kompleks Perniagaan Saidina Ali,
Jalan Kuala Krai, Kok Lanas,
16450 Kota Bharu,
Kelantan.

Gua Musang
Ground Floor,
PT 13772, 13773 & 13774,
Bandar Baru Gua Musang,
18300 Gua Musang,
Kelantan.

Jeli
Ground & 1st Floor,
No. PT 4646, Lot 2003, PN 3523,
17600 Bandar Jeli,
Kelantan.

Kampung Raja
Lot 61194 & 61195,
Taman D'Harah, Kampung Terbak,
Mukim Kampung Raja,
22200 Besut, Terengganu.

Tanah Merah
No. 692, 693 & 694,
Kompleks Perniagaan Humaira,
Pusat Bandar Tanah Merah,
17500 Tanah Merah,
Kelantan.

Kuantan
B-114 & B-116,
Lorong Tun Ismail 9,
Sri Dagangan 2,
25000 Kuantan Pahang.

Mentakab
6 & 7, Jalan Tun Abd Razak,
28400 Mentakab, Pahang.

Pekan
G-02, Ground Floor,
Bangunan UMNO (Bahagian Pekan),
Jalan Teng Que,
26600 Pekan, Pahang.

Temerloh
Ground & 1st Floor,
C-8, Jalan Tengku Ismail,
28000 Temerloh, Pahang.

Kemaman
C-G-09 & C-01-09,
Block C, Persiaran COAST,
Pusat Perniagaan COAST Kemaman,
24000, Kemaman, Terengganu.

Indera Mahkota
1 Suria, Jalan Sultan Ahmad Shah,
Bandar Indera Mahkota,
25000 Kuantan, Pahang.

BRANCH NETWORK

EAST MALAYSIA

Bintulu
No. 252, Lot 73,
Parkcity Commercial Centre,
Jalan Tanjung Batu,
97000 Bintulu,
Sarawak.

Kota Kinabalu
C-07-01, C-07-02, C-07-03,
Blok C, Aeropod Commercial Square,
Jalan Aeropod, Off Jalan Kepayan,
88200 Kota Kinabalu,
Sabah.

Kuching
Ground Floor, Lot 456, 457 & 458,
Al-Idrus Commercial Centre,
Jalan Satok,
93400 Kuching,
Sarawak.

Labuan
Ground & 1st Floor, Block B,
Lot U0471E, Lazenda Centre,
Jalan OKK Abdullah,
87007 Wilayah Persekutuan Labuan.

Miri
433-434 Ground & First Floor,
Jalan Bendahara,
98000 Miri,
Sarawak.

Tawau
Lot 69 & 70,
Ground & 1st Floor,
Kubota Square, Jalan Kubota,
91000 Tawau,
Sabah.

Sandakan
Unit No. 95 to 97 Ground Floor,
Lot 265 to 267 First Floor,
East Coast, Sejati Walk,
90000 Sandakan,
Sabah.

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

GRI Standards and Disclosure		Section	Page Number
GRI 2: General Disclosures 2021			
THE ORGANISATION AND ITS REPORTING PRACTICES			
2-1	Organisational details	About Bank Muamalat	4 - 6
		Corporate Information	432
2-2	Entities included in the organisation's sustainability reporting	About this Report	1
		About Our Sustainability Statement	90
2-3	Reporting period, frequency and contact point	About this Report	1
		About Our Sustainability Statement	90
2-4	Restatements of information	About this Report	1
2-5	External assurance	Independent Auditor's Report	210 - 212
ACTIVITIES AND WORKERS			
2-6	Activities, value chain and other business relationships	About Bank Muamalat	4 - 6
		Our Value Creation Model	42 - 45
		Our Business Performance	51 - 87
2-7	Employees	Employment	117
		Empowering Diversity, Enabling Growth	118
		Data on Material Matters	134 - 137
2-8	Workers who are not employees	NA	NA
2-9	Governance structure and composition	Board of Directors' Composition	165
		Governance Disclosures	167 - 168
		Sustainability Governance	103
2-10	Nomination and selection of the highest governance body	Governance Disclosure	169, 174
2-11	Chair of the highest governance body	Board of Directors' Composition	165
		Corporate Information	432
2-12	Role of the highest governance body in overseeing the management of impacts	Governance Disclosure	167 - 173
		Sustainability Governance	103
2-13	Delegation of responsibility for managing impacts	Governance Disclosure	153 - 164
		Sustainability Governance	103 - 104
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance	103
2-15	Conflicts of interest	Governance Disclosure	173 - 174
		Board Audit Committee	180 - 181
		Ethics and Integrity	112 - 113

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

GRI Standards and Disclosure		Section	Page Number
STRATEGY, POLICIES AND PRACTICES			
2-16	Communication of critical concerns	Principal Risks and Uncertainties	38 - 41
		Stakeholder Engagement	94 - 99
2-17	Collective knowledge of the highest governance body	Our Board Diversity	144
		Board of Directors' Profile	146 - 152
		Board of Directors' Composition	165
2-18	Evaluation of the performance of the highest governance body	Governance Disclosure	172 - 173
2-19	Remuneration policies	Governance Disclosure	175 - 177
2-20	Process to determine remuneration	Governance Disclosure	175 - 177
2-21	Annual total compensation ratio	Governance Disclosure	175 - 177
2-22	Statement on sustainable development strategy	Our Strategic Direction	46 - 49
		Sustainability @ Bank Muamalat	91 - 93
2-23	Policy commitments	Sustainability Risk Management	104
2-24	Embedding policy commitments	Sustainability Statement	90 - 131
2-25	Processes to remediate negative impacts	Statement on Compliance	184 - 186
		Ethics and Integrity	112 - 114
2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Engagement	94 - 99
		Ethics and Integrity	112 - 114
2-27	Compliance with laws and regulations	Statement on Compliance	184 - 186
		Sustainability Governance	104
2-28	Membership associations	Stakeholder Engagement	98 - 99
2-29	Approach to stakeholder engagement	Stakeholder Engagement	94 - 99
2-30	Collective bargaining agreements	Employment	117

GRI Standards and Disclosure		Section	Page Number
MATERIAL TOPICS			
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Sustainability Matters	100
3-2	List of material topics	Sustainability Framework	93
		Sustainability Matters	100 - 102
GRI 201: Economic Performance 2016			
3-3	Management of material topics	Sustainability Matters	100
		Economic Performance	106
201-1	Direct economic value generated and distributed	Economic Performance	107
201-2	Financial implications and other risks and opportunities due to climate change	Principal Risks and Uncertainties	38 - 41
		Sustainability Governance	104
		Responsible Financing	109
		Carbon Management	129 - 131
GRI 203: Indirect Economic Impacts 2016			
3-3	Management of material topics	Sustainability @ Bank Muamalat	91 - 92
203-1	Infrastructure investments and services supported	Entrepreneur Development	108
		Responsible Financing	110
		Financial Inclusion	121
203-2	Significant indirect economic impacts	Economic	106 - 115
		Community Development	119 - 120
		Financial Inclusion	121
GRI 205: Anti-Corruption 2016			
3-3	Management of material topics	Sustainability Matters	102
		Ethics and Integrity	112
205-1	Operations assessed for risks related to corruption	Ethics and Integrity	112 - 113
205-2	Communication and training about anti-corruption policies and procedures	Ethics and Integrity	112 - 113
205-3	Confirmed incidents of corruption and actions taken	Ethics and Integrity	113
GRI 302: Energy 2016			
3-3	Management of material topics	Carbon Management	123
302-1	Energy consumption within the organisation	Carbon Management	123, 126

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

GRI Standards and Disclosure		Section	Page Number
GRI 303: Water & Effluents 2018			
3-3	Management of material topics	Sustainability Matters	101
303-1	Interactions with water as a shared resource	Water Management	128
303-2	Management of water discharge-related impacts	Water Management	128
303-5	Water consumption	Water Management	128
GRI 305: Emissions 2016			
3-3	Management of material topics	Carbon Management	123
305-1	Direct (Scope 1) GHG emissions	Carbon Management	123 - 125
305-2	Energy indirect (Scope 2) GHG emissions	Carbon Management	126
305-3	Other indirect (Scope 3) GHG emissions	Carbon Management	126 - 127
GRI 306: Waste 2020			
3-3	Management of material topics	Sustainability Matters	101
306-1	Waste generation and significant waste-related impacts	Waste Management	128 - 129
306-2	Management of significant waste-related impacts	Waste Management	128
306-3	Waste generated	Waste Management	129
306-4	Waste diverted from disposal	NA	NA
306-5	Waste directed to disposal	NA	NA
GRI 308: Supplier Environmental Assessment 2016			
3-3	Management of material topics	Sustainability Matters	101
		Procurement Practices	111
308-1	New suppliers that were screened using environmental criteria	Procurement Practices	111
GRI 401: Employment 2016			
3-3	Management of material topics	Employment	117
401-1	New employee hires and employee turnover	Data on Material Matters	134
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Data on Material Matters	137
401-3	Parental leave	Data on Material Matters	137

GRI Standards and Disclosure		Section	Page Number
GRI 403: Occupational Health and Safety 2018			
3-3	Management of material topics	Sustainability Risk Management	104
403-1	Occupational health and safety management system	Sustainability Risk Management	104
403-2	Hazard identification, risk assessment, and incident investigation	Statement on Risk Management	187
403-3	Occupational health services	Employment	117
403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability Risk Management	104
403-5	Worker training on occupational health and safety	Data on Material Matters	138
403-6	Promotion of worker health	Employment	117
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Statement on Risk Management	187
403-8	Workers covered by an occupational health and safety management system	Sustainability Matters	101
403-9	Work-related injuries	Data on Material Matters	136
403-10	Work-related ill health	Data on Material Matters	136
GRI 404: Training and Education 2016			
3-3	Management of material topics	Training and Education	118 - 119
404-1	Average hours of training per year per employee	Training and Education	119
		Data on Material Matters	139
404-2	Programmes for upgrading employee skills and transition assistance programmes	Training and Education	118 - 119
404-3	Percentage of employees receiving regular performance and career development reviews	Data on Material Matters	139

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

GRI Standards and Disclosure		Section	Page Number
GRI 405: Diversity and Equal Opportunity 2016			
3-3	Management of material topics	Empowering Diversity, Enabling Growth	118
405-1	Diversity of governance bodies and employees	Empowering Diversity, Enabling Growth	118
		Data on Material Matters	140 - 141
405-2	Ratio of basic salary and remuneration of women to men	Data on Material Matters	141
GRI 413: Local Communities 2016			
3-3	Management of material topics	Community Development	119 - 120
413-1	Operations with local community engagement, impact assessments, and development programmes	Community Development	119 - 120
		Stakeholders Engagement	97
413-2	Operations with significant actual and potential negative impacts on local communities	Principal Risks and Uncertainties	38 - 41
GRI 414: Supplier Social Assessment 2016			
3-3	Management of material topics	Sustainability Matters	101 - 102
414-1	New suppliers that were screened using social criteria	Procurement Practices	111
414-2	Negative social impacts in the supply chain and actions taken	Principal Risks and Uncertainties	38 - 41
GRI 418: Customer Privacy 2016			
3-3	Management of material topics	Customer Experience	115
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data on Material Matters	132

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