BANKRAKYAT
بيڠكه رعيه

Your Bank of Choice

EMPOWERING
BEYOND BOUNDARIES

SUSTAINABILITY REPORT **2025**



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BANK KERJASAMA RAKYAT MALAYSIA BERHAD (No. Berdaftar 2192)

Menara 1, Menara Kembar Bank Rakyat
No. 33, Jalan Rakyat, KL Sentral, 50470 Kuala Lumpur

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About This Report

ABOUT THIS REPORT

ABOUT THIS REPORT

GRI 2-2, 2-3, 2-5

This Report outlines Bank Kerjasama Rakyat Malaysia Berhad's ("Bank Rakyat" or "the Bank") progress in advancing its sustainability agenda, highlighting our approach to managing material economic, environmental and social matters. It outlines key initiatives undertaken, progress achieved, and insights gained to strengthen our sustainability journey and guide our future priorities.

This report complements the Bank Annual Report 2025 for the year ended 31 December 2025.

In FY2024, we reached a major milestone by publishing our inaugural Climate-related Disclosure Report. In FY2025, we further strengthened our disclosures by completing the inaugural 2024 Bank Negara Malaysia Climate Risk Stress Testing (CRST) exercise.

REPORTING BASIS & STANDARDS APPLIED

Bank Rakyat Sustainability Report has been prepared in line with recognised reporting standards and adheres to the applicable local and international guidelines and frameworks, including:

- Global Reporting Initiative ("GRI") Standards
- Task Force on Climate-related Financial Disclosures ("TCFD")
- Bank Negara Malaysia's (BNM) Implementation Guide for Value-based Intermediation ("VBI")
- BNM Performance Measurement Framework ("PMF")
- Bursa Malaysia Sustainability Reporting Guide 3rd Edition
- Securities Commission Malaysia ("SC") Sustainable and Responsible Investment ("SRI") Sukuk Framework
- BNM Climate Change and Principle-based Taxonomy ("CCPT")
- BNM Climate Risk Management and Scenario Analysis ("CRMSA")
- National Sustainability Reporting Framework ("NSRF")
- IFRS Sustainability Disclosure Standards ("IFRS SDS")

As for compliance with the NSRF, the Bank is categorised under Group 3, among Non-listed Companies (NLCos). As such, in keeping with the NSRF's recommendations, we are currently laying the groundwork for full compliance with its Climate-first approach by 2027. To date, we have focused on laying the building blocks by establishing the necessary processes and procedures to strengthen our internal readiness for sustainability reporting, guided by the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB).

ABOUT THIS REPORT

REPORTING BASIS & STANDARDS APPLIED

ALIGNING OUR STRATEGIC FRAMEWORK WITH KEY GUIDELINES FROM BANK NEGARA MALAYSIA

As Malaysia's largest Islamic cooperative bank and a Development Financial Institution ("DFI"), this Report furthers our commitment to sustainability reporting by complying with regulatory expectations and contributing towards a sustainable future. We seek to become a responsible financial institution that is also climate-conscious in its practices.

Despite global economic uncertainties and changes in the European Union over the Corporate Sustainability Reporting Directive ("CSRD"), affecting the European Sustainability Reporting Standard ("ESRS") and Carbon Border Adjustment Mechanism ("CBAM"), the Bank remained firm in its stance that sustainability and climate change remains a critical factor in determining the future of the planet, people, and how businesses should conduct their operations.

Bank Rakyat's Sustainability Framework & Policy ("BRSFP") is our key document that provides overarching guidance to the Board of Directors ("BOD") and Management Committee (MANCO) on our vision, mission towards sustainability compliance, and aspirations towards Net Zero Emissions. We seek to ensure that the BRSFP is aligned with key regulatory guidelines from Bank Negara Malaysia ("BNM"). We also seek to ensure that our vision is in line with international frameworks, standards, and guidelines. This ensures that the Bank's sustainability approach remains robust, comprehensive, and consistent with evolving expectations across the financial sector.

The table below summarises the key BNM guidelines about the Bank's sustainability strategy and implementation.

Bank Negara Malaysia's (BNM) Implementation Guide for Value-based Intermediation (VBI) & Value-based Intermediation Financing and Investment Impact Assessment Framework (VBIAF)	Guides the Bank in delivering sustainable value and positive impact through financial intermediation, while strengthening impact assessment across financing and investment activities.
BNM Climate Risk Management and Scenario Analysis (CRMSA) & Climate Change and Principle-based Taxonomy (CCPT)	Supports the Bank's approach to managing climate-related risks and opportunities, including the classification of economic activities and strengthening organisational climate resilience.
BNM Performance Measurement Framework (PMF)	Provides a structured and comprehensive framework to monitor the Bank's role in supporting national development objectives, supported by clear governance and reporting structures.
Malaysian Code on Corporate Governance 2021 (MCCG)	Emphasises the active role of the Board and senior management in overseeing sustainability and climate-related risks, ensuring integration into strategic decision-making and organisational practices.

In addition to the BNM guidelines summarised above, the BRSFP also references the Securities Commission Malaysia's SRI Sukuk Framework, the United Nations Sustainable Development Goals (SDGs), and the United Nations Principles for Responsible Investment (UN PRI).

By aligning with these frameworks, guidelines and governance expectations, the Bank ensures a consistent and integrated approach to embedding sustainability across the Bank's operations and activities.

ABOUT THIS REPORT

SCOPE AND BASIS OF REPORTING

Unless otherwise stated, the data and information disclosed in this Report cover the operations of the Bank for the financial year ended 31 December 2025 ("FY2025"). The Report does not currently include disclosures relating to the Bank's wider value chain, including third-party suppliers, vendors, and contractors.

HOW THIS REPORT IS STRUCTURED

This Report details how the BRSFP is implemented, integrated and managed across the Bank.

The following pages include:
Findings from a strategic review, positioning the Bank's initiatives within local, industry and global sustainability best practices; and
New or enhanced sustainability initiatives.

The above information is categorised into four key areas:

Economic

Activities that generate direct economic value through initiatives focused on driving economic progress.

Environmental

Operations that both impact and are impacted by environmental matters, with emphasis on climate change mitigation.

Social

Our impact on local communities and society, human capital management and customer relations.

Governance

Our measures in ensuring good governance practices throughout the organisation.

EXTERNAL ASSURANCE

We have not obtained external assurance for this Sustainability Report. While the Bank recognises the importance of independent verification in strengthening disclosure credibility and stakeholder confidence, efforts are currently focused on enhancing internal sustainability reporting processes, data governance and reporting capabilities. The Bank remains committed to continuously improving the quality, reliability, and transparency of its sustainability disclosures.

LIMITATIONS, FORWARD-LOOKING STATEMENTS AND CONTACT INFORMATION

Certain disclosures in this Report are based on assumptions, estimates and forward-looking statements relating to plans, targets, aspirations and expectations. These statements are subject to uncertainties, risks, and evolving regulatory, economic, and operational conditions, which may cause actual outcomes to differ from those expressed or implied. While reasonable efforts have been made to ensure the accuracy and reliability of the information presented, certain data may be subject to ongoing refinement, estimation methodologies, and internal validation processes. We remain committed to continuously strengthening its sustainability reporting processes, disclosures, and data management capabilities over time.

For any questions or feedback regarding this Report, please contact:

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AWARDS & RECOGNITIONS



Bronze in Banking, Investment and Insurance
Putra Aria Brand Awards

Best Environmental Excellence Award
17th Annual Global CSR & ESG Summit & Awards 2025

Business Partner Appreciation
Perodua Annual Conference 2025

Best ASEAN Sustainability SRI Sukuk-Cooperative Malaysia
The Asset Triple A Islamic Finance Awards 2025

Top 10 Raya TVCs 2025
Experts' Choice Awards 2025

ESG Leadership Excellence
Bumiputera Business Excellence Awards 2025

Outstanding Rural Community Program
Malaysia e-Payments Excellence Awards 2025

Best BCM Organisation of the Year (FSI Sector)
DRI ASEAN 2025

Best HR Team (GLC)
HR Excellence Award 2025 (Bronze)

Excellence in Agile Talent Mobility
HR Excellence Award 2025 (Bronze)

- **Top 10 in the Banking**
  Graduates' Choice Awards (GCA) 2025
- **1st Runner-Up in Development Banking**
  Graduates' Choice Awards (GCA) 2025

Key Messages



KEY MESSAGES

CHAIRMAN'S STATEMENT

DATUK MOHD IRWAN MOHD MUBARAK

Chairman of Bank Rakyat



Dear Stakeholders,

It is my utmost pleasure to present Bank Rakyat's Sustainability Report for the financial year 2025. As Malaysia's largest Islamic cooperative bank, Bank Rakyat has always carried a responsibility that extends beyond financial performance. Our purpose is not only to generate sustainable returns but also to create meaningful value for our members, customers, employees, communities, and the nation. Guided by the principles of Shariah, cooperation and shared prosperity, we remain committed to embedding sustainability into our governance, business growth and the way we serve our stakeholders.

SUSTAINABILITY IN GOVERNANCE AND STRATEGY

The year 2025 was marked by global uncertainties. Climate-related challenges, regional conflicts, evolving regulatory expectations, technological disruption and economic volatility are reshaping the operating environment for financial institutions worldwide. These developments reinforce the importance of strong governance, prudent risk management and long-term thinking towards a sustainable future.

At Bank Rakyat, sustainability is not viewed as a separate agenda. It is a fundamental component of our governance framework and strategic decision-making process. The Board remains focused on ensuring that the Bank continues to create long-term value while strengthening resilience against emerging risks and capturing opportunities arising from the transition to a more sustainable economy.

As an Islamic financial institution, we are guided by the principle of amanah (trust), recognising that every decision carries a responsibility towards our stakeholders, society and future generations. This principle continues to shape the Board's approach to governance, accountability and sustainable value creation.

KEY MESSAGES

CHAIRMAN'S STATEMENT

As sustainability expectations continue to evolve, the Board remains committed to ensuring that Bank Rakyat's sustainability disclosures are transparent, useful for decision-making and aligned with leading national and international standards. More importantly, sustainability and climate-related considerations are increasingly reflected in Board deliberations, risk oversight and strategic planning, enabling the Bank to strengthen governance and long-term resilience.

Our approach is also guided by the concept of khalifah (stewardship), which emphasises the responsibility to manage resources prudently, promote sustainable development and contribute positively to society while safeguarding the interests of future generations.

NET ZERO COMMITMENT AND STRATEGIC TRANSFORMATION (LEAD30)

As part of our long-term sustainability journey, Bank Rakyat remains committed to achieving net zero greenhouse gas emissions target by 2050.

This commitment aligns with our newly launched LEAD30, which will guide the Bank's transformation and growth over the next five years while strengthening our focus on sustainable growth, digital transformation, climate resilience, financial inclusion and Value-based Intermediation (VBI).

COOPERATIVE VALUE CREATION AND SOCIO-ECONOMIC IMPACT

Beyond environmental considerations, our cooperative and Islamic finance identity remains at the heart of everything we do. We embrace the principles of VBI, recognising that long-term success is measured not only by financial performance, but also by the positive and sustainable impact we create for our members, customers, communities and the environment.

Aligned with the ethical foundations of Islamic finance, VBI guides us to generate sustainable economic development by supporting activities that benefit society and the environment while promoting responsible and inclusive growth. Guided by the principle of *ta'awun* (mutual cooperation), we are committed to creating shared value through collective responsibility and inclusive growth. This principle shapes how we support financial inclusion, strengthen cooperatives, promote entrepreneurship and contribute to Malaysia's broader socio-economic development.

As an agency under the Ministry of Entrepreneur and Cooperatives Development (KUSKOP), our mandate extends beyond serving our members. We are entrusted with advancing the development of entrepreneurs, micro, small and medium enterprises (MSMEs), cooperatives and communities through



inclusive financing solutions that improve livelihoods, strengthen businesses and build long-term economic resilience.

In 2025, Bank Rakyat continued to deliver meaningful value for its members and the wider community. We delivered an 18% dividend to our members while contributing RM57 million towards the development of cooperatives and cooperative education initiatives, reaffirming our commitment to ensuring that the benefits of our growth are shared equitably and sustainably.

Beyond financial returns, we remained focused on expanding access to finance for unserved and underserved communities, MSMEs, and cooperatives. By empowering individuals and businesses to participate more fully in the economy, we help create opportunities, strengthen resilience and foster more inclusive and sustainable economic growth.

OUTLOOK AND STRATEGIC DIRECTION

Looking ahead, the Board is confident in our ability to manage an increasingly complex operating environment, including the evolving impact of climate change, while remaining true to our cooperative values and development mandate. LEAD30 represents the next chapter of our journey and will further strengthen our focus on sustainable growth, digital transformation, climate resilience, financial inclusion and VBI.

On behalf of the Board of Directors, I would like to express my sincere appreciation to our members, customers, regulators, business partners and employees for their continued trust, support and commitment. Together, we will continue building a stronger, more resilient and more sustainable future for generations to come.

Thank you.

DATUK MOHD IRWAN MOHD MUBARAK
Chairman

KEY MESSAGES

GROUP CEO'S MESSAGE

AHMAD SHAHRIL MOHD SHARIFF

Group Chief Executive Officer



Bismillahirrahmanirrahim. Assalamualaikum Warahmatullahi Wabarakatuh dan Selamat Sejahtera.

Sustainability is no longer a future aspiration for Bank Rakyat as it is increasingly embedded in the way we operate, make decisions and create value for our stakeholders. As we conclude BR25 and prepare to embark on LEAD30, 2025 marks a year of execution, transformation and measurable progress across our financing activities, operations and business practices.

Our focus has been on translating strategy into action by integrating sustainability considerations into decision-making, strengthening responsible financing practices, advancing climate resilience and expanding solutions that support entrepreneurs, cooperatives, MSMEs and underserved communities. In doing so, sustainability has evolved from a strategic commitment into a practical driver of innovation, resilience and sustainable business growth.

GROWTH IN SUSTAINABLE AND GREEN FINANCING

Sustainability is increasingly becoming a source of business growth and competitive advantage for the Bank. It is reshaping customer expectations, influencing investment decisions, and opening up new areas of demand across both retail and business segments.

As this shift accelerates, we are actively building capabilities and expanding our portfolio of financing solutions to support sustainable lifestyles, responsible business practices, and the transition to a low-carbon economy. This includes financing that enables energy efficiency, green adoption, and more resilient business models.

By aligning our strategy with these emerging opportunities, we are positioning the Bank to capture long-term growth while supporting our customers in their own transition journeys. In doing so, we are strengthening the resilience of our business and creating sustainable value for our stakeholders.

One of our most significant achievements in 2025 was the continued growth of sustainable financing. We are greatly elated that our sustainable financing approvals represented over 36.06% of total Business Banking financing approvals during the year, a substantial increase from 27.22% in 2024. This reflects our growing ability to channel capital towards activities that generate positive environmental and social outcomes while supporting long-term economic development. As we continue to embed sustainability into our financing decisions, we are helping businesses transition towards more resilient and responsible practices while creating lasting value for the economy and society.

Within our Retail Banking portfolio, the green financing portfolio continued to gain strong momentum in 2025, reflecting growing customer demand for financing solutions that support more sustainable lifestyles and the transition towards a low-carbon economy. Total environment and green financing approvals increased significantly to RM274.91 million in FY2025 from RM89.23 million in FY2024.

KEY MESSAGES

GROUP CEO'S MESSAGE

This growth was driven by higher customer participation across our retail green financing products, including Green Home Financing, Electric Vehicle (EV) Financing and Solar Panel Financing. EV Financing remained the strongest contributor, accounting for approximately 81% of total retail green financing approvals in FY2025. Approvals rose sharply from RM47.82 million to RM223.91 million, underscoring the accelerating adoption of low-carbon mobility solutions among our customers.

STRENGTHENING SUSTAINABLE FINANCE FRAMEWORKS

As part of our broader sustainable finance agenda, we continued to strengthen our financing approach by aligning with Bank Negara Malaysia's Climate Change and Principle-based Taxonomy (CCPT) and Value-based Intermediation (VBI) principles. These frameworks help ensure that sustainability considerations are embedded into financing decisions while supporting customers in their own sustainability journeys.

Complementing these efforts, we strengthened our Islamic sustainable finance capabilities through the Sustainability Sukuk Framework, providing a platform to scale Shariah-compliant sustainable financing and mobilise capital towards high-impact, sustainable economic activities.

DIGITALISATION AND FINANCIAL INCLUSION

Beyond financing, we continued to leverage digitalisation to improve accessibility, efficiency and customer experience. Digital transformation is a key enabler of financial inclusion, particularly for underserved communities, MSMEs and cooperatives. Through our ongoing investments in digital platforms and customer-centric solutions, we are making banking services more accessible while improving operational efficiency and service delivery.

SUSTAINABLE FINANCIAL SOLUTIONS AND ENVIRONMENTAL PERFORMANCE

Innovation continues to be a key enabler of our sustainability journey. During the year, we introduced new offerings such as the Sustainability Investment-i Account and eGold-i, expanding opportunities for customers to participate in sustainable and Shariah-compliant financial solutions. These products were developed to meet evolving customer needs while promoting responsible wealth creation, greater financial inclusion and long-term value. By embedding sustainability principles into product innovation, we are not only broadening customer choice but also supporting the transition towards a more resilient, inclusive and sustainable economy.

We continued to strengthen our environmental performance and operational resilience. In 2025, the Bank achieved a 13.15% reduction in combined Scope 1 and Scope 2 greenhouse gas emissions compared to 2024. This progress reflects ongoing efforts to improve energy efficiency, optimise resource consumption and reduce the environmental impact of our operations.

We also continued improving the environmental performance of our operations through energy efficiency initiatives, greener buildings and operational decarbonisation efforts, strengthening both operational resilience and long-term efficiency.

TALENT DEVELOPMENT AND ORGANISATIONAL CAPABILITY

Our people are our greatest asset. We continued investing in our people as sustainability transformation can only succeed when employees understand and embrace the role they play in driving change. Throughout the year, we strengthened awareness programmes, ESG-related training and capability-building initiatives to ensure our workforce is equipped to support the Bank's long-term sustainability ambitions.

INDUSTRY RECOGNITION

Bank Rakyat's efforts during the year were also recognised through several industry awards, including the Best BCM Organisation of the Year at the DRI ASEAN 2025 Awards; ESG Leadership Award 2025 at the Bumiputera Business Excellence Awards; Bronze Award at the Putra Aria Brand Awards; Outstanding Rural Program at the Malaysian e-Payments Excellence Awards, as well as two HR Excellence Awards for Agile Talent Mobility and Best HR Team among GLCs.

These recognitions affirm the Bank's continued focus on operational excellence, innovation, people development and responsible business practices.

OUTLOOK AND FUTURE PRIORITIES

Looking ahead, Bank Rakyat remains committed to embedding sustainability across our financing strategies, business decisions and operational priorities through LEAD30. We will continue to strengthen our sustainability and climate risk management capabilities, expand sustainable financing solutions and support our customers in navigating the transition towards a more sustainable economy.

Sustainability is a continuous journey that requires commitment, collaboration and innovation. Building on the progress achieved in 2025, we will continue to create long-term value through responsible growth, inclusive development and sound governance practices that benefit our stakeholders and the communities we serve.

I would like to thank our Board of Directors, regulators, members, customers, business partners and employees for their continued trust and support. Together, we will build a stronger, more resilient and sustainable future for Bank Rakyat and future generations.

AHMAD SHAHRIL MOHD SHARIFF
Group Chief Executive Officer

KEY MESSAGES

CHIEF STRATEGY AND SUSTAINABILITY OFFICER'S MESSAGE

MOHAMAD TAUFIK MAHAMAD ZAKARIA

Chief Strategy and Sustainability Officer

As Chief Strategy and Sustainability Officer, I drive the integration of sustainability across the Bank's operations, from performance measurement and risk management to disclosures and decision-making at every level of the organisation.



A key priority is ensuring that the Bank remains fully aligned with evolving regulatory expectations on sustainability and climate risk, while strengthening our readiness for reporting under the National Sustainability Reporting Framework (NSRF).

STRENGTHENING ORGANISATIONAL READINESS

Delivering on our sustainability commitments requires strong coordination and internal capability. Throughout FY2025, we strengthened coordination between the Board and Management to enhance sustainability-related governance and decision-making. At the same time, we invested in awareness-building initiatives to equip our employees with the knowledge and understanding needed to support the Bank's sustainability agenda. We further enhanced our internal data management processes, improving the quality, traceability and consistency of sustainability-related information across the organisation.

REPORTING AND DISCLOSURE MATURITY

A key area of focus has been enhancing the Bank's sustainability reporting processes to meet regulatory and stakeholder expectations. During the year, we continued strengthening our sustainability disclosures guided by the Global Reporting Initiative (GRI) Standards. This also marked our second year of reporting aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), reflecting our continued commitment to improving the transparency and quality of our climate-related disclosures. In parallel, we complied with Bank Negara Malaysia's Climate Risk Management and Scenario Analysis (CRMSA) requirements, reinforcing our climate risk governance framework and enhancing the integration of climate-related risks into our risk management and reporting processes.

These efforts are further reinforced by our internal efforts to increase our readiness towards full disclosures as per the NSRF. Our emphasis is on ensuring disclosures are consistent, decision-useful and capable of supporting improved risk and strategic insights.

CAPABILITY AND ORGANISATION READINESS

Embedding sustainability across the organisation requires continuous investment in people and capability. During the year, we emphasised building internal awareness and capability-building initiatives to ensure our employees understand how sustainability considerations impact our banking and financing activities. Towards this end, we introduced targeted training and better engagement sessions, culminating in improved integration of sustainable practices within business and support units.

KEY MESSAGES

CHIEF STRATEGY AND SUSTAINABILITY OFFICER'S MESSAGE



FINANCIAL LITERACY AND DIGITAL INCLUSION

Increasing financial literacy is one of our most important social priorities. During the year, we significantly expanded our outreach through schools, communities and branch networks, equipping more Malaysians with practical financial knowledge while strengthening long-term financial resilience.

Digital inclusion continues to play an increasingly important enabling role. The continued adoption of the Bank's digital platforms reflects improved accessibility of financial services, particularly among underserved segments, while also supporting greater efficiency and convenience in service delivery.

SOCIAL IMPACT AND COMMUNITY SUPPORT

Zakat and community-related funds play an important role in supporting social impact outcomes amongst our stakeholders. Zakat distributions are managed through structured governance arrangements with relevant stakeholders to ensure that they are directed towards immediate support and longer-term socio-economic development objectives.



None of this progress would be possible without the commitment of our employees. Through BaktiRAKYAT, 885 employee volunteers contributed 5,815 hours in 11 community programmes nationwide. Average volunteer hours per participant also rose to 6.6 hours from 5.6 hours the previous year. Our Jajahan Rakyat outreach platform grew participation by more than 218% to 627 individuals and facilitated 268 new accounts, an almost 347% increase, channelling about RM610,000 in financing to underserved communities. These outcomes underscore the strength of our workforce's engagement with the Bank's sustainability agenda.

While we are happy with our achievements, we cannot rest on our laurels. We plan to further improve as an organisation to scale greater heights. As we transition from BR25 into LEAD30, our focus remains on strengthening the link between strategy and impact, ensuring that our sustainability commitments continue to translate into tangible outcomes for our members, employees and communities.

I would like to extend my sincere appreciation to our Board of Directors, Management, employees, members, and customers for their unwavering support and shared commitment. Together, we will continue to build a more resilient, inclusive and sustainable Bank Rakyat for generations to come.

Thank you.

MOHAMAD TAUFIK MAHAMAD ZAKARIA
Chief Strategy and Sustainability Officer

About Us

ABOUT US

KEY HIGHLIGHTS 2025

KEY HIGHLIGHTS, OVERVIEW, GROUP STRUCTURE & ORGANISATION CHART

GRI 2-1

13.15%
REDUCTION IN TOTAL SCOPE 1 & 2 EMISSIONS
COMPARED TO 2024

RM528 MILLION
CAPITAL DEPLOYED FOR C1 BUSINESS FINANCING

GREEN BUILDING INDEX (GBI): CERTIFIED TO HAVE ACHIEVED
57 POINTS

RM223.9 MILLION
APPROVED FOR ELECTRIC VEHICLE FINANCING IN 2025, SUPPORTING MALAYSIA'S TRANSITION TOWARDS LOWER-CARBON MOBILITY

82 BRANCHES
FITTED WITH SOLAR PV ROOF

699 FINANCIAL LITERACY PROGRAMMES
WERE CONDUCTED, BENEFITING
65,677 PARTICIPANTS

16
EV CHARGING BAYS INSTALLED

26,039 STUDENTS FROM
137 SCHOOLS WERE ONBOARDED INTO THE DIGITAL BANKING ECOSYSTEM

AFFORDABLE HOUSING WITH A CUMULATIVE AMOUNT OF
RM2.307 BILLION

36.06% OF TOTAL FINANCING APPROVALS CLASSIFIED AS SUSTAINABLE FINANCING IN 2025, UP FROM **12.76%** IN 2023

RM24.37 MILLION
IN ZAKAT DISBURSED, BENEFITING 91,591 RECIPIENTS

I-MERCHANTRAKYAT USERS SURGED TO MORE THAN
11,000 USERS IN 2025

*MORE THAN
RM106.23 MILLION
FOR GREEN HOME FINANCING.

MORE THAN **4,000** ENTREPRENEURS
RECEIVED TRAINING AND ASSISTANCE,
WITH OVER **60%** RECORDING HIGHER SALES TURNOVER.

ABOUT US

BANK RAKYAT OVERVIEW

MISSION

Enhancing the economic well-being of our members, customers and nation.

VISION

Malaysia's **No. 1** Progressive Islamic Cooperative Bank.

CORE VALUE

R	A	K	Y	A	T
Diligent (Rajin)	**Trustworthy** (Amanah)	**Competent** (Kompeten)	**Confident** (Yakin)	**Exemplary Behaviour** (Akhlak Mulia)	**God-Conscious** (Takwa)

ABOUT US

WHO WE ARE

GRI 2-1

We are the largest Islamic cooperative bank in the country in terms of asset size. Our journey began as a pioneer cooperative bank in 1954. Its mandate then was to raise the social and economic status of rural communities, provide opportunities for self-improvement and to build a better future for their families.

In January 1973, we changed our name to Bank Kerjasama Rakyat Malaysia Bhd (Bank Rakyat). Then in 1978, via the promulgation of a new Parliamentary act, we are now governed via the Bank Kerjasama Rakyat (M) Berhad Act 1978 (Special Provision 202). Under the act, we extended membership to Malaysian citizens, providing financing to members and non-members. We are currently incorporated as an agency under the Ministry of Entrepreneur and Cooperatives Development (KUSKOP). To this end, we support the mission of KUSKOP to consolidate the cooperative sector as the mainstay of economic growth of the nation through our financing activities.

Since the name change, we have grown to serve not just our members, but various individuals, businesses, corporations, MSMEs and a whole range of other stakeholders.

OUR MANTRA

We are engraved distinctly in Malaysia's banking history and will endeavour to remain **"Your Bank of Choice"** by becoming **"Malaysia's No. 1 Progressive Islamic Cooperative Bank"**.

OUR PRINCIPAL ACTIVITIES

Our principal activities are those of a cooperative that carries out banking activities based on **Shariah principles** through accepting deposits and providing financial services for retail and commercial needs.

OUR LEGACY

Our ongoing legacy has been one of unyielding courage, formidable spirit and commendable achievements. The numerous local, regional and international awards we have received over the years prove that we are not only a major player in the domestic Islamic banking scene but also an **international leader** in Islamic banking.

OUR STRENGTH

EMPLOYEES
6,193 PERSONNEL
(* EXCLUDING TEMPORARY / CONTRACT EMPLOYEES)

CUSTOMERS
9.03 MILLION

SHAREHOLDERS
783,324 INDIVIDUALS AND COOPERATIVES

TOTAL ASSETS
131.04 BILLION

PROFIT BEFORE TAXATION AND ZAKAT
1.89 BILLION

MEMBERS' SHARE CAPITAL
2.99 BILLION

OUR PRODUCTS

Personal
- Savings-i Account
- Electronic Current Account-i (eCA-i),
- Personal Financing-i
- Vehicle Financing-i
- Home Financing-i
- Education Financing-i
- Pawn Broking-i
- Credit Card-i
- Debit Card-i
- Takaful
- Pusaka Rakyat
- Wasiat Rakyat
- Investment Account-i
- Term Deposit-i

Business Banking and Cooperative
- Electronic Current Account-i (eCA-i)
- Term Financing-i
- Bridging Financing-i
- Contract Financing-i
- Micro Financing-i
- Cooperative Financing-i
- Business Property Financing-i
- Commercial Hire Purchase Financing-i
- Small Medium Enterprise Financing-i
- Cash Line-i
- Working Capital for Ar-Rahnu X'Change
- Share-i

ABOUT US

CORPORATE OVERVIEW

GRI 2-1

BOARD OF DIRECTORS

- Datuk Mohd Irwan Mohd Mubarak (Chairman)
- Dato' Sri Khairul Dzaimee Daud
- Dato' Dr. Amiruddin Muhamed
- Tunku Dato' Ahmad Burhanuddin Tunku Datuk Seri Adnan
- Haji Mohd Jafri Kudus
- Dato' Seri Dr. Vaseehar Hassan Abdul Razack
- Professor Dr. Haji Raduwan Idar
- Idris Abd Hamid

BANK SECRETARY

- Mohamad Khairil Abidin

REGISTERED OFFICE

Bank Kerjasama Rakyat Malaysia Berhad
Tingkat 35, Menara 1,
Menara Kembar Bank Rakyat,
No. 33, Jalan Rakyat, KL Sentral,
50470 Kuala Lumpur

AUDITORS

Auditor General of Malaysia
National Audit Department Malaysia
No. 15, Aras 4,
Persiaran Perdana, Presint 2,
Pusat Pentadbiran Kerajaan Persekutuan,
62518 Putrajaya
Tel: 03-8889 9000 Fax: 03-8888 9721

CORPORATE OFFICE

Bank Rakyat
Tingkat 35, Menara 1,
Menara Kembar Bank Rakyat,
No. 33, Jalan Rakyat, KL Sentral,
50470 Kuala Lumpur
Tel: 03-2612 9600

COOPERATIVE REGISTRATION NUMBER

2192

WEBSITE

www.bankrakyat.com.my

OUR BUSINESS PILLARS

MEMBERS	To ensure continuous success through collectively directing the company's affairs, whilst maintaining shareholders' confidence by ensuring the appropriate interests of shareholders and stakeholders are met. Additionally, to deal with issues relating to business, finance, corporate governance, corporate social responsibility and corporate ethics in a transparent manner.
COOPERATIVE MOVEMENT	To steer the development and advancement of the cooperative movement and contribute to making the cooperative movement a force in the economic growth of the nation.
SOCIETY	To effect positive changes in society by providing Islamic financial services and corporate social responsibility activities that will elevate the standard of living and well-being of Malaysians.
CUSTOMERS	To conduct our business in a fair and transparent manner by providing Shariah-compliant banking services and products, to offer prompt, courteous and effective services and to focus on sound corporate governance and responsible financing.
ISLAMIC PRINCIPLE	To uphold an exemplary Islamic financial system by providing Shariah-compliant financial services that is exceptional, recognised and trusted, with the aim of being acknowledged as a model Islamic development financial institution.
NATION	To be a responsible corporate citizen that is not just driven by profit, but more notably, bringing positive changes to the economy, generating jobs and spearheading economic activities that will assist Malaysia in achieving a developed nation status within a high-income economy.

ABOUT US

CORPORATE OVERVIEW



OUR ACHIEVEMENTS

No. 1
Largest Islamic Cooperative Bank in Malaysia
Based on total asset size in 2025

Top 100:
Top Cooperatives by Suruhanjaya Koperasi Malaysia (SKM)
Based on total asset size in 2025

Top 300:
287th Largest Cooperative and Mutual Organisation in the World
Based on World Cooperative Monitor (WCM) 2023 Report

ABOUT US

GROUP STRUCTURE

BANKRAKYAT بيڠك رعيت

Your Bank of Choice

RAKYAT	Management	100%	RAKYAT MANAGEMENT SERVICES SDN BHD (Ar-Rahnu X'Change Franchise and Gold Management)
RAKYAT	Nominees	100%	RAKYAT NOMINEES SDN BHD (Shares Trading)
RAKYAT	Holdings	100%	RAKYAT HOLDINGS SDN BHD (Investment Holding, Property Management and Management Services)
RAKYAT	Travel	100%	RAKYAT TRAVEL SDN BHD (Umrah and Travel Services)
RAKYAT	Hartanah	100%	RAKYAT HARTANAH SDN BHD (Property Development and Project Management)
RAKYAT	Asset	100%	RAKYAT ASSET MANAGEMENT SDN BHD (Investment in Real Property)
RAKYAT	Niaga	100%	RAKYAT NIAGA SDN BHD (General Trading and Supplies) * in Members Voluntary Winding Up
RAKYAT	Facility	100%	RAKYAT FACILITY MANAGEMENT SDN BHD (Building Management and Maintenance) * in Members Voluntary Winding Up

Figure 1: Group Structure

ABOUT US

BANK RAKYAT AND THE GOVERNMENT

MINISTRY OF FINANCE
Bank Kerjasama Rakyat Malaysia Berhad Act (Special Provision) 1978

MINISTRY OF ENTREPRENEUR DEVELOPMENT AND COOPERATIVES

CENTRAL BANK OF MALAYSIA
The Development Financial Institutions Act 2002

SURUHANJAYA KOPERASI Malaysia

Cooperative Act 1993

BANKRAKYAT بيڠك رعيت

Your Bank of Choice

By-Law

Figure 2: Bank Rakyat and the Government

ABOUT US

ORGANISATION CHART

ABOUT US

ORGANISATION CHART

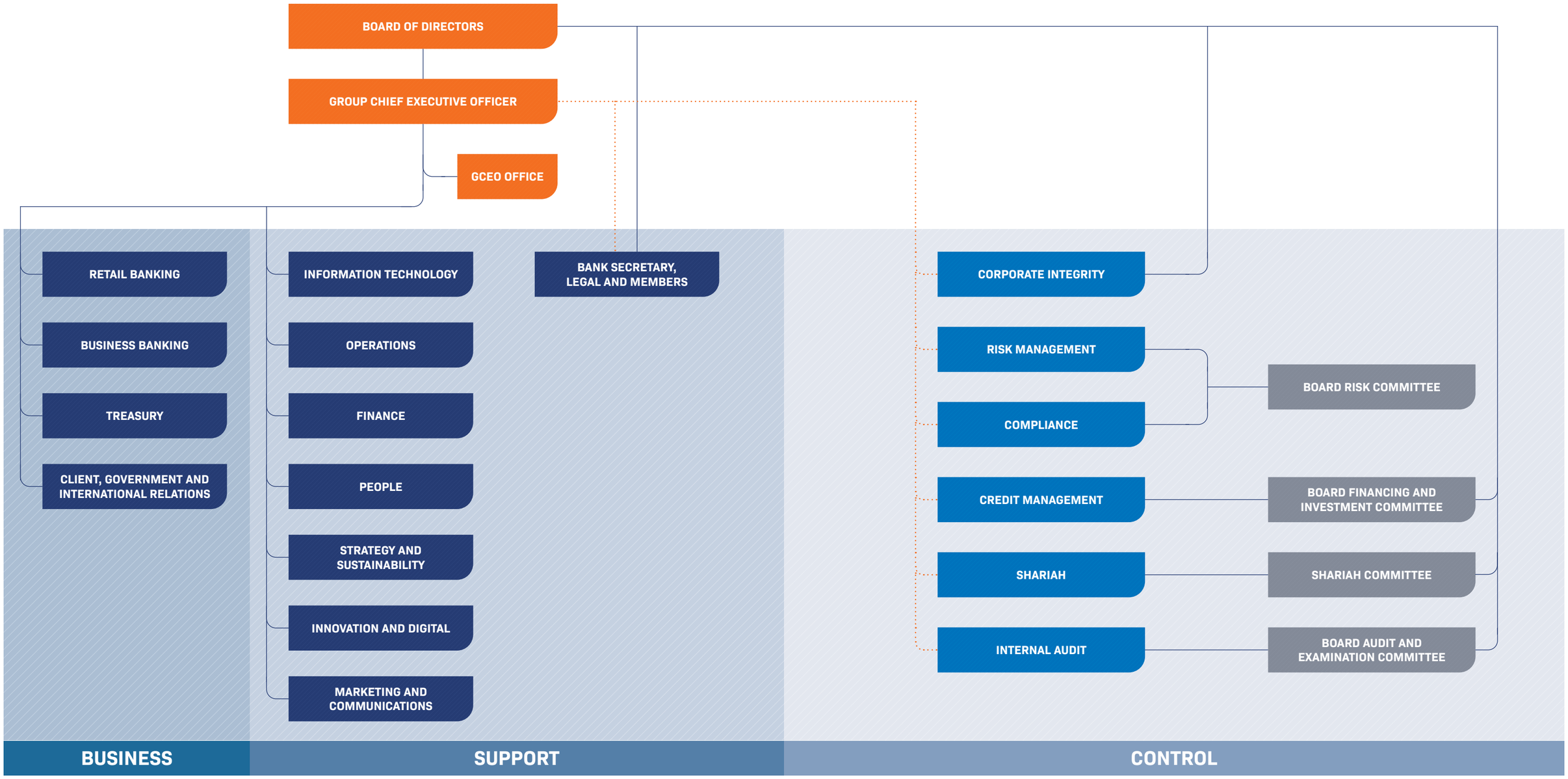


Figure 3: Organisation Chart

ABOUT US

ABBREVIATIONS

Abbreviation	Description
ACRD	Annual Climate-related Disclosure Report
BCM	Business Continuity Management
BNM	Bank Negara Malaysia
BOD	Board of Directors
BRC	Board Risk Committee
BRSFP	Bank Rakyat Sustainability Framework and Policy
CCPT	Climate Change and Principle-based Taxonomy
CGC	Credit Guarantee Corporation
CRMSA	Climate Risk Management and Scenario Analysis
CRST	Climate Risk Stress Testing
DRI	Disaster Recovery Institute
ESG	Environmental, Social and Governance
ESDD	Enhanced Sustainability Due Diligence
FSI	Financial Services Industry
GHG	Greenhouse Gas
GLC	Government-Linked Company
GRI	Global Reporting Initiative
IPCC	Intergovernmental Panel on Climate Change
MANCO	Management Committee
MRC	Management Risk Committee
NGFS	Network for Greening the Financial System
NSRF	National Sustainability Reporting Framework
NZTP	Net Zero Transition Plan
PMF	Performance Measurement Framework
SC	Securities Commission Malaysia
SDGs	Sustainable Development Goals
SME	Small and Medium-sized Enterprise
SRI	Sustainable and Responsible Investment
STC	Sustainability Committee
TCFD	Task Force on Climate-related Financial Disclosures
VBI	Value-based Intermediation

Sustainability

Strategy



SUSTAINABILITY STRATEGY

SUSTAINABILITY STRATEGY - OVERVIEW

GRI 2-22, 2-23, 2-24

Our sustainability strategy is guided by our overarching vision to "Build a Sustainable Future for the Bank and its Stakeholders". The vision is anchored in a mission to drive socioeconomic development for the nation, strengthen our internal foundation and accelerate green transition. In FY2025, we continued to advance our sustainability agenda through various initiatives and strategic programmes across our key sustainability pillars.

Towards this end, a key milestone in FY2025 is the publication of our second consecutive Annual Climate-related Disclosure (ACRD) Report, fulfilling Bank Negara Malaysia's mandatory climate-related financial disclosures. This year also marked the completion of our inaugural CRST exercise and the development of our NZTP, reflecting our continued efforts to embed climate risk oversight into our governance and risk management processes.

ENVIRONMENT

Our decarbonisation journey gained momentum in FY2025. We noted measurable progress in our decarbonisation journey which are the reduction of our operational carbon emissions and advancing green financing. Together, these efforts contribute directly toward our target of achieving net zero emissions by 2050.

In FY2025, we intensified our efforts to support low-carbon and resource-efficient industries by advancing green and transition financing, a key priority under our sustainability pillar of accelerating the green transition. Our carbon reduction initiatives also remained on track, driven by continued investments in energy efficiency and operational improvements. At the same time, we expanded the deployment of proceeds from our SRI Sukuk to finance eligible green and social projects, reinforcing our commitment to delivering positive environmental and social impact.



SOCIAL

The Bank's social mandate focuses on empowering individuals, uplifting communities, and driving inclusive economic growth. In FY2025, we furthered our social initiatives through financial inclusion, entrepreneurship support, and community investment initiatives to deliver measurable impact (please refer to pages 81-88 for more details).

One of our main focuses is to promote equitable access to finance for underserved communities in Malaysia. We continued to provide access to capital and financial services, especially for the MSMEs, cooperatives and entrepreneurs.



SUSTAINABILITY STRATEGY

SUSTAINABILITY STRATEGY - OVERVIEW

GOVERNANCE

Strong governance is the cornerstone upon which our sustainability commitments are built. The BOD serves as the highest governing body in overseeing all sustainability-related matters, including assessing risks and opportunities. The BOD is supported by the MANCO and Sustainability Committee, which coordinates initiatives and reports regularly on Sustainability matters.

The BOD comprises eight (8) members, including six (6) independent directors and two (2) non-independent directors. The BOD also includes nominees from the Ministry of Finance (MOF) and the Ministry of Entrepreneur and Cooperatives Development (KUSKOP).

The Board is supported by six (6) Board committees, namely the Board Audit and Examination Committee, Board Procurement Committee, Board Risk Committee, Board Financing & Investment Committee, Board IT Committee and Board Nomination & Remuneration Committee. Each Board Committee reports to the BOD on a regular basis as per the Board Charter.

The MANCO reports to the BOD on non-risk sustainability matters and other sustainability-related matters. The Sustainability Committee reports directly to the MANCO. For sustainability-related risk matters, the Management Risk Committee reports to the Board Risk Committee, which in turn reports to the BOD.

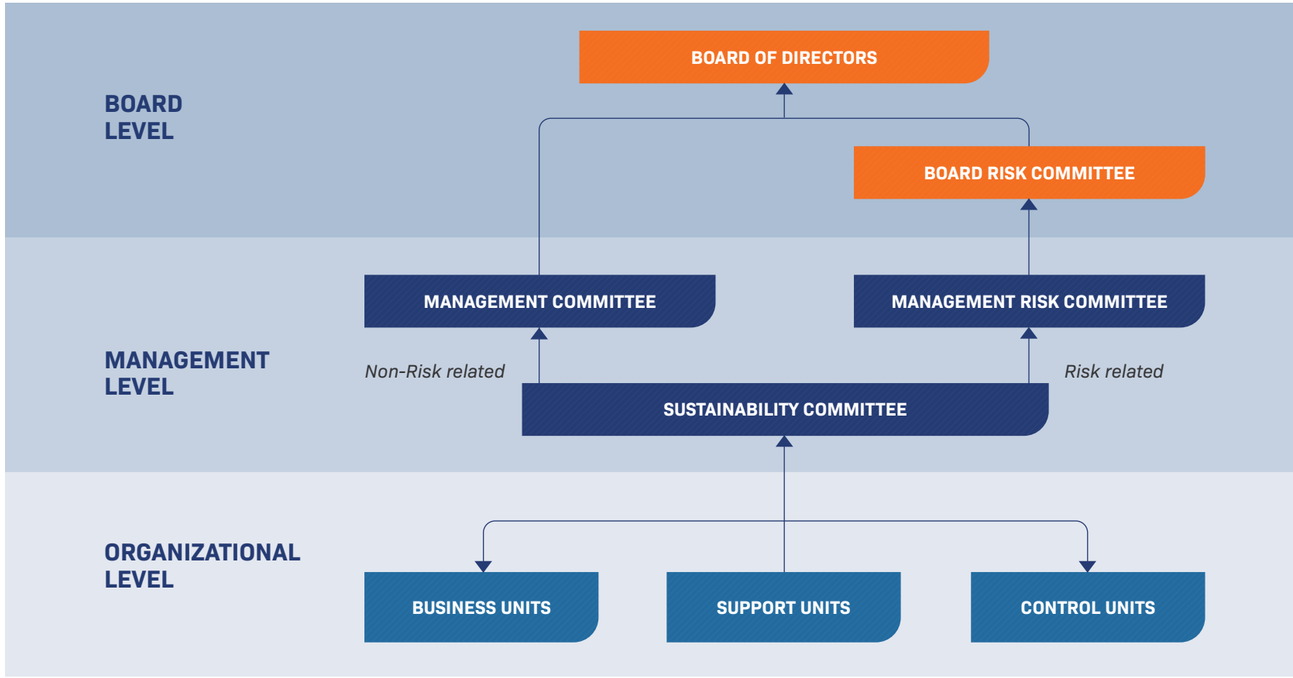


Figure 4: Sustainability Governance Structure

Sustainability is integrated into the Bank's broader risk management framework, with ESG and climate-related risks embedded into existing processes to ensure consistent assessment, monitoring, and reporting.

SUSTAINABILITY STRATEGY

SUSTAINABILITY FRAMEWORK & POLICY

Building a sustainable future requires a clear strategy and a consistent approach. The BRSFP provides a clear foundation by aligning the Bank's vision, mission and sustainability ambitions through three strategic pillars.

BUILDING A SUSTAINABLE FUTURE FOR THE BANK AND ITS STAKEHOLDERS

DRIVING SOCIO-ECONOMIC DEVELOPMENT FOR THE NATION

- Empowering individuals
- Uplifting communities
- Supporting and sustaining businesses

ACCELERATING THE GREEN TRANSITION

- Advancing financial inclusivity
- Reimagining banking and financial services
- Facilitating green growth
- Protecting the environment

STRENGTHENING OUR INTERNAL FOUNDATIONS

- Nurturing a future-ready workforce
- Fostering a supportive workplace

BANKRAKYAT بيغك رعيه

Your Bank of Choice

Corporate Vision & Mission

EMBODYING SHARIAH LEADERSHIP

Figure 5: Sustainability Strategic Framework

SUSTAINABILITY STRATEGY

SUSTAINABILITY FRAMEWORK & POLICY

PILLAR 1 Driving Socioeconomic Development for the Nation

Bank Rakyat is committed to advancing inclusive socioeconomic development by empowering individuals and communities through entrepreneurship, financial literacy, and improved access to finance. Through these efforts, the Bank aims to reduce inequalities and support sustainable economic growth across Malaysia.

- Creating a measurable positive impact on members, customers, communities and the broader public.
- Acting as a key enabler for entrepreneurs, MSMEs and cooperatives to support growth and development.

PILLAR 2 Accelerating the Green Transition (Environment)

Bank Rakyat is driving the transition towards a low-carbon economy by integrating sustainable practices, promoting digitalisation and supporting environmentally responsible businesses. The Bank remains focused on mobilising resources, enhancing climate resilience and contributing to positive environmental outcomes and is committed to achieving Net Zero by 2050.

- Promoting sustainable operations by adopting environmentally and socially responsible practices and reducing operational emissions.
- Reducing financed emissions linked to investments, activities and projects.
- Providing financing to support transition towards low-carbon, resource-efficient and environmentally responsible practices.

PILLAR 3 Strengthening Our Internal Foundations (Social – Workplace)

Bank Rakyat continues to invest in human capital development to equip its workforce with the skills and capabilities needed to support its sustainability agenda. By fostering a culture of continuous learning and high performance, the Bank strengthens its ability to address evolving social, economic and environmental challenges.

- Building a future-ready workforce capable of driving sustainable transformation.
- Enhancing understanding of Shariah principles to strengthen leadership in Islamic finance.

Embodying Shariah Leadership

Bank Rakyat upholds Shariah principles as the foundation of its sustainability framework, ensuring ethical practices are embedded across its operations and offerings. Through this commitment, the Bank promotes equitable, responsible and sustainable outcomes aligned with its vision of building a better future.

Figure 6: Sustainability Strategic Pillars

SUSTAINABILITY STRATEGY

SUSTAINABILITY FRAMEWORK & POLICY

To ensure robust sustainability integration across the Bank, the BRSFP is crafted based on five guiding principles as below:

Creating Sustainable Impact

Increasing the positive impacts while reducing the negative impacts to society and the environment that result from business operations and activities.

Supporting Customers and Members

Proactively engaging customers and members, encouraging them to embrace sustainable practices that create long-term value for society and the environment.

Stakeholder Engagement & Partnership

Actively consulting, engaging and partnering with stakeholders to manage sustainability-related risks and capitalise on opportunities for sustainable growth.

Impact-based Risk Management

Taking appropriate measures to ensure robust management of sustainability-related risks across business activities.

Supportive Workplace

Creating a workplace where employees can thrive and continuously develop their capabilities to drive the Bank's sustainability agenda.

BANK RAKYAT SUSTAINABILITY FRAMEWORK PILLAR

DRIVING SOCIOECONOMIC DEVELOPMENT FOR THE NATION

SDG Alignment:

ACCELERATING THE GREEN TRANSITION

SDG Alignment:



STRENGTHENING OUR INTERNAL FOUNDATIONS

SDG Alignment:



Figure 7: Sustainability Strategic Pillars

SUSTAINABILITY STRATEGY

SUSTAINABILITY FRAMEWORK & POLICY

The BRSFP is aligned with the UN SDGs, where the respective goals have been mapped to our three main pillars. This alignment enables the Bank to contribute towards broader global sustainability objectives through targeted initiatives, measurable outcomes, and sustainable value creation. The table below outlines the Bank's key focus areas and initiatives in supporting the relevant SDGs.

Sustainability Pillar	Relevant SDGs	Key Focus Areas	FY2025 Initiatives / Actions
Driving Socioeconomic Development for the Nation	**SDG 1:** No Poverty **SDG 4:** Quality Education **SDG 8:** Decent Work & Economic Growth **SDG 10:** Reduced Inequalities	Financial inclusion, MSME development, cooperative empowerment	MSMEC financing, financial literacy programmes, Digital Desa, Cashless School
Accelerating the Green Transition	**SDG 7:** Affordable & Clean Energy **SDG 9:** Industry, Innovation & Infrastructure **SDG 12:** Responsible Consumption & Production **SDG 13:** Climate Action	Climate action, operational decarbonisation, green financing	Solar PV installation, EV transition, energy efficiency initiatives, climate-related financing
Strengthening Our Internal Foundations	**SDG 4:** Quality Education **SDG 8:** Decent Work & Economic Growth	Workforce development, governance, employee capability	Sustainability training, talent development, governance strengthening

Table 1: Sustainability Pillars and Initiatives

ALIGNMENT WITH BR25 & LEAD30

The Bank aspires to transform into the most progressive Islamic cooperative bank in Malaysia. Our BR25 ended in FY2025 and will be succeeded by LEAD30 for the period 2026-2030.

Since 2021-2025, BR25 provided clear direction on how the Bank addresses sustainability agenda for the Bank's operations, financing activities, governance and culture. Guided by the BRSFP, BR25 led the Bank's mission to drive socioeconomic development and accelerate green transition initiatives.

Building on this foundation, LEAD30 serves as the Bank's long-term transformation journey. It provides a forward-looking roadmap to strengthen sustainable growth, organisational resilience, and market competitiveness up to the year 2030. It is anchored on five strategic focus areas, namely Rakyat Beyond, Rakyat Prosper, Rakyat Abroad, Rakyat Resilience and Rakyat Transformation, integrating sustainability, financial inclusion, digital innovation and governance into the Bank's core business strategy.

LEAD30 reinforces the Bank's climate commitments through initiatives such as portfolio alignment and transition financing, financial literacy programmes and significant reduction in Scope 1 and Scope 2 emissions by 2030. This contributes to the aspiration of the bank to become "The Most Progressive and High Growth Islamic Bank".

The three BRSFP pillars are operationalised through LEAD30 and initiatives that support inclusive growth, sustainable financing, digital innovation and operational resilience. We aim to raise the bar on sustainability performance, further cementing our strategic role as a responsible financial institution.

Sustainability

Material Matters

SUSTAINABILITY MATERIAL MATTERS

MANAGING OUR MATERIAL MATTERS

GRI 3-1, 3-2, 3-3

The management of our material matters is a key driver in our sustainability efforts and strategy. Our last materiality assessment was conducted in FY2023. The process included the engagement of key internal stakeholders and heads of departments, who presented various views on the significance of the material matters. The exercise resulted in the identification of twelve (12) material matters that are deemed significant to the organisation. Following an internal review, the Bank has concluded that the current twelve (12) material matters are still applicable to the Bank for FY2025.

In determining the material topics, the Bank relied on GRI Standards' four-step process as below:

Understand Bank Rakyat's context → **Identify actual and potential impacts** → **Assess actual and potential impacts** → **Prioritise the most significant impacts for reporting**

The assessment was conducted in FY2023, involving cross-functional engagements with internal and external stakeholders.

MATERIALITY MATRIX

Twelve (12) material topics were identified and deemed as still relevant to the Bank. Each of the topics was mapped to the three key pillars of the BRSFP. A materiality matrix was then prepared based on two perspectives – significance to stakeholders and significance to the Bank as below.

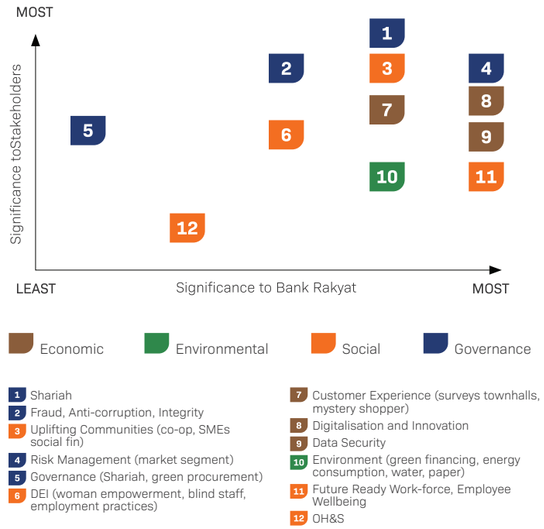


Figure 8: Materiality Matrix

For further details on each material topic, please refer to pages referenced in the table below.

SUSTAINABILITY FRAMEWORK AND POLICY PILLAR	MATERIAL TOPIC	PAGES
Driving Socioeconomic Development for the Nation	Uplifting Communities	82-88
	Customer Experience	33, 86
	Data Security	39
	Risk Management	55-56
	Digitalisation and Innovation	63, 85
Accelerating the Green Transition	Environment	44-70
Strengthening our Internal Foundations	Governance	35-38
	Fraud, Anti-Corruption and Integrity	40
	Diversity, Equity and Inclusion	80
	Occupational Health and Safety	79
	Future-ready Workforce	77-78
	Shariah	36

Table 2: Materiality Topics

SUSTAINABILITY MATERIAL MATTERS

STAKEHOLDER ENGAGEMENT

GRI 2-29, 3-1

STAKEHOLDER ENGAGEMENT & APPROACH

Meaningful stakeholder engagement is central to how we shape and advance our sustainability agenda. The Bank maintains strong, long-term partnerships with communities, regulators, industry peers and partners. These ongoing collaborations are vital in guiding its organisational and sustainable development goals.

Through active and continuous engagement with key stakeholder groups, the Bank proactively manages sustainability impacts and leverages opportunities for sustainability-driven economic growth. These engagements are conducted across various platforms using carefully selected methods of engagement. We value the perspectives of our stakeholders and are committed to proactive, constructive engagement through two-way dialogue.

In addition to regular communication with stakeholder groups, we conduct specialised engagement sessions. These include sustainability briefings to various stakeholders, such as investors and regulators, financial literacy sessions to customers and MSMEs and industry roundtables to address issues relevant to industry peers and partners. The roundtables sessions help to promote sustainable business practices, such as green financing and product development. These engagements also support inclusive economic development by broadening financial access and promoting sustainable growth among the community.

Transparent communication is critical to a productive stakeholder engagement and to develop a stronger relationship. The following table below provides an overview of our methods of engagement with our stakeholders:

Stakeholder Groups	Modes of Engagement/ Frequency	Matters of Interest	How We Respond
Members (Stakeholders)	• Annual general meetings • Annual report and sustainability report • Investor relations • Email correspondences (ongoing)	• Financial performance • Societal impact of products and services • Ethical business practices	• Good corporate governance and ethical practices • Responsible and inclusive financing for economic development
Employees	• Intranet (ongoing) • Web communications (ongoing) • Town hall sessions (monthly) • Employee-related events (regularly) • Grievance system (as required) • Engagement sessions • Materiality survey	• Employee welfare • Career progression • Ethical business practices • Societal impact	• Employment practices and benefits • Occupational health and safety • Good corporate governance and ethical practices
Customers	• Social media (ongoing) • Customer service channels (ongoing) • Public Complaint Bureau (ongoing) • Bank Rakyat Customer Satisfaction Survey (BRCS) (biennial) • Customer Townhalls • Mystery shopper programmes	• Innovative products and services • Streamlined customer services • Ethical business practices • Personal data protection • Customer satisfaction	• Good corporate governance and ethical practices • Responsible and inclusive financing • Innovative digitalisation and data security • Financial literacy • Green transitioning
Vendors	• Tendering process • Performance evaluation	• Procurement practices	• Responsible procurement practices
Government and Regulators	• Meetings (as required) • Forums • Regulatory briefings (as required)	• Products and services • Ethical business practices • Overall performance • Regulatory compliance	• Responsible and inclusive financing • Economic development additionality • Good corporate governance and ethical practices
Local Communities and Non-Government Organisations (NGOs)	• Briefing, meeting, volunteering programmes • Community programmes (as required)	• Indirect economic contribution • Community contribution	• Community investment • Employees volunteerism
Media	• Meetings, press releases and press briefings (as required)	• Good governance practices • Societal impact	• Good corporate governance and ethics • Responsible and inclusive financing • Community investment and development

Table 3: Stakeholder Engagement Overview



SUSTAINABILITY GOVERNANCE

GOVERNANCE STRUCTURE OVERVIEW

GRI 2-11, 2-12

Having a strong governance framework is fundamental to delivering our sustainability commitments and creating long-term value for our stakeholders. We are regulated by Bank Negara Malaysia, we are committed to complying with the regulatory requirements and guidance issued by the regulator, including the Climate Risk Management and Scenario Analysis (CRMSA) policy document. Our governance approach is further guided by the principles of the Malaysian Code on Corporate Governance 2021 (MCCG), the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Value-based Intermediation (VBI) framework. The following summarises our governance structure and composition, along with the Bank's sustainability strategy, policies, practices, and stakeholder engagement efforts.

Our governance structure is designed to embed sustainability into decision-making at every level of the organisation through clear accountability, effective oversight and defined reporting lines. This enables the Bank to manage sustainability-related risks and opportunities while supporting responsible and ethical business practices.

Our BOD is the highest governing body of the Bank, led by the Chairman. In line with the MCCG, the positions of the Chairman and GCEO are held by different individuals to promote a better check and balance in terms of good governance. The BOD maintains oversight of the MANCO in driving corporate vision by implementing the decisions of the former, while monitoring sustainability risks and opportunities.

For a complete disclosure on the BOD structure, composition, roles and remuneration, please see the Annual Report on pages 128 to 137.

In line with TCFD recommendations, the Bank has established relevant governance policies, defined roles, and decision-making processes. Under this structure, both the Sustainability Committee (STC) and the Sustainability and Risk Management department play a crucial role in the implementation of our sustainability initiatives.

Our sustainability governance structure operates across three levels, namely at the Board, Management and Organisational levels. This ensures that sustainability matters are raised and receive due consideration at the BOD and the MANCO. Sustainability matters are under the purview of the Sustainability Department, which receives sustainability performance data from business units and support units of the Bank. This multi-tiered approach ensures clear accountability and alignment with all sustainability-related activities within the Bank. Climate risk management, including the identification, assessment, monitoring and reporting of climate-related risks, is overseen by the Risk Management Department in line with the Bank's risk governance framework and regulatory requirements. Together, these complementary roles strengthen the Bank's overall sustainability and climate governance.



BOARD COMPOSITION & COMMITTEE ROLES

The BOD is guided by its Board Charter, which defines its roles and responsibilities of its directors, Board composition, Board committees, authority, conduct of directors, Board processes and administration. The BOD is responsible for setting and approving the Bank's purpose, mission, sustainability strategy, policies, goals and risk management framework.

The Bank's BOD is made up of highly qualified individuals from diverse backgrounds, ensuring a well-rounded representation of skills, expertise, and experience. The Bank also oversees the continuous development of its directors through relevant training (please refer to pages 74-77 for more details) to ensure that they remain informed of emerging sustainability trends, regulatory developments and governance practices.

SUSTAINABILITY GOVERNANCE

GOVERNANCE STRUCTURE OVERVIEW

The table below provides a summary of the levels, bodies and roles within the Bank's sustainability governance structure:

Level	Governing Body	Sustainability Role	Reporting / Escalation
Board Level	**Board of Directors ("BOD")**	Provides oversight of sustainability strategy, integration, ESG risk management; approves frameworks, policies, and disclosures	–
	Board Risk Committee ("BRC")	Reviews and recommends sustainability risk strategies, appetite, frameworks, and policies; oversees sustainability-related risk matters	Board of Directors
Management Level	**Management Committee ("MANCO")**	Executes Board's sustainability directives; oversees integration of sustainability into operations; reviews and recommends frameworks, strategies, targets, and disclosures	Board of Directors
	Management Risk Committee ("MRC")	Oversees sustainability-related risk management, monitoring, controls, policies, and risk appetite	Board Risk Committee
	Sustainability Committee ("STC")	Endorses sustainability and climate-related matters; approves operational sustainability initiatives; monitors progress of sustainability programmes; reviews and recommends sustainability frameworks, policies, strategies, and targets	MANCO / MRC
Organisational Level	**Control Units**	Drives sustainability integration, stakeholder engagement, monitoring, reporting coordination, and advisory across the Group	Sustainability Committee
	Business & Support Units (BSUs) / Subsidiaries	Embeds sustainability into operations and business activities; monitors metrics and manages ESG risks	Sustainability Department

Table 4: Summary of Sustainability Governance Structure

The Control Units comprise the Sustainability Department, Risk Management, and Compliance functions. It acts as the Bank's dedicated sustainability coordination and oversight function.

OUR COOPERATIVE ISLAMIC MODEL

We are a cooperative Islamic bank, that combines Shariah principles with socioeconomic development objectives. The Bank's mandate is to provide inclusive, ethical and value-driven financial solutions to members, customers, businesses and underserved communities across Malaysia.

Our business model is built on six (6) key pillars comprising Members, Cooperative Movement, Customers, Islamic Principles, Society and Nation. These pillars reflect the Bank's commitment to supporting cooperative development, advancing financial inclusion, strengthening responsible financing practices and contributing to national economic growth. Through our wide range of Shariah-compliant products and services, the Bank supports sustainable livelihoods, entrepreneurship development and inclusive economic participation.

Shariah leadership is deemed as an important organisational culture. In FY2025, the Bank continued its involvement in waqf related initiatives, which further cemented our commitment and dedication towards Shariah leadership in the banking sector.

SUSTAINABILITY GOVERNANCE

GOVERNANCE STRUCTURE OVERVIEW

SUSTAINABILITY COMMITTEE (STC)

The STC plays a central role in translating the Bank's sustainability strategy into action. It serves as the primary management-level committee responsible for driving, endorsing, and monitoring all sustainability-related matters at the Bank. Established under the BRSFP, the STC is responsible for the Bank's sustainability strategy, ensuring that sustainability commitments are translated into concrete initiatives and measurable outcomes across the Bank.

The STC comprises ten (10) senior leaders drawn from across the Bank's key business, risk, operations, and support functions as per the table below.

STC Member	Roles
Chief Strategy & Sustainability Officer (Chairman)	Drives overall sustainability strategy, coordinates cross-functional sustainability integration and chairs STC proceedings.
Chief Retail Banking Officer	Supports sustainability integration across retail financing and financial inclusion initiatives.
Chief Operations Officer	Supports operational sustainability initiatives including operational efficiency and digitalisation efforts.
Chief People Officer	Supports workforce development, sustainability awareness and employee-related sustainability initiatives.
Group Chief Risk Officer	Oversees integration of ESG and climate-related risks within the Bank's risk management framework.
Chief Business Banking Officer	Supports sustainability integration across SME, cooperative and business financing activities.
Chief Treasury Officer	Supports sustainability-related treasury and financing initiatives.
Chief Marketing & Communications Officer	Supports stakeholder communication and sustainability-related disclosures.
Chief Credit Officer	Supports integration of ESG considerations into credit-related processes and portfolio oversight.
Group Chief Shariah Officer	Ensures sustainability initiatives remain aligned with Shariah principles and Islamic banking practices.

Table 5: 10 Senior Leaders – STC Composition and Roles

SUSTAINABILITY GOVERNANCE

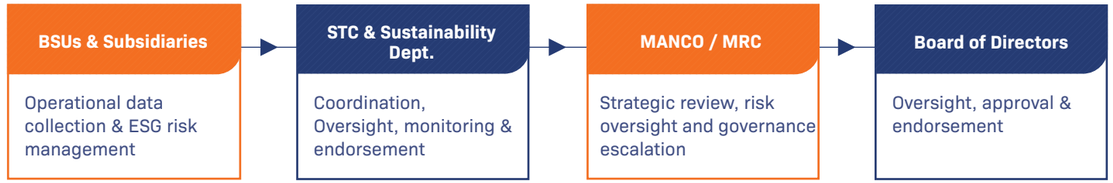
GOVERNANCE STRUCTURE OVERVIEW

ACCOUNTABILITY MECHANISMS

Effective accountability is fundamental to translating the Bank's sustainability commitments into action. Guided by the BRSFP governance structure, the Bank has established clear accountability mechanisms that support the implementation, monitoring and reporting of sustainability commitments across its business units and subsidiaries.

Under these processes, the Bank monitors the performance of sustainability matters and keeps a keen eye on sustainability targets.

A structured reporting and escalation process has been established to facilitate the escalation of sustainability-related matters to the BOD.



Independent sustainability audit and assurance processes are in place to assess current sustainability practices and compliance to applicable regulatory requirements. Internal review and audit functions support the assessment of sustainability-related governance, controls, and implementation, which is then reported to the BOD.

As for climate-related risks, the Climate Risk Management Policy is integrated into the Bank's existing risk profile through risk identification, risk measurement, risk monitoring and risk controls (please refer to pages 55-56 for more details). The policy includes the assessment and transmission of climate-related risks into credit, market, liquidity and operational risks. The Bank's climate commitments and goals are aligned to achieving Net Zero Emissions by 2050 (please refer to page 44 for more details).

CAPACITY BUILDING (BOARD & MANAGEMENT TRAINING)



We recognise that effective sustainability governance requires continuous capacity building for the BOD and MANCO. To ensure that our directors and MANCO stay ahead of the knowledge curve, they routinely attend various training programmes on sustainability-related matters (please refer to pages 74-77 for more details).

SUSTAINABILITY GOVERNANCE

INTERNAL CONTROLS & REPORTING STRUCTURE

The Bank maintains strict internal controls and reporting structures to support the good governance, monitoring and management of sustainability-related matters. The Sustainability Department facilitates the monitoring and reporting activities relating to sustainability-related metrics and indicators. The department reports any early signs or events relating to sustainability-related matters directly to the STC, which is then escalated to the MANCO for appropriate action.

We adopt an impact-based risk management approach comprising risk identification, risk assessment and measurement, risk treatment and control, and risk monitoring and reporting. Sustainability risks are reviewed annually or as and when required to ensure the Bank's sustainability risk profile remains current and reflective of business operations and regulatory developments.

CYBERSECURITY GOVERNANCE

We continue to strengthen our cybersecurity governance and internal control practices to safeguard information assets, customer data and digital banking operations. Cybersecurity risks are managed through established governance structures, internal control processes, and ongoing monitoring activities. This helps to maintain operational resilience and the protection of the Bank's systems and IT infrastructure.

Potential cybersecurity incidents and control gaps are identified, assessed, and managed through established internal controls. Our internal control framework includes oversight by relevant governance and control functions, including Risk Management, Compliance, Information Technology, Legal and Internal Audit. Whenever issues or incidents are identified, immediate investigations and assessments are conducted to identify root causes. This leads us to quickly implement appropriate corrective actions, including process improvements, policy enhancements, strengthened controls and targeted awareness initiatives.

All monitoring and review mechanisms are conducted regularly by the Bank to further support continuous improvement of our cybersecurity infrastructure.



SUSTAINABILITY GOVERNANCE

ANTI-CORRUPTION AND WHISTLEBLOWING

A strong culture of integrity is essential to maintaining stakeholder trust and responsible business practices. Our anti-corruption governance framework, guided by the Organisational Anti-Corruption Plan ("OACP") 2024–2026, establishes clear measures to prevent corruption, promote accountability and uphold ethical conduct across the Bank.

Corruption risk is managed through a structured Corruption Risk Management exercise conducted every three years, complemented by continuous improvements at the division and unit level through the ISO 37001 Anti-Bribery Management System ("ABMS") certification process. Certified scopes include Payment Operations, Contract Management and Main Branch (Retail Banking), ensuring that anti-bribery controls are embedded within the Bank's most exposure-critical operational areas.

To manage conflicts of interest, we utilise a digitalised, mandatory disclosure ecosystem covering both internal human resource processes and external procurement activities. As part of our transparency approach, employees are required to declare family relationships and potential conflicts of interest through the My-HR system. All our vendors are required to sign an Integrity Pledge as part of the Procurement Pack prior to commencing any business relationship.

In addition, the Bank has a strong whistleblowing process to promote ethical conduct. In line with Section 25 of the Malaysian Anti-Corruption Commission ("MACC") Act 2009, employees and stakeholders may raise concerns or seek guidance on responsible business conduct through multiple whistleblowing channels established under the Whistleblowing Policy.

Written reports can be submitted via the Whistleblower Form to any Integrity and Ethics Committee ("IEC") member, email ***whistle@bankrakyat.com.my,*** or through the dedicated whistleblowing portal on our corporate website.



COMPLIANCE WITH LAW AND REGULATIONS

Compliance with applicable laws, regulations and guidelines is fundamental to maintaining the Bank's integrity and stakeholder trust. Our compliance oversight is embedded across multiple levels of the Bank, aligned to the BRSFP and the Sustainability Risk Policy. Cases of non-compliance are assessed based on the Bank's internal risk assessment matrix, with significance determined based on materiality.

The Bank continuously strengthens its compliance governance through regular policy reviews and enhancement of internal controls and monitoring processes, reflecting its commitment to responsible business conduct, regulatory integrity and the protection of its members, customers and stakeholders.

Economic

Performance

ECONOMIC PERFORMANCE

OVERVIEW OF ECONOMIC PERFORMANCE

For our five-year performance, quarterly performance, segmental analysis, Dividend, our members, Key Milestones, Significant Events of 2025 and our presence throughout Malaysia, please refer to our Annual Report 2025, pages 12 to 28.





Net Zero and Environmental Performance



NET ZERO AND ENVIRONMENTAL PERFORMANCE

NET ZERO ROADMAP & JOURNEY

NET ZERO ROADMAP

IFRS S2 14(a); TCFD Strategy (a), CRMSA 10.4

We are firmly committed to achieving net zero greenhouse emissions by 2050, actively advancing our alignment with Malaysia's national climate pledges under the Paris Agreement. For the Bank, navigating this transition is more than a sustainability milestone; it is a fundamental fiduciary duty to protect long-term value and secure a resilient legacy for present and future generations. Guided by strategic Board oversight, our Net Zero Transition Plan (NZTP) effectively bridges regulatory expectations with our own institutional ambitions, providing clear direction for our climate transition journey.



OUR NET ZERO JOURNEY

Our decarbonisation journey began in 2021 with energy-efficiency retrofits across our facilities and a progressive shift to digital-first operations. The targeted infrastructure upgrades allow us to permanently lower baseline power demand over time, while digital operations replaced carbon-heavy logistics and administrative loops with a more streamlined, high-efficiency electronic systems. Alongside these operational enhancements, we have established comprehensive carbon accounting capabilities to rigorously measure and track our footprint across our internal operations and our wider financed emissions.

With this robust data foundation in place, we are well-positioned to initiate comprehensive portfolio alignment and unveil our mature transition strategy by 2027.

NET ZERO TRANSITION PLAN (NZTP)

IFRS S2 14(a); TCFD Strategy (a); CRMSA 10.4; GRI 3-3

Our NZTP sets out a phased pathway to net zero emissions by 2050. As an interim milestone on this journey, we have targeted a 30% reduction in total Scope 1 and 2 emissions by 2030 relative to our 2024 baseline. This trajectory is driven by a steady, incremental increase of 6 percentage points annually starting in 2026, providing a transparent framework for our near-term targets. Our NZTP is fundamentally anchored to our strategic sustainability sub-pillars: reducing our own operational footprint, reducing financed emissions, and supporting our customers' transition to lower-carbon practices.

These targeted reductions are delivered through our LEAD30, which sets out energy efficiency measures, renewable energy adoption and other decarbonisation initiatives for implementation across 2026-2030. To ensure our strategy remains dynamic and resilient, we review our transition plan periodically to reflect developments in regulatory requirements, data availability, and market conditions.

NET ZERO AND ENVIRONMENTAL PERFORMANCE

NET ZERO TRANSITION PLAN (NZTP)

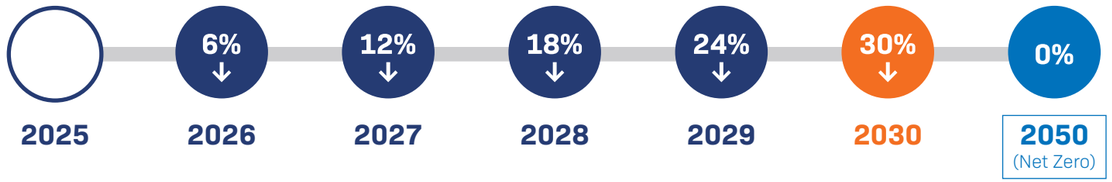


Figure 9: Net Zero Transition Plan Pathway

OUR NET ZERO AMBITION ▶ **NET ZERO BY 2050**
Achieve net zero greenhouse gas emissions by 2050.

OUR NET ZERO INITIATIVES

Scope 1 Decarbonisation

Reduction of direct operational emissions through fleet electrification, e.g., Electric Vehicles (EV), Plug-in Hybrid Electric Vehicles (PHEV), and Hybrid Electric Vehicles (HEV).

Scope 2 Decarbonisation

Reduction of indirect electricity-related emissions through renewable energy adoption, energy-efficiency upgrades, and GBI-certified facilities.

Scope 3 Decarbonisation

Evaluating the potential to align our portfolios and deploy targeted transition financing to meaningfully support customer's decarbonisation journey.

Figure 10: Net Zero Ambition and Initiatives

NET ZERO AND ENVIRONMENTAL PERFORMANCE

NET ZERO PERFORMANCE AND PROGRESS

IFRS S2 33; TCFD Metrics & Targets; CRMSA 10.4; GRI 3-3

PERFORMANCE HIGHLIGHTS 2025

Operational Decarbonisation

- **13.15% DECREASE** IN TOTAL SCOPE 1 & 2 EMISSIONS FROM FY2024
- **82 BRANCHES** FITTED WITH SOLAR PV (UP FROM 2 IN FY2024)
- **16 UNITS** EV CHARGING BAY INSTALLED
- **57 GBI SCORE** FOR MKBR (UP FROM 49 IN FY2024)
- **17,572 KG** OF WASTE DIVERTED FROM LANDFILL

Portfolio Decarbonisation

- **368%** GROWTH IN EV FINANCING (UP FROM 187% IN 2024)
- **36.06%** SUSTAINABLE FINANCING APPROVED (UP FROM 27.22% IN 2024)
- **RM528 MILLION** CAPITAL DEPLOYED FOR C1 BUSINESS FINANCING (51% INCREASE FROM 2024)

REDUCING OUR OWN FOOTPRINT (ENERGY EFFICIENCY: OPERATIONAL EMISSIONS)

IFRS S2 29; TCFD Metrics & Targets; CRMSA 12.7(b); GRI 302-1, 302-4, 305-1, 305-2

In FY2025, we recorded a combined Scope 1 and 2 emissions of 26,871 tCO2e. This is a marked decrease of 13.15% from FY2024, which is primarily attributed to enhanced efficiency measures at our headquarters, MKBR. As MKBR accounts for one-third of our total operational emissions, we prioritised the optimisation of air conditioning temperatures, which successfully lowered electricity consumption. Other key initiatives implemented across our facilities include:

RENEWABLE ENERGY

Building on the positive impact of our solar photovoltaic (PV) roof installations in FY2024, we went further and installed solar PV roofs across 82 additional Bank branches in FY2025, bringing the total number of solar-powered branches to 84. Each installation is projected to yield average electricity cost savings of approximately RM400 per month per branch, while reducing our reliance on grid electricity and lowering our Scope 2 emissions.

ENERGY EFFICIENCY UPGRADES

Since FY2022, we have driven continuous energy and water optimisation by introducing energy-efficient LED lighting and advanced HVAC systems at our headquarters. In FY2025, we successfully extended these resource-efficiency measures to 17 bank branches.

Number of locations upgraded	2023	2024	2025
LED & HVAC upgrades	MKBR		17 branches

Table 6: Energy-efficiency Installations

GREEN BUILDING INDEX (GBI) CERTIFICATION

Our focus on greening our headquarters yield measurable results this year, with our GBI score rising to 57 points, up from 49 points in FY2024. This is attributable to upgrades to our building efficiency initiatives, which include the installation of water sub-meter connected to our newly deployed Energy Monitoring System (EMS) display at our headquarters' lobby. The EMS provides real-time visibility into electricity and water consumption at the headquarters. To support low-carbon mobility for building occupants and visitors, we have installed additional 16 EV charging stations. With these initiatives, we hope to be propelled towards a Silver certification (66-75 points) by 2030.

	2023	2024	2025
MKBR	40	49	57

Table 7: GBI Score for Menara Kembar Bank Rakyat (MKBR)

NET ZERO AND ENVIRONMENTAL PERFORMANCE

REDUCING EMISSIONS AND SUPPORTING CUSTOMER TRANSITION

IFRS S2 27(c); TCFD Strategy, Metrics & Targets; CRMSA 10.1, 12.12-12.13; GRI 203-1

We recognise that the Bank's most significant climate impact occurs beyond our internal operations and within our financing activities. Because finance-related emissions constitute most of our carbon footprint, we are proactively identifying and expanding ESG financing opportunities that could empower our clients' transition journey.

GREEN FINANCING PRODUCTS

In FY2025, we scaled our suite of dedicated green financing products to support our customers' own transition to lower-carbon lifestyles and businesses. Driven by an explosive surge in market demand, approved financing for electric vehicles (EVs), solar energy solutions, and green home financing skyrocketed to RM274.91 million, almost quadrupling our FY2024's performance.

	2023	2024	2025
Total approved green financing (RM '000)	38,684	89,234	274,912
Percentage increase (%)	-	130.67	208.08

Table 8: Total Approved Green Financing

PORTFOLIO ALIGNMENT AND TRANSITION STRATEGY

In FY2025, we approved RM528 million under CCPT "C1 Climate Supporting" financing, which is a remarkable 51% increase from FY2024. This financing represented 8% of our total business banking approvals in FY2025, consistent with FY2024 levels.

In addition, we also implemented a Sustainability Scorecard as a strategic tool to drive portfolio alignment and support the transition towards decarbonisation.

To broaden market access to climate-aligned financing, we developed Biz Premier Plus Financing in FY2025, a dedicated facility providing working capital for SMEs and co-operatives across green economy, digital and high technology, automotive, transportation and storage, healthcare, and Halal industries. In tandem, we served as an active Participating Financial Institution (PFI) under BNM's High Tech and Green (HTG) Facility and Low Carbon Transition Facility (LCTF), channelling RM27 million funding to Malaysian SMEs pioneering in green technology, digital innovation, and biotechnology until FY2025.

LOOKING BEYOND 2025

We are establishing clear pathways to mitigate climate-related risks and align our portfolio mix. As part of this effort, we have implemented Enhanced Sustainability Due Diligence (ESDD) for high-impact sectors to strengthen the assessment and management of environmental and social risks in our financing decisions. Beginning in 2027, we aim to prioritise customer transition strategies across five high-impact climate sectors: upstream oil and gas, coal and gas power plants, iron and steel manufacturing, cement manufacturing, mining. By focusing engagement on these segments, we ensure long-term support toward an orderly, low-carbon transition.

NET ZERO AND ENVIRONMENTAL PERFORMANCE

MEASURING AND TRACKING CARBON FOOTPRINT: SCOPE 1, 2 & 3

IFRS S2 29-30; TCFD Metrics & Targets; CRMSA 12.7(b); GRI 305-1, 305-2, 305-3

We rigorously monitor our greenhouse gas emissions and establish clear emissions reduction targets in close alignment with the requirements of CRMSA, TCFD, ISSB IFRS S2, and GRI. FY2025 marks a major data milestone, as our GHG inventory is based on primary, actual data across our entire operational boundary. For Scope 3 Category 15: Investments, we aim to enhance data quality by increasing the use of actual counterparty-level emissions data as our internal capability matures.



FRAMEWORKS AND STANDARDS APPLIED

Framework / Standard	Scope Coverage
GHG Protocol Corporate Standard	Operational emissions: Scope 1 (stationary and mobile combustion) and Scope 2 (purchased electricity, location-based). Material Scope 3 categories currently in scope: Category 7 (Employee Commuting).
Partnership for Carbon Accounting Financials (PCAF) Standard	Indirect emissions (Scope 3 Category 15 Investments) across six asset classes: Sovereign Sukuk, Corporate Sukuk, Property Financing (Retail), Property Financing (Business), Vehicle Financing, and Business Financing.

Table 9: Frameworks and Standards Applied

DATA MONITORING FRAMEWORK

IFRS S2 6-7; TCFD Governance; CRMSA 12.9

Our NZTP progress is currently reported to the BOD through quarterly STC meetings to maintain continuous strategic alignment. We track our performance through our GHG inventory process, while portfolio climate metrics are monitored using BNM's CCPT and CRST framework. A formal monitoring framework for tracking progress against our net zero targets are currently being developed for implementation in FY2026.

Annual Climate-Related Disclosure (ACRD)

ANNUAL CLIMATE-RELATED DISCLOSURE (ACRD)

ANNUAL CLIMATE-RELATED DISCLOSURE REPORT OVERVIEW

To provide reliable, comparable, and decision-useful information to our stakeholders, our climate-related disclosures are aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and seamlessly integrated with BNM's CRMSA Policy Document, the Global Reporting Initiative (GRI) standards, and the United Nations Sustainable Development Goals (UN SDGs).

The Bank plays a dual role in supporting national socioeconomic development and resilient economic outcomes. In navigating a changing macroeconomic landscape, we view climate change as a driver of interconnected risks and opportunities that may affect our business model, financial performance, and strategic objectives. These impacts are closely monitored across credit quality, liquidity management, operational resilience, and portfolio performance across different climate and economic pathways.

To reinforce our long-term climate resilience, we continue to enhance our climate risk management capabilities and embed climate-related considerations into our governance, strategy, risk management, and business decision-making processes. A primary milestone of this commitment in FY2025 was the execution of our inaugural Climate Risk Stress Testing (CRST) exercise.

The CRST exercise provides deep, scenario-based insights into the potential financial implications of climate-related transition and physical risks, enabling us to assess the resilience of our portfolio and business strategy over the short-, medium-, and long-term time horizons.

ANNUAL CLIMATE-RELATED DISCLOSURE (ACRD)

CLIMATE GOVERNANCE

IFRS S2 5-7; TCFD Governance; CRMSA 9.1-9.12; GRI 2-9, 2-12, 2-13, 2-14

All matters related to climate risk and opportunities are under the purview of the Sustainability Committee (STC), led by the Chief Strategy and Sustainability Officer (CSSO). The STC meets on a quarterly basis to review climate-related developments, assess emerging risks and opportunities, monitor progress against climate-related targets and initiatives, and endorse key recommendations before escalation to the Management Committee (MANCO) or Management Risk Committee (MRC). The Bank recognises climate-related risks and opportunities as strategic considerations that may affect its long-term resilience, financial performance, and ability to deliver its development mandate. Accordingly, climate-related matters are regularly reviewed by the BOD as part of its oversight responsibilities, as well as to make informed decisions and provide strategic direction on climate-related matters. This includes a review of climate-related policies, management reporting, risk assessments, climate-related targets, and the adequacy of governance arrangements and internal controls.





The Sustainability Department is responsible for developing and implementing the Bank's climate and sustainability strategy, overseeing climate-related disclosures, monitoring performance against climate-related targets, and integrating climate-related considerations into the Bank's strategic planning and business decision-making processes.

The Bank's governance framework for managing climate-related risks and opportunities, including Board oversight, committee responsibilities, management roles, and executive accountability, is outlined in the Sustainability Governance section of this report (please refer to page 35-40 for more details).

Responsibility for climate risk management rests within the Risk Management function, led by the Group Chief Risk Officer (GCRO), supported by the respective business and support units. The Risk Management function periodically reviews and enhances its risk management practices to reflect continuous improvements in internal risk management capabilities, address emerging climate-related risks, and incorporate evolving regulatory expectations in line with the Group Risk Management Framework (please refer to page 55 for more details).



ANNUAL CLIMATE-RELATED DISCLOSURE (ACRD)

CLIMATE STRATEGY

IFRS S2 8-17; TCFD Strategy; CRMSA 10.1, 10.2; GRI 2-6, 3-1, 3-2

Climate strategy forms a critical component of our approach towards sustainability. We are guided by CRMSA, in line with Malaysia NSRF's "Climate-first" approach to sustainability reporting. Towards this end, we remain committed to achieving net zero by 2050, driving this ambition forward through three dedicated strategic sub-pillars designed to accelerate the green transition:

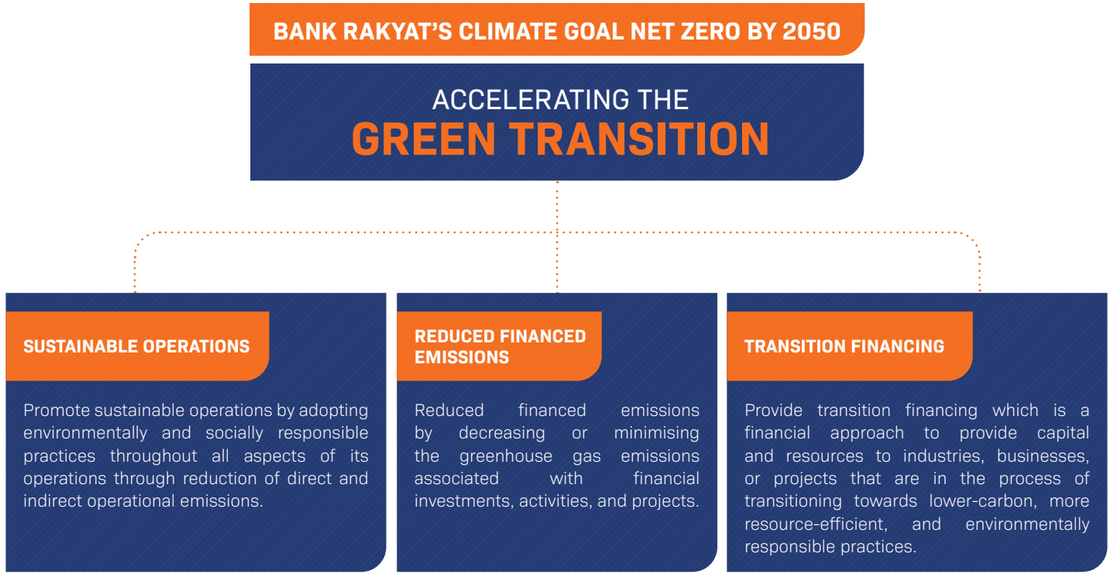
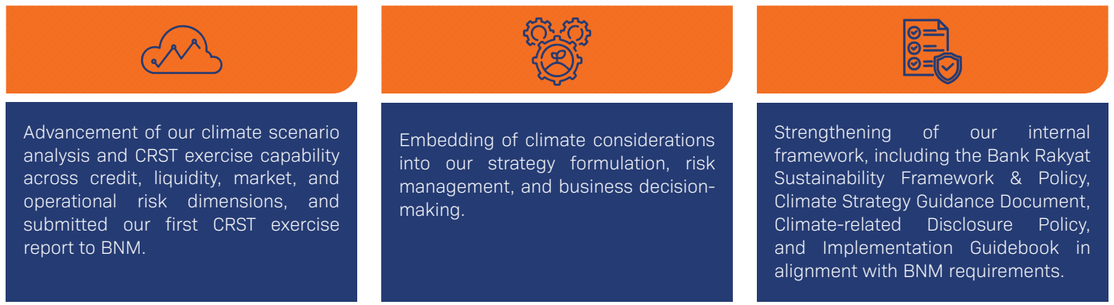


Figure 11: Bank Rakyat's Climate Strategic Sub-pillars

Throughout FY2025, we continued to advance our climate strategy and approach to provide clearer visibility on the Bank's climate risk management progress and initiatives. Key strategic milestones achieved in FY2025:



ANNUAL CLIMATE-RELATED DISCLOSURE (ACRD)

CLIMATE-RELATED RISKS AND OPPORTUNITIES

IFRS S2 8-9; TCFD Strategy; CRMSA 10.1, 10.2; GRI 2-6, 3-1, 3-2

We assessed climate-related risks and opportunities under a range of climate scenarios (please refer to page 57 for more details). Key climate-related risks and opportunities identified across short (1-4 years), medium (5-9 years), and long-term (>10 years) horizons include the following:

Category	Time Horizon	Description
Physical (Acute)	Short	▪ Flood events affecting assets and operations
Physical (Chronic)	Medium-Long	▪ Rising temperatures and sea-level
Transition	Short-Medium	▪ Carbon pricing, regulatory change, energy demand shift
Transition	Long	▪ Stranded assets, market shifts, legal exposure
Liability	All horizons	▪ Legal/regulatory exposure from climate claims or non-compliance
Opportunities	All horizons	▪ Green financing (electric vehicle, solar, green homes) ▪ Transition financing for high-impact sectors ▪ Operational efficiency gains and cost reduction from energy-efficiency initiatives

Table 10: Climate-related Risks and Opportunities

CLIMATE-RELATED FINANCIAL RISK CHANNELS & RESILIENCE

IFRS S2 15(b), 16(a), 16(b); TCFD Strategy; CRMSA 12.5; GRI 3-3

Climate-related risks affect our financial position primarily through credit risk transmission, with secondary effects on liquidity, market, and operational risks. Drawing on the climate scenario analysis and CRST exercise (please refer to page 57 for more details), the Divergent Net Zero 2050 (DNZ 2050) pathway represents the most material near-term stress case. Within this pathway, sudden and abrupt macroeconomic policy shifts amplify credit risk transmission through carbon cost pass-through to customers in higher-emission sectors. Our short-term impacts are primarily reflected through liquidity and operational disruptions, while medium- to long-term impacts are driven by transition-related pressures and structural changes in long-term customer performance. Despite these potential pressures, our overall financial position remains resilient across all assessed scenarios.

CLIMATE RISK TRANSMISSION CHANNELS AND INDICATIVE FINANCIAL IMPLICATIONS

Risk type	Transmission channel	Time Horizon
Credit Risk (Physical)	Flood damage to collateral properties leads to reduction in collateral values, thereby increasing Loss Given Default (LGD) and Expected Credit Losses (ECL).	Short, medium to long-term
Credit Risk (Transition)	Increased costs from carbon-cost pass-through and policy-driven measures lead to reduced customer financing payment capacity, which raises the Probability of Default (PD) and LGD, and consequently elevates ECL.	Short, medium to long-term
Liquidity Risk (Physical)	Extreme weather events trigger deposit withdrawals and asset revaluation, leading to a reduction in liquidity buffers and Liquidity Coverage Ratio (LCR).	Short, medium to long-term
Liquidity Risk (Transition)	Revaluation of High-Quality Liquid Assets (HQLA) under transition-related pressures leads to a reduction in liquidity buffers.	Short, medium to long-term
Market Risk	Repricing of assets driven by policy changes, market sentiment, and technological developments.	Short, medium to long-term
Operational Risk	Disruption to operations and financial losses arising from damage to physical assets due to increasing frequency and severity of extreme weather events.	Short, medium to long-term

Table 11: Climate Risk Transmission Channels and Indicative Financial Implications

ANNUAL CLIMATE-RELATED DISCLOSURE (ACRD)

GREEN AND SUSTAINABLE FINANCING

IFRS S2 16(a), 16(d); TCFD Strategy, Metrics & Targets; CRMSA 10.1, 10.4; GRI 203-1, 203-2

RETAIL FINANCING

Within our green/sustainable product portfolio, we continued to strengthen our focus on retail and staff financing solutions for electric vehicles (EV), solar energy, and green homes. Collectively, these segments recorded an impressive cumulative growth of 208% in FY2025 compared to FY2024.

The EV financing segment delivered exceptional growth of 368% in FY2025, driven by competitive financing rates, supportive government incentives and continued expansion of EV charging infrastructure nationwide. Financing for green homes and solar energy also demonstrated steady momentum, with both segments recording growth of 23% during the year, reflecting increasing customer awareness and adoption of sustainable living solutions.

Building on this positive trajectory and supported by favourable market developments, we remain optimistic about the growth potential of sustainable financing and anticipate continued strong demand, particularly within the EV financing segment for FY2026.

Category		Approved green financing (RM '000)		
		2023	2024	2025
Green home	Retail	20,726	37,469	46,155
EV	Retail	16,636	47,816	223,906
	Staff	2,861	2,310	3,414
Solar	Retail	1,322	3,949	4,851
Total (RM)		**41,545**	**91,544**	**278,326**

Table 12: Capital Deployed for Green Financing

BUSINESS FINANCING

In FY2025, we approved RM528 million in climate-supporting (C1) business financing, a remarkable 51% increase from FY2024. The sectors financed are primarily concentrated in the transportation and storage, construction, water, wastewater and waste remediation, manufacturing, and agriculture, forestry and fishing.

On the other hand, our investment portfolio expanded significantly in FY2025, with total new financial investments reaching RM5.8 billion, up from RM3.5 billion in FY2024, with 6% in C1 and no exposure under our C5a classification.

CCPT Classification	Business portfolio	Investment portfolio
C1	8%	6%
C2	1%	0%
C3	1%	0%
C4	1%	0%
C5a	38%	0%
C5b	51%	94%

Table 13: Capital Deployed for Business and Investment Portfolios in FY2025

We continue to adopt CCPT guiding principles embedded in our due diligence assessment of existing and prospective customers. In FY2025, we enhanced our climate risk assessment for the business banking and treasury portfolios through the Sustainability Scorecard Assessment, as well as the Enhanced Sustainability Due Diligence (ESDD) for higher-risk counterparties. In parallel, we also adopt a sector-focused approach in managing climate-related risks for industries with higher transition and physical risk exposure through additional due diligence and enhanced engagement.

We identified five high-impact sectors based on carbon intensity per financing amount: upstream oil and gas, coal and gas power plants, iron and steel manufacturing, cement manufacturing, and mining. Currently, these sectors account for 1.32% of our total business banking portfolio. While this exposure remains limited, these sectors are central to the broader economic transition, and we are committed to supporting and promoting a just and orderly transition of our customers and counterparties towards more sustainable and climate-resilient practices. This in line with our aspirations to commit to a transition strategy that is transparent, gradual and progressive when rebalancing the exposures that are vulnerable to climate-related risks.

ANNUAL CLIMATE-RELATED DISCLOSURE (ACRD)

CLIMATE RISK MANAGEMENT FRAMEWORK AND POLICY

IFRS S2 24-26; TCFD Risk Management; CRMSA 12.1-12.3; GRI 3-3

Recognising climate risk as a risk driver that may impact our existing financial and non-financial risk categories, we manage climate-related risks as an integral component of our overall risk management framework. This is anchored in the Group Risk Management Framework and operationalised through dedicated internal policies, including the Climate Risk Management Policy, Sustainability Risk Policy, Climate-related Disclosure Policy, and Climate Strategy Guidance Document. Climate-related risks are embedded within the Bank's risk appetite framework, ensuring that climate considerations are incorporated into risk identification, assessment, monitoring, and decision-making processes across the organisation.

Climate and sustainability risk identification is conducted as and when required, including during customer onboarding and periodic review processes, as well as in response to material emerging events or regulatory developments. Sustainability risk profiles are reviewed annually or as required, supported by continuous monitoring of customer sustainability performance and key risk metrics. We continued to strengthen our climate risk capabilities through enhanced methodologies for risk measurement and scenario analysis, improved internal capacity and use of digital tools to support risk management.

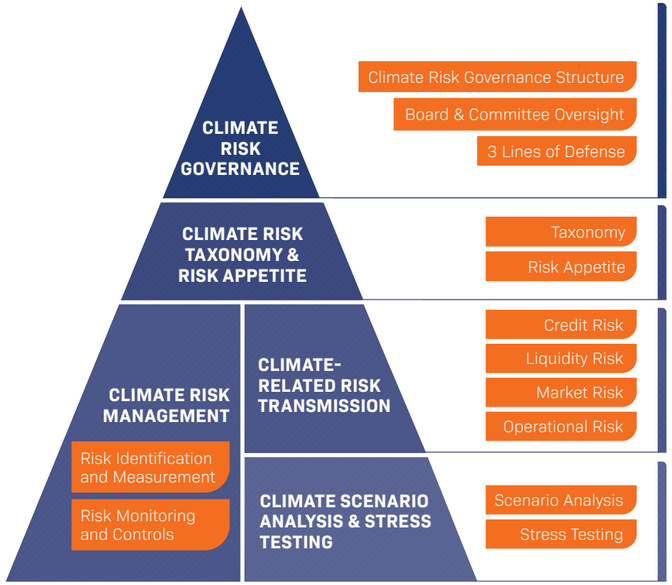


Figure 12: Overview of Climate Risk Management

CLIMATE RISK MANAGEMENT CYCLE

IFRS S2 24-26; TCFD Risk Management; CRMSA 12.2; GRI 3-3

We integrate climate-related risk considerations into our existing risk management cycle through the following functions: risk identification, risk measurement, risk monitoring, and risk controls, as illustrated in the chart.

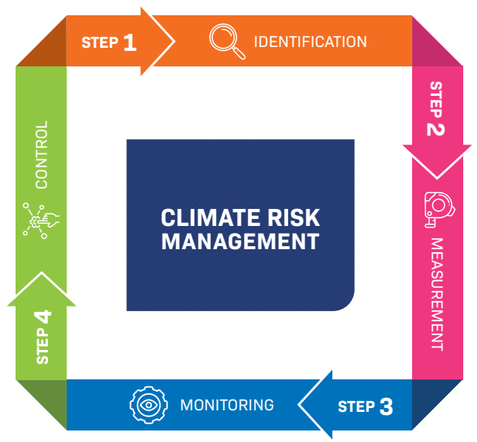


Figure 13: Climate Risk Management Cycle

ANNUAL CLIMATE-RELATED DISCLOSURE (ACRD)

CLIMATE RISK MANAGEMENT FRAMEWORK AND POLICY

CLIMATE RISK IDENTIFICATION

IFRS S2 24-25; TCFD Strategy and Risk Management; CRMSA 12.7; GRI 3-3

We identify climate-related risks across physical, transition and liability categories, and map their transmission to existing financial and non-financial risk types to assess materiality and likelihood. To this end, we collect and aggregate climate-related financial and operational loss data across the Bank. For business banking or/and treasury portfolios, we conduct a Sustainability Scorecard Assessment and CCPT-aligned classification at the point of origination and period review to assess their climate risk exposures, transition readiness, and their commitments in managing these risks. Where elevated climate risk is identified, an ESDD is applied.

At the branch level, the potential for business disruption caused by climate-related risks is identified and assessed through the Risk and Control Self-Assessment (RCSA) process. For new branch development, we consider flood risk assessments by evaluating land elevation and avoiding flood-prone areas.

Types of climate-related risks:

- Physical risks relating to acute events like floods and droughts or chronic long-term climatic shifts, such as rising temperatures and sea levels that may disrupt operations or impair asset values.
- Transition risks arising from the shift towards a low-carbon economy, including changes in policy, regulation, technology, and market preferences.
- Liability risks arising from potential legal and regulatory exposure, including claims or litigation related to climate impacts or non-compliance with disclosure requirements.

CLIMATE RISK MEASUREMENT

IFRS S2 24(a); TCFD Risk Management; CRMSA 12.7 (b, c); GRI 3-3

The Bank has established processes to measure all identified current and potential climate-related risks. These assessments include climate scenario analysis and Climate Risk Stress Testing (CRST) (please refer to page 57 for more details), conducted across short-term (1-4 years), medium-term (5-9 years), and long-term (more than 10 years) time horizons.

To assess the potential financial implications of climate-related risks, the Bank calculates a range of climate-related metrics and translates them into financial risk measures. These include credit risk metrics generated through the CRST exercise, such as Probability of Default (PD), Loss Given Default (LGD), and Expected Credit Loss (ECL). The Bank also monitors sectoral and portfolio exposures through its Material Risk Assessment (MRA) to identify concentrations of climate-related risk.

CLIMATE RISK CONTROLS

IFRS S2 24-26; TCFD Risk Management; CRMSA 12.10-12.14; GRI 3-3

We incorporate climate-related risks into our risk appetite framework and implement appropriate risk controls to manage current and potential climate-related risks, supported by Climate Risk Management Policy, Sustainability Risk Policy, Climate Strategy Guidance Document, and Climate-related Disclosure Policy, to guide consistent risk management practices.

CLIMATE RISK MONITORING

IFRS S2 24(b); TCFD Risk Management; CRMSA 12.9; GRI 3-3

We monitor material climate-related risks regularly through quantitative and qualitative metrics, integrated into our existing monitoring, reporting, and escalation framework. This includes monitoring of the High Climate Impact Sector, CCPT and GHG emissions. The metrics are forward-looking data, material counterparties, and internal operational vulnerabilities. We also perform ongoing monitoring to review coverage against asset values and flood maps, conduct scenario analysis, and embed flood simulations in Business Continuity Plan (BCP) or Disaster Recovery Plan (DRP) drills.

At the transactional level, we conduct CCPT-aligned classifications at the point of origination for BNM classification. For high-risk counterparties identified through the Sustainability Scorecard process, the Bank applies ESDD. To mitigate physical climate risks before commitment, we maintain an updated asset register and verify 100% Takaful flood coverage. At the operational level, we outsource resilience by identifying critical services (e.g., data centres, printing, mail) and ensuring a robust Disaster Recovery Centre (DRC), flood-operational capability, and periodic testing.

ANNUAL CLIMATE-RELATED DISCLOSURE (ACRD)

CLIMATE SCENARIO ANALYSIS AND CLIMATE RISK STRESS TESTING (CRST)

IFRS S2 21(a), 22, 23; TCFD Strategy; CRMSA 13.1, 13.3, 13.12, GRI 201-2

In FY2025, we successfully completed our inaugural 2024 BNM CRST exercise to assess potential transition and physical risks across our short- and long-term portfolios. We established our baseline using the Bank's 31 December 2023 financial position under a static balance sheet assumption. From this baseline, our forward-looking predictive models map risk transmission channels across a multi-decade trajectory, with the first projection reporting point on 31 December 2024. The CRST exercise projected forward the credit risks across two scenario sets:

1 Three long-term Network for Greening the Financial System (NGFS) Phase III climate scenarios:

- **Net Zero 2050**
- **Divergent Net Zero 2050**
- **Hot House World**

2 One-off 1-in-200-year flood event occurring nationwide in Malaysia

Assessed under climate conditions consistent with the Intergovernmental Panel on Climate Change (IPCC)'s Representative Concentration Pathway (RCP) 8.5 scenario in 2050

Key credit risk parameters, such as Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD), were used to derive Expected Credit Loss (ECL), with PD and LGD recalibrated using an exposure-weighted approach for performing and non-performing exposures. This exercise was paired with a qualitative MRA. Key findings from the CRST exercise are reflected in the Climate-related Financial Risk Channels & Resilience (please refer to page 53 for more details). Across all scenarios assessed, our overall financial position remains resilient.

	Transition Risk	Physical Risk
Scenario/Climate Pathway	▪ Orderly: Net Zero 2050 (NZ 2050) ▪ Disorderly: Divergent Net Zero 2050 (DNZ 2050) ▪ Hot House World: Nationally Determined Contributions (NDCs)	▪ 1-in-200-year flood event under RCP 8.5 for CRST ▪ RCP 2.6, RCP 4.5, RCP 6.0 and RCP 8.5 for MRA
Quantitative Assessment	▪ Credit Risk	▪ Credit Risk
Qualitative Assessment	▪ Credit Risk ▪ Market Risk ▪ Liquidity Risk ▪ Operational Risk	▪ Operational Risk
Time Horizon	The risk assessments are applied across multiple time horizons beginning 31 December 2024 as the first reporting projection point, and across 2025-2029, 2030, 2035, 2040, 2045, and 2050 to capture both near-term disruptions and longer-term structural shifts.	
Coverage of Portfolio	▪ Short-term: Home Retail Financing, Construction Business Financing ▪ Long-term: Business Financing, Home Financing, Vehicle Financing, and Sukuk	

Table 14: Climate Scenario Analysis and Stress Testing Framework

ANNUAL CLIMATE-RELATED DISCLOSURE (ACRD)

METRICS AND TARGETS

CLIMATE-RELATED METRICS

IFRS S2 27-29; TCFD Metrics & Targets; CRMSA 12.7(b), 14.4; GRI 305-1, 305-2, 305-3

FY2025 marks a significant milestone in our greenhouse gas emissions tracking journey, as we successfully transitioned from using data estimates to primary, actual data across our operations for the first time. This improvement in data quality establishes a more robust foundation for tracking our emissions performance over time.

Reflecting the success of our targeted decarbonisation initiatives, we achieved a substantial 13.15% year-on-year reduction in total operational emissions for FY2025. This overall performance was driven by efficiency optimisation across our operational boundary:

Scope 1 emissions (6.5% reduction from FY2024): driven by lower fuel consumption from generators and operational vehicles, reflecting improved operational efficiency and fuel usage optimisation across our operations.

Scope 2 emissions (13.15% reduction from FY2024): achieved through a series of energy efficiency initiatives particularly at our headquarters, including optimisation of air-conditioning settings, maintenance and enhancement of the chiller system, installation of independent air-conditioning systems, as well as LED lighting replacement at 17 branches.

Category	Metric	2024	2025
Operational emissions* (tCO_2e)	Scope 1 Stationary combustion	21	26
	Scope 1 Mobile combustion	177	159
	Scope 2 Purchased power	30,742	26,686
	Scope 3 Employee commuting	11,945	11,931

*FY2024 figures are based on data estimates; FY2025 figures are based on primary, actual data.

Table 15: Total Greenhouse Gas Emissions

ENVIRONMENTAL METRICS

GRI 303-5, 306-4

Beyond primary climate-related metrics, we continue to enhance our broader environmental initiatives. As our financing volumes expand year-on-year, our paper usage naturally trends upwards. To decouple business growth from resource consumption, we achieved a notable operational milestone in our effort to build a more paperless organisation. Since rolling out our e-presentment initiative for bulk mail distribution in September 2025, we have achieved RM4.3 million in printing and postage savings. Complementing this, our paperless onboarding programme has delivered operational savings of more than RM100,000.00 across over 200,000 account openings.

Category	2023	2024	2025
Number of reams	9,825	13,795	15,053

Table 16: Total Paper Consumption at HQ (reams)

In FY2025, we enhanced our water conservation monitoring system through the installation of water sub-meters across our headquarters, which are integrated into our EMS. This enables a more granular, real-time tracking of water consumption patterns to drive future consumption optimisation.

	2025
MKBR	224,094

Table 17: Water Consumption (m^3)

ANNUAL CLIMATE-RELATED DISCLOSURE (ACRD)

METRICS AND TARGETS

Through our internal *"Sisih & Amal"* programme, we actively promote waste segregation and material circularity at the workplace. Staff members collect and separate recyclable paper, plastic, and aluminium, which are channelled to an accredited recycling partner. This programme drives big cultural change, consistently strengthening recycling awareness and behavioural participation across our daily operations.

Material	2023	2024	2025
Paper	4,853	16,339	17,179
Plastic	445	15	211
Metal	6	3,616	182
Total	**5,304**	**19,970**	**17,572**

Table 18: Total Amount of Waste Diverted from Landfill (kg)

CLIMATE-RELATED TARGETS

IFRS S2 33; TCFD Metrics & Targets; CRMSA 10.4

Guided by our Net Zero Transition Plan (please refer to page 44-45), we are committed to achieving net zero emissions across Scope 1, 2 and 3 by 2050. Supporting this long-term ambition is a clear interim target to reduce our Scope 1 and 2 emissions by 30% against our 2024 baseline by 2030.

Category	Key Target
Scope 1 & 2	▪ 30% reduction by 2030, relative to 2024 baseline (phased at incremental ~6 percentage points per annum from 2026 to 2030) ▪ Net Zero by 2050
Scope 3	▪ Net Zero by 2050

Table 19: Key Climate-related Targets



Sustainable

Finance and Inclusive Growth



SUSTAINABLE FINANCE AND INCLUSIVE GROWTH

INCLUSIVE BANKING SOLUTIONS

GRI 2-23, 2-24, 203-2, 413-1

The Bank is committed to advancing financial inclusion by expanding access to affordable, responsible, and accessible financial products and services across diverse segments of society. Through tailored retail and business solutions, we support underserved and unserved groups, including B40 communities, first-time investors, gig workers, women entrepreneurs, and micro, small and medium enterprises (MSMEs).

By broadening access to finance, fostering entrepreneurship, and encouraging more sustainable consumption and investment practices, we empower individuals and businesses to build long-term financial resilience. These efforts promote greater economic participation, strengthen community development, and create sustainable value for our customers, the communities we serve, and the Bank.

The Bank's sustainable financing approach is guided by our commitment to advancing inclusive socioeconomic development while supporting Malaysia's transition towards a low-carbon economy. In FY2025, the Bank accelerated the growth of its sustainable financing portfolio in the retail and business banking segments. ESG financing approvals under Business Banking almost doubled to reach RM2.50 billion in FY2025 from RM1.42 billion in FY2024. Meanwhile, green financing charted an impressive growth by tripling its Retail Banking approvals to RM274.91 million in FY2025, compared to RM89.23 million in the preceding year.

The remarkable growth was primarily driven by financing activities related to electric vehicles, green homes and solar solutions, reflecting increasing customer demand for more sustainable financing options and the Bank's continued focus on supporting inclusive and climate-aligned economic development.

We prioritised financing in categories that support climate mitigation and environmental sustainability, such as green homes, solar-related financing, and green vehicles.

Green Home financing is categorised based on recognised green certifications such as Green Building Index (GBI) or GreenRE, or where property developments adopt environmentally sustainable construction methods. Towards this end, Bank Rakyat has identified Solar Panel financing as an important business opportunity.

Similarly, green vehicle financing encompasses electrified vehicle categories, including Battery Electric Vehicles (BEV), Plug-in Hybrid Electric Vehicles (PHEV), Fuel Cell Electric Vehicles (FCEV), and hybrid variants. Through these financing activities, Bank Rakyat aims to support the gradual transition towards low-carbon mobility solutions. This initiative also contributes to a cleaner transportation alternative for consumers.

The growth of electric vehicle financing is a tremendous opportunity for the Bank, as it also supports our national low-carbon transition agenda.

COMPOSITION OF SUSTAINABLE FINANCING PORTFOLIO

Bank Rakyat's sustainable financing portfolio comprises climate-aligned, social and transition-related financing activities, reflecting its dual focus on environmental stewardship and inclusive socioeconomic development. Within each category, financing is concentrated in selected sectors aligned with national priorities and the Bank's mandate.

The Bank's environment/green financing portfolio comprised solar panel installations, electric vehicles and green homes. This reflects growing customer demand for more sustainable lifestyle and financing solutions. Electric vehicle financing accounted for nearly 95% of the overall increase in green financing approvals, which rose sharply from RM47.82 million in FY2024 to RM223.91 million in FY2025.

Social financing is another key component of the Bank's sustainable financing activities. This includes mortgage financing, transition-related financing and other initiatives that expand access to affordable financial solutions for underserved communities and support broader socioeconomic development.

Approvals for Mortgage Financing (Affordable Housing) increased steadily to RM853.10 million in FY2025 from RM564.48 million in FY2024. The financing supports the purchase of affordable homes for those in the B40 segment as well as property at or below RM300,000. Our financing activity is consistent with the Bank's role to provide access to financing to those in the B40 segment. Transition-related financing, though smaller in scale, is primarily concentrated in transportation and storage (RM798.50 million; 3.47% of total financing) and manufacturing (RM260 million; 1.13% of total financing), with additional exposures across agriculture, construction, and real estate. These sectors represent key areas undergoing gradual decarbonisation, and the Bank's financing supports the adoption of more sustainable practices.

SUSTAINABLE FINANCE AND INCLUSIVE GROWTH

COMPOSITION OF SUSTAINABLE FINANCING PORTFOLIO

Products	2023			2024			2025		
	Sustainability (RM '000)	Total Product (RM '000)	%	Sustainability (RM '000)	Total Product (RM '000)	%	Sustainability (RM '000)	Total Product (RM '000)	%
Solar Panel vs Total PF	2,473	58,705,886	0.004	5,219	58,390,162	0.009	7,395	60,441,950	0.012
Green Vehicle vs Total Vehicle	9,958	3,823,376	0.260	34,577	4,245,367	0.814	145,447	4,754,876	3.059
Green Home vs Total Mortgage	769.25	9,932,176	0.008	5,497	11,023,969	0.050	17,856	12,142,897	0.147
Total	**13,200**	**72,461,437**	**0.018**	**45,294**	**73,659,498**	**0.061**	**170,698**	**77,339,722**	**0.221**

Table 20: Sustainable Financing by Product Segment

The table below shows strong growth in sustainability financing segments, particularly electric vehicles and affordable housing.

Type of financing	2023		2024		2025	
	Accounts Approved	Amount RM ('000)	Accounts Approved	Amount RM ('000)	Accounts Approved	Amount RM ('000)
Solar Panel (Personal financing)	21	1,322	61	3,949	77	4,851
Electric Vehicle	124	16,636	370	47,816	1,852	223,906
Purchase of Green Homes (Mortgage Financing-i)	32	20,726	51	37,469	83	46,155
Mortgage Financing (Affordable Housing)	3,455	633,605	2,970	564,483	4,174	853,101

Table 21: Growth in Green and Inclusive Financing Portfolio

The significant increase in electric vehicle financing approvals in 2025 was due to enhanced marketing and publicity efforts, collaboration with EV dealers, and special promotions for our employees.

Metric	2023	2024	2025
ESG Financing (RM mil)	543.29	1,439	2,589
Total Approval (RM mil)	4,258	5,284	7,179
Percentage of ESG financing (%)	12.76	27.22	36.06

Table 22: Growth in Sustainable Financing

SUSTAINABLE FINANCE AND INCLUSIVE GROWTH

DRIVING SUSTAINABLE CHOICES THROUGH INCLUSIVE BANKING

Bank Rakyat's sustainable financing offerings included selected retail and corporate products that incorporate environmental and social elements. Approximately 70% of the Bank's business stems from Retail financing. These products are designed to support customers in making more sustainable financial and consumption decisions.

In FY2025, Bank Rakyat introduced the Sustainability Investment Account, a solution targeted at non-individual customers, including cooperatives, SMEs and micro businesses. This account channels funds into ESG-aligned financing assets, including affordable housing and sustainable liquidity instruments, thereby supporting environmental stewardship and inclusive economic development.

The product is structured under the Sustainability Rakyat Mudarabah Fund 1, with a fund size of RM500 million. The fund focuses on financing ESG-eligible assets within the retail banking portfolio, including affordable homes, as well as sustainable high-quality liquid assets.

This offering expanded the Bank's product suite by enabling business customers to participate in Shariah-compliant investment solutions aligned with sustainability considerations.

ADVANCING FINANCIAL INCLUSION FOR B40 COMMUNITIES

We are committed to advancing financial inclusion by delivering accessible and affordable financing to the B40 segment. These efforts are aimed at addressing structural barriers to financial access, while enabling greater participation in the economy.

In FY2025, Bank Rakyat introduced the eGold-i Account as a Shariah-compliant savings and investment solution, designed to broaden access to wealth-building through gold ownership. With a mere investment of RM10, the account enables greater financial inclusion by allowing customers, including first-time investors, to participate in a traditionally less accessible asset class.

The product is backed by physical gold and offers secure, digital access without the need for personal storage, enhancing both convenience and financial resilience. Customers benefit from competitive pricing and the flexibility to convert their holdings into physical gold, supporting diversified and responsible long-term savings behaviour. Through this offering, the Bank promotes accessible and transparent investment options aligned with prudent financial management principles.

We are also cognisant of the growing importance of Gig Workers in the economy and their needs. This segment often encounters challenges, especially in obtaining financing. In FY2025, the Bank introduced the Gig Worker Vehicle Financing-i to provide access to financing for Gig Workers.

The Gig Worker Vehicle Financing-i initiative incorporates an alternative credit assessment approach by allowing the inclusion



of a guarantor's income, enabling access to financing of up to RM50,000, with a tenure of nine years and a margin of financing of up to 90%. This initiative is designed to support asset ownership, particularly vehicles that are essential for income generation in gig-based work.

By facilitating access to productive assets, the Gig Worker Vehicle Financing-i initiative contributes to improved income stability and economic participation among underserved workers.

We also paid attention to the younger generation entering the workforce. Our My First Credit Card-i is designed as an entry-level credit facility to expand access to formal financial services for individuals with a minimum monthly income of RM2,000, including those at the early stages of their financial journey.

SUSTAINABLE FINANCE AND INCLUSIVE GROWTH

EMPOWERING WOMEN ENTREPRENEURS

Financing programmes for women entrepreneurs and MSMEs form part of the Bank's broader efforts to widen access to business financing. Our BRPlus-i BizLady is a financing programme designed to support women-led businesses across MSMEs and cooperative segments. The programme provides financing of up to RM50,000 for micro-entrepreneurs and up to RM1 million for eligible MSMEs and cooperatives.

In 2024, the programme supported 489 women-led businesses with total approved financing of RM30.90 million.

EXPANDING ACCESS THROUGH MICROFINANCING FOR MSMES

The Bank continued to assist MSMEs through targeted financing programmes aimed at enhancing business sustainability, income generation and job creation. Our aim is to provide working capital and business expansion support, particularly for underserved and emerging entrepreneurs. In FY2025, we made great strides in microfinancing with a total financing approval of RM1.38 billion in FY2025, up from RM82.45 million in FY2024. This included financing programmes such as BRPlus-i, which provides accessible funding for micro-entrepreneurs, SMEs and cooperatives, as well as other targeted initiatives, including BRIEF-i for Indian entrepreneurs, BR JohorNiaga-i in collaboration with the Johor State Government, and BRTani-i, which supports agriculture and food security sectors.

The Bank also facilitated MSME development through external programmes such as the BNM Micro Enterprises Facility (MEF) and MPPK 2.0. These initiatives enhanced access to financing and provided targeted support to help MSME's strengthen their business resilience and growth potential.

In addition, the Bank helped the broader MSME ecosystem through platforms such as Synergy 365, the Jajahan Rakyat (JR) initiative and the Cooperative and Entrepreneur Advisory Desk (CEAD), which support business development, capacity building and market access opportunities.

BANK RAKYAT'S SUSTAINABILITY SUKUK

GRI 2-23, 2-24, 201-2

Sustainability Sukuk is a pillar of the Bank's sustainable finance agenda, supporting the mobilisation of capital towards projects and activities that generate meaningful environmental and social outcomes. Guided by the Bank Rakyat Sustainability Sukuk Framework, the programme reflects the Bank's commitment to integrating sustainability considerations into its financing activities while upholding Shariah principles.

As of 31 December 2025, we have fully allocated RM500 million Sukuk proceeds to eligible assets, including affordable housing, renewable energy, green buildings, clean transportation and access to financial services.



SUSTAINABLE FINANCE AND INCLUSIVE GROWTH

BANK RAKYAT'S SUSTAINABILITY SUKUK

Bank Rakyat's Sustainability Sukuk is governed by a comprehensive framework designed to ensure that proceeds are managed responsibly and allocated exclusively towards eligible sustainability-related activities.

The allocation of proceeds is overseen through the Bank's established internal governance structure, with eligible assets evaluated by relevant business units and reviewed, monitored and reported by the appropriate management committees.

The Sustainability Sukuk Framework is overseen through our sustainability governance structure, with ultimate oversight residing with the Board of Directors and the Management Level Committee. Eligible assets are reviewed by the Sukuk Sustainability Committee (SSC), established in 2022 and comprising representatives from Risk Management, Finance, Compliance, Strategic, Retail Banking and Business Banking, before being escalated to the relevant approving authorities. Eligible assets are also subject to periodic review by the relevant business units and the financing committee to ensure continued compliance with the Framework.

The Sustainability Sukuk Framework outlines the Bank's approach across five core components:

1. **Utilisation of Proceeds**
2. **Process for Project Evaluation and Selection**
3. **Management of Proceeds**
4. **Reporting**
5. **External Review**

The Sustainability Sukuk Framework is aligned with the BRSFP. Our sukuk framework follows the guidelines from the Securities Commission Malaysia's Sustainable and Responsible Investment (SRI) Sukuk Guidelines, ASEAN Sustainability Bond Standards, and ICMA's Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines.

EXTERNAL REVIEW & GOLD RATING

GRI 2-5

To strengthen the credibility and integrity of the Sustainability Sukuk programme, Bank Rakyat's Sustainability Sukuk Framework underwent an independent external assessment against recognised sustainability standards and market practices.

The Sustainability Sukuk Framework received an independent "Gold" rating from Malaysian Rating Corporation Bhd (MARC) in 2024, reflecting strong alignment with established sustainability financing principles and disclosure expectations. The external review affirmed that the Sustainability Sukuk Framework is consistent with applicable regulatory and international standards, including:



- Securities Commission Malaysia's Sustainable and Responsible Investment (SRI) Sukuk Framework
- ASEAN Sustainability Bond Standards
- ASEAN Green Bond Standards
- ASEAN Social Bond Standards
- ICMA Green Bond Principles
- ICMA Social Bond Principles
- ICMA Sustainability Bond Guidelines

SUSTAINABLE FINANCE AND INCLUSIVE GROWTH

BANK RAKYAT'S SUSTAINABILITY SUKUK

Issuer	Imtiaz Sukuk II Berhad
Obligor	Bank Kerjasama Rakyat Malaysia Berhad ("Bank Rakyat")
Rating	AA2(s)/Stable by RAM Rating Services Berhad ("RAM")
Programme	Sukuk Wakalah Programme of up to RM10 billion in nominal value
Total issued amount	RM500 million issued in October 2024 and fully allocated as of 31 December 2025
Use of proceeds	Finance in whole or in part, and/or refinance existing businesses and projects (collectively, termed "Eligible Assets") that promote any of the identified and selected SDGs as defined by the UN, that meet the relevant eligibility criteria under the following eligible category:

SDG	Eligible Category
7, 13	Renewable energy
9, 12	Green building
7, 13	Clean transportation
12	Sustainable water and wastewater management
12	Waste and pollution control
1, 10	Affordable housing
8, 9, 10	Access to essential services: financing and financial services
4, 8, 10	Access to essential services: education and vocational training
8, 9	Socioeconomic advancement and empowerment & employment generation

The utilisation of proceeds from Bank Rakyat's Sustainability Sukuk issuance will not be used for projects with the following criteria:

- Non-Shariah-compliant activities
- Illegal activities
- Non-halal industries
- Weapons
- Alcohol
- Gambling/adult entertainment
- Fossil fuel power generation projects
- Tobacco-related project/products

Table 23: Summary of Our Sustainable Development Sukuk (GRI 201-1, 203-1)

BANK RAKYAT'S SUSTAINABILITY SUKUK

ELIGIBLE ASSETS

GRI 203-1

As of 31st December 2025, the RM500 million Sukuk proceeds have been fully allocated to finance/refinance, in whole or in part, new or existing assets.

- Affordable Housing
- Renewable Energy
- Green Building
- Access to essential services: financing and financial services
- Clean Transportation
- Socioeconomic advancement and empowerment and employment generation
- Waste and Pollution Control
- Access to essential services: education and vocational training

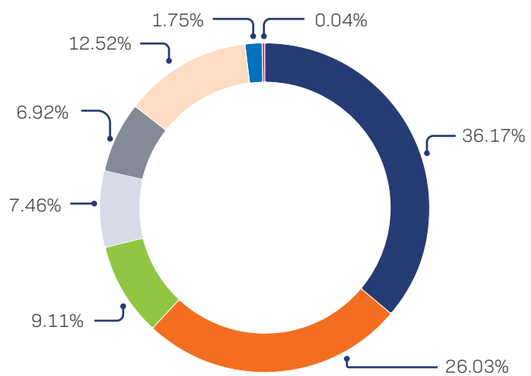


Figure 14: Eligible Assets and Allocation of Proceeds

ALLOCATION OF PROCEEDS

GRI 201-1, 203-1, 2-14



The Bank remains committed to ensuring that Sustainability Sukuk proceeds are allocated responsibly and transparently through a governance-driven process that subjects eligible assets to defined sustainability criteria, internal oversight, and periodic review under the Sustainability Sukuk Framework. Allocation decisions are supported by internal governance mechanisms designed to ensure that financed assets continue to meet the eligibility requirements under the Sustainability Sukuk Framework.

Where feasible, the Bank seeks to enhance disclosures relating to allocation and impact performance to provide stakeholders with greater visibility on the utilisation of Sukuk proceeds and the outcomes generated through financed activities.

Detailed asset-level disclosures are currently presented on an aggregated basis due to the nature of available data and reporting considerations.

SUSTAINABLE FINANCE AND INCLUSIVE GROWTH

BANK RAKYAT'S SUSTAINABILITY SUKUK

Eligible Category	Supported SDGs	Eligible Assets Description	Location	Amount (RM)	Allocation (%)
Affordable Housing	1 NO POVERTY 10 REDUCED INEQUALITIES	Construction, development, operation, renovation and/or maintenance of facilities, services, systems, or equipment used for: ▪ Building adequate, safe, and affordable housing for excluded and/or marginalised populations or communities. Purchase of affordable housing or social housing for first-time home buyers. Financing/assets in relation to: i. Any of the following government-supported schemes that promote home affordability: ▪ Skim Rumah Pertamaku; or ▪ Such other government-supported schemes as defined by the Federal or any State Government from time to time; or ii. Affordable housing projects. "Affordable housing" as defined by the Federal or any State Government or other relevant entity from time to time.	Malaysia	180,870,112	36.17
Renewable Energy	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	Acquisition, construction, research, development, operation, renovation and/or maintenance of one (1) or more of the following renewable energy generation sources: ▪ Solar energy ▪ Hydropower (≤25 MWh or power density >10W/m² or greenhouse gas ("GHG") emissions intensity <50gCO2e/kWh) ▪ Geothermal (with direct emissions of less than 100gCO2e/kWh) ▪ Bio energy including connections of renewables into the grid and investments to enhance transmission capacity of the grid; or ▪ Manufacturing, trading and/or import of components of renewable energy technology (including but not limited to solar panels, inverters, storage batteries). ▪ Financing for purchase of solar panel installation.	Malaysia	130,176,827	26.03
Green Building	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Green buildings mean commercial or residential buildings that meet the widely accepted green building standards locally or internationally. Construction, renovation and/or purchase of residential, commercial, industrial buildings and mixed development that: ▪ Meet recognised environmental standards such as: i. Green Building Index ("GBI") (Gold and above) ii. GreenRE (Gold and above); or Achieve a minimum of 20% improvement in energy use or carbon emission as a result of renovation.	Malaysia	45,529,302	9.11

BANK RAKYAT'S SUSTAINABILITY SUKUK

Eligible Category	Supported SDGs	Eligible Assets Description	Location	Amount (RM)	Allocation (%)
Access to essential services: **Financing and financial services**	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES	Microfinance schemes such as microcredits, micro savings and micro takaful for individuals or financing for Microfinance Institutions. To be eligible for the use of Proceeds, the assets should be targeted at low-income populations and should also exhibit one (1) or more of the following characteristics: ▪ Accessible and affordable, e.g., reasonable profit rates no collateral/guarantor required, innovative channels such as digital finance. ▪ Responsible, e.g., consultation and training support to customers ▪ Flexible, e.g., deferment of repayment and/or restructuring of repayment schedule. For the avoidance of doubt, personal financing for low-income populations qualify for the use of Proceeds, subject to meeting the characteristics above.	Malaysia	37,301,457	7.46
Clean Transportation	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION	Acquisition, construction, research, development, maintenance, operation and/or financing of electric vehicles ("EV") bicycles, and associated infrastructure (including EV charging and alternative fuel infrastructure) Acquisition, construction, research, development, maintenance, and/or operation of: ▪ Public/mass transportation systems and/or of equipment for such systems (e.g. Mass Rapid Transport, Bus Rapid Transit) ▪ Facilities and equipment that reduce energy consumption or improve the efficiency of resources.	Malaysia	34,577,411	6.92
Socioeconomic advancement and empowerment and Employment generation	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Financing for co-operatives, startups and micro, small and medium-sized enterprises ("MSMEs"). To be eligible for the use of proceeds, the assets should exhibit one or more of the following characteristics: ▪ Operate in sectors/activities that contribute to other UN SDGs in the Framework. ▪ Owned or operated by marginalised unserved or underserved groups. ▪ Benefit low-income populations or areas in terms of employment and expanded access to basic needs such food, healthcare, and education.	Malaysia	62,580,968	12.52
Waste and pollution control	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Acquisition, construction, development, operation, renovation and/or maintenance: ▪ Treatment, collection, reuse, reduction of emissions, reduction of waste and hazardous waste or treatment of contaminated soil; or ▪ Diverting waste and/or hazardous waste away from landfill ▪ Research into and development of processes, infrastructure, technology, and facilities that promote efficient resource use and management (e.g. circular economy, water and energy conservation). ▪ Construction, operation, maintenance and/or upgrading of recycling facilities or infrastructure for both public and industrial waste.	Malaysia	8,767,002	1.75
Access to essential services: **Education and vocational training**	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	Construction, development, operation, renovation and/or maintenance of facilities, services, systems or equipment for public and government-subsidised education that is broadly accessible to all populations, including: ▪ New infrastructure or improvements to universities, colleges, schools and early learning services. ▪ Activities that target inclusion of excluded and/or marginalised populations in the education system. ▪ Digital learning ▪ Education financing for low-income populations, youth and professionals.	Malaysia	196,921	0.04

Table 24: Sukuk Proceeds Allocation

SUSTAINABLE FINANCE AND INCLUSIVE GROWTH

BANK RAKYAT'S SUSTAINABILITY SUKUK



SOCIAL IMPACT - EMPOWERING OUR PEOPLE

EMPOWERING OUR PEOPLE THROUGH REWARDS FRAMEWORK

GRI 2-19, 2-20, 2-21, 401-2

FAIR AND STRUCTURED REMUNERATION

In line with our commitment to fostering a fair, inclusive and high-performing workplace, we seek to strengthen the remuneration framework to ensure equitable and competitive outcomes for all employees. The Bank's approach to remuneration is guided by experience, qualifications, and role complexity, ensuring consistency across employees.

Internally, our remuneration framework is guided by a clearly defined salary guideline, with job grades and pay bands aligned to roles, responsibilities and organisational hierarchy. Our compensation decisions are based on objective criteria such as experience, qualifications and role complexity to ensure consistency and fairness in the workforce.

MARKET COMPETITIVENESS

To maintain a competitive edge in the talent market, the Bank adopted a proactive market benchmarking approach in its recruitment and remuneration. By participating in industry-leading surveys such as Willis Towers Watson (WTW), we ensure our remuneration packages are strategically aligned with market medians and top-tier percentiles. This data-driven strategy ensures that our remuneration packages are attractive compared to peer domestic financial institutions. This approach effectively supports the recruitment and retention of the high-calibre professionals who help to drive our strategic objectives.

PERFORMANCE-BASED REMUNERATION

Performance-based remuneration is a key feature of the Bank's rewards framework. Through our performance management system, remuneration outcomes are linked to both individual and organisational performance. Variable pay components, including bonuses and incentives, are awarded based on clearly defined metrics, with differentiation applied to recognise high performers and key contributors.

EMPOWERING OUR PEOPLE

GRI 2-7, 405-1

WORKFORCE COMPOSITION

We place strong emphasis on workforce planning and diversity, ensuring that our human capital goals are aligned with long-term business priorities. As of FY2025, the Bank's total workforce reached 6,245, marking a year-on-year increase of 0.73%. This growth was driven primarily by the management category, which now accounts for 67.7% of the total headcount, up from 67.3% in FY2024

Category	2023	2024	2025
Total Headcount	6,209	6,200	6,245
Management	4,064	4,124	4,190
Non-Management	2,050	2,008	2,003
Temporary / Contractors	95	68	52

Table 25: Total Number of Employees

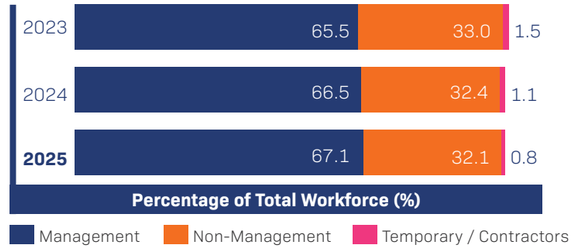


Figure 15: Workforce Breakdown by Category

SOCIAL IMPACT - EMPOWERING OUR PEOPLE

EMPOWERING OUR PEOPLE

GENDER REPRESENTATION

We are focused on improving our gender parity as one of our hiring goals. The Bank's workforce composition shows a continuing shift toward gender parity across all levels. In FY2025, female representation in management roles almost reached equilibrium at 49.12%, compared to 48.58% in FY2024. Similarly, the female share in non-management roles rose to 40.04% in FY2025, up from 38.94% in the previous year. While the contractor segment scaled down, its gender gap narrowed as male representation climbed to 34.62% in FY2025, compared to 32.35% in FY2024.

Category	Gender	2023	2024	2025
Management	Male	2,101	2,121	2,129
	Female	1,963	2,003	2,061
Non-Management	Male	1,268	1,226	1,201
	Female	782	782	802
Temporary / Contractors	Male	28	22	18
	Female	67	46	34

Table 26: Gender Group by Employee Category

AGE PROFILE

The Bank's workforce age diversity reflects a strategic mix of seasoned professionals and emerging talent. In FY2025, the 30–50 age group remains the Bank's largest demographic, representing 69.53% (4,342) of the total workforce of 6,245 employees. This core group provides a deep well of experience and leadership, particularly within management tiers. This is complemented by a growing segment of senior professionals above 50, who account for 15.15% (946) of staff, up from 13.9% (850) in FY2024, reflecting continued retention of critical expertise to support succession planning.

Category	Age Group	2023	2024	2025
Management	Below 30	610	517	605
	30–50	2,937	2,048	2,989
	Above 50	517	559	596
Non-Management	Below 30	272	237	302
	30–50	1,544	1,481	1,351
	Above 50	234	291	350
Temporary / Contract	Below 30	94	66	50
	30–50	1	2	2
	Above 50	-	-	-

Table 27: Age Group by Employee Category

Our younger workforce, below age 30, makes up 15.33% (957) of total headcount. This group is most visible within temporary and contract roles, where they comprise 96.20% of the category, serving as a vital entry point for fresh talent into the banking sector. The Bank's total workforce grew from 6,200 in FY2024 to 6,245 in FY2025, representing a 0.73% increase.

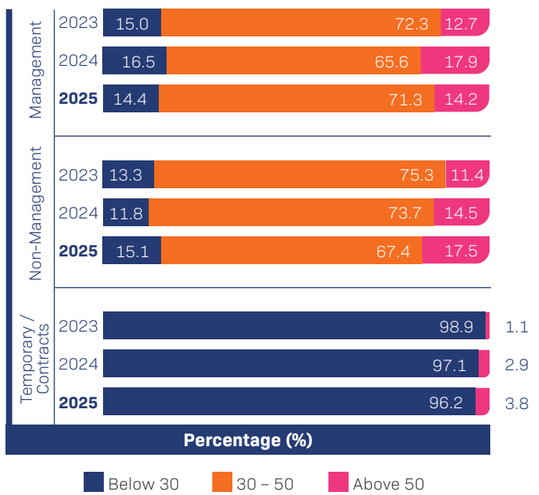


Figure 16: Employee Age Groups by Category

SOCIAL IMPACT - EMPOWERING OUR PEOPLE

TRAINING AND TALENT DEVELOPMENT

GRI 2-8, 3-3, 404-1, 404-2, 404-3

The Bank has invested in structured and competency-driven learning to strengthen workforce capability, support operational excellence, and enable long-term organisational resilience. Training programmes are aligned to functional requirements, leadership development priorities, and emerging industry needs, ensuring employees across all levels remain equipped with relevant skills.

In FY2025, the Bank recorded a total of almost 314,000 training hours, reflecting a sustained commitment to human capital development while adopting a more targeted and outcome-oriented approach to learning delivery.

Staff Category	2023 (Hours)	2024 (Hours)	2025 (Hours)
Non-Management	74,966.5	73,033.8	50,977.1
Executive	155,241.8	151,874.3	144,865.3
Senior Executive	56,215.2	40,790.6	46,503.1
Junior Management	33,508.8	22,503.5	26,259.5
Middle Management	46,388.1	27,221.7	35,850.5
Senior Management	8,599.6	8,037.4	6,625.5
Senior Leadership	4,364.2	2,683.0	2,158.0
Executive Leadership	72.0	112.5	552.5
BOD	–	45.0	183.0
Total	**379,356.2**	**326,301.9**	**313,974.5**

Table 28: Total Training Hours by Employee Category (2023–2025)

The Bank places strong emphasis on the continuous development of its workforce through structured training and capability-building initiatives. In FY2025, the largest proportion of training hours was recorded at the Executive level, accounting for about 46% of total training hours, reflecting the Bank's focus on strengthening technical competencies, enhancing operational effectiveness and building future-ready talent.

Training hours for Junior and Middle Management increased by 16.7% and 31.7%, respectively in FY2025 compared to FY2024, reflecting a strengthened focus on enhancing leadership capabilities and managerial effectiveness across key operational levels.

DIRECTORS' TRAINING

Executive Leadership training hours increased almost fivefold, while training for the BOD more than quadrupled over the same period. This significant increase reflects a greater emphasis on governance, strategic oversight and alignment with evolving regulatory requirements and sustainability-related expectations.

The Bank continued to strengthen the effectiveness of its BOD through a comprehensive development programme covering governance, leadership, risk oversight and strategic capability building. Throughout FY2025, Directors participated in a wide range of programmes focusing on board leadership, digital transformation, board-management dynamics, complex modelling, large exposure risk management, remuneration governance, media engagement and strategic innovation. Directors also attended specialised programmes in Islamic finance and Shariah governance, including international forums and scholarly engagements, reflecting the Bank's commitment to maintaining strong governance standards while keeping pace with emerging industry developments and regulatory expectations.



Recognising the increasing importance of sustainability in corporate governance, the BOD also undertook dedicated sustainability capacity-building initiatives alongside programmes that enhanced strategic oversight and long-term value creation. International workshops and executive masterclasses further broadened Directors' perspectives on global best practices, innovation, organisational leadership and responsible banking.

TRAINING AND TALENT DEVELOPMENT

Director	Month	Sustainability-related Training	Training Organiser
Datuk Mohd Irwan Mohd Mubarak	**February**	Board Leadership Workshop: Board's Role in Digital Transformation – Putting Words into Action	FIDE Forum
	May	Bespoke Training – A delicate Balance: Board & Management Relationship	ICDM
	July	Muzakarah Cendikiawan Syariah Nusantara Ke-19 & Advanced Training	ISRA Institute of INCEIF University
	September	20th International Shariah Scholars Forum in Islamic Finance (ISSF2025) & Masterclass	ISRA Institute of INCEIF University
Dato' Sri Khairul Dzaimee Daud	**July**	Islamic Finance for Board of Directors	ISRA Consulting Sdn. Bhd.
Dato' Dr. Amiruddin Muhamed	**May**	Bespoke Training – A Delicate Balance: Board & Management Relationship	ICDM
Tunku Dato' Ahmad Burhanuddin Tunku Datuk Seri Adnan	**February**	2025 ASEAN Banking & Finance Summit – Transforming Banking and Advancing Sustainability	ASEAN Business Advisory Council (ASEAN-BAC) Malaysia & KSI Strategic Institute for Asia Pacific
	April	2nd Comprehensive Capacity Building Program for Complex Modelling (Capacity Building)	Bank Rakyat (PwC)
	December	Sustainability Capacity Building Programme	Bank Rakyat (COE)
Encik Mohd Jafri Kudus	**February**	Board Leadership Workshop: Board's Role in Digital Transformation – Putting Words into Action	FIDE Forum
	March & April	2nd Comprehensive Capacity Building Program for Complex Modelling (Capacity Building)	Bank Rakyat (PwC)
	May	Bespoke Training – A Delicate Balance: Board & Management Relationship	ICDM
	July	Budaya Rakyat – Budaya Pematuhan Syariah: Tone from the Top	Bank Rakyat (COE)
	July	Muzakarah Cendikiawan Syariah Nusantara Ke-19 & Advanced Training	ISRA Institute of INCEIF University
	September	20th International Shariah Scholars Forum in Islamic Finance (ISSF2025) & Masterclass	ISRA Institute of INCEIF University
	October	Navigating Shareholder Expectations: Remuneration Sentiment Insights in Malaysian Financial Institutions	Asia School of Business

SOCIAL IMPACT - EMPOWERING OUR PEOPLE

TRAINING AND TALENT DEVELOPMENT

Director	Month	Sustainability-related Training	Training Organiser
Dato' Seri Dr. Vaseehar Hassan Abdul Razack	**May**	Bespoke Training – A Delicate Balance: Board & Management Relationship	ICDM
	July	Budaya Rakyat – Budaya Pematuhan Syariah: Tone from the Top	Bank Rakyat (COE)
	December	Sustainability Capacity Building Programme	Bank Rakyat (COE)
Prof. Dr. Raduwan Idar	**February**	Board Leadership Workshop: Board's Role in Digital Transformation – Putting Words into Action	FIDE Forum
	February	Special Lecture: How Global Events Will Affect the Outlook for the Financial Industry in 2025	FIDE Forum
	April	2nd Comprehensive Capacity Building Program for Complex Modelling (Capacity Building)	Bank Rakyat (PwC)
	May	Bespoke Training – A Delicate Balance: Board & Management Relationship	ICDM
	July	Budaya Rakyat – Budaya Pematuhan Syariah: Tone from the Top	Bank Rakyat (COE)
	July	Muzakarah Cendikiawan Syariah Nusantara Ke-19 & Advanced Training	ISRA Institute of INCEIF University
	October	Navigating Shareholder Expectations: Remuneration Sentiment Insights in Malaysian Financial Institutions	Asia School of Business
Encik Idris Abd Hamid	**February**	Board Leadership Workshop: Board's Role in Digital Transformation – Putting Words into Action	FIDE Forum
	April	45th AlBaraka Symposium – Islamic Banking in Fifty Years: Past Achievements and Future Aspirations	Global Partner AlBaraka
	April	2nd Comprehensive Capacity Building Program for Complex Modelling (Capacity Building)	Asia School of Business
	May	Bespoke Training – A Delicate Balance: Board & Management Relationship	ICDM
	July	Budaya Rakyat – Budaya Pematuhan Syariah: Tone from the Top	Bank Rakyat (COE)
	July	Muzakarah Cendikiawan Syariah Nusantara Ke-19 & Advanced Training	ISRA Institute of INCEIF University
	September	Whistleblower Protection Act 2010: Board Strategic Innovation & Design Thinking	Bahagian Pendidikan Masyarakat, SPRM

TRAINING AND TALENT DEVELOPMENT

SKILLS TRAINING DEVELOPMENT

In FY2025, the Bank recorded 52,397.6 training hours in future skills-oriented training, supporting its digital transformation and sustainability agenda.

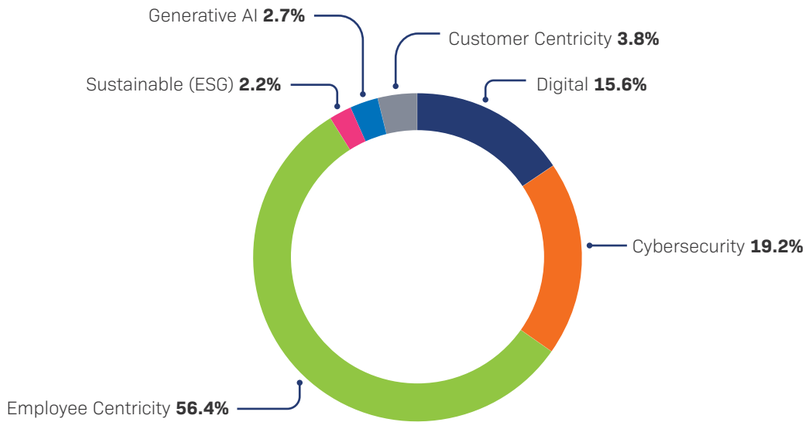


Figure 17: Skills Training Hours

Training in Employee Centricity accounted for the largest share of future skills development, reflecting a strong focus on organisational culture, productivity, and service delivery. This was followed by Cybersecurity and Digital training, underscoring the Bank's continued prioritisation of digital resilience and secure banking operations.

Training in emerging areas such as Generative AI and Sustainability remains at an early stage and is integrated into existing training programmes. It is also more targeted and role-based for better cost efficiency and cost management.

EMPLOYEE ENGAGEMENT AND WELL-BEING

GRI 403-6, 401-2, 2-29

Bank Rakyat fosters a supportive and inclusive workplace that promotes employee well-being, engagement, and productivity. In FY2025, no major changes were recorded in relation to employee engagement disclosures compared to FY2024. The Bank has been building on its existing frameworks, with further enhancements expected following the next employee engagement survey cycle.

Employee engagement surveys are conducted on a biennial basis to assess workforce sentiment and identify areas for improvement. The most recent survey was conducted in FY2024, with the next cycle scheduled for 2026. As such, updated engagement scores, participation rates, and trend data will be disclosed in future reporting periods. This approach allows sufficient time for the implementation and evaluation of engagement initiatives between survey cycles.

EMPLOYEE ENGAGEMENT AND WELL-BEING

EMPLOYEE WELL-BEING INITIATIVES

GRI 403-6, 401-2

Bank Rakyat continues to strengthen employee well-being through a combination of structured programmes and accessible support platforms covering mental health, physical health, financial well-being, and workplace support.

This is mainly led by our Naluri initiative, which is an integrated service featuring consultations with dietitians, financial advisors, pharmacy support, medical advice, fitness coaching, and career and workplace coaching. We are very encouraged to note that 1,875 employees subscribed to the programme in FY2025.

The platform enables employees to access personalised and preventive care, supporting both physical and mental well-being while contributing to improved productivity and reduced workplace stress.

Service Area	Description
Dietitian Consultation	Nutritional guidance and planning
Financial Advisory	Personal financial management support
Pharmacy Support	Medication-related guidance
Medical Advice	General health consultations
Fitness Coaching	Physical health and exercise support
Career & Workplace Coaching	Professional and workplace support

Table 29: Naluri Well-Being Programme

EMPLOYEE WORKPLACE PROGRAMMES

GRI 2-29

Building teamwork and a cohesive workforce is a key focus of the Bank to increase productivity and improve intra-office communications. This is mainly conducted via various employee engagement programmes. During the year, we introduced various structured programmes and internal initiatives to further strengthen organisational culture, promote employee participation, and enhance the shared experience of our employees.



These initiatives were highly popular among our employees in raising their morale. The Bank implemented a series of engagement-driven activities, including talent development and recognition platforms such as "BR Got Talent", to boost employee participation and foster a sense of community across the organisation. Workplace engagement was further supported through internal campaigns and structured communication initiatives such as People's Day, which serve as platforms for employee interaction, recognition, and alignment with organisational values.

In addition, targeted initiatives were introduced to support employee motivation and productivity, including flexi reimbursement programmes, which provide employees with greater flexibility in managing personal and work-related expenses. Financial well-being initiatives, including staff incentive programmes, were also implemented to support employee retention and reward performance.

The Bank also strengthened its focus on promoting professional growth and workplace readiness through structured development programmes and internal campaigns focused on career progression, capability building, and workplace support.

SOCIAL IMPACT - EMPOWERING OUR PEOPLE

OCCUPATIONAL SAFETY & HEALTH

GRI 403-1, 403-9, 403-10

The health, safety and well-being of employees remain fundamental to our organisational resilience and operational performance. Our approach to occupational safety and health (OSH) is aligned with the Occupational Safety and Health Act 1994 (Act 514) and guided by ISO 45001 standard, supporting a structured and risk-based management system anchored on continuous improvement.

GOVERNANCE AND OSH MANAGEMENT FRAMEWORK

OSH governance is centrally managed by a dedicated OSH Unit under the Administration Services and Security function, supported by established policies and procedures implemented across all operational levels. The Bank's OSH Management System (OSHMS) covers employees, contractors and visitors, ensuring consistent application of safety practices across headquarters, branches and specialised service centres.

A structured Hazard Identification, Risk Assessment and Risk Control (HIRARC) process is applied to identify and mitigate workplace risks, supported by periodic assessments conducted by certified occupational health professionals. Employees are also encouraged to report hazards through formal channels. We also uphold the right to refuse unsafe work, in line with internal policies. Incident investigations follow a structured approach, incorporating root cause analysis and organisation-wide sharing of lessons learned to prevent recurrence.

OSH PERFORMANCE AND COMPLIANCE

In FY2025, the Bank maintained a strong safety performance, supported by robust monitoring and compliance practices. A total of 40 internal audit sessions were conducted, with all audited branches achieving compliance scores above 90%. In addition, 50 Chemical Health Risk Assessments (CHRA) were completed, with no major findings recorded, reflecting effective risk management across operational sites.

During the year, two workplace accident cases were recorded, resulting in 75 medical leave days. The Bank's accident rate stood at 0.32 per 1,000 employees, which is significantly lower than the industry benchmark of 2.13. There were no OSH-related findings arising from Bank Negara Malaysia audits, while engagements with the Department of Occupational Safety and Health (DOSH) resulted in one directive and two improvement notices, all of which were addressed as part of ongoing corrective measures.

RISK MANAGEMENT AND PREVENTIVE APPROACH

Given the nature of banking operations, key OSH risks are primarily associated with a focus on ergonomics. This includes exposures to prolonged screen exposure, mental health and general workplace safety. The Bank actively addresses these risks through workplace assessments, ergonomic improvements and targeted health initiatives.

In FY2025, the Bank further strengthened its approach by shifting towards a more people-centric OSH model, emphasising the holistic well-being of our employees. This is reinforced through our Vision Zero Bank Rakyat initiative, which aims to eliminate workplace injuries through proactive risk management, awareness and employee engagement.

AWARENESS AND CONTINUOUS IMPROVEMENT

During the year, 834 employees participated in OSH training and briefing sessions, supported by 25 training sessions and 16 safety and health alert communications issued across the organisation. These initiatives enhance awareness, strengthen risk identification capabilities and promote a culture of shared responsibility for workplace safety.

Looking ahead, the Bank has outlined an OSH Master Plan (2026–2028), which will focus on strengthening accountability, enhancing employee wellbeing and embedding safety as a core organisational value.

SOCIAL IMPACT - EMPOWERING OUR PEOPLE

DIVERSITY & INCLUSIVITY

GRI 2-7, 405-1, 405-2

INCLUSIVE WORKFORCE AND LEADERSHIP REPRESENTATION

Diversity contributes to better decision-making, innovation and long-term organisational resilience. Bank Rakyat fosters an inclusive workplace to reflect diversity across its workforce. We pay close attention to gender balance and representation in all our organisational levels.

Our employee gender balance is slowly reaching parity. In FY2025, the Bank's total workforce comprised 6,245 employees, with male employees accounting for 3,348 (54.06%) and female employees representing 2,897 (45.94%). Female representation reached its highest level over a three-year period, which is an encouraging trend for the Bank.

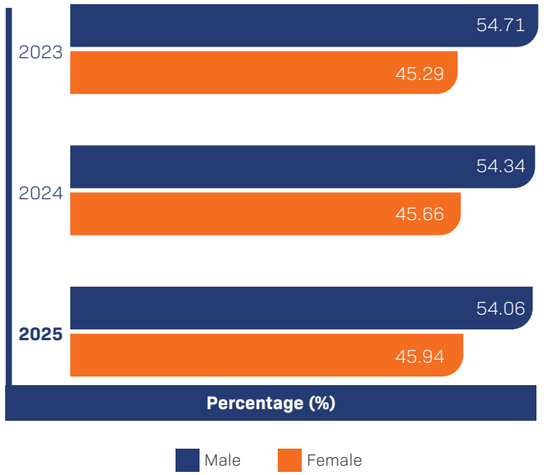


Figure 18: Gender Distribution of Workforce

Bank Rakyat also ensures that our leadership reflects a diverse workforce. Our leadership structure is organised into three clear tiers to support effective decision-making and long-term business continuity.

The Senior Management group is the largest part of our leadership team, making up 65.69% of our senior cohort and representing about 1.45% of our total employees. This group is followed by our Senior Leadership team and a lean Executive Leadership apex, which together represent less than 1% of all Bank staff.

Women continue to play an important role in Bank Rakyat's leadership pipeline, representing 35.56% of Senior Management positions. While female representation is currently lower at the Senior Leadership (15.15%) and Executive (7.14%) levels, we recognise the opportunity to further strengthen gender diversity across our leadership ranks. We are committed to addressing this strategically through talent development, succession planning and leadership initiatives, to build a more diverse and inclusive leadership pipeline over the long term.

Leadership Level	Male	Female	Total	Percentage
Senior Management	58	32	90	65.69%
Senior Leadership	28	5	33	24.09%
Executive Leadership	13	1	14	10.22%
Total	**99**	**38**	**137**	**100%**

Table 30: Leadership by Tier and Gender

PAY EQUITY AND NON-DISCRIMINATION

The Bank maintains a fair and equitable remuneration system that upholds the principle of equal pay for work of equal value. Compensation practices are grounded in structured job evaluation and governed by defined grading structures, ensuring consistency in how roles are assessed and rewarded across the organisation.

Remuneration outcomes are determined through a merit-based approach that considers role requirements, relevant experience and professional competencies, supported by transparent governance processes. This reinforces the Bank's commitment to fairness, inclusivity and pay equity across all levels of the workforce.



Social Impact

Empowering Our Communities

SOCIAL IMPACT - EMPOWERING OUR COMMUNITIES

COMMUNITY INVESTMENT

GRI 203-2, 404-2, 413-1

ENTREPRENEURSHIP DEVELOPMENT

One of the main ***raison d'etre*** of the Bank is to develop local entrepreneurs. As such, Bank Rakyat extends its commitment to talent and capacity development towards the broader entrepreneurial community. We particularly focus on the underserved segments of society, which form an important pillar of the Malaysian economy. Through our structured entrepreneurship development, financial literacy and Islamic social finance initiatives, we aim to spur and develop micro-entrepreneurs and small and medium enterprises (MSMEs).

In FY2025, we successfully conducted 53 entrepreneurship training and capacity-building programmes nationwide, exceeding the initial target of 40 programmes by 32.50%. These programmes were designed to equip entrepreneurs with practical knowledge and essential business competencies required in an increasingly competitive and digitalised operating environment. Training modules covered key areas such as financial management, business operations, marketing strategies, digitalisation, customer engagement and Shariah-compliant business practices.

A total of 5,343 businesses participated in our training sessions in FY2025. This participation far exceeded our annual target of 3,100 businesses by 72.35%. Our "Santai Namun Sampai" regional outreach strategy played an important role in this success, ensuring that high-quality financial and business education reached the most remote corners of the country. By focusing on both urban and rural entrepreneurship, we are narrowing the knowledge gap and fostering a more inclusive economic environment. These programmes include specialised modules on Shariah-compliant business practices and digital marketing via the i-MerchantRAKYAT platform.

We also further promote targeted economic empowerment initiatives to promote long-term self-sufficiency, including entrepreneurship programmes such as RAKYATpreneur, Bank Rakyat UNIpreneur and Asnafpreneur, which collectively supported over 1,000 participants through structured development and funding interventions.

We encouraged digital participation among businesses by introducing programmes that feature digital entrepreneurship and e-commerce modules. This assisted in the wider adoption of digital financial solutions and online business platforms for entrepreneurs. To further strengthen inclusive entrepreneurship development, we leveraged Islamic social finance through the Bank Rakyat Entrepreneur Leadership Series (BRELS), a dedicated platform aimed at empowering underserved and low-income entrepreneurs nationwide. Through RAKYATpreneur, RAKYATpreneur B40 and Bank Rakyat UNIpreneur, the Bank provides holistic support encompassing seed funding, entrepreneurship training, mentoring and continuous business guidance to help participants strengthen business resilience and improve long-term income generation capabilities.

RAKYATpreneur and Bank Rakyat UNIpreneur are funded through zakat contributions, while RAKYATpreneur B40 is supported under the Bank Negara iTEKAD social finance initiative, focusing on uplifting low-income micro-entrepreneurs.

The RAKYATpreneur programme focuses on enhancing the potential of asnaf micro-entrepreneurs nationwide. Through the RAKYATpreneur 6.0 in FY2025, 300 participants received financial assistance alongside structured entrepreneurship training, mentoring and monitoring support delivered through selected collaboration partners.

The Bank empowers young asnaf entrepreneurs through Bank Rakyat UNIpreneur 5.0, a social finance initiative aimed at nurturing student entrepreneurs through institutional collaboration and entrepreneurship development.

In FY2025, Bank Rakyat UNIpreneur 5.0 involved 500 participants nationwide in collaboration with 20 higher education institutions, comprising 18 public institutions and two private institutions. Through this initiative, participants are exposed to practical entrepreneurial experience and business development opportunities across various sectors, including food and beverages, fashion, health and beauty, education, services, information and communications technology (ICT), agriculture and logistics.

Through RAKYATpreneur, RAKYATpreneur B40, Bank Rakyat UNIpreneur and Asnafpreneur, more than 4,000 participants have received entrepreneurship training and financial assistance funded through the Bank's zakat contributions and Bank Negara Malaysia's iTEKAD initiative. We are proud that more than 60% of the participants subsequently recorded increased sales turnover and/or created employment opportunities within their local communities.

SOCIAL IMPACT - EMPOWERING OUR COMMUNITIES

ENTREPRENEURSHIP DEVELOPMENT

ENTREPRENEUR SUCCESS STORY: ZAMZUM GLOBAL



Building on initial support from the RAKYATpreneur programme, Bank Rakyat further supported Mohammad Zamzum through the RAKYAT Accelerator initiative. The Accelerator initiative is an extension of the RAKYATpreneur, designed to help high-potential micro-entrepreneurs scale up through targeted funding, capacity building, and operational support to improve productivity and market readiness.

Starting with RM5,000 seed funding in 2022, he produced chilli paste under the brand *Pes Sambal Ibu*. He received additional funding of more than RM14,000, enabling investment in higher-capacity machinery and improved production efficiency.

Today, rebranded as *Pes Sambal Zamzum*, the business has expanded to over 20 product variants and has achieved repeat export demand from the United Kingdom. The company has also obtained halal certification from JAKIM, strengthening market credibility and supporting international expansion.

ENTREPRENEUR SUCCESS STORY: SCARFROSIE



Aina Syazwani Mohd Najib, a Master's graduate from Kulliyyah of Economics and Management Sciences, International Islamic University Malaysia, developed her social enterprise *ScarfRosie* under the Bank Rakyat UNIpreneur programme with RM3,000 in seed funding. The business transforms scarves into floral gift products, combining creativity with social entrepreneurship.

She later secured an additional RM14,250 to scale her business through structured growth planning and pitching sessions under Bank Rakyat's alumni development initiative.

Aina has also gained wider exposure through participation in national platforms such as the Karnival Usahawan Wanita Malaysia and Sasana Symposium, and was featured as a micro-entrepreneur success story under Bank Negara Malaysia's iTEKAD programme.

SOCIAL IMPACT - EMPOWERING OUR COMMUNITIES

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In FY2025, Bank Rakyat continued its commitment towards community development and social inclusion through a broad range of impactful CSR initiatives nationwide. The Bank's programmes focused on advancing education, empowering underserved communities, promoting inclusivity and delivering meaningful long-term social impact.

Among its flagship initiatives, Kebun Nuri Nutrisi continued to drive sustainable community development by integrating agricultural education with entrepreneurship and food security. The programme equips students with practical skills while encouraging self-sustainability and income generation through community farming activities.

The Santuni MADANI and Sekolah Angkat MADANI initiatives involve grassroots empowerment by integrating education, entrepreneurship, digital literacy and financial literacy programmes for local communities.

The Bank prioritised access to education through higher education financial assistance and nationwide Back-to-School programmes, helping ease financial burdens faced by students from underserved backgrounds while supporting digital inclusion through the provision of refurbished computers to schools.

Beyond education-focused initiatives, the Bank strengthened community well-being through various festive and welfare programmes, including Imarah Ramadan, Ihya Ramadan, Cahaya Aidilfitri as well as the Kaamatan & Gawai Initiative, benefiting asnaf families, orphans and underserved communities across Malaysia. In addition, the Kasih Harapan initiative reflected the Bank's compassionate approach towards humanitarian support by assisting children living with chronic and rare medical conditions.

Initiative	Key Focus Area	Impact / Beneficiaries
Kebun Nuri Nutrisi	Agricultural education, entrepreneurship & food security	Benefited over 28,000 B40 students from 42 educational institutions since inception, with more than 20,000kg of crops harvested and over RM100,000 in income generated through sustainable farming activities. Expanded to institutions including Universiti Malaysia Sarawak, SK Narinang, SK Desa Setapak, SK Kong Kong Laut and SMKA Kuala Lipis in 2025.
Santuni MADANI & Sekolah Angkat MADANI	Community upliftment, entrepreneurship, digital & financial literacy	Contributed approximately RM200,000, benefiting more than 400 residents of Kampung Kong Kong Laut, Johor, through integrated programmes including Digital Desa, Bank Rakyat UNIpreneur and community development activities.
Higher Education Financial Assistance	Access to tertiary education	RM38,500 contributed to support 130 students pursuing certificate to bachelor's degree programmes in collaboration with Yayasan Bank Rakyat.
Back-to-School Programme	Educational support & digital inclusion	Benefited thousands of B40 students across Sarawak, Sabah and Pulau Pinang through school necessities and digital learning support, including the distribution of 460 refurbished computers to 55 schools in Sabah.
Imarah Ramadan Programme 2025	Community welfare & asnaf support	RM300,000 contributed to benefit 1,500 asnaf families across 50 mosques and surau nationwide through food aid, financial assistance and community engagement activities.
Ihya Ramadan Programme	Community engagement & welfare assistance	RM160,000 channelled to 16 mosques alongside financial assistance to 300 asnaf individuals, complemented by communal iftar programmes.
Cahaya Aidilfitri Programme	Festive outreach & social inclusion	Benefited 600 orphans across more than 25 locations nationwide with support from 30 Bank Rakyat branches.
Kaamatan & Gawai 2025 Initiative	Cultural inclusivity & community assistance	Distributed 400 essential food baskets to communities across Sabah and Sarawak during the festive celebrations.
Kasih Harapan Initiative	Welfare & humanitarian assistance	Extended financial and welfare support to children living with chronic and rare medical conditions, including congenital heart defects and Epidermolysis Bullosa.

Table 31: CSR programmes in 2025

SOCIAL IMPACT - EMPOWERING OUR COMMUNITIES

CORPORATE SOCIAL RESPONSIBILITY (CSR)

CAPABILITY BUILDING AND FINANCIAL LITERACY

GRI 203-1, 203-2, 413-1

Financial literacy and digital inclusion as key enablers of long-term socioeconomic resilience. In FY2025, we conducted a total of 699 financial literacy programmes, benefiting 65,677 participants nationwide across various demographic segments. Participants comprised 28,579 youths below 18 years old, 472 tertiary students, 36,626 adults, 970 individuals from the B40 community, and 556 senior citizens.

We are also cognisant of the need to cultivate financial literacy and digital readiness among the younger generation. Our Cashless School initiative emerged as a flagship programme, successfully onboarding 26,039 students across 137 schools into a digital banking ecosystem. By providing students with Savings-i Accounts and MyDebit cards, the Bank is not only fostering early financial responsibility but also preparing the youth for a digital-first economy.

This initiative is complemented by our "Just in Time Financial Education" (JITFE) program, which utilised our branch network to reach 35,924 individuals. The sessions provided practical knowledge on scam awareness and wealth management, empowering community members to protect their financial well-being against emerging digital threats.

Programmes such as the Bank Rakyat UNIpreneur equip tertiary students with entrepreneurial knowledge and start-up capabilities, while the Nuri Teen and Nuri Kids savings accounts help cultivate financial literacy and responsible money management habits from an early age.

The implementation of the Cashless School, Santuni MADANI Digital Desa 2025 and NURI programmes to promote a savings culture and strengthen the adoption of a cashless ecosystem among school students and rural communities successfully contributed to the opening of more than 30,000 new CASA accounts during the year.

Bank Rakyat strengthened its financial inclusion through the expansion of its digital banking ecosystem, by enabling broader access to formal financial services among underserved and unserved communities. Our platforms such as Bank Rakyat Quick (BRICK), Quick Response to Entrepreneur (QR2E), iBizRAKYAT and i-MerchantRAKYAT, supports greater digital participation while advancing a more inclusive and cashless economy.

As of FY2025, the Bank recorded a cumulative total of 1.59 million customers onboarded onto its digital platforms, comprising 1.54 million retail customers and 48,681 non-retail customers. Adoption of digital business solutions also continued to grow in FY2025. Our iBizRAKYAT users increased to 36,543 in FY2025, while i-MerchantRAKYAT users rose significantly to more than 11,000 users.

During the year, the Bank also facilitated 98.5 million digital and online transactions, reflecting continued customer confidence and growing utilisation of our digital banking services.

As part of these broader financial inclusion efforts, the Bank implemented the Digital Desa 2025 programme to help bridge the urban-rural digital divide and encourage rural communities to adopt e-banking and e-payment solutions. The programme focused on Savings-i Account onboarding, Electronic Current Account-i (eCA-i) onboarding and i-MerchantRAKYAT subscription among students, entrepreneurs and MSMEs.

In FY2025, the programme exceeded all onboarding and participation targets across its key focus areas. A total of 3,012 students participated in the Savings-i Account onboarding initiative in FY2025, surpassing the target of 2,000 by 50.60%. Meanwhile, 656 MSMEs participated in the Electronic Current Account-i onboarding initiative, exceeding the target of 500 by 31.20%. The programme also recorded 559 MSME subscriptions to i-MerchantRAKYAT, surpassing the target of 500 by 11.80%. These initiatives continue to support greater financial accessibility, digital adoption and participation in the formal banking ecosystem, particularly among rural and underserved communities.



SOCIAL IMPACT - EMPOWERING OUR COMMUNITIES

COOPERATIVE FINANCING

GRI 203-1, 203-2, 201-1

In FY2025, we approved 69 institutional cooperative financing accounts, delivering a total capital injection of RM1.194 billion, significantly exceeding the annual sector target of RM500 million by 238.8%.

Large cooperatives accounted for 32 approved accounts with a total financing of RM1.112 billion, primarily supporting commercial expansion and infrastructure development. Medium cooperatives comprised 24 accounts totalling RM25.26 million, focused on operational strengthening and efficiency improvements. Small cooperatives were allocated nine accounts amounting to RM44.35 million, while micro cooperatives received four targeted accounts totalling RM12.63 million.

In FY2025, a total of 6,302 cooperatives maintained active operational deposits amounting to RM2.085 billion. In addition, 1,560 cooperatives held statutory or reserve accounts totalling RM69.57 million.

The Bank reinforced cooperative resilience through structured capacity-building and institutional development programmes. In FY2025, a total of 1,062 cooperatives participated in capability enhancement initiatives aimed at strengthening governance, operational efficiency, and long-term sustainability.

The programmes were delivered through three core modules. The Santai Namun Sampai module was attended by 727 cooperatives while the eCA-i module was completed by 113 cooperatives. Meanwhile, 222 cooperatives participated in Islamic Financial Workstreams, enhancing understanding and application of Shariah-compliant financial principles and ethical finance structures.



MEMBER VALUE

GRI 203-1, 203-2, 413-1

Our cooperative financing strategy prioritises inclusive value creation and measurable socioeconomic impact for its members. In FY2025, the Bank approved 186,950 member financing facilities, totalling RM8.545 billion. This is an encouraging increase of 42.42% compared to our annual target of RM6 billion.

Most of the financing was channelled to individual members, with 186,907 accounts valued at RM8.543 billion, supporting key life-cycle needs including personal welfare, housing, education, and asset accumulation. In addition, 43 financing facilities were extended to member-owned microenterprises, providing RM1.58 million in working capital to support operational continuity and business sustainability.

In line with the VBI framework, targeted financing continued to support financial inclusion for underserved segments. A total of 103,948 financing accounts were approved for B40 households, amounting to RM2.959 billion, delivered through accessible housing financing, Ar-Rahnu liquidity solutions, and personal financing facilities.

Beyond direct financial access, cooperative financing generated wider socioeconomic spillover effects. Supported initiatives contributed to the creation of 33 new employment opportunities and sustained 2,920 existing jobs.

SOCIAL IMPACT - EMPOWERING OUR COMMUNITIES

ZAKAT DISTRIBUTION & COMMUNITY INITIATIVES

GRI 203-1, 413-1

STRENGTHENING ZAKAT IMPACT

Making a positive impact on the community via zakat initiatives is an important activity for Bank Rakyat. Guided by Shariah principles on zakat, we balance immediate assistance with long-term socio-economic empowerment. The Bank remains committed to advancing inclusive development by strengthening zakat distribution to support underserved communities, particularly within the asnaf group.

In FY2025, the Bank disbursed RM24.37 million in zakat, creating a positive impact for 91,591 beneficiaries across various community programmes. A significant portion of this distribution was thoughtfully channelled toward the asnaf fakir, miskin, and mualaf categories to support essential welfare needs.

Education remains a cornerstone of our zakat initiative, serving as a powerful driver for long-term socioeconomic mobility. In FY2025, the Bank dedicated RM10.04 million to support educational pathways, empowering a total of 64,391 students. This distribution reflects a strategic refinement of our zakat utilisation framework compared to FY2024, where primary and secondary students received RM21.33 million and tertiary students received RM1.14 million.

The adjusted allocations in FY2025, representing a 57.86% shift in primary and secondary school funding and a 7.89% adjustment for tertiary students, reflect a structural move to optimise long-term socioeconomic outcomes.



Going beyond education, in FY2025, the Bank also extended livelihood and medical assistance to 14,363 beneficiaries, with allocations totalling about RM2.52 million. This assistance helped to alleviate immediate financial and healthcare needs among vulnerable groups.

ECONOMIC EMPOWERMENT INITIATIVES

Under economic empowerment initiatives, the Bank expanded the role of zakat and waqf-based programmes to further support asnaf communities. Initiatives such as the SUTERA Micro Financing programme reflect a shift towards supporting income-generating activities, enabling beneficiaries to progress towards greater financial independence

In FY2025, we supported 19 asnaf entrepreneurs in their journey toward business ownership. These provided an opportunity for the Bank to help create a pathway for individuals to transition from social aid recipients to self-sufficient contributors to the Malaysian economy. In addition, our strategic partnerships with the private sector resulted in waqf collections exceeding RM2.31 million in FY2025. The waqf funds will be strategically deployed to enhance community infrastructure and social assets nationwide.

Under the asnaf fi sabilillah category, zakat contributions in FY2025 were also directed towards community development and knowledge advancement. This includes support for 8,423 beneficiaries through mosques, suraus and NGOs, with funding of about RM2.07 million, as well as initiatives such as the International Shariah Scholars Roundtable and research grants to universities. Additional programmes, including digital knowledge development and scholarly publications were rolled out.

SOCIAL IMPACT - EMPOWERING OUR COMMUNITIES

VOLUNTEERISM AND COMMUNITY OUTREACH

GRI 413-1, 203-1, 203-2

Bank Rakyat strengthens its social impact through community outreach and employee volunteerism initiatives that support community wellbeing, resilience, and inclusive socio-economic development. These efforts reinforce the Bank's cooperative values while fostering compassion, teamwork, and shared responsibility among employees.

The Bank's community investment programmes include Kebun Nuri Nutrisi, which promotes food security, nutrition awareness, and sustainable agriculture practices; Asnafpreneur, which supports entrepreneurship and livelihood development among asnaf communities; and Rumahku/BAITI, which provides housing assistance to improve living conditions for vulnerable families.

Employee volunteerism is driven through BaktiRAKYAT, a structured volunteer programme that encourages employees to contribute their time, skills, and expertise towards meaningful community initiatives. Implemented in collaboration with schools, NGOs, community organisations, religious institutions, and local authorities, the programme focuses on education, environmental stewardship, community wellbeing, and public infrastructure enhancement.

In FY2025, Bank Rakyat implemented 11 BaktiRAKYAT programmes nationwide, comprising 10 regional initiatives and one Head Office programme, involving 885 employee volunteers who contributed 5,815 volunteer hours.

Other key initiatives undertaken during the year included the development of educational and community facilities, enhancement of school environments, landscaping and beautification projects, environmental conservation activities, and outreach programmes benefiting vulnerable and underserved communities.

Among the notable projects were the establishment of a reading corner and educational pathway at SMK Raja Muda Musa, Selangor; the improvement of learning facilities at SMK Beris Panchor, Kelantan; and community landscaping and beautification initiatives in Kuala Pilah, Jerantut, and Dalat.

Beyond local communities, BaktiRAKYAT has strengthened employee engagement and leadership development by fostering teamwork, empathy, and social responsibility.

Indicator	2023	2024	2025
Programmes Implemented	10	11	11
Employee Volunteers	748	1,440	885
Volunteer Hours Contributed	3,376	8,050	5,815
Average Volunteer Hours per Participant	4.5	5.6	6.6

Table 32: BaktiRAKYAT Volunteerism Performance

Volunteerism activities have remained consistently strong over the past three years, with the number of programmes increasing to 11 in FY2025 compared 10 in FY2024. In FY2025, the average hours contributed per volunteer increased steadily to 6.6 hours in 2025.

Another community initiative is the Jajahan Rakyat (JR), which is designed to bridge access gaps for micro-businesses, cooperatives and local communities. Under this program, we integrate financial services with broader socioeconomic and tourism-driven initiatives, including state-level campaigns such as Tahun Melawat Negeri.

The programme also promotes the adoption of digital financial solutions while fostering a more inclusive and cashless ecosystem. During the year, JR engaged 627 participants, which is more than triple the number of participants in FY2024. In FY2025, the JR programme became hugely popular and facilitated the opening of 268 new accounts, which is a more than quadruple increase compared to the previous year. The initiative also supported greater access to financing, with approved financing increasing to approximately RM610,000 in FY2025.

During the year, JR firmly established its presence in several key states, such as Johor, Melaka, Perlis and Pahang. This expanding footprint reflects the Bank's ongoing efforts to extend its reach beyond urban centres and into regional communities where access to financial services remains limited.

GRI CONTENT INDEX

Statement of use	Bank Rakyat has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

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GRI 2: General Disclosures 2021	2-1 Organizational details	About Us	15-17
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	2-3 Reporting period, frequency and contact point	About This Report	2,4
	2-5 External assurance	About This Report, External Review & Gold Rating	4, 65
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	2-9 Governance structure and composition	Sustainability Strategy, Climate Governance	26, 51
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	2-13 Delegation of responsibility for managing impacts	Climate Governance, Climate Risk Management Framework and Policy	51, 55-56
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	2-22 Statement on sustainable development strategy	Sustainability Strategy	25-26
	2-23 Policy commitments	Sustainability Strategy, Inclusive Banking Solutions, Bank Rakyat's Sustainability Sukuk	25-26, 61-64, 64-70
	2-24 Embedding policy commitments	Sustainability Strategy, Inclusive Banking Solutions, Bank Rakyat's Sustainability Sukuk	25-26, 61-64, 64-70
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	3-2 List of material topics	Sustainability Material Matters, Climate Strategy, Climate-related Risks and Opportunities	32, 52, 53
	3-3 Management of material topics	Sustainability Material Matters, Net Zero Transition Plan, Net Zero Performance and Progress, Climate-related Financial Risk Channels & Resilience, Climate Risk Management Cycle, Climate Risk Identification, Climate Risk Measurement, Climate Risk Monitoring, Climate Risk Controls, Climate-related targets, Training and Talent Development	32, 44-45, 46, 53, 55, 56, 56, 56, 56, 59, 74-77
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Summary of Our Sustainable Development Sukuk, Allocation Of Proceeds, Cooperative Financing	66, 67, 86
	201-2 Financial implications and other risks and opportunities due to climate change	Bank Rakyat's Sustainability Sukuk, Climate Scenario Analysis and Climate Risk Stress Testing (CRST)	57, 64-70
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Reducing Emissions and Supporting Customer Transition, Green and Sustainable Financing, Summary of Our Sustainable Development Sukuk, Eligible Assets, Allocation Of Proceeds, Capability Building and Financial Literacy, Cooperative Financing, Member Value, Zakat Distribution & Community Initiatives, Volunteerism and Community Outreach	47, 54, 66, 67, 67-70, 85, 86, 86, 87, 88
	203-2 Significant indirect economic impacts	Green and Sustainable Financing, Inclusive Banking Solutions, Community Investment, Capability Building and Financial Literacy, Cooperative Financing, Member Value, Volunteerism and Community Outreach	54, 61-62, 82-83, 85, 86, 86, 88
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	302-4 Reduction of energy consumption	Reducing our own footprint (Energy Efficiency: Operational emissions)	46
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	305-2 Energy indirect (Scope 2) GHG emissions	Reducing our own footprint (Energy Efficiency: Operational emissions), Measuring and Tracking Carbon Footprint: Scope 1, 2 & 3, Climate-related metrics	46, 48, 58
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GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Empowering Our People, Diversity & Inclusivity	72-73,80
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