JUBLI PLATINUM

7 DECADES AND Beyond

SUSTAINABILITY REPORT 2024

7 Decades and Beyond

For **seven decades**, Bank Rakyat has been an intrinsic part of the Malaysian landscape, evolving from its foundational purpose of empowering the cooperative movement to becoming a leading progressive Islamic cooperative bank. The theme "7 Decades and Beyond" for the 2024 Annual Report serves as a powerful narrative anchor, celebrating this rich heritage while simultaneously projecting a dynamic vision for the future. It acknowledges the milestones achieved, the challenges overcome, and the enduring commitment to its members, customers, and the nation's socio-economic well-being, all within the framework of Shariah principles.

This theme provides a platform to reflect on the Bank's historical contributions, particularly in fostering financial inclusion and supporting community growth. It also offers a forward-looking perspective, showcasing Bank Rakyat's strategic initiatives in embracing digitalisation, enhancing customer experience, championing sustainability, and reinforcing its Shariah leadership in an increasingly competitive and evolving financial landscape. The "Beyond" element signifies a commitment to continuous innovation, adaptability, and an unwavering dedication to serving future generations with progressive and ethical financial solutions.

What's inside

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About This Report

Royal Belum State Park, Perak, Malaysia

Bank Kerjasama Rakyat Malaysia Berhad ("Bank Rakyat", or "the Bank") has included its Sustainability Report as part of its Annual Report since 2017. In 2019, we achieved a key milestone in our sustainability reporting journey with the inaugural standalone Sustainability Report. Although the global pandemic and related Movement Control Orders (MCO) temporarily interrupted our reporting timeline, the Bank resumed its sustainability reporting with the 2022 edition.

This Sustainability Report outlines Bank Rakyat's progress on our sustainability roadmap, aligned with the BR25 Strategic Blueprints, covering significant impacts in economic, environmental, and social areas. Prepared with reference to the Global Reporting Initiative (GRI) Standards, this report enhances transparency by addressing material topics that reflect Bank Rakyat's key impacts, risks, and opportunities.

In addition to the GRI Standards, the Report also considers the following guidelines, frameworks, and standards:
- BNM's Implementation Guide for Value-based Intermediation (VBI)
- BNM Performance Measurement Framework (PMF)
- Bursa Malaysia Sustainability Reporting Guide
- United Nations Sustainable Development Goals (SDGs)
- Securities Commission (SC) Sustainable and Responsible Investment (SRI) Sukuk Framework
- BNM's Climate Change and Principle-based Taxonomy (CCPT)
- Task Force on Climate Related Financial Disclosures (TCFD)
- BNM's Climate Risk Management and Scenario Analysis (CRMSA)

In fulfilling our role as Malaysia's largest Islamic cooperative bank and a Development Financial Institution (DFI), this Report demonstrates our commitment to contributing to a sustainable future by advancing financial inclusion, economic development, and climate-conscious practices.

For any questions or feedback regarding this report, please contact:
Sustainability Department
29th Floor, Tower 1, Bank Rakyat Twin Tower,
No 33, Jalan Rakyat, KL Sentral,
50470, Kuala Lumpur
Tel: 03-26129600

External Assurance
Bank Rakyat has not yet sought external assurance for this Sustainability Report. While we recognise the value of independent verification, we are currently in the process of strengthening our internal sustainability reporting systems. At this time, we are not ready to commit to a timeline for obtaining external assurance but remain committed to continuously enhancing the quality and transparency of our disclosures.

Scope and Basis of Reporting
The data in this report covers the entire operations of Bank Rakyat and the subsidiaries over which it has direct control and holds a majority stake during the financial year ended 31 December 2024 ("FY2024"). It does not include the Bank's value chain comprising third party contractors, suppliers and vendors.

How This Report is Structured
This Report details how Bank Rakyat's Sustainability Framework and Policy (BRSFP) is implemented, integrated, and managed across the various business units.

The following pages include:
- Findings from a strategic review, positioning Bank Rakyat's initiatives within local, industry, and global ESG best practices
- 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.

CHAIRMAN'S MESSAGE

DATUK MOHD IRWAN MOHD MUBARAK
Chairman of Bank Rakyat

Chairman's Message

Dear Stakeholders,

It is with great pride that I present Bank Rakyat's Sustainability Report for the financial year 2024 ("FY2024"), a testament to our enduring commitment to resilience, inclusivity, and sustainability in every facet of our business and operations.

The year 2024 brought forth unique challenges that tested the resilience of Malaysia's financial sector. Persistent social and environmental issues contributed to a complex and evolving operating landscape. At the same time, the rapid pace of digital transformation and the intensifying impact of climate-related risks compelled financial institutions to strike a delicate balance between meeting immediate operational demands and advancing long-term sustainability goals.

The role of Development Financial Institution (DFI) has never been more critical in shaping inclusive, climate resilient economies for our stakeholders, members and customers. At Bank Rakyat, sustainability is more than a goal; it is part of who we are. Guided by our mandated role, cooperative spirit and Islamic values, we see ourselves as a catalyst for positive change – dedicated to shaping an economy that is greener, more inclusive, and more resilient. Guided by Malaysia's aspiration to achieve net-zero emissions by 2050 and aligned with global frameworks such as the Paris Agreement and the United Nations Sustainable Development Goals (SDGs), we continue to embed sustainability across our strategy, business and operations, and stakeholder engagements.

The year 2024 was a defining chapter in our journey. We are honoured to have received accolades such as the Most Socially Responsible Bank at the International Finance Awards 2024 in Bangkok, Thailand and Best Environmental Excellence awards at the 17th Annual Global CSR & ESG Awards in Ho Chi Minh Vietnam, affirming our values-driven approach. Yet, awards alone are not our measure of success. True success lies in the impact we create on the ground, where lives are touched, opportunities are expanded, and communities are strengthened.

STRENGTHENING GOOD GOVERNANCE

From a governance perspective, the Board has taken active steps to embed sustainability oversight into our risk, strategy and business decisions. Through periodic board-level updates, we ensure that sustainability is monitored and measured as part of our strategic execution.

Our commitment to transparency and accountability is reflected in our sustainability reporting, which meets international standards including Task Force on Climate-related Financial Disclosures (TCFD) and Global Reporting Initiative (GRI) while addressing the specific needs of our diverse stakeholder base. This approach builds trust and demonstrates our commitment to responsible corporate conduct.

While we embrace our role in pursuing sustainability agenda, we also recognise the need to maintain a strong competitive edge and a sustainable growth trajectory. The Board is committed to maintaining a strategic balance between purpose and

KEY MESSAGES

Chairman's Message

performance—ensuring that resources are optimally deployed to maximise impact, deliver long-term stakeholder value, and reinforce our enduring commitment to sustainable development.

ENVIRONMENTAL STEWARDSHIP AND FINANCING JUST TRANSITION

In 2024, we took decisive steps to strengthen our climate governance by advancing the implementation of Bank Negara Malaysia's Climate Risk Management and Scenario Analysis (CRMSA) policy. This included reinforcing Board oversight of sustainability matters and embedding climate-related risk considerations into our business strategy and operational planning. Our alignment with the TCFD further underpins our commitment to transparency, resilience, and forward-looking risk management.

Equally important is our role in advancing financial inclusion and community empowerment. As a cooperative bank rooted in social purpose, we continue to invest in programmes that reach underserved communities nationwide. Our entrepreneurship development initiatives, including comprehensive capacity-building programmes for asnaf and young entrepreneurs, reflect our commitment to creating sustainable livelihoods and reducing economic inequality.

Digital innovation also serves as a powerful enabler of both our inclusion and climate goals. Through enhanced digital platforms, we have expanded access to financial services while driving operational efficiencies that reduce our environmental footprint. This integrated approach ensures that our sustainability efforts create shared value across environmental, social, and economic dimensions.

2025 AND BEYOND

As we move forward, our focus remains on ensuring that sustainability is not treated as a parallel agenda, but is fully integrated into the Bank's long-term strategy and risk appetite. This commitment is closely aligned with the fulfilment of our mandated role and the realisation of the Malaysia MADANI vision.

KEY MESSAGES

Chairman's Message

The path toward building a more civilised, sustainable, and prosperous Malaysia requires collective commitment from all sectors of society. Bank Rakyat stands ready to contribute meaningfully to this national endeavour, ensuring that our growth creates shared prosperity while preserving our environment and strengthening our social fabric for future generations.

Guided by our faith, our cooperative legacy, and our shared purpose, we are confident that Bank Rakyat will continue to be a force for good — delivering shared prosperity, resilience, and sustainable progress for generations to come.

None of our achievements would be possible without the unwavering dedication of our employees, the trust of our customers and members, and the invaluable support of our partners and regulators. To all of you, I extend my deepest gratitude.

Thank you.

DATUK MOHD IRWAN MOHD MUBARAK
Chairman, Bank Rakyat

CEO's Message

CEO'S MESSAGE

AHMAD SHAHRIL MOHD SHARIFF
Chief Executive Officer of Bank Rakyat

Assalamualaikum Warahmatullahi Wabarakatuh and Salam Sejahtera,

It is my privilege to present Bank Rakyat's Sustainability Report 2024, which reflects our strategic progress in integrating sustainability at the core of our business and operations. In 2024, the bar for sustainability continues to rise amid escalating climate challenges, shifting regulations, and heightened expectations for corporate responsibility. This year also marks a pivotal phase in our transformation journey where environmental, social, and governance (ESG) considerations are no longer parallel to business, but are deeply integrated into how we create value, uphold our mandate and contribute to a more inclusive and low-carbon future.

EMBEDDING SUSTAINABILITY INTO BUSINESS STRATEGY

As Malaysia's largest Islamic cooperative bank, we have a unique responsibility to align Shariah values with the goals of sustainable development. Anchored by our BR25 Strategic Plan, sustainability is no longer a compliance imperative but has become a strategic catalyst for innovation, resilience, and long-term value creation. Our Sustainability Framework and Policy is built on clear oversight to support the Bank's Sustainability Vision of Building a Sustainable Future for the Bank and its Stakeholders. This vision is underpinned by three key pillars, encompassing Environment, Economic and Social considerations. These pillars are aligned to the Bank's Sustainability Mission: Driving Socioeconomic Development for the Nation, Accelerating the Green Transition and Strengthening Our Internal Foundations.

In advancing our sustainability agenda, the Bank adopts a strategic, approach anchored in regulatory guidance. We reference Bank Negara Malaysia's Climate Change and Principle-based Taxonomy (CCPT) and Climate Risk Management and Scenario Analysis (CRMSA) frameworks as well as Value Based Intermediation (VBI) to guide business decisions, assess climate-related risks and opportunities, and ensure alignment with national and global sustainability goals. These frameworks not only shape our financing activities and risk assessments but also reinforce our commitment to transparency, resilience, and long-term value creation across our portfolios and operations.

SUPPORTING THE GREEN TRANSITION

In 2024, Bank Rakyat mobilised over RM1.4 billion in sustainability business financing, with RM337.7 million directed toward environment-related initiatives — reaffirming our commitment to support Malaysia's low-carbon transition. Meanwhile, our Green and Transition Business Financing, assessed under CCPT classifications C1 to C3, recorded RM1.1 billion in total financing. These achievements were supported by continuous product innovation and stronger demand on financing that supports the transition toward sustainability.

We expanded our range of Shariah-compliant green financing products across retail financing. In total, **RM89.1 million** was approved in 2024 for financing solutions that supported **green homes, solar panel, e-bike, and hybrid and electric vehicles** — supported by competitive rates and active engagement with developers and dealers. This reflects our commitment to enabling wider participation in the low-carbon transition through accessible and inclusive green finance.

To reduce our own footprint, we implemented solar installations at two branches — PJ State and USJ Subang Jaya — under the CS Suria initiative. This marks a pilot effort, and we are committed to expanding these initiatives further in the coming year, as part of our decarbonisation agenda. We also intensified our Sisih & Amal Recycling programme, collecting over **18 tonnes** of paper, plastic, and metal. Our greening efforts earned **47 points under the Green Building Index (GBI)**, bringing us closer to full certification for Menara Kembar Bank Rakyat.

DEEPENING SOCIAL IMPACT AND INCLUSION

Equally important is our focus on social sustainability, which is rooted in expanding financial inclusion and creating long-term impact for underserved segments. In 2024, we approved **RM20.4 billion** in financing to the B40 community — a clear demonstration of our commitment to socioeconomic development. This support reflects our role in empowering financially underserved segments by improving access to affordable financing in line with our mission to build a more inclusive and equitable financial ecosystem.

Our Islamic social finance programmes continued to thrive. RAKYATpreneur, now in its fifth batch, has empowered **1,033 asnaf entrepreneurs** since 2020, while Bank Rakyat UNIpreneur has supported **1,600 youth asnaf** across four batches since 2021. Additionally, we continue to support businesses through **RM65.5 million** in microfinancing, alongside **RM638.4 million** for cooperatives and **RM1.9 billion** for SMEs.

We continued to advance our digital transformation agenda, with a strong focus on customer onboarding and inclusive access. Through the **BRICK platform**, we facilitated more than 190,000 applications across Bank Rakyat products. — more than doubling our original target. The **QR2E** initiative, designed to empower entrepreneurs through simplified digital access, also surpassed expectations with over 6,000 applications received. We also introduced the i-MerchantRAKYAT Tap on Phone service — an innovative solution that enables merchants to accept contactless payments directly via their smartphones, without the need for a traditional point-of-sale terminal. Together, these innovations reflect our commitment to building a digitally inclusive ecosystem that enhances customer experience, improves operational efficiency, and brings equitable banking access to underserved and remote communities.

We also embedded sustainability into our culture. Our employees logged **7,960 hours of volunteerism** across 12 community programmes, reaffirming our BaktiRAKYAT spirit. These included gotong-royong activities to clean schools and mosque, beach clean-ups, and tree planting. Additionally, initiatives such as BR Sustainable Spice Garden and Herbal Garden initiatives offered experiential learning opportunities on food security, entrepreneurship, and environmental care.

ADVANCING SUSTAINABLE FINANCE

In 2024, Bank Rakyat continued to advance its sustainable finance agenda through the issuance of its inaugural SRI Sustainability Sukuk. As of December 2024, the full **RM500 million inaugural Sustainability Sukuk** proceeds have been allocated to a portfolio of green and social financing. The strong demand for the Sustainability Sukuk was evident, with an impressive final bid-to-cover ratio, reflecting robust investor confidence in Bank Rakyat's sustainable financing initiatives. Bank Rakyat's **Sustainability Sukuk**, is backed by a comprehensive framework aligned with Shariah principles and global best practices. The framework itself received a GOLD sustainability rating from MARC, further validating the Bank's commitment to responsible and impactful financing. The issuance will support projects in affordable housing, green transport, and community development.

UPHOLDING STRONG GOVERNANCE

To strengthen governance and uphold integrity across the organisation, we continue to embed transparency and accountability into our operations. This includes reinforcing our Bank Rakyat Anti-Bribery Plan (BRABP) and Code of Business Conduct and Ethics, advancing e-Know Your Customer (e-KYC) capabilities, and ensuring strict adherence to regulatory frameworks such as the Anti-Money Laundering Act/Countering Financing of Terrorism. By combining clear internal policies with advanced digital tools, we are enhancing our ability to manage compliance and risk proactively to ensure that Bank Rakyat remains ethical, resilient, and future-ready in an increasingly complex operating environment.

We also aligned our sustainability disclosures with the Task Force on Climate-related Financial Disclosures (TCFD) and Global Reporting Initiative (GRI) standards. The disclosures are now managed under the Climate Related Disclosure Policy, which includes Scope 1, 2, and 3 emissions tracking and reporting.

LOOKING AHEAD

As I reflect on the progress we have made, I am proud of how far we've come — but more importantly, I am energised by where we are going. In 2024, Bank Rakyat's sustainability journey has gained meaningful momentum. The integration of sustainability into our financing, operations, and business is no longer peripheral — it is now structural.

As financial institutions are expected to play an increasingly pivotal role in shaping economic resilience and sustainable growth, we recognise it is our responsibility to contribute meaningfully. Moving forward, we will continue enhancing our product offerings with a focus on green and social impact, strengthening climate risk governance, and intensifying capacity building across the organisation. Most importantly, we will continue listening to our stakeholders and co-creating solutions that deliver shared prosperity.

I would like to extend my sincere appreciation to our Board, Sustainability Committee, regulators, customers, stakeholders, and employees who have made this year's progress possible. Together, we will continue driving a purpose-led transformation — delivering inclusive finance, fostering a just transition, and positioning Bank Rakyat as a champion of Islamic sustainable finance in Malaysia.

Thank you.

AHMAD SHAHRIL MOHD SHARIFF
Chief Executive Officer, Bank Rakyat

Beyond
Seven Decades

About Us

Key Highlights 2024

- **RM500 million** issuance of **Sustainability Sukuk.**
- Over **RM20 billion** in inclusive financing to **B40.**
- Conducted **climate** scenario **analysis** to assess portfolio **resilience** and **evaluate climate-related risks.**
- Achieved **47 points** of Green Building Index (GBI) certification.
- Mapped material issues to **GRI** and **TCFD** frameworks for enhanced transparency and alignment.
- More than **RM37 million** for **green home financing.**
- More than **RM47 million** for financing **Electric and Hybrid Vehicles.**
- More than **190,000 total BRICK** applications.
- More than **RM1.4 billion ESG** financing for businesses.
- Ar-Rahnu on Wheels (ARROW) to deliver **Islamic pawnbroking services** directly to rural populations.
- **RM11.8 million** contribution of **Zakat** and **CSR.**
- Positively **impacting** more than **14,000 through contributions.**

Key Highlights 2024

- Launched the **Bank Rakyat Anti-Bribery Plan** (2024–2026).
- More than **330,000** training hours **clocked.**
- **45% female workforce.**
- **Zero workplace** fatalities reported, with safety protocols aligned to ISO 45001 standards.
- **RM30.9 million** financing to **women entrepreneurs.**
- The Bank Rakyat **Entrepreneur Leadership Series** (BRELS) supported over **2,600 entrepreneurs.**
- Over **25,000 pupils benifited** through Kebun Nuri Nutrisi.
- Over **7,960 volunteerism** hours logged through BaktiRAKYAT programmes.

ABOUT US

Bank Rakyat Overview

GRI 2-6, 2-27

Mission

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

Vision

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

Our Core Values

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

Who We Are

We are the **LARGEST ISLAMIC cooperative bank** in the country and the second largest Islamic financial institution in terms of asset size. Our journey began as a pioneer cooperative bank in 1954 with the mandate to raise the social and economic status of rural communities, provide opportunities for self-improvement and to build a better future for their families, as well as their communities for the stability and prosperity of our nation. We have proudly surpassed this mandate.

We became known as Bank Kerjasama Rakyat Malaysia (Bank Rakyat) in 1973 and extended our membership to individuals. Governed by our by-laws and the Bank Kerjasama Rakyat (Malaysia) Berhad Act 1978, we are allowed to provide financing to non-members as well. We now serve not just our members, but also individuals, businesses, corporations, SMEs and a whole range of other stakeholders.

our Strengths

Employees	Customers	Shareholders
6,132 personnel	8.84 milllion	792,191 individuals and cooperatives

Total Assets	Profit before Taxation and Zakat	Members' Share Capital
RM122.92 billion	RM1.82 billion	RM2.99 billion

ABOUT US

Bank Rakyat Overview

GRI 2-6, 2-27

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 proves that we are not only a major player in the domestic Islamic banking scene but also an **international leader** in Islamic banking.

our Products

Personal Banking

- 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
- Share-i
- Working Capital for Ar-Rahnu X'Change

Corporate Information

GRI 2-6

Board of Directors

- Datuk Mohd Irwan Mohd Mubarak (Chairman)
- Dato' Sri Suriani Dato' Ahmad
- 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
- Dato' Haji Amirudin Haji Abdul Halim

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 by 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.

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.

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.

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.

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 Malaysian.

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 with a high-income economy.

The Bank Rakyat Brand

GRI 2-6

No. 1
Largest Islamic Cooperative Bank in Malaysia
Based on total asset size in 2024

No. 3
Largest Islamic Bank in Malaysia
Based on total asset size in 2024

Premiere Cooperative Malaysia 2024
Top Cooperatives by Suruhanjaya Koperasi Malaysia (SKM)
Based on total asset size in 2024

Top 300:
275th Largest Cooperative and Mutual Organisation in the World
Based on World Cooperative Monitor (WCM) 2023 Report

ABOUT US

Group Corporate Structure

GRI 2-6

BANKRAKYAT

Your Bank of Choice

Subsidiary	Shareholding	Company	Activities
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

ABOUT US

Bank Rakyat and the Government

GRI 2-6

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

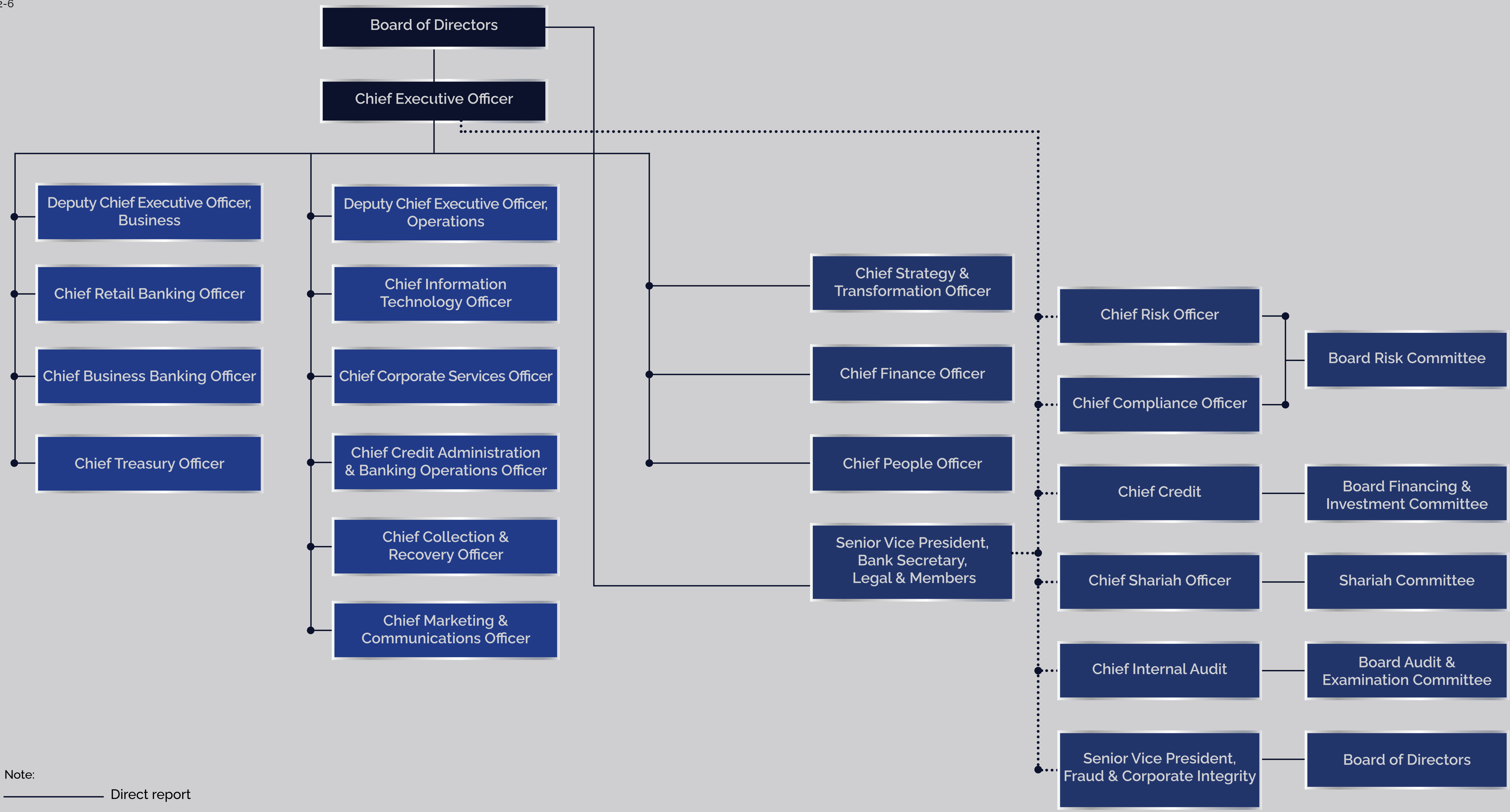
Your Bank of Choice

By-Law

Organisation Chart

GRI 2-1, 2-6

Organisation Chart
GRI 2-1, 2-6



Note:

Direct report

Administrative report

Five-Year Performance (Non-Financial)

GRI 201

Branches

Year	Value
2024	148
2023	148
2022	148
2021	147
2020	147

Ar-Rahnu X'Change

Year	Value
2024	133
2023	131
2022	134
2021	126
2020	121

ATM/CDM/CRM/CICO

Year	Value
2024	990
2023	985
2022	989
2021	978
2020	974

Agent Banking (Rakyat C.A.R.E)

Year	Value
2024	299
2023	284
2022	273
2021	299
2020	297

Registered iRakyat Customers

Year	Value
2024	1,389,668
2023	1,297,993
2022	1,145,413
2021	980,528
2020	733,125

Contact Centre Calls Received

Year	Value
2024	3,329,887
2023	2,052,481
2022	1,836,016
2021	2,500,435
2020	2,157,807

Employees

Year	Value
2024	6,132
2023	6,114
2022	6,117
2021	6,022
2020	5,855

Customers (Million)

Year	Value
2024	8.84
2023	8.69
2022	8.54
2021	8.41
2020	8.30

Five-Year Performance (Financial)

GRI 201

Profit before Taxation and Zakat (RM Billion)

Year	Value
2024	1.82
2023	1.76
2022	1.88
2021	1.63
2020	1.44

Profit after Taxation and Zakat (RM Billion)

Year	Value
2024	1.70
2023	1.60
2022	1.99
2021	1.86
2020	1.38

Deposits and Savings (RM Billion)

Year	Value
2024	84.09
2023	83.56
2022	86.34
2021	86.52
2020	85.58

Financing and Advances (RM Billion)

Year	Value
2024	83.79
2023	81.10
2022	77.24
2021	77.30
2020	76.08

Operating Income (RM Billion)

Year	Value
2024	7.41
2023	7.25
2022	6.52
2021	6.06
2020	6.55

Cost to Income Ratio (%)

Year	Value
2024	46.89
2023	47.85
2022	39.60
2021	39.29
2020	40.47

Return on Average Shareholders Fund (%)

Year	Value
2024	7.55
2023	7.65
2022	8.41
2021	7.63
2020	7.06

Gross Impaired Financing Ratio (%)

Year	Value
2024	1.93
2023	2.02
2022	1.98
2021	1.70
2020	1.94

ABOUT US

Quarterly Performance

GRI 201

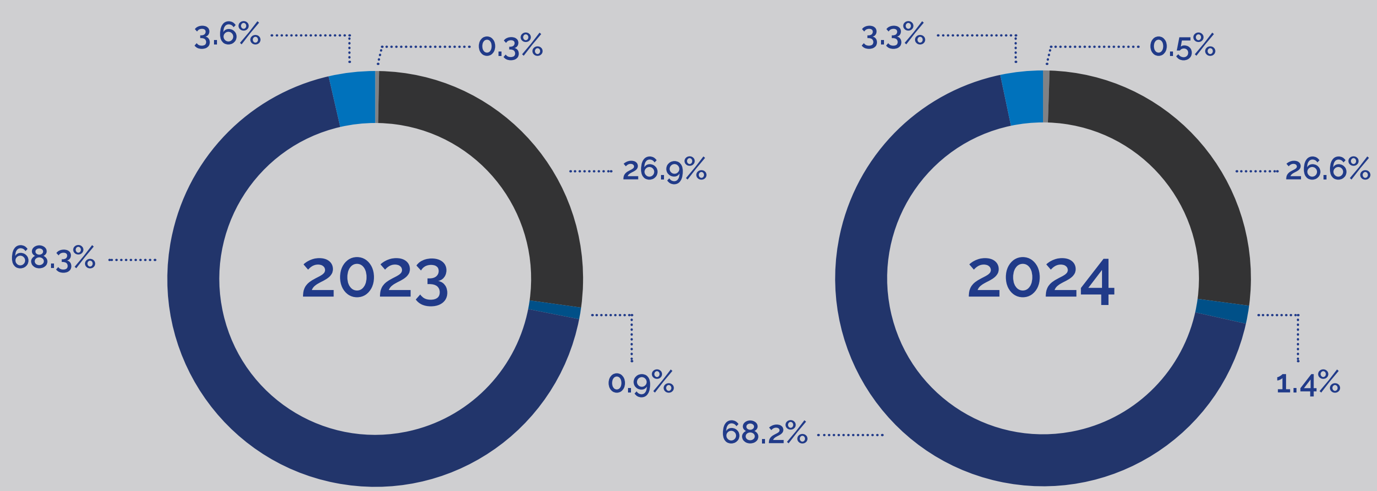
2024 (RM Billion)

	Q1	Q2	Q3	Q4
Income	1.67	1.65	1.69	1.68
Expenditure	0.90	0.88	0.88	0.89
Net Income	0.77	0.77	0.81	0.79
Profit before Taxation and Zakat	0.41	0.49	0.43	0.48
Profit after Taxation and Zakat	0.33	0.45	0.43	0.48

2023 (RM Billion)

	Q1	Q2	Q3	Q4
Income	1.63	1.66	1.69	1.69
Expenditure	0.86	0.89	0.90	0.89
Net Income	0.77	0.77	0.79	0.80
Profit before Taxation and Zakat	0.43	0.47	0.41	0.45
Profit after Taxation and Zakat	0.31	0.42	0.40	0.47

Assets



Deposits and Placements with Financial Institutions
Financial Investments Portfolio
Cash and Short-Term Funds
Financing and Advances
Other Assets

ABOUT US

Segmental Analysis for Banking

GRI 201

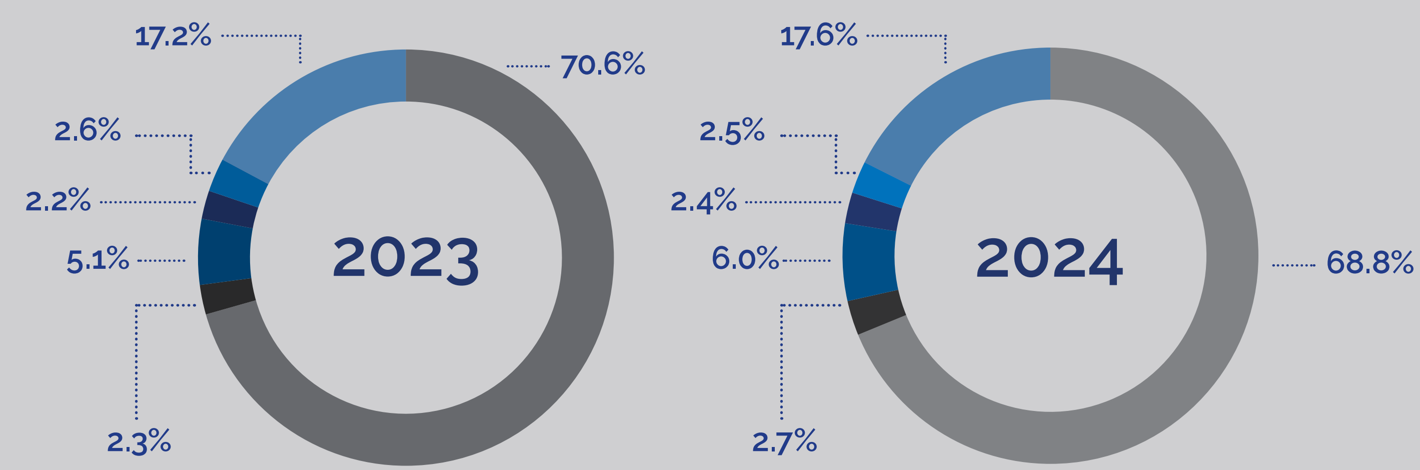
2024 (RM Billion)

	Percentage (%)	RM'000
Retail Banking	64.1%	4,928,588
Commercial Banking	4.6%	350,766
Fee-Based	3.4%	260,407
Ar-Rahnu	5.2%	396,373
Others	22.7%	1,747,680

2023 (RM Billion)

	Percentage (%)	RM'000
Retail Banking	63.5	4,502,238
Commercial Banking	5.3	376,042
Fee-Based	3.2	230,161
Ar-Rahnu	4.5	318,732
Others	23.5	1,662,145

Liabilities and Equity



Deposits from Customers
Deposits and Placements from Banks and Financial Institutions
Debt Securities Issued and Other Fund Sources
Other Liabilities
Share Capital
Other Reserves

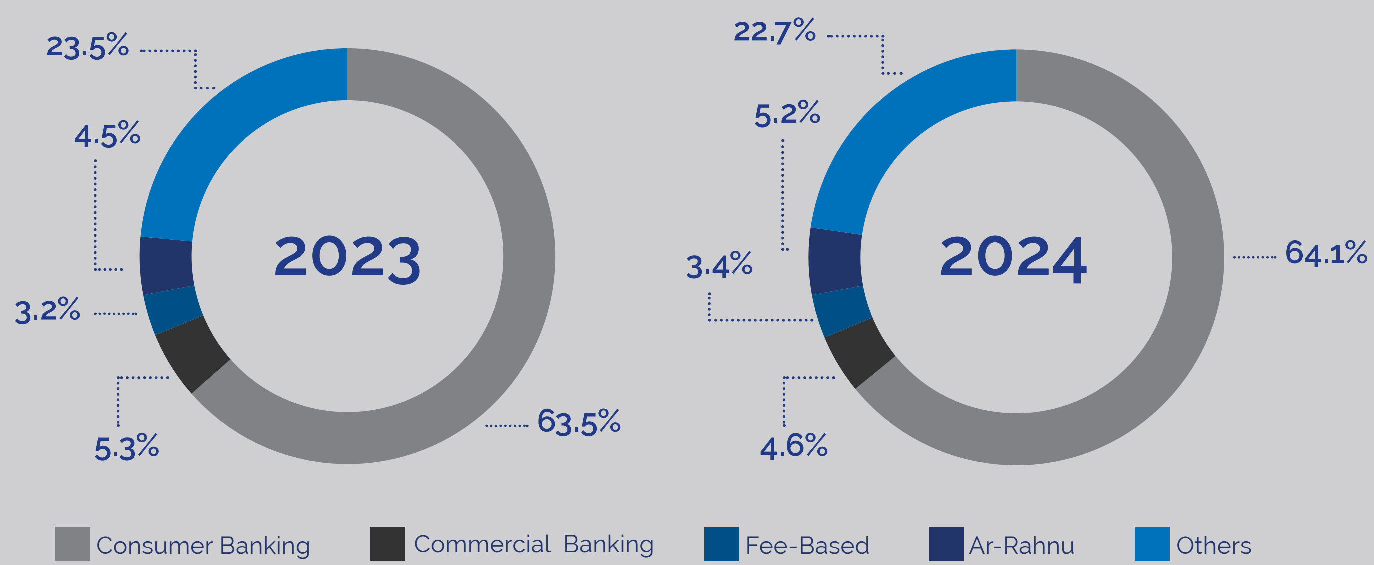
Dividend
(RM Million)

GRI 201

2024: 481.19

Year	Dividend
2023	426.80
2022	429.48
2021	373.23
2020	405.47

Banking Operations Performance



Our Members

Year	Total Members	Individual	Cooperative
2024	792,191	789,932	2,259
2023	802,823	800,559	2,264
2022	817,631	815,367	2,264
2021	827,066	824,799	2,267
2020	834,302	832,055	2,247

Total Share Capital
(RM'000)

Year	Total Share Capital
2024	**2,986,030**
2023	2,986,030
2022	2,986,030
2021	2,986,030
2020	2,986,030

Key Milestones

1954
- Official registration of Bank Agong Kampong Bekerjasama-sama Persekutuan Tanah Melayu Dengan Tanggongan Berhad with its first headquarters in Bukit Mertajam, Penang.
- Election of the Menteri Besar of Perlis, Tan Sri Sheikh Ahmad Mohd Hashim, as the President of the Board of Sponsors.

1955
- First election of the Board of Directors by regional members.
- Re-election of Tan Sri Sheikh Ahmad Mohd Hashim as Chairman of the Bank.
- Relocation of Bank headquarters to Padang Kota, Penang.

1958
- Launch of the Bank's Five-Year Development Plan to raise over RM12 million in capital, led by Chairman Tan Sri Sheikh Ahmad Mohd Hashim.

1961
- Relocation of Bank Agong Headquarters to Kuala Lumpur to centralise operations for services to all customers in the Peninsular.

1963
- Bank Agong membership comprises 32 cooperatives with total share investment amounting to RM143,000.

1964
- Commencement of construction of Bank Agong Headquarters in Jalan Ipoh, Kuala Lumpur.

1966
- Bank Agong moves to its own building at Jalan Ipoh, Kuala Lumpur.

1967
- Decision by Bank's Board of Directors to change the name of Bank Agong to Bank Kerjasama Malaysia Berhad or better known as Bank Kerjasama.

1968
- Opening of Bank Kerjasama's first branch in Sungai Petani, Kedah, after the acquisition of Bank Persatuan Berkerjasama-sama Kedah Tengah.

1969
- Opening of Bagan Serai branch, officiated by Menteri Besar of Perak, Dato' Sri Ahmad Mohd Said.
- Opening of Muar branch, officiated by Menteri Besar of Johor, Dato' Othman Mohd Saat.
- Publication of Berita Bank Kerjasama, the Bank's first newsletter, with the Editor's Column touching on the possibility of establishing a single Cooperative Union in Malaysia.

1970
- Opening of Kangar branch, officiated by the Regent of Perlis, Tuanku Syed Sirajuddin Ibni Tuanku Syed Putra Jamalullail.
- Opening of Kota Bharu branch by Kelantan Acting Menteri Besar, Dato' Mohamed Nasir.

1971
- Expansion of services to include providing financing to members who want to venture into businesses, industries and for the purchase of assets such as houses.
- Establishment of Angkatan Kerjasama Kebangsaan Malaysia Berhad (ANGKASA) after an agreement was reached at the 2nd Malaysia Cooperative Congress chaired by the Chairman of Bank Kerjasama, Tan Sri Sheikh Ahmad Mohd Hashim.

- Opening of the Melaka branch of Bank Kerjasama at Jalan Hang Tuah, officiated by the Chief Minister of Malacca, Dato' Talib Karim, marking Bank Kerjasama's initiative to expand into urban areas.

1972
- Launch of the Provident Trust Fund Account.
- Change of name from Bank Kerjasama to Bank Kerjasama Rakyat Malaysia Berhad or Bank Rakyat at the 17th Annual General Meeting (AGM).
- Establishment of Bank Rakyat's first subsidiary.

1973
- Official adoption of the name Bank Rakyat after personal proposal by the then Prime Minister, Tun Abdul Razak Hussein.

1974
- Establishment of a cooperative company called Syarikat Kerjasama Bank Rakyat, also known as SEKATARAKYAT by Bank Rakyat employees.
- Launch of Rakyat First Merchant Bankers Berhad (Rakyat First), Bank Rakyat's merchant banking arm.

1975
- Establishment of Rakyat Trading Corporation Sdn Bhd (RTC), a supplier of construction materials such as steel and cement and distributor of goods produced by ASEAN Chemical Fertiliser.

1977
- Launch of Collection Department and setting up of a Complaints Bureau.

1978
- The Bank Kerjasama Rakyat Malaysia Berhad Act (Special Provisions 1978) came into force.
- Bank Rakyat placed under the supervision of the Minister responsible for cooperative development.

1979
- White Paper on Bank Rakyat, tabled in Parliament following the tabling of Bank Kerjasama Rakyat Malaysia Berhad (Special Provisions Bill) in Dewan Rakyat on 19 December 1977.

1981
- Signing of joint venture agreement with Deutsche Genossenschaftsbank (DG Bank), a stepping stone for Bank Rakyat to participate in the merchant banking segment.

1982
- Launch of Mobile Banking Services at the Alor Setar branch, with the Mobile Banking vehicle mainly operating at Lembaga Padi dan Beras Negara Complex in conjunction with the harvesting season.

1983
- Increase in Bank membership to 29,002 comprising 28,134 individuals and 868 cooperatives.
- Increase in Bank's total assets to RM519 million and net profit reaches RM5.9 million.

1984
- Launch of the first Education Loan Scheme, Skim Pinjaman Menanam Budi.

1986
- Launch of Nuri Savings Scheme by the Minister of National and Rural Development to encourage a savings culture among school children.

ABOUT US

Key **Milestones**

1988

- Launch of the second Educational Loan Scheme to assist students pursuing higher education in the country and abroad.
- Scheme (SPKS) with a maximum loan of RM20,000.00 to help graduates without permanent employment to set up and start their own accounting and taxation services business.
- Launch of Bank Rakyat's first mini branch in Bandar Tun Razak, Cheras, Kuala Lumpur.
- Launch of Motorcycle Loan Scheme in the effort to broaden lending activities.

1989

- Introduction of services for the cooperative sector through the Special Cooperative Savings Accounts (ATKK).

1990

- Approval received to use Bank Rakyat's reserves amounting to RM96.70 million to cover losses accumulated totalling RM86.60 million.
- Announcement of the distribution of two percent bonus to members from 1978 to 1988, a 10% cash dividend for the financial year 1989, and a 10% dividend and 20% bonus shares respectively for 1990 and 1991.

1992

- Approval of the Cooperative Act 1992 by Parliament.
- Four main objectives of the Act:
  1. To encourage and promote the development of cooperatives.
  2. To transform cooperative into a sustainable movement.
  3. To reform cooperative administration and management.
  4. To consolidate laws related to the cooperative movement.

1993

- Launch of the Shariah banking system offering facilities such as Al-Wadiah Savings Account, Al-Mudharabah General Investment Account, Al-Bai' Bithaman Ajil Property Financing and Bai Al-Inah Personal Financing.

- Going back to where it all began, opening of the Bank's 42nd branch in Bukit Mertajam, Penang, the birthplace of the Bank.
- Introduction of the Ar-Rahnu Islamic Pawn Broking Scheme in collaboration with the Malaysian Islamic Economic Development Foundation (YaPEIM) with an initial capital of RM5 million.
- Signing of memorandum of understanding for the implementation of Ar-Rahnu with YaPEIM on 11 October 1993.

1994

- Establishment of Bank Rakyat's Shariah Advisory Council.
- Opening of first branch outside the Peninsular in Kuching, Sarawak.

1998

- Launch of An-Naqlu Vehicle Financing Scheme, a financing facility for the purchase of cars.

1999

- Launch of the state-of-the-art Integrated Retail Banking System (IRBS) at the Pudu branch in Kuala Lumpur, allowing online management of retail banking transactions and general ledger and supporting ATM services for speedy savings and investment account transactions.

2000

- Launch of the Tijari Contract Financing in the effort to assist dynamic and viable small businesses.

ABOUT US

Key **Milestones**

2001

- Launch of the new corporate logo to replace the 20-year-old logo, in conjunction with Bank Rakyat's 47th anniversary.
- Launch of three new products based on the Al-Mudharabah concept: Syabab, Tawfir and Tilmiz - officiated by the Land and Cooperative Development Minister, Tan Sri Kasitah Gaddam.

2002

- Launch of free advisory and guidance services through Program Rakan Ko-op (Co-op Partner Programme) to assist cooperatives in managing their business activities.

2003

- Official announcement that all of Bank Rakyat's operations are fully Shariah-compliant.
- Launch of Electronic-Banking Centre (EBC) or eRakyat at Jalan Tangsi branch, Kuala Lumpur.

2004

- Bank Rakyat placed under the Ministry of Entrepreneur and Cooperative Development (MECD) following a reshuffle of government ministries. Prior to this, the Bank was placed under the Ministry of Land and Cooperative Development.

2005

- Bank Rakyat becomes the first non-commercial financing institution to introduce MEPS Interbank Giro (IBG) services.

2006

- Launch of tele-Rakyat Call Centre, enabling customers to perform transactions with the assistance of Call Centre Personnel.
- Launch of the Bank Rakyat Corporate Culture, R.A.K.Y.A.T:
  R: Rajin (Diligent)
  A: Amanah (Trustworthy)
  K: Kompeten (Competent)
  Y: Yakin (Confident)
  A: Akhlak Mulia (Exemplary Behaviour)
  T: Takwa (God-Conscious)

- Entry of Ar-Rahnu X'Change, the Islamic pawn broking franchise into the market, managed by Bank Rakyat's subsidiary, Rakyat Management Services Sdn Bhd (RMS).

2007

- Launch of Kelab Nuri Bank Rakyat by Puan Sri Wan Nafisah Nik Mohd Adeeb, wife of the Bank's Chairman, Tan Sri Dato' Dr. Syed Jalaludin Syed Salim. Introduction of a new mascot with the concept of an astronaut.
- Launch of iRakyat Internet Banking.

2008

- Inaugural Bank Rakyat Carnival for the public with the concept of games is held at Padang Dataran Pemuda Merdeka, Butterworth, Penang. A similar carnival is also held in Pasir Puteh, Kelantan and Batu Pahat, Johor.

2009

- Establishment of Yayasan Bank Rakyat (Bank Rakyat Foundation) aimed at developing and improving the standard of education for Malaysians, especially among the children of Bank members.
- Issue of and introduction into the market of first credit card based on the Shariah principle of Tawarruq in collaboration with MasterCard Worldwide.

2010

- Launch of strategic partnership with Tabung Haji, allowing Tabung Haji depositors to perform various transactions at all Bank Rakyat branches

2012

- Launch of inaugural issuance of Sukuk worth RM1 billion under the Islamic Medium Term Notes Programme.

2013

- Appointment as the collection agent for income tax payment through a strategic partnership with the Inland Revenue Board of Malaysia (LHDN).

2014

- Opening of 145th branch in Labis, Johor, marking the Bank's 15th branch in the state.
- Announcement of the issuance of Sukuk Musyarakah worth RM1 billion for the period of three and five years.
- Truly a momentous year. Relocation to Menara Kembar Bank Rakyat, the Bank's new iconic building at Jalan Rakyat and celebration of the Bank's 60th anniversary at the new premise.

2015

- Official launch of Menara Kembar Bank Rakyat (Bank Rakyat Twin Towers).

- Handover of sponsored bus by Bank Rakyat to Football Association of Malaysia (FAM).
- Launch of Credit Card-i Platinum.
- First International Shariah Scholars Roundtable organised by Bank Rakyat.
- Opening of Kuala Pilah branch by DYMM Yang Di-Pertuan Besar Negeri Sembilan.
- Inauguration of Bank Rakyat – Bangsar LRT Station by Bank Rakyat Chairman as part of the Bank's corporate social responsibility programme.

2016

- Bank Rakyat adopts the theme "Anak Kita" (Our Children) for 2016/2017 as its commitment to focus on children, in particular autistic children, by organising various activities as part of our social corporate responsibility initiatives for autism.

- Launch of Kad Muslimah Bank Rakyat, the first Shariah-compliant Credit Card-i for women.
- Organisation of the Amazing Heroes Programme to honour our national paralympics atheletes who won gold and bronze medals at the Rio 2016 Paralympics.

2017

- Finance Accreditation Agency (FAA) Certificate Presentation Ceremony for Branch Managers Individual Accreditation in recognition of their competency.
- 2017 Autismlympic Programme that brought together autism organisations from the Klang Valley.
- Rakyat Run 2017, organised by the Bank for the first time in conjunction with the 2017 Kuala Lumpur SEA Games.

2018

- Organising Anugerah Dari Hati Ke Hati for the first time on 2 April in conjunction with Autism Awareness Day 2018.
- Handover of bus to Badminton Association of Malaysia (BAM) as part of Bank Rakyat's brand building initiatives, as well as efforts to support national sports activities in promoting Malaysia to the eyes of the world.
- Organised Choral Speaking Competition for the first time on 14 to 16 September in conjunction with the 61st National Day celebration at Concourse, Suria KLCC.
- Shared the joy of the Aidilfitri celebration with autistic children through Program Sinar Aidilfitri Dari Hati Ke Hati Bank Rakyat at Mydin Hypermarket Petra Jaya, Kuching.

2019

- The first local organisation to partner under the United Nations in Malaysia's Together for Sustainable Development Goals (SDGs) programme.
- Named the number one in the Top 100 Malaysian Cooperatives in Malaysia by the Malaysia Cooperative Societies Commission (SKM) for the fourth consecutive year.
- Memorandum of Understanding (MoU) with Sarawak Islamic Council (MIS) to implement the Financial Integrity Programme for Mosques (PINK Masjid) in Sarawak.
- Bank Rakyat received an award under the Social Empowerment category at the Asia Responsible Enterprise Awards 2019 (AREA 2019), and Company of the Year (Overall Social Responsibility Excellence) at the CSR Awards Malaysia 2019.

2020

- Karnival Kelab Nuri was organised alongside FELDA to provide an opportunity for local micro, small, and medium enterprises (MSMEs) to open up sales booth to market their products at Kompleks Sukan Komuniti Felda Palong 6, Negeri Sembilan.
- The launch of Bank Rakyat's new vision, 'Malaysia's No.1 Progressive Islamic Cooperative Bank' as well as the mission of 'Driving the economic prosperity of members, customers and the nation' was officiated by Datuk Seri Dr. Wan Junaidi Tuanku Jaafar, Minister of KUSKOP at Dewan Tun Abdul Razak, Menara Kembar Bank Rakyat.

2021

- Bank Rakyat took the next step by launching Business Banking Centre as one of the initiatives in developing the nation's entrepreneurial sector.
- Bank Rakyat introduced a banking platform for entrepreneurs called QR2E. QR2E (Quick Response to Entrepreneur) specifically for MSMEs and cooperatives to conduct digital banking.
- Bank Rakyat launched the Bank Rakyat UNIpreneur Pilot Programme in collaboration with local higher education institutions (IPT) to help asnaf student entrepreneurs grow their businesses.
- Bank Rakyat launched the iRakyat online mobile banking application to expand the digital banking ecosystem to customers.

2022

- Bank Rakyat launched a new financing product known as Commercial Hire Purchase-i to help strengthen the socioeconomics of entrepreneurs, especially those affected by the COVID-19 pandemic over the past two years.
- Bank Rakyat launched the Investment Account-i Rizq Plus at Menara Kembar Bank Rakyat which allows customers to create separate investment portfolios as support savings and alternative income channels, and not just rely on the mandatory contributions of existing retirement schemes.

2023

- Bank Rakyat established Shariah-compliant financial products to encourage the use of green energy in society. The Bank offers Vehicle Financing-i for the purchase of hybrid and electric vehicles, including fuel-efficient models. Homebuyers can also access services such as Home Financing-i to purchase properties or residences recognised as having green building status by the Green Building Index (GBI) or GreenRE.
- Bank Rakyat and PT MNC Kapital Indonesia TBK entered into a strategic collaboration to provide easy Shariah-compliant financing, as well as banking services and remittances to Indonesian citizens working in Malaysia. This collaboration provides banking services and cross-border remittances for Indonesian Migrant Workers (PMI) to obtain Shariah financing before leaving the country as capital for administrative procedures, as well as to provide funds for their families in their homeland.

Our Presence throughout Malaysia

148 branches
Offers full-fledged Islamic banking services.

27 Ar-Rahnu X'Change
Offers Islamic pawn broking services.

990 Self Service Terminal (SST)
Provide self-service banking facilities that cater basic banking services (i.e. deposit, withdrawal, fund transfers etc).

23 Rakyat Xcess and Ar-Rahnu X'Change
Offer Islamic pawn broking and essential services.

4 Rakyat Xcess
Offers essential services except Ar-Rahnu.

9 Bank Bergerak/ARROW
Offers mobile basic banking services and Islamic pawn broking (Ar-Rahnu) through dedicated vehicle assigned at specific locations.

299 Rakyat C.A.R.E
Offer basic banking services, especially in rural areas in a cost-effective way using non-banking retail channels.

State	Branches	Other Channels				Self-Service Terminal (SST) (ATM/CDM/CRM/CICO)		Bank On Wheels (BOW) & Ar-Rahnu On Wheels (ARROW)		Agent Banking (RAKYAT C.A.R.E)	
	148	55				990		9		299	
	Branches	Rakyat Xcess & Ar-Rahnu X'change	Ar-Rahnu X'change	Rakyat Xcess	Rakyat Xlite	In Premise	Off Premise	Bank Bergerak	ARROW	Cooperative	Sole Proprietor
WP Kuala Lumpur/ Putrajaya	15	-	2	-	1	68	27	1	-	2	-
Selangor	22	4	5	-	-	101	42	-	-	16	3
Kedah	10	3	3	-	-	55	20	-	1	12	4
Perlis	2	-	-	-	-	8	4	-	-	8	-
Pulau Pinang	7	-	-	-	-	25	7	-	-	8	-
Perak	12	2	4	-	-	53	24	-	-	17	2
Melaka	4	-	2	-	-	19	10	-	-	9	3
Negeri Sembilan	7	2	1	1	-	40	15	-	-	22	-
Johor	15	3	5	2	-	79	21	-	1	41	1
Kelantan	8	1	2	-	-	43	12	-	1	32	4
Terengganu	8	1	1	-	-	43	8	-	-	24	5
Pahang	11	2	1	1	-	50	22	-	1	40	11
Sabah & Labuan	13	1	-	-	-	55	40	-	3	12	3
Sarawak	14	4	1	-	-	62	37	-	1	15	5
Total	**148**	**23**	**27**	**4**	**1**	**701**	**289**	**1**	**8**	**258**	**41**

Awards 2024

Corporate Talent Excellence Award
from the Chartered Institute of Islamic Finance Professionals (CIIF)

Anugerah 'Kecemerlangan Dalam ESG'
di Anugerah Kecemerlangan Perniagaan Bumiputera 2024

Platinum Awards
for CSR and ESG Leadership for Rakyatpreneur and Unipreneur programmes

HR Excellence Award 2024
Excellence in Agile Talent Mobility (Bronze)

International Finance Awards 2024
Most Socially Responsible Bank

Anugerah Inspirasi Madani
at Majlis Harta Intelek Negara 2024

World Islamic Banking Excellence Award
in conjunction with the World Muslim Leadership Forum 2024 (WMLF)

Our Cooperative Islamic Banking Model

GRI 2-6

Bank Rakyat is Malaysia's largest Islamic cooperative bank, with a unique identity that combines the values of cooperation, inclusivity, and Shariah compliance. Established as a cooperative financial institution, our structure is built around the principle of shared prosperity—where customers can also be member-shareholders, fostering a strong sense of collective ownership and accountability.

Our banking model is rooted in Islamic principles, with all products and services designed to comply fully with Shariah law. Guided by a dedicated Shariah Committee, we offer a wide range of financial solutions—from savings and financing to Ar-Rahnu and investments—delivered ethically and without involving riba' (interest) or non-permissible elements.

We believe that Islamic finance is naturally aligned with sustainability. Values such as fairness, transparency, and social responsibility are embedded in both Shariah and our sustainability agenda. This synergy enables us to promote inclusive growth while contributing to environmental and social wellbeing.

Bank Rakyat is committed to demonstrating how Islamic cooperative banking can drive meaningful impact. By aligning with national and global frameworks—including the United Nations Sustainable Development Goals (UNSDGs) and Bank Negara Malaysia's Value Based Intermediation (VBI) initiative—we ensure our operations create long-term value for society and the environment.

Ultimately, our model goes beyond conventional banking. It represents a commitment to building shared, ethical, and sustainable prosperity for our members and the communities we serve.

FIGURE 1 VBI vs UNSDG's: The Parallels

Sustainability and Strategic Commitments

GRI 2-1, 2-6, 2-9

Sustainability is embedded at the core of Bank Rakyat's strategy and governance, reflecting our responsibility as a leading financial institution to future generations. We recognise that our success is intertwined with the wellbeing of our stakeholders and the environment, and thus we have integrated **Environmental, Social, and Governance (ESG)** considerations into every facet of our operations and decision-making. Our sustainability agenda is guided by the Bank Rakyat Sustainability Framework and Policy (BRSFP) and steered from the top by robust governance structures.

Oversight by our Board of Directors and a dedicated management-level Sustainability Committee ensures that ESG initiatives align with regulatory standards and deliver positive societal impact. We are proud to support Malaysia's national sustainability blueprints and have aligned our goals with international frameworks for transparency and accountability. In preparing this report, for example, we reference the **Global Reporting Initiative (GRI)** Standards to disclose our organisational profile and impacts in accordance with global best practices. We also adhere to Bank Negara Malaysia's guidance on climate risk through the **Climate Risk Management and Scenario Analysis (CRMSA)** framework, and have begun incorporating the recommendations of the Task Force on **Climate-related Financial Disclosures (TCFD)** into our risk management and reporting processes. These embedded labels signal our explicit alignment with such standards, underscoring to investors and regulators that we are managing sustainability issues with the same rigor as financial performance.

ABOUT US

Sustainability and Strategic Commitments

GRI 2-1, 2-6, 2-9

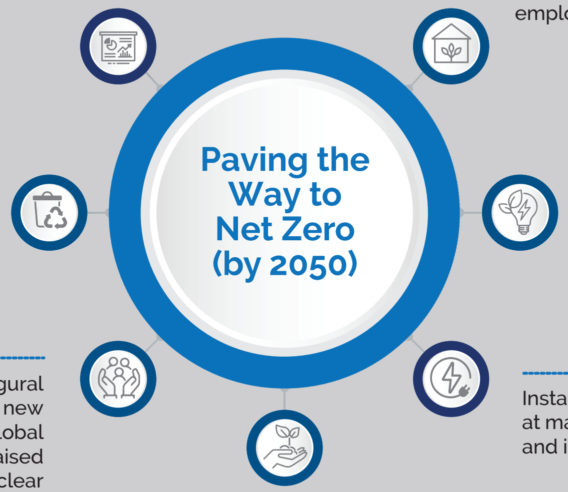
A cornerstone of our strategic commitment is tackling climate change: **Bank Rakyat is committed to achieving net zero emissions by 2050**, in line with Malaysia's climate ambitions and the Paris Agreement. This pledge spans our operational carbon footprint as well as the financing we provide to clients, and we have formulated a climate action roadmap to get there. Key steps include improving energy efficiency in our facilities, expanding the use of renewable energy, and offering green financing products that help our customers reduce their own carbon. Our participation in industry initiatives, such as Bank Negara's VBI Community of Practitioners which further exemplifies our resolve to benchmark against other peers in climate action. Beyond climate, our sustainability strategy also targets social goals: promoting financial literacy, advocating for equitable growth, and ensuring inclusive access to banking services, all of which contribute to various UN SDGs (such as SDG 1 No Poverty, SDG 4 Quality Education, SDG 7 Affordable and Clean Energy, SDG 8 Decent Work and Economic Growth, SDG 9 Industry, Innovation and Infrastructure, SDG 10 Reduced Inequality, SDG 12 Responsible Consumption and Production, and SDG 13 Climate Action). By embedding sustainability into our corporate DNA, Bank Rakyat not only safeguards long-term value creation but also positions itself as a catalyst for positive change in Malaysia's banking industry – demonstrating that a bank **can be profitable, people-centric, and planet-conscious at the same time**.

Integration of Climate Risk into Governance and Decision-Making

Progress in the implementation of CRMSA and CCPT recommendations. Climate risk now integrated into risk management, business planning, and operations.

Measuring and Tracking Carbon Footprint

Initiated tracking of Scope 1, 2, and 3 greenhouse gas (GHG) emissions in 2024, and progress is being made to set measurable decarbonisation targets. Efforts to build internal sustainability capability through employee training.



Waste Reduction and Recycling

Over 18 tonnes of waste (paper, plastic, metal) collected for recycling under the Sisih & Amal campaign in 2024.

Energy Efficiency Improvements

Energy efficiency upgrades through LED lighting, and showing improved Green Building Index (GBI) score - 47 points achieved in 2024, with a target to 50 in 2025.

Sustainability Sukuk Framework

Developed and issued inaugural Sustainability Sukuk in 2024 under a new framework aligned with ASEAN and global standards, where RM500 million was raised and disbursed for projects with clear environmental and social benefits.

Adoption of Renewable Energy

Installation of solar photovoltaic (PV) panels at major branches in PJ State and USJ in 2024, and introduction of partial clean energy.

Expansion of Green Financing

Expansion of ESG-focused financing with 24% directed to climate-related projects and green products including electric and hybrid vehicle financing, solar panel financing, and green home financing.

FIGURE 2 Roadmap to Net Zero

Abbreviations

BOD	Board of Directors
BRC	Board Risk Committee
BRSFP	Bank Rakyat's Sustainability Framework and Policy
CCPT	Climate Change and Principle-based Taxonomy
CRMSA	Climate Risk Management and Scenario Analysis
ESG	Environmental, Social and Governance
ESDD	Enhanced Sustainability Due Diligence
GHG	Greenhouse Gas
MANCO	Management Committee
MRC	Management Risk Committee
NGFS	Network for Greening the Financial System
IPCC	Intergovernmental Panel on Climate Change
RCP	Representative Concentration Pathways
SME	Small and Medium-sized Enterprise
STC	Sustainability Committee
TCFD	Task Force on Climate-related Financial Disclosures
UNSDG	United Nations Sustainable Development Goals
VBI	Value-based Intermediation

Integrity Beyond Compliance

Sustainability Strategy and Governance

Sustainability Strategy Overview

GRI 2-22

Bank Rakyat's sustainability strategy is guided by our vision to "build a sustainable future for the Bank and its stakeholders – driving socioeconomic development for the nation and accelerating the green transition, while continuously strengthening our internal foundation". As Malaysia's leading cooperative and development financial institution, we embed this vision at the core of our sustainability strategy. This means balancing our mandate to empower communities and spur economic growth with a commitment to environmental stewardship and strong governance. In 2023, we laid crucial groundwork by enhancing our sustainability governance structure and aligning our strategy with key frameworks like Bank Negara Malaysia's CRMSA guidelines and the TCFD recommendations. We also intensified efforts to support national climate goals – for example, aligning our financing activities with CCPT to aid the country's low-carbon transition.

ENVIRONMENT

We are accelerating green financing and reducing our own carbon footprint. Notably, we have issued a Sustainability Sukuk to fund green and inclusive projects; by the end of 2024, issuance of RM 500 million in eligible financing had been allocated to initiatives such as affordable housing and green home financing.

SOCIAL

We continue to drive socioeconomic development through financial inclusion programmes, entrepreneurship support, and community investment in line with our mandate.

GOVERNANCE

We uphold strong corporate governance and Shariah principles, ensuring ethical conduct and risk management in everything we do. Our sustainability agenda is fully integrated into the Bank's broader strategy, with ESG considerations embedded in business plans and product development. This integrated approach enables us to create long-term value for members and customers while meeting regulatory expectations and contributing to national sustainable development objectives.

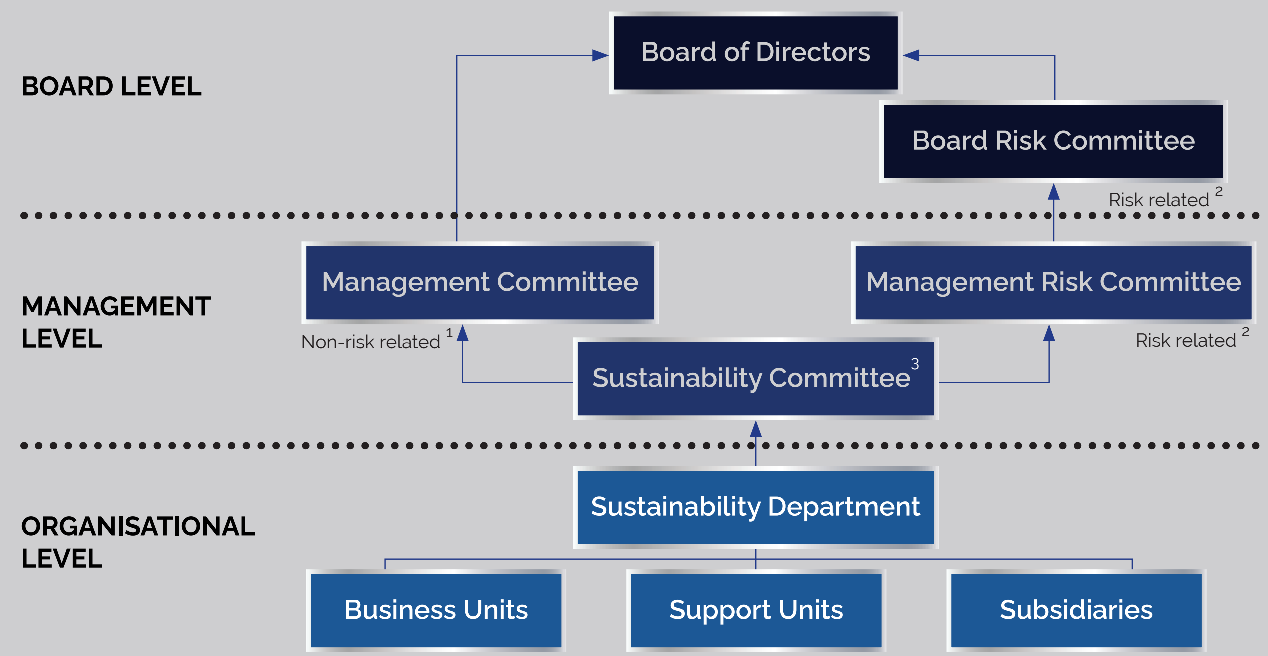
FIGURE 3 Bank Rakyat Sustainability Framework and Policy (BRSFP)

ESG Governance Structure

GRI 2-22

Effective governance is the backbone of our sustainability strategy. Bank Rakyat has a clear ESG governance structure that starts with oversight by the **Board of Directors** and cascades through management to every operational level. The Board sets the tone at the top, integrating sustainability into the Bank's vision and business strategy. The Board and its relevant committees receive regular updates on sustainability matters and are responsible for approving key ESG initiatives and targets. In particular, climate-related risks and opportunities are now a standing agenda in our risk governance process, reflecting the Board's commitment to oversee emerging ESG risks. The Board Risk Committee, for instance, has oversight of climate risk management strategies, ensuring that material ESG risks are identified, mitigated, and reported up to the full Board. This governance approach is aligned with GRI 2-9 and 2-12 requirements, which call for a clear governance structure and a defined role for the highest governance body in overseeing sustainability issues.

At the management level, sustainability oversight and execution are driven by a multi-tier management committee structure. Our **Management Committee (MANCO)**, led by the CEO, is accountable for translating the Board's sustainability directives into action and integrating ESG considerations across all business units. Reporting into MANCO is a dedicated **Sustainability Committee (STC)**, a cross-functional management committee that steers the implementation of sustainability initiatives. The STC – chaired by a Chief Strategy and Transformation Officer – includes other chief departments such as risk, business banking, retail banking, treasury, people, and marketing and communications, to ensure enterprise-wide coverage. It convenes regularly (at least quarterly) to align ESG implementation efforts across functions and ensure effective coordination between business and support units. The STC also serves as the bridge between strategic goals and on-the-ground action: it reports upwards to MANCO and the Board on important developments, and it coordinates various working groups or departments executing ESG projects and initiatives. Through this committee, we have formalised accountability for sustainability at the management level and ensured every division is involved in meeting our ESG objectives.



[1] Non-risk related matters defined as sustainability and & climate related framework, polities, strategies, targets and disclosure.
[2] Risk related matters defined as sustainability risk and climate risk related risk appetite, risk limit, framework, policies and procedures.
[3] The chairperson of Sustainability Committee is Chief Strategy and Transformation Officer.

FIGURE 4 Sustainability Governance Structure

ESG Governance Structure

GRI 2-22

Bank Rakyat's ESG governance is anchored by Board-level oversight and a multi-tier management structure that ensures effective coordination across sustainability initiatives. This integrated structure supports comprehensive oversight of both risk and non-risk ESG domains. For detailed governance responsibilities, escalation pathways, and ESG oversight integration, please refer to the Annual Climate-related Disclosures section (page 96).

ACCOUNTABILITY

Bank Rakyat is committed to upholding accountability by instituting strong governance, oversight, and engagement mechanisms across all levels of the organisation. At the management level, the Sustainability Committee convenes quaterly to oversee the implementation of ESG initiatives, monitor progress, and address any emerging issues. This ensures effective continuity and governance in between formal Board deliberations.

Recognising that effective oversight requires informed leadership, the Bank invested in targeted capacity-building programmes in 2024. Members of the Board and senior management participated in structured training and awareness sessions, including a dedicated workshop on the Climate Risk Management and Scenario Analysis (CRMSA) policy. These efforts strengthen the ability of our leadership to critically assess sustainability risks and opportunities, and to steer the organisation with confidence.

To embed a culture of accountability across the Bank, we have also rolled out institution-wide engagement initiatives—such as employee townhalls, internal campaigns, and e-learning modules—to deepen understanding of our sustainability commitments and each employee's role in advancing them.

Externally, we demonstrate our accountability through transparent reporting and third-party validation. Our sustainability disclosures, presented in this report is aligned with internationally recognised frameworks such as the GRI and TCFD to ensure transparency, comparability, and credibility. Notably, our Sustainability Sukuk Framework received a top-tier "Gold" rating from an independent external reviewer, reaffirming the integrity and impact of our sustainability initiatives.

2024 Roadmap

GRI 2-22

Governance Enhancements

We bolstered our governance framework by formalising Board and management oversight of ESG. This involved clarifying committee charters to include sustainability responsibilities and establishing a dedicated sustainability function. The Sustainability Committee's mandate was expanded to cover climate risk oversight and progress monitoring. These changes ensure strong leadership and clear accountability for sustainability.

Capacity Building and Culture

Throughout 2024, we placed strong emphasis on building internal capacity and embedding a sustainability culture. We carried out specialised training for our risk and credit officers on the new ESG assessment processes, ensuring they are equipped to evaluate environmental and social risks. These efforts have significantly raised awareness and expertise on ESG across the organisation, which is vital for successful implementation of our initiatives.

Enhanced Disclosure and Reporting

In 2024 we made major improvements to our sustainability disclosures. We prepared our first TCFD-aligned disclosure (included in this report as Annual Climate-related Disclosure Report, see page 100) covering governance, strategy, risk management, and metrics/targets for climate issues. We also expanded the scope of our Sustainability Report to cover more GRI indicators. We also updated our website to include a new sustainability section, ensuring ongoing transparency beyond the annual reporting cycle. These disclosure enhancements not only meet regulatory requirements but also build trust with investors and members by demonstrating our openness and accountability.

FIGURE 5 Sustainability Roadmap 2024

A ROADMAP ESTABLISHED THROUGH CONTINUOUS IMPROVEMENT.

Elements of our 2024 roadmap relating to climate governance, scenario analysis, ESG risk tools, and disclosure enhancements are presented in full within the Annual Climate-related Disclosure Report chapter, aligned with CRMSA expectations. Each element of this roadmap has brought us closer to our goal of fully integrating sustainability into Bank Rakyat's DNA. By the end of 2024, we have substantially completed the initiatives we set out, positioning the Bank at the forefront of sustainable finance and governance in our market. Insights from 2024 are already feeding into our plans for 2025 and beyond. We will refine our strategy, set new and further strengthen our governance based on what we have learned. Bank Rakyat remains committed to sustainability for the long term, and we will continue to communicate our progress transparently as we journey towards becoming a model sustainable Islamic bank.

Beyond Bricks and Mortar

Stakeholder Engagement and Materiality

Who and Why It Matters

GRI 2-29

Bank Rakyat continues to emphasise the value of establishing strong, long-term relationships with key stakeholders, including communities, regulators, industry peers, and external partners. These engagements are instrumental in steering the Bank's sustainability strategy and aligning with its mission to create long-term stakeholder value.

The Bank engages proactively and consistently with its stakeholder groups to identify sustainability impacts and opportunities for shared value creation. Engagements are conducted through diverse platforms and communication channels, each selected to ensure relevance and impact. In addition to regular dialogues, Bank Rakyat also conducts focused engagements such as sustainability briefings, financial literacy sessions, and industry roundtables to address specific issues like green financing or inclusive economic development.

Table 1 outlines the key stakeholder groups, engagement methods, matters of of interest, and Bank Rakyat's response or approach:

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 (BRCSS)(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 1 Stakeholder Engagement and Materiality

Our Material Matters

GRI 2-29, 3-1, 3-2

Determining material matters remains a vital process for Bank Rakyat, ensuring that the Bank remains focused on key sustainability issues that affect both its internal operations and external stakeholders. These material issues encompass the most relevant ESG concerns that influence the Bank's value creation, risk management, and alignment with sustainability goals. They guide strategic decision-making and help prioritise initiatives that support inclusive and responsible growth.

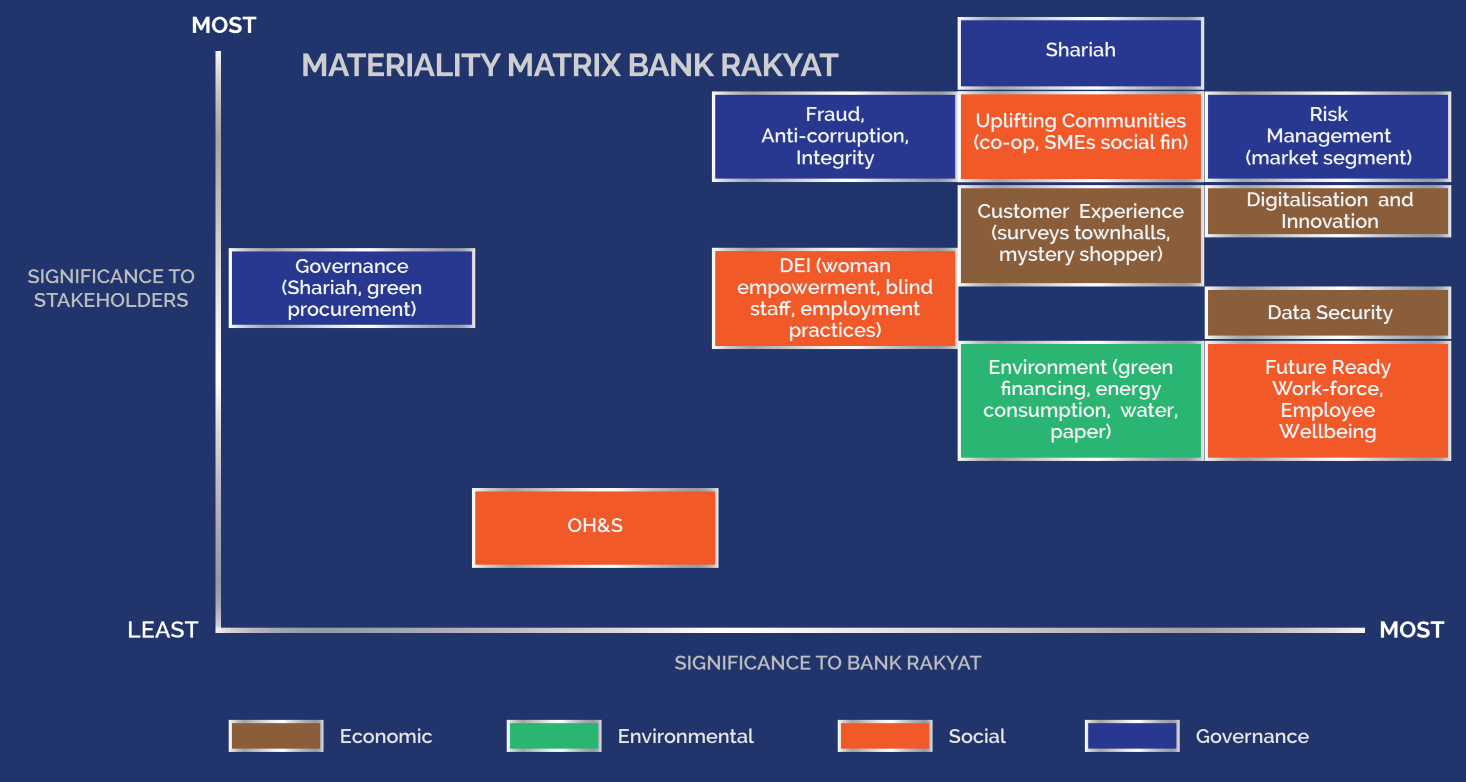
By identifying and focusing on these matters, Bank Rakyat ensures optimal allocation of resources to areas of highest stakeholder relevance and business impact. Furthermore, addressing these topics enables the Bank to strengthen stakeholder relationships, fulfil regulatory obligations, and support long-term value generation for both the organisation and the broader community.

In FY2022, Bank Rakyat engaged an external sustainability consultant to undertake a comprehensive materiality assessment. The process involved cross-functional engagements with internal and external stakeholders across different departments to ensure that the final material issues reflected both operational and stakeholder perspectives.

The Bank reviews its material sustainability issues on an ongoing basis, with a full materiality assessment conducted once every three years—unless there are significant developments in the business landscape. Additionally, material topics are reviewed annually based on emerging trends, stakeholder feedback, and regulatory changes to maintain relevance and responsiveness.

This structured approach ensures the Bank's material topics remain aligned with evolving stakeholder expectations, the broader sustainability agenda, and Bank Rakyat's BR25 strategic direction.

FIGURE 6 Materiality Matrix



The Materiality Matrix presents the prioritised material topics based on their significance to both stakeholders and Bank Rakyat. It incorporates economic, environmental, social, and governance (EESG) dimensions.

Alignment with Sustainability Frameworks

Twelve identified material topics have been mapped against Bank Rakyat's Sustainability Framework, structured under three strategic pillars:

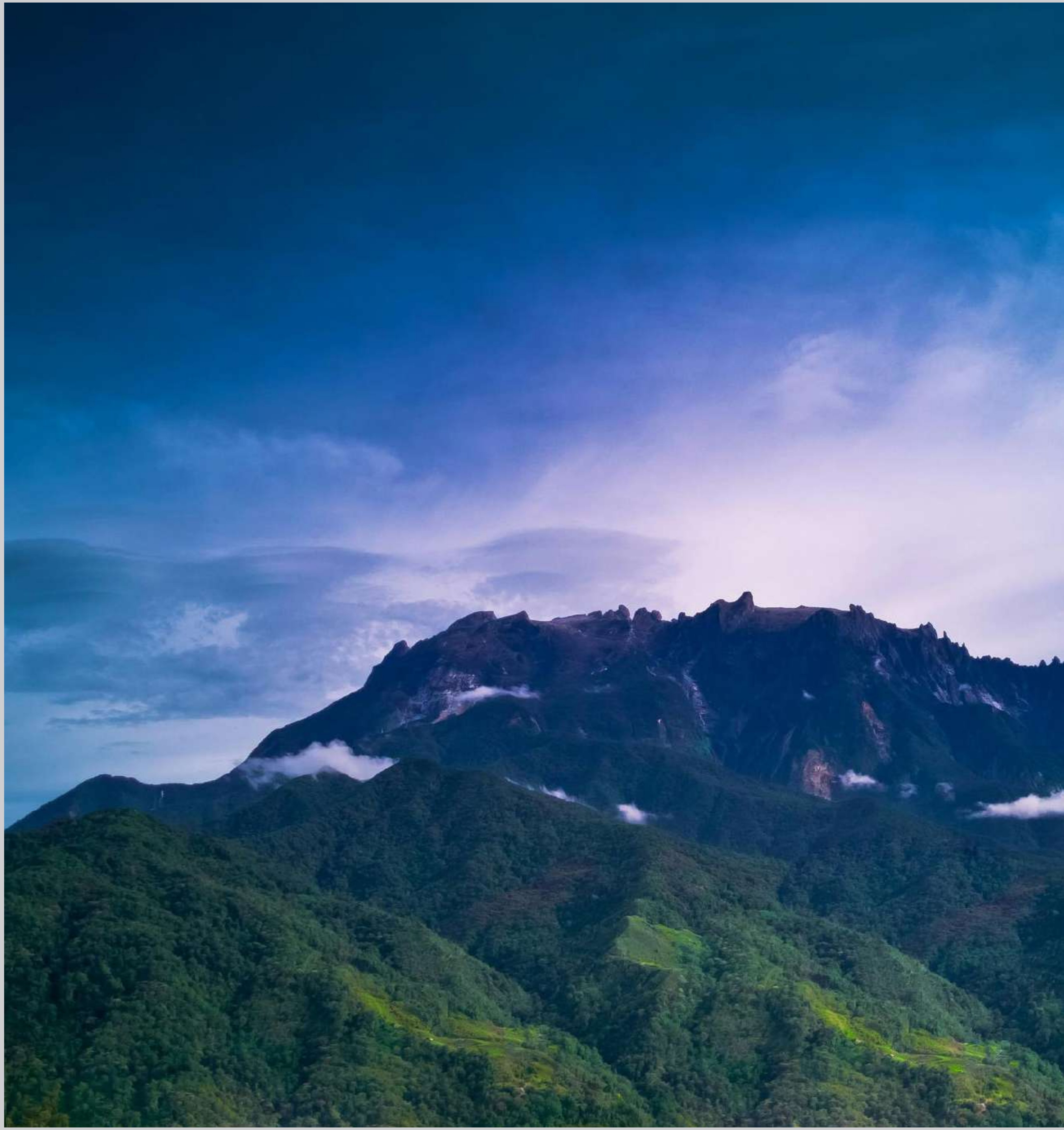
1. Driving Socioeconomic Development for the Nation
2. Accelerating the Green Transition
3. Strengthening Our Internal Foundations

SUSTAINABILITY FRAMEWORK AND POLICY PILLAR

Driving Socioeconomic Development of the Nation	Accelerating the Green Transition	Strengthening our Internal Foundations
		

Uplifting Communities Page 78 - 81	**Risk Management** Page 111 - 114	**Governance** Page 49 - 50	**Occupational Health and Safety** Page 90 - 91
Customer Experience Page 66 - 67	**Digitalisation and Innovation** Page 61 - 67	**Fraud, Anti-corruption and Integrity** Page 94	**Future-ready Workforce** Page 87 - 89
Data Security	**Environment** Page 68 - 73	**Diversity, Equity and Inclusion** Page 84 - 86	**Shariah** Page 94 - 95

FIGURE 7 Sustainability Framework and Policy Pillars



A vision *Beyond* Expectations

Sustainable Finance and Inclusive Growth

Empowering Through Inclusive Products and Services

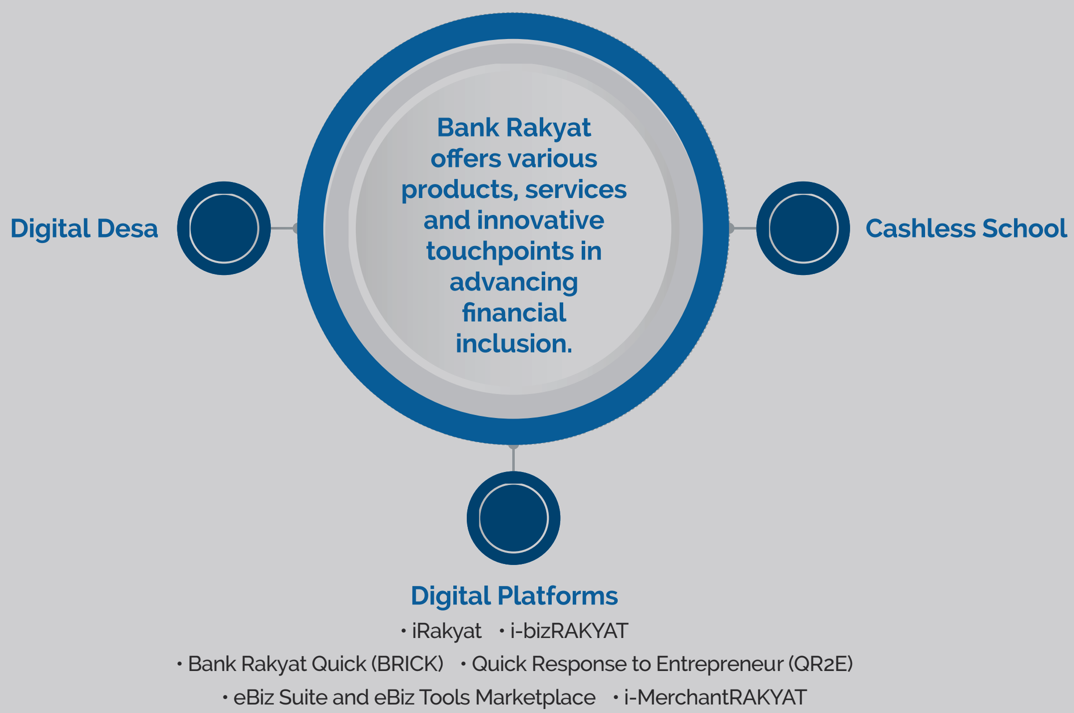
As a cooperative bank founded to uplift communities, Bank Rakyat continues to deliver inclusive and Shariah-compliant financial services that drive socioeconomic development across Malaysia. In 2024, we expanded the reach and depth of our inclusive offerings through a suite of innovative digital channels, youth and women-focused solutions, microfinance access, and rural delivery models—each designed to strengthen resilience and economic participation for underserved groups. Where applicable, these offerings are also evolving to incorporate climate-related elements in alignment with Bank Negara Malaysia's CRMSA expectations.

DIGITAL EMPOWERMENT AS THE FOUNDATION

Bank Rakyat's digitalisation journey is a key enabler in fulfilling our mandate to deliver inclusive and affordable financial services for all segments of society, particularly those historically underserved or excluded. Anchored in our commitment to SDG 10: Reduced Inequalities, especially Target 10.2 on promoting social, economic, and political inclusion regardless of status or background, we strive to serve individuals with disabilities, women, low-income communities, rural populations, and other marginalised groups through accessible digital solutions.

Digital inclusion plays a critical role in advancing financial inclusion—an essential driver of poverty reduction and sustainable economic growth. By leveraging technology to offer accessible, user-friendly, and affordable financial services, the Bank empowers underserved communities and enhances financial literacy.

Guided by the BR25 Digitalisation Blueprint, we continuously improve our digital platforms to meet evolving customer expectations and streamline operations. These efforts are embedded within a fully integrated Islamic banking system that combines both physical and digital channels, supported by a modern IT infrastructure to deliver a seamless and inclusive banking experience.



Digital Platfroms

In FY2024, Bank Rakyat made significant progress toward our digitalisation goals by improving our digital channels and enhancing customer experiences, all supported by an advanced Islamic banking system leveraging the latest technology. This effort is part of Bank Rakyat's BR25 Digitalisation agenda, aimed at staying competitive in the market through various channels.

Digital Desa

Driven by commitment to financial inclusion, Bank Rakyat's Digital Desa Programme empowers rural and underserved communities by promoting eBanking and ePayment lifestyles. Through Bank Rakyat's digital platforms, such as BRICK, QR2E, and the iMerchantRAKYAT application, we enable local communities and micro-businesses to participate in the digital economy. We also prioritise financial literacy through informative Pocket Talk sessions, targeting micro SMEs, students and local community, and easy account access with special low-deposit options. Additionally, we actively support the community through corporate social responsibility initiatives, distributing donation funds to Asnaf. The Digital Desa programme, extended to 6 villages across Malaysia (Kedah, Kelantan, Johor, Selangor and Sarawak) in 2024 resulting in the onboarding of 1,539 Saving-i Account, 352 eCurrent Account-i, and 278 i-MerchantRakyat subscription.

Cashless School

In cultivating a savings culture and cashless ecosystem amongst the secondary schools' students, Bank Rakyat has embarked on Cashless School initiative. This initiative promotes cashless banking services (eBanking and ePayment) through deployment of:

- Saving Account-i – To educate student to normalise cashless environment as it is more convenient and easier to use.
- MyDebit-i Card – To reduce risk of carrying cash to school. Fee waiver for five years.
- Current Account-i – To ease the canteen operator and cooperative business using cashless environment.
- POS Terminal – To facilitate cashless payment.
- Rakyat C.A.R.E. – To facilitate various essential banking services including cashless bill payment.
- Internet Banking – To enable customers to conduct financial transaction using i-bizRAKYAT and iRakyat.
- i-Merchant – To perform payment by using QR Payment.
- BOW and ARROW – To facilitate CASA opening and iRakyat subscription as well as advisory on eBanking and ePayment

Empowering Through Inclusive Products and Services

GRI 413

iRakyat

In addition to Bank Rakyat's iRakyat online banking web-based platform, the iRakyat mobile application was launched in September 2021, offering customers the ability to self-serve and manage their product holdings. Apart from regular retail banking functionalities, the application also supports Lembaga Tabung Haji, DuitNow, 1PAY, and JomPay transactions, as well as zakat, waqf, and charity contribution services. This initiative is well-aligned with the government's intention to encourage digital spending and cashless transactions.

Features of iRakyat

- Ultimate Card Control at Your Fingertips: Activate your card, enable overseas transactions, replace, or block your card—all in just a few taps on iRakyat.
- Safeguarding Against Financial Fraud: As part of our ongoing efforts in strengthening our defense against scams, we have successfully launched BNM's Countermeasures initiative, significantly enhancing security of our system.
- Broader Access, Same Great Experience: Our app is now available on the Huawei AppGallery, expanding accessibility for more users.

i-bizRAKYAT

iBiz Rakyat, the corporate internet banking platform offered by Bank Rakyat, provides our non-individual customers with the capability to self-serve in areas such as Account, Payable, Receivable, and Salary management. This enables customers to have a comprehensive view of their banking relationship with Bank Rakyat's online in real-time.

BRICK

Bank Rakyat Quick (BRICK) is an alternative channel for retail customers to access Bank Rakyat's products. Since its establishment, BRICK has rapidly evolved into a holistic platform that connects potential customers with our retail products, including Savings-i Account, Personal Financing-i, Home Financing-i, Vehicle Financing-i, Credit Card-i, and Investment-i Account. It is equipped with both information access and application functions.

BRICK has significantly enhanced its features, transitioning from e-forms to paperless onboarding for Savings-i Account and integrating financial products, starting with Personal Financing-i, into the Bank's core banking system. To further streamline the process, Electronic Know-Your-Customer (eKYC) is now available for new-to-bank customers applying for a Personal Financing-i.

QR2E, eBiz Suite and eBiz Tools Marketplace

Quick Response to Entrepreneur (QR2E) platform integrated with eBiz Suite empowers Bank Rakyat's business customers to seek financial solutions and business management advice effortlessly. To improve the productivity of MSMEC, the QR2E platform integrated the eBiz Tools Marketplace in 2023. This marketplace offers valuable business solutions, including Human Resources, accounting, and e-commerce management, through partnerships with leading fintech companies.

Empowering Financial Inclusion Agenda

GRI 413

Furthermore, in 2024, the eBiz Tools Marketplace expanded its offerings by introducing the MSMEC Digital Bundle for new and existing customers applying for eBiz Suite products. This approach aims to provide added value, convenience, and cost savings for customers while encouraging them to use a broader range of the bank's offerings.

i-MerchantRAKYAT

Bank Rakyat's i-MerchantRAKYAT application, launched in October 2023, has provided non-individual customers such as MSME entrepreneurs and cooperatives with a powerful tool for accepting payments via DuitNow QR. This initiative underscores our commitment to secure, fast, and convenient financial transactions, promoting a cashless community. In 2024, we introduced the i-MerchantRAKYAT tap-on-phone payment functionality, expanding the payment options available to merchants and providing greater convenience for their customers with Near-Field Communication (NFC) features. This strategic development reinforces our goal of making e-payments the primary choice for all transactions.

Bank Rakyat supports the national financial inclusion agenda by offering accessible, affordable, and appropriate financial services to a wide range of customer segments. These efforts contribute to broader goals of sustainable and balanced economic development.

In 2024, the Bank continued its commitment to financial education, expanding outreach initiatives to various communities across the country. This work was further strengthened by Bank Rakyat's onboarding as a partner of the Financial Education Network (FEN), providing additional support for structured financial literacy programmes.

A range of products, services, and alternative delivery channels are in place to better serve underserved and unserved segments, supporting greater access to financial solutions.

BOW AND ARROW

BOW and ARROW is a CSR initiative introduced by Bank Rakyat in ensuring our customers to have easy access to banking services and facilities in urban and rural areas. As of FY2024, Bank Rakyat has one BOW stationed at Kuala Lumpur and eight ARROWs stationed at Temerloh (Pahang), Alor Setar (Kedah), Kota Bharu (Kelantan), Kota Tinggi (Johor), Bintulu (Sarawak), Sandakan (Sabah), Keningau (Sabah) and Kota Marudu (Sabah). Through frequent visits to surrounding community hubs such as community centres in public areas and within FELDA settlements and morning markets, BOW and ARROW provides easy access to the underserved communities. The services include Current Account and Savings Account (CASA) opening, various banking counter services, wealth management, and financing application and advisory. The latest information on Bank Rakyat's products and services are also made available to customers when they visit our BOW and ARROW.

Empowering Financial Inclusion Agenda

GRI 413

The enhanced version of BOW known as ARROW which was established in 2020 provides similar services as offered by BOW with the inclusion of Ar-Rahnu services such as Pawn Broking-i, payment of storage fee, redemption, jewellery cleaning and jewellery testing.

During FY2024, Bank Rakyat's BOW and ARROW have participated in the Financial Literacy Month 2024 (FLM2024). This event is the flagship annual initiative organized by the FEN co-chaired by BNM and the Securities Commission (SC). It is held throughout the month of October 2024 with this year's event carried the theme of "Bijak Wang, Hidup Sejahtera".

The main event took place on 26th October 2024 at Dewan Yayasan Islam Kelantan, Bandar Baru Tunjong, Kota Bharu Kelantan. The event saw the participation of over 30 schools, 30 hawker stalls as well as agencies from the Kota Bharu area. This event also facilitated donation of RM408,050.00 in Zakat and Bantuan Persekolahan to 25 schools across Kota Bharu.

AGENT BANKING (RAKYAT C.A.R.E.)

Agent Banking is an initiative introduced by BNM to ensure that access to basic banking facilities can be enjoyed throughout Malaysia, even in areas without banking facilities. Bank Rakyat's Agent Banking service has been established since July 2015 and is known as Rakyat C.A.R.E..

Rakyat C.A.R.E. offers basic banking facilities such as deposit, cash withdrawals, intrabank fund transfer, bill payment and financing payment (Bank Rakyat) through appointed agents. With the availability of Rakyat C.A.R.E., customers can enjoy the privilege of accessing banking services nearer to their localities, and this would in turn benefit the unserved and underserved community segments.

Several win-win benefits are garnered from Rakyat C.A.R.E.. While the unserved and underserved communities can enjoy easier access to banking services, Bank Rakyat could capture more retail deposits and enable Bank Rakyat to enter new markets through agent banks which is a cheaper alternative compared to other delivery channels. At the same time, the appointed agents could generate additional income through collection of commissions.

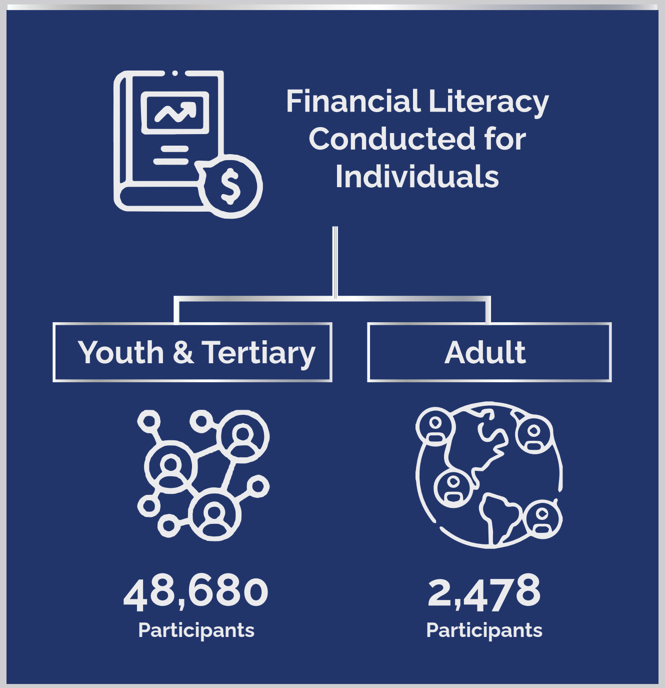
BUILDING FINANCIAL HABITS FROM A YOUNG AGE: NURI ACCOUNT

Bank Rakyat's NURI Savings Account-i is a youth-focused savings platform designed to cultivate positive financial habits from childhood. It provides school-aged children with an accessible way to start saving—with an initial deposit as low as RM10 —while promoting early awareness of budgeting, responsibility, and long-term planning. The Bank integrates NURI into school engagement programmes, including Kelab NURI and Cashless School initiatives, to make financial literacy engaging and age-appropriate. These efforts help lay a strong foundation for responsible financial behaviour that carries into adulthood.

In support of financial education, Bank Rakyat also delivers awareness programmes and learning activities that complement the NURI platform. These initiatives aim to strengthen basic money management skills among children and teenagers by promoting the importance of saving, differentiating between needs and wants, and introducing simple budgeting principles. As a recognised partner of the Financial Education Network (FEN) since 2024, the Bank plays a growing role in supporting national financial literacy goals across all age groups.

Empowering Financial Inclusion Agenda
GRI 413

In 2024, Bank Rakyat launched new variants of the NURI account tailored for different age groups—NURI Kids and NURI Teens—which saw strong uptake. More than 20,000 new children's savings accounts were opened during the year, underscoring the continued relevance of early savings habits in building long-term financial resilience .



Expanding Access Through Microfinancing for MSMEs

GRI 203

Bank Rakyat continued to support the development of Malaysia's micro, small, and medium enterprise (MSME) sector in 2024 through targeted financing programmes designed to enhance business sustainability, income generation, and job creation. As an agency under Ministry of Entrepreneur and Cooperatives Development (MECD), the Bank plays a critical role in extending affordable financing and advisory services to MSMEs, with a strong emphasis on post-pandemic recovery, women's economic participation, and grassroots enterprise development.

During the year, a total of **RM82.45 million in microfinancing** was approved across **2,280 accounts**, with key contributions from Bank Rakyat's dedicated MSME programmes. This included the **BRPlus-i** programme, which disbursed over **RM37.5 million** across **1,068 accounts**, offering financing limits up to RM50,000 for micro-entrepreneurs and RM1 million for eligible SMEs and cooperatives. Other targeted initiatives included **BRIEF-i**, tailored for Indian entrepreneurs; **BR JohorNiaga-i**, in partnership with the Johor State Government; and **BRTani-i**, focused on agriculture and food security. Collectively, these programmes supported over 2,000 MSMEs in 2024 with more than **RM113 million** in approved financing under Bank Rakyat's internal schemes.

Bank Rakyat also facilitated MSME development through the **BNM Micro Enterprises Facility (MEF)** and **MPPK 2.0**, disbursing a combined **RM4.82 million** across **462 accounts**. These efforts align with the national agenda for inclusive economic participation and financial additionality, demonstrating Bank Rakyat's ongoing commitment to empowering underserved business segments through responsible, Shariah-compliant financing mechanisms.

In addition to financing, Bank Rakyat supported MSME ecosystem development through complementary initiatives. The **Synergy 365** collaboration platform facilitated lead generation and inter-unit referrals, contributing to **RM433 million in approved financing**. To promote digital inclusion at the grassroots level, the **Jajahan Rakyat (JR)** pilot was launched at Bazar Karat, Johor Bahru, targeting high-traffic areas for cashless market enablement. Meanwhile, the **Cooperative and Entrepreneur Advisory Desk (CEAD)** continued to provide advisory services and capacity-building support for cooperatives and small businesses—reinforcing the Bank's holistic approach to MSME empowerment.

Empowering Financial Inclusion Agenda

GRI 413

Enabling Women's Economic Participation: BRPlus-i BizLady

GRI 203, 413

Bank Rakyat continued to drive inclusive finance in 2024 through its BRPlus-i BizLady initiative, a targeted financing programme designed to empower women entrepreneurs. With a focus on MSMEs, the programme supported 489 women-led businesses with RM30.9 million in approved financing during the year.

BRPlus-i BizLady is structured to enhance women's participation in economic activities by improving access to affordable capital, advisory support, and entrepreneurial capacity-building. The initiative also complements national policy efforts to boost household income and strengthen women's roles in enterprise development. With financing limits of up to RM50,000 for micro-entrepreneurs and RM1 million for eligible SMEs and cooperatives, BizLady offers tailored support for scaling women-owned businesses across diverse sectors.

These outcomes affirm Bank Rakyat's commitment to narrowing gender gaps in financial inclusion and entrepreneurship and support broader socioeconomic goals under the Financial Sector Blueprint 2022–2026.

Customer Experience and Service Excellence

Bank Rakyat recognises that customer experience plays a vital role in building long-term trust and strengthening stakeholder relationships. In line with our sustainability commitment to responsible and inclusive banking, we continue to enhance service quality through structured feedback, responsive mechanisms, and a culture of continuous improvement.

LISTENING AND RESPONDING TO CUSTOMER NEEDS

In 2024, Bank Rakyat analysed customer feedback gathered through channels such as internal surveys and the Malaysian

Banking Industry Customer Satisfaction Survey (MBICSS 2023). The findings were shared with Head Office and regional teams to support targeted improvements.

Branch-level service quality was monitored through the Branch Service Rating (BSR) system, which covered 148 branches and assessed multiple dimensions of customer experience. Results indicated consistent performance across core areas such as product knowledge, responsiveness, and customer greetings—underscoring the effectiveness of the Bank's ongoing CX training and service protocols.

INVESTING IN SERVICE CULTURE AND TRAINING

To embed a customer-first mindset, service training was delivered across several teams, including Customer Experience Ambassadors (CXAs), GROW trainees, frontliners, and new joiners under the Islamic Banker Induction Programme. These efforts reinforce our long-standing goal to ensure that every touchpoint reflects service consistency and customer care.

ENHANCING REACH THROUGH MULTICHANNEL ENGAGEMENT

The Contact Centre continued to serve as a central service touchpoint, handling over 3.3 million calls in 2024, a 62% increase from the previous year. Voice calls made up the majority of interactions, while non-voice channels—including email, web

Customer Experience and Service Excellence

GRI 413

chat, and iRakyat inbox—remained stable at around 90,000 engagements. A strong First Call Resolution rate of over 99% and high internal quality scores demonstrated the Centre's operational readiness and customer focus.

Beyond customer support, the Contact Centre contributed to awareness and outreach through cross-selling and telemarketing campaigns. It also played a key role in managing over 4,000 fraud and scam-related cases in collaboration with the National Scam Response Centre (NSRC), reinforcing our role in customer protection and real-time financial risk mitigation.

Growth Experience and Service Excellence

Bank Rakyat's Contact Centre marked its 18th year as a key touchpoint in delivering responsive and accessible customer service. Operating as a vital interface for engagement, support, and business enablement, the Centre remained committed to providing high-quality service across multiple accessible channels. A proactive and customer-focused approach was maintained throughout the year, supported by efficient processes and skilled Customer Experience Practitioners (CXPs).

Customer engagement continued to rise in 2024, reflecting stronger connectivity between the Bank and its customers, particularly in facilitating access to information, support, and resolution of financial matters. Incoming call volume grew by 62.24%, reaching 3,329,887 calls. Of these, 1,997,041 were successfully connected, and 1,155,539 were attended by CXPs demonstrating the growing reliance on the Contact Centre as a key access point for essential banking services.

Maintaining service quality in the face of increased demand underscores Bank Rakyat's commitment to responsible and inclusive customer care. The First Call Resolution (FCR) rate rose to 99.57%, reflecting the Bank's continued focus on efficiency and customer-centricity. Furthermore, the Customer Satisfaction (CSAT) survey showed that 89.58% of respondents were satisfied with the service received. These outcomes reinforce the Bank's broader ESG objective of enhancing stakeholder trust, maintaining transparency, and ensuring reliable service delivery for all customers—especially in an increasingly digital and fast-evolving service environment.

Internal quality monitoring also affirmed the high standards upheld by the Contact Centre team. Throughout 2024, CXPs recorded an average quality score of 98.61%, demonstrating alignment with internal service standards and Bank Rakyat's customer-first values. These achievements reflect the Bank's sustained commitment to excellence in service delivery as part of its broader approach to stakeholder engagement and operational accountability.

Bank Rakyat's Sustainability Sukuk

To accelerate its sustainability agenda, Bank Rakyat established the Sustainability Sukuk Framework in 2024, providing clear eligibility criteria for financing or refinancing new and existing assets aligned with global sustainability standards and regulatory expectations. This framework is structured around four core components: Use of Proceeds, Project Evaluation and Selection, Management of Proceeds, and Reporting.

This Sustainability Sukuk Framework received an independent "Gold" rating from Malaysian Rating Corporation Berhad (MARC) and is fully compliant with local and international standards, including the Securities Commission Malaysia's Sustainable and Responsible Investment (SRI) Sukuk guidelines, ASEAN Sustainability Bond Standards, and the ICMA's Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines.

SUMMARY OF OUR SUSTAINABLE DEVELOPMENT 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 RM10.0 billion in nominal value
Total issued amount	RM 500 million (issued in October 2024)
Use of proceed	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 Affordable and Clean Energy; 13 Climate Action	Renewable energy
9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production	Green building
9 Industry, Innovation and Infrastructure; 13 Climate Action	Clean transportation
12 Responsible Consumption and Production	Sustainable water and wastewater management
12 Responsible Consumption and Production	Waste and pollution control
1 No Poverty; 10 Reduced Inequalities	Affordable housing
8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 10 Reduced Inequalities	Access to essential services: financing and financial services
4 Quality Education; 8 Decent Work and Economic Growth; 10 Reduced Inequalities	Access to essential services: education and vocational training
8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure	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 2 Bank Rakyat's Sustainability Sukuk

Bank Rakyat Sustainability Sukuk Framework (BRSSF) and BRSSF Assessment Report from MARC Rating can be accessed via our website:

https://www.bankrakyat.com.my/sustainability

Bank Rakyat's Sustainability Sukuk

ELIGIBLE ASSETS AND ALLOCATION OF PROCEEDS

As of 31st December 2024, the RM 500 million Sukuk proceeds have been fully allocated to finance / refinance, in whole or in part, new or existing assets

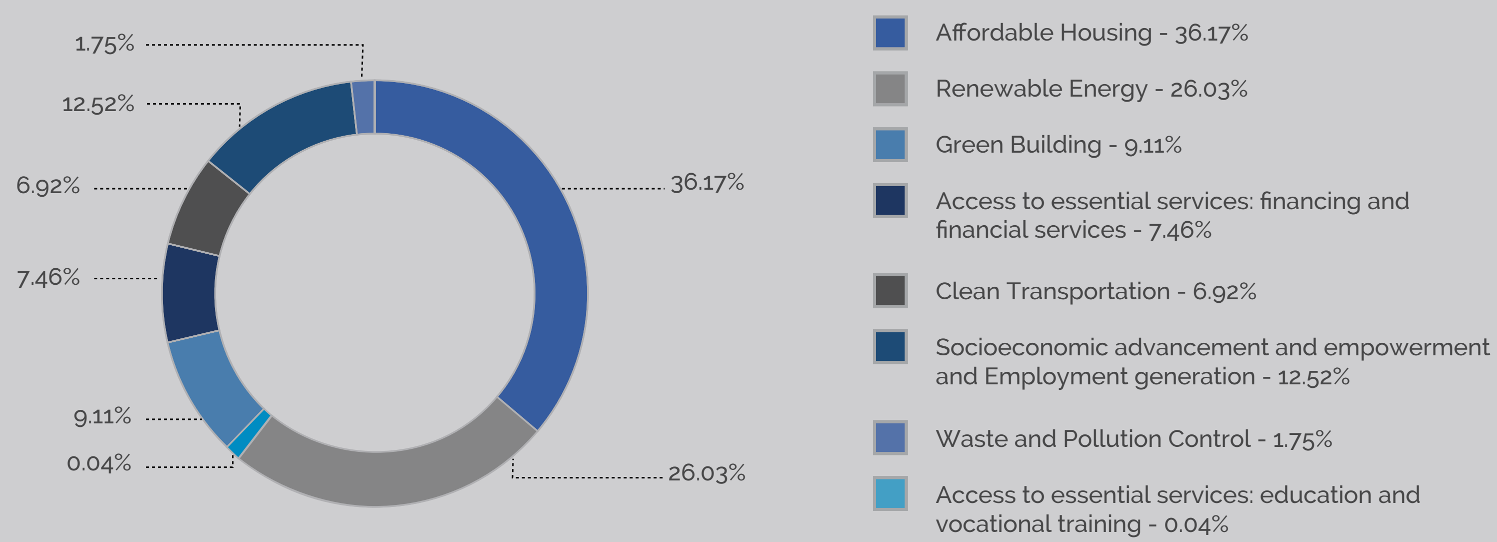


FIGURE 8 Allocation of Sustainability Sukuk (%)

There were no unallocated proceeds remaining; any future Sukuk issuance would tap into the existing unallocated portion of the eligible asset pool or finance new projects going forward.

Bank Rakyat's Sustainability Sukuk has been a catalyst for the Bank to drive meaningful sustainability results, where each category of impact corresponds to specific UN SDGs as reflected. By design, the Sukuk's multifaceted impact map is well-aligned with Malaysia's national sustainable development agenda and the global SDGs. It has enabled financial flows to priority sectors, delivering affordable homes, clean energy, better transport, cleaner water and environment, improved healthcare, and empowered communities. This progress showcases Bank Rakyat's role as an Islamic financial institution championing balanced growth – achieving economic development while ensuring no one is left behind.

Moving forward, the Bank remains committed to upholding the principles of its Sustainability Sukuk Framework and contributing to Malaysia's sustainable future. We will maintain clear, frequent disclosures and high standards of compliance, as we journey ahead to scale up sustainable finance for the benefit of people, planet, and prosperity.

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 >$10W/m^2$ 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

SUSTAINABLE FINANCE AND INCLUSIVE GROWTH

Bank Rakyat's Sustainability Sukuk

Eligible Category	Supported SDGs	Eligible Assets Description	Location	Amount (RM)	Allocation (%)
Green Building	9 12	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
Access to essential services: Financing and financial services	8 9 10	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 populations4 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 qualifies for the use of Proceeds, subject to meeting the characteristics above.	Malaysia	37,301,457	7.46
Clean transportation	9 13	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 9	Financing for co-operatives, startups and micro, small and medium-sized enterprises5 ("SMEs"). 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	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 8 10	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 3 Sustainability Sukuk Allocation

SUSTAINABLE FINANCE AND INCLUSIVE GROWTH
Bank Rakyat's Sustainability Sukuk

Empowerment *Beyond* Banking

Building Equitable
and Resilient Communities

Financial Inclusion and Microenterprise

GRI 413

Bank Rakyat Entrepreneur Leadership Series (BRELS) mobilises social finance to uplift low-income entrepreneurs. Through its three flagship programmes — **RAKYATpreneur, RAKYATpreneur B40** and **Bank Rakyat UNIpreneur** programmes are structured to provide integrated support through seed funding, mentorship, and business training, thereby empowering micro, enterprises with access to financing and entrepreneurial resources, all underpinned by the Bank Negara Malaysia's **iTEKAD** framework. These initiatives aim not only to catalyse income generation, but also to build long-term entrepreneurial resilience.

The RAKYATpreneur and Bank Rakyat UNIpreneur is funded through zakat while RAKYATpreneur B40 initiative is supported through the iTEKAD programme, a social finance initiative by Bank Negara Malaysia aimed at empowering low-income microentrepreneurs. In 2024, the Bank received RM5.57 million in iTEKAD funding.

RAKYATpreneur and RAKYATpreneur B40

Targeted at microentrepreneurs from the asnaf segments, RAKYATpreneur is a holistic initiative that fosters community-based entrepreneurship through:

- **Seed capital of RM5,000** sourced from zakat funds and channelled into essential business assets and capital expenditures;
- **Practical business skills development**, including financial literacy, digitalisation, operations, and marketing;
- **Mentorship and ecosystem linkages** to enhance enterprise resilience, income generation, and local economic impact.

2024 Programme Highlights:

- **300 participants**, guided by **trained coaches** across Malaysia;
- **6 modular workshops**;
- Completion of **4 competency worksheets** (finance, marketing, operations, and management).

RAKYATpreneur Programme	Programme Period	Participants	Experienced Increase in Sales Revenue
RAKYATpreneur 5.0	6 months	300	63%
RAKYATpreneur 4.0	6 months	300	63%
RAKYATpreneur 3.0	6 months	243	60%
RAKYATpreneur 2.0	6 months	170	62.5%
RAKYATpreneur pilot (1.0)	6 months	20	[redacted]
RAKYATpreneur B40	6 months	206	

TABLE 4 Summary of RAKYATpreneur and RAKYATpreneur B40 Programme

Bank Rakyat UNIpreneur

Bank Rakyat UNIpreneur targets young asnaf entrepreneurs nominated by their universities, aiming to cultivate future-ready entrepreneurs through social finance and institutional collaboration.
Participants ventured into diverse sectors including food and beverages, fashion, health and beauty, education, services, Information and Communications Technology (ICT), agriculture, and logistics reflecting a wide impact footprint across Malaysia's future workforce.

2024 Programme Highlights (Bank Rakyat UNIpreneur):

- Involvement of **500 students** across **20 higher education institutions** (18 public, 2 private);
- Implemented with university entrepreneurship centres;
- RM3,000 per student plus module development;
- Delivered over a 6-month period (July – December 2024).

Bank Rakyat UNIpreneur Programme	Programme Period	Participants	Seed Funding	Experienced Increase in Sales Revenue
Bank Rakyat UNIpreneur 4.0	July 2024 – December 2024	500	RM3,000	70%*
Bank Rakyat UNIpreneur 3.0	June 2023 – November 2023	500	RM3,000	67%
Bank Rakyat UNIpreneur 2.0	July 2022 – December 2022	500	RM3,000	66%
Bank Rakyat UNIpreneur 1.0	September 2021 – February 2022	100	RM2,000	67%

TABLE 5 Progress and Outcomes of Bank Rakyat UNIpreneur Programme

**Based on 6-month sales records from 328 participants (out of 500) in UNIpreneur 4.0.*

To date, over **RM3.5 million** was deployed in 2024 to empower asnaf entrepreneurs, contributing to a cumulative **2,633** entrepreneurs and students helped since 2020. In total, more than **RM10 million** in zakat funds has been invested (2020–2024) in these initiatives. The 2024 phase (RAKYATpreneur 5.0 and Bank Rakyat UNIpreneur 4.0) reached an additional 800 participants with **RM3.823 million** in funding. Crucially, most participants report strong outcomes – about **60%** of RAKYATpreneur and **66%** of Bank Rakyat UNIpreneur 2022 graduates saw increased sales by programme-end. All programmes are aligned with Bank Negara's iTEKAD scheme and Malaysia's SDG1 (No Poverty) target, outreach in this pillar includes:

- **RAKYATpreneur and Bank Rakyat UNIpreneur**: Social-finance grants (seed and advisory support) for asnaf-owned microenterprises and young asnaf entrepreneurs. Since launch, more than 2,600 beneficiaries have been supported.
- **Capacity Building**: The Bank also conducts cooperative/SME training seminars (on halal certification) to improve business skills. These benefit both youth cooperatives and community enterprises.

This pillar's initiatives reduce poverty and generate long-term economic value in underserved segments.

Community Development
GRI 413

Bank Rakyat's community investment programmes tackle welfare, nutrition and resilience needs. A flagship project is Kebun Nuri Nutrisi – community nutrition gardens and farms. Since 2020, over 25,000 B40 students and community members (across 31 schools and colleges) have been trained in food cultivation through **Kebun Nuri Nutrisi**. In 2024, 83 special-needs students in Kelantan's SMK Chabang Empat participated in the programme. These gardens teach sustainable farming and nutrition; students grow pak choy and sawi, then sell the produce to earn income, reinforcing their agripreneurship skills. Another CSR arm is **Asnafpreneur**, which funds livelihood projects for the needy. In 2024 Bank Rakyat allocated **RM131,000** to support 10 asnaf entrepreneurs (and converts) in oyster mushroom farming, incorporating modern agricultural technology. Parallel programmes include basic housing aid (Rumahku/BAITI) – that funded five new homes for vulnerable families in Kelantan.

Our **BaktiRAKYAT corporate volunteerism programme** cultivates a spirit of community service, teamwork, and empathy among employees, reflecting Bank Rakyat's commitment to uplifting underserved segments. The initiative promotes hands-on involvement in activities such as **school renovations, tree-planting, environmental clean-ups**, and social outreach—each aligned with the principles of **Shariah**, the Bank's core values, and the **UN SDGs**, notably:

- **SDG 1** (No Poverty),
- **SDG 8** (Decent Work and Economic Growth),
- **SDG 9** (Industry, Innovation, and Infrastructure), and
- **SDG 17** (Partnerships for the Goals).

Volunteer events are implemented in collaboration with NGOs, hospitals, schools, and local authorities, falling under three core pillars: community support, environmental action, and public service.

Between 2022 and 2024, BaktiRAKYAT conducted 40 outreach programmes, engaging a total of 2,730 volunteers, who contributed over 13,716 volunteerism hours across Malaysia. These efforts not only benefited target communities but also supported the professional growth of Bank employees through project leadership, team building, and but positioning the Bank as a purpose-driven, community-embedded employer.

Year	No. of Programmes	Volunteers Engaged	Volunteerism Hours
2022	13	662	2,612
2023	15	698	3,144
2024	12	1,370	7,960
Total	40	2,730	13,716

TABLE 6 Breakdown of Volunteer Impact

In parallel, the Bank also supported broader community upliftment through:

- **Nutrition and Agriculture**: The Kebun Nuri Nutrisi initiative empowers B40 families with food security via community farming, benefiting over 25,000 individuals;
- **Livelihood Projects**: Asnafpreneur agricultural micro-grants (e.g., mushroom cultivation) aid vulnerable microentrepreneurs;
- **Housing and Welfare**: The Rumahku scheme provided 5 homes in Kelantan in 2024 through a RM323,000 zakat allocation.

These initiatives together contribute to measurable socioeconomic upliftment in underserved areas, in alignment with GRI 203 (Indirect Economic Impacts) and GRI 413 (Local Community Engagement), reinforcing Bank Rakyat's role as a Development Financial Institution actively addressing Malaysia's community development agenda.

Education and Youth
GRI 413

Bank Rakyat invests in youth through finance and skills programmes. The Bank Rakyat **UNIpreneur** teach tertiary students business start-up skills, while **Nuri Teen/Kids** savings accounts instil financial literacy early. In 2024, Bank Rakyat empowered 83 integrated special education students via Kebun Nuri Nutrisi, giving them practical agro-entrepreneur experience. Across all Kebun Nuri sites, participants engage from planting to marketing of vegetables, reinforcing Science, technology, engineering, and mathematics (STEM) and business education. We also sponsor entrepreneurship workshops: cooperative SME seminars expose young entrepreneurs to branding, halal certification and market strategies. In summary:

- **Youth Entrepreneurs**: Bank Rakyat UNIpreneur programmes and university partnerships (e.g. with UKM) build business acumen in youth, aligned with NEP2030 goals.
- **Financial Literacy**: Nuri Kids/Teen savings schemes and school outreach (e.g. campus bank-in-a-box) encourage responsible finance habits.
- **Hands-on Learning**: Kebun Nuri Nutrisi projects (like the one above) provide classroom-to-field education on nutrition and commerce.

Since its inception in 2021, the Bank Rakyat UNIpreneur programme has supported over 1,500 tertiary students, with more than RM5 million in zakat-funded seed capital and training support. Implemented in collaboration with 20 public and private universities across Malaysia, Bank Rakyat UNIpreneur equips students particularly from asnaf backgrounds with vital business start-up skills.

Each cohort receives:

- RM3,000 seed funding per participant;
- Structured entrepreneurship modules;
- Mentorship and branding support;
- Opportunities to pitch, grow, and formalise business ideas.

These initiatives align closely with GRI 413 (Local Communities), SDG 4 (Quality Education), and SDG 8 (Decent Work and Economic Growth), contributing to holistic youth development across diverse backgrounds, including vulnerable and special-needs groups.

Please refer to Financial Inclusion and Microenterprise on page 77 for details.

Community **Development**

GRI 413

This community-centric model supports financial inclusion, allowing unbanked populations to engage with Islamic financial systems and improve income security. It complements physical infrastructure such as Rakyat Xcess and Ar-Rahnu X'Change, as well as self-service terminals, creating a blended banking experience for underserved communities.

COMMUNITY AGRICULTURE: KEBUN NURI NUTRISI'S IMPACT

Launched in 2019, Kebun Nuri Nutrisi is now in its seventh year, empowering rural students and vulnerable communities through sustainable farming. The initiative integrates hydroponic, fertigation, and IoT smart-farming systems, transforming schools and villages into self-sustaining micro-agriculture hubs.

In 2024, the Kebun Nuri Nutrisi programme continued to expand its national footprint, driving real change in schools and rural communities through innovative, income-generating agro-initiatives. Each site demonstrates how sustainable farming can empower diverse groups from students with special needs to indigenous villagers by blending agricultural skills with entrepreneurial thinking:

- **SMK Chabang Empat, Kelantan**: 84 students with special needs (PPKI) manage a 990-pot hydroponic garden, generating RM600/year from leafy greens.
- **MRSM Kota Kinabalu, Sabah**: An aeroponic system with 336 pots earned RM1,100/year, alongside a cashless school initiative that activated 318 student savings accounts.
- **SMK Saujana Utama, Selangor**: 40 students manage a solar-powered hydroponic farm for Japanese cucumber and tomato, generating RM500/year.
- **Kampung Orang Asli Melai, Pahang**: A fertigation chilli farm with 500 polybags yields RM20,000 annually, empowering Orang Asli residents.
- **SMK Kuala Lanar, Pahang**: Students operate a compact hydroponic garden (100 pots), producing RM450 from 100kg of leafy vegetables.

These gardens not only improve food security and nutrition, but also provide students and villagers with entrepreneurial experience. The income generated is reinvested into school or village-based social support programmes, such as festive clothing, food aid, and pocket money for students. Integration of smart farming and IoT tools also enables real-time crop monitoring, instilling digital skills and climate resilience among youth.

In rural schools, Bank Rakyat's Cashless School model enhances digital inclusion by embedding financial education into daily school operations. Through POS terminals at school cooperatives and student savings accounts, students learn responsible financial behaviours early. Complementing this, Kelab Nuri (Teen and Kids savings schemes) reaches rural youth, fostering long-term savings culture and financial empowerment.

These outreach initiatives are strongly aligned with both national priorities and global sustainable development targets. By supporting agri-livelihood projects such as Kebun Nuri Nutrisi and community gardens, Bank Rakyat contributes directly to SDG 1 (No Poverty) and SDG 2 (Zero Hunger), helping B40, Orang Asli, and rural communities generate food and income security. Through financial literacy programmes, digital banking access, and agricultural education embedded in school curriculums, the Bank promotes SDG 4 (Quality Education) and SDG 8 (Decent Work and Economic Growth), equipping students and underserved communities with the knowledge and skills needed to build more resilient, future-ready livelihoods.

Moreover, the integration of smart farming technologies such as IoT-enabled hydroponic and fertigation systems supports SDG 9 (Industry, Innovation, and Infrastructure), while the Bank's focus on enabling access for rural schools, asnaf students, and indigenous communities contributes to SDG 10 (Reduced Inequalities). The success of these initiatives is rooted in collaboration with schools,

Creating Impact and Outlook

GRI 413

universities, NGOs, and local authorities reinforcing SDG 17 (Partnerships for the Goals).

The success of Kebun Nuri Nutrisi since its inception is evident in the impressive yields and income generated. Between 2020 and 2024, over 17,000 kilograms of crops were harvested, generating more than RM95,000 in income for participating communities. Crucially, this initiative has influenced the lives of over 26,000 students from B40 households across 37 educational institutions, extending its reach to rural communities and Orang Asli populations.

Together, these efforts exemplify Bank Rakyat's mission as a Development Financial Institution that delivers inclusive, scalable impact through grassroots-driven solutions, ultimately supporting the broader stability, equity, and sustainability of the nation.

Our narrative emphasises transparency and impact: each programme's outcomes and stakeholder feedback are monitored per GRI best practice. Through these thematic pillars, Bank Rakyat reinforces its vision of inclusive growth, forging equitable and resilient communities for the future.

Focusing *Beyond* 2024

Empowering Our People

Diversity, Equity and Inclusion

GRI 2-7, 2-8, 405

Bank Rakyat places people at the heart of its sustainability agenda. In 2024, the Bank advanced its commitment to building an inclusive workplace aligned with global ESG standards, including on Diversity and Equal Opportunity. Our workforce now comprises roughly 55% men and 45% women. As part of this commitment, the Bank has OKU employees and has introduced workplace accommodations and flexible work arrangements to better support new mothers and differently-abled employees. These initiatives reflect our alignment with the national Persons with Disabilities Act and international best practices, recognising that inclusive hiring enhances employee morale, engagement, and long-term retention. To better manage diversity across the organisation, Bank Rakyat categorises its workforce into three main employment groups: Management, Non-Management, and Contractors/Temporary employee. As of 2024, our total headcount stood at **6,132 employees**, comprising 4,124 management employee, 2,008 non-management employee, and 68 contract or temporary workers.

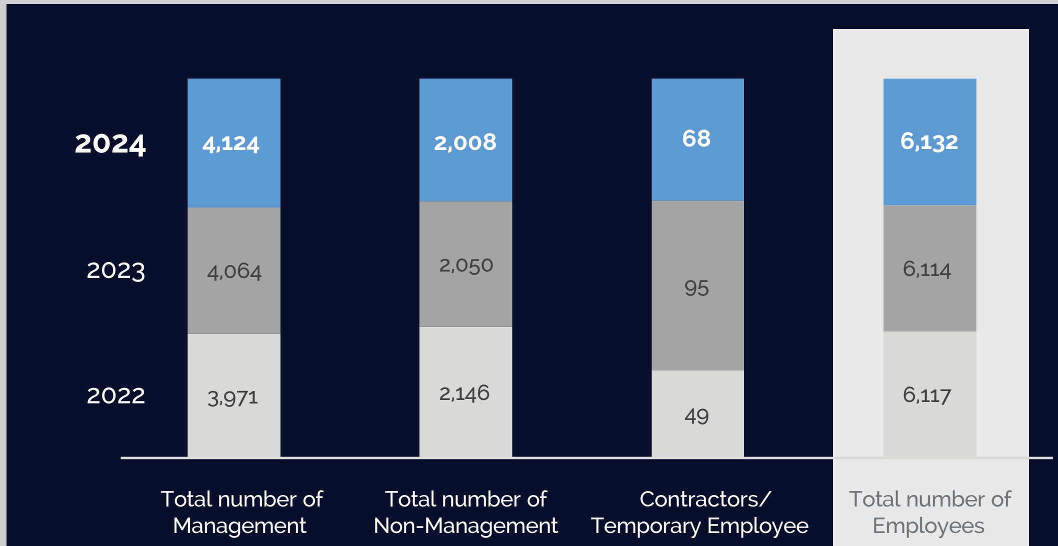


FIGURE 9 Total Number of Employees

Gender diversity remains a strategic focus across all categories. Among management roles, 48.5% are held by women, an upward trend from 2022, while women represent 39% of non-management roles aligned with the national target of having at least 30% women representation in management. Female representation among contract employee also increased, from 33 in 2022 to 46 in 2024, signifying more equitable access to short-term employment.

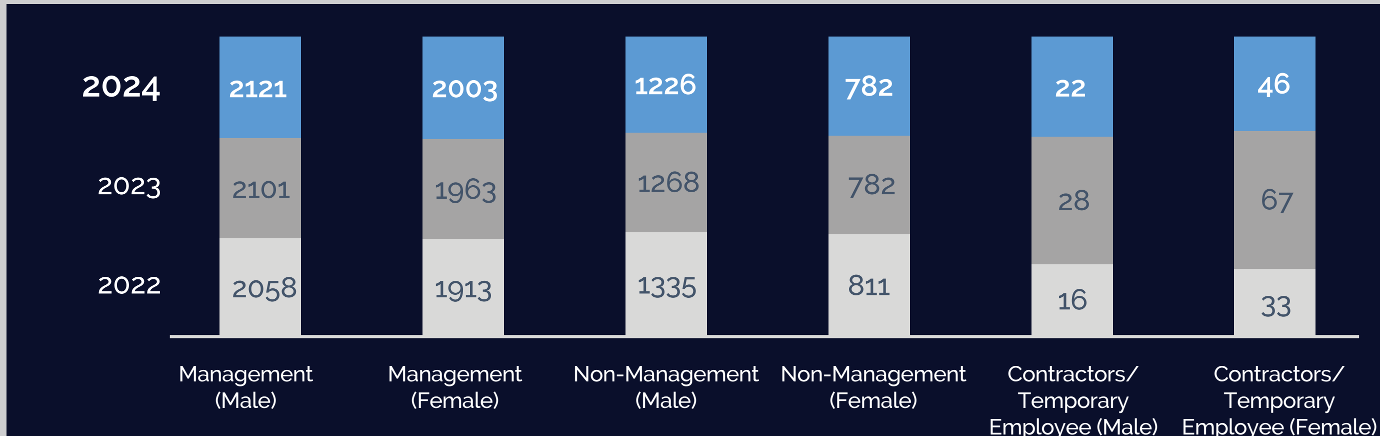


FIGURE 10 Gender Group by Employee Category

Diversity, Equity and Inclusion
GRI 2-7, 2-8, 405

Age diversity is also reflected in our demographic spread. The majority of the workforce falls within the 30–50 age bracket, with 3,048 individuals in management and 1,481 in non-management roles within this range. While youth representation (under 30) has gradually declined, it remains a priority area, with 517 young professionals in management and 237 in non-management roles in 2024. Senior staff (above 50) accounted for 559 in management and 291 in non-management, illustrating the balance of institutional knowledge and succession readiness.

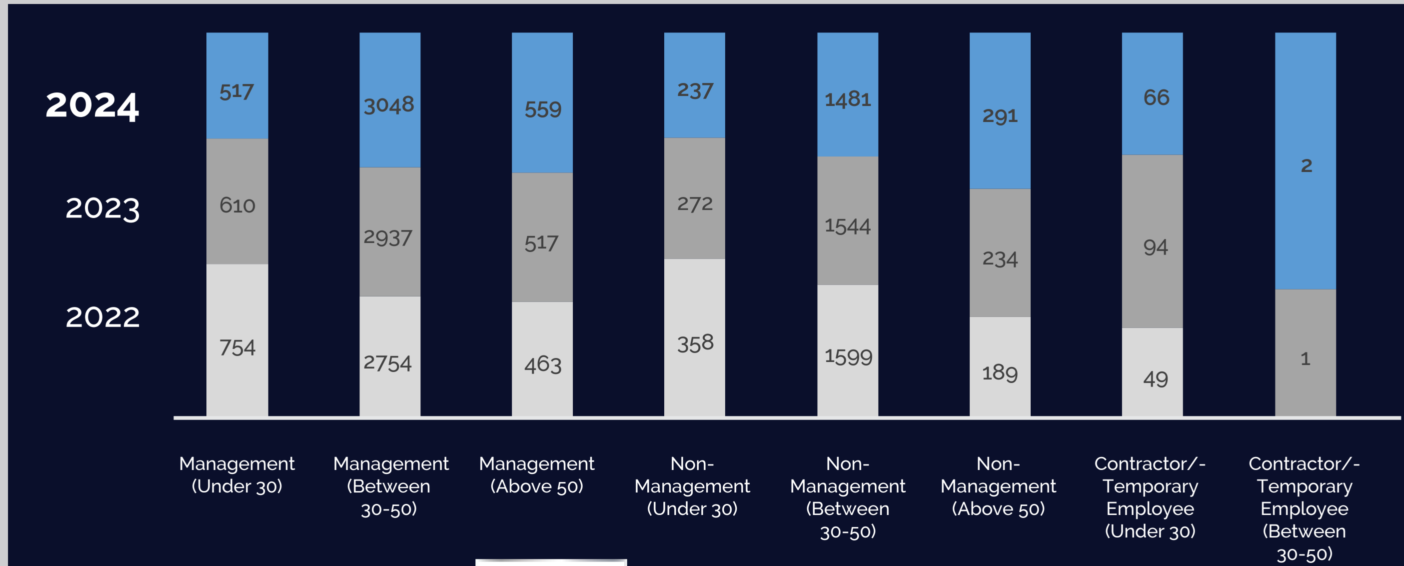


FIGURE 11 Age Group by Employee Category

In practice, **inclusive culture** means more than numbers: it means visible leadership support and employee engagement. We have mandatory training for hiring managers and inclusive-leadership workshops for executives. One employee notes, *"I feel valued because Bank Rakyat celebrates all backgrounds – we collaborate across cultures and roles."* (This human-centered perspective is echoed by global research showing that diverse teams are more innovative and productive.) Our DEI policy also mirrors GRI 401 and 405 guidance by tracking promotions and career development by gender and minority status.

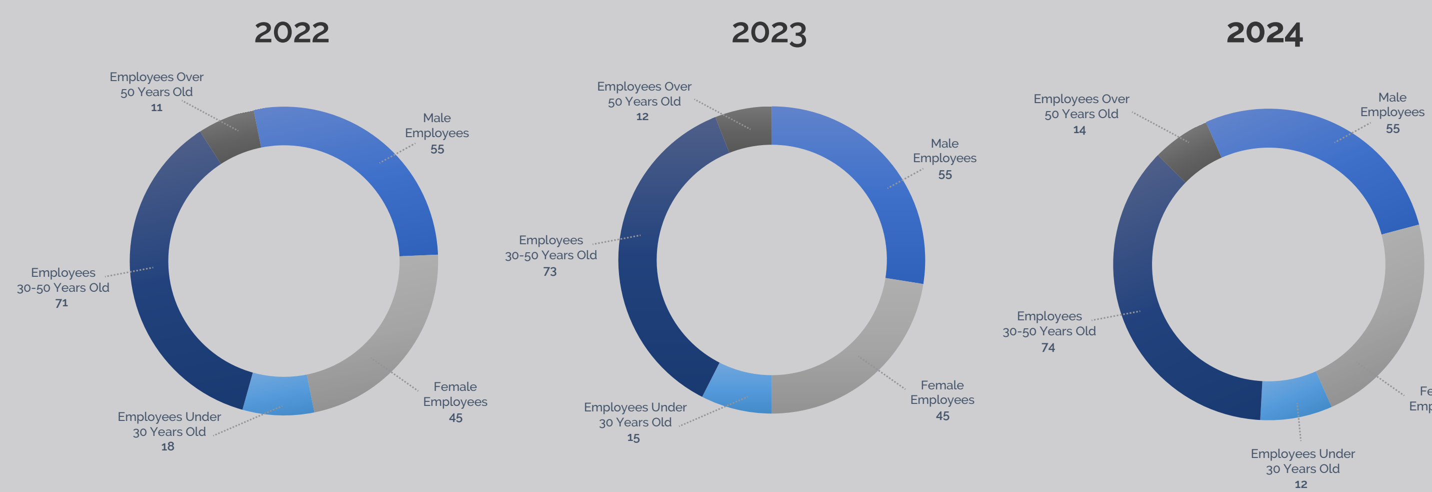


FIGURE 12 Diversity of Employees (%)

Diversity, Equity and Inclusion

GRI 2-7, 401

In line with GRI 401-1, Bank Rakyat monitors recruitment and attrition trends closely to ensure a stable, inclusive, and future-ready workforce. The hiring and turnover data reflect evolving workforce dynamics across different age groups and gender segments, helping to guide talent retention, succession planning, and youth engagement strategies.

In 2024, we welcomed 431 new employees, consisting of 224 women and 207 men. Among these, 358 individuals (83%) were under 30 years old, reaffirming the Bank's commitment to attracting young talent and addressing youth employment under SDG 8 (Decent Work and Economic Growth). While the majority of new hires continued to be concentrated in the below-30 age group, new hires also included 67 employees aged 30–50 and 6 individuals above 50, contributing to intergenerational diversity and experience continuity.

Conversely, employee turnover in 2024 totalled 474 exits, with 62% involving women (222 exits) and 38% men (252 exits). A breakdown by age shows that turnover was highest among employees under 30, with 228 exits (89 men and 139 women), which may reflect common early-career transitions. Meanwhile, 30–50-year-olds recorded 122 exits, and 64 employees above 50 retired or transitioned, reinforcing the need for proactive succession planning.

FIGURE 13 Employees New Hires and Turnover

Despite overall turnover, the Bank remains committed to cultivating internal capabilities and upskilling its workforce. The gender-balanced recruitment and steady hiring of mid- and senior-career professionals reflect Bank Rakyat's focus on maintaining institutional knowledge while welcoming fresh perspectives. This balance enables the Bank to respond effectively to emerging market challenges while continuing to invest in its most valuable asset-its people.

Talent Development and Learning

GRI 2-7

Bank Rakyat invests heavily in **talent development** for all employees. In 2024 our Learning and Development (L&D) programme delivered over 323,000 hours of training (averaging 54 hours per employee), covering leadership, technical skills and digital literacy. Consistent with GRI 404 (Training and Education), we report average training hours and ensure 100% of employee have individual development plans.

Our human capital strategy is built on a comprehensive learning framework designed to future-proof our workforce. We offer a diverse array of training and upskilling programmes, each with a clear purpose, targeted audience, and meaningful outcomes. These programmes are thoughtfully targeted:

- Some are open to all employees, such as corporate culture training and scholarship opportunities.
- Others are tailored for specific roles or departments, such as product training for branch employee, certifications for risk or audit functions, and overseas programmes designated for middle to senior management.

Corporate Culture

All employees undergo training that reinforces our shared values and ethical standards such as Leadership Talk, Budaya Rakyat, regulatory compliance, anti-bribery, and sustainability awareness ensuring a strong foundation of integrity and responsibility.

Scholarship Programme

For long-term professional growth, Bank Rakyat provides scholarships for employee pursuing academic qualifications from degrees to PhDs aligned with our aspiration to foster a high-performance mindset.

Overseas Exposure

We also support international learning through conferences, study visits, and leadership summits with world-renowned institutions, promoting innovation and cross-border benchmarking.

Functional (In-House)

Tailored to departmental needs, these in-house training focus on role-specific competencies, including technical procedures and operational systems. Emerging skills in digital transformation, customer and employee centricity, ESG, and Generative AI are also emphasised.

Certifications

Over 500 employee completed professional certifications in 2024, covering areas like digital finance, credit, risk, AMLA, ESG, and Shariah. These credentials not only support career growth but also ensure compliance with regulatory standards.

Functional (External)

Delivered by external experts, these programmes provide insights aligned with global future-skills frameworks and help employees stay ahead of industry trends.

Soft Skills

These trainings cultivate essential "power skills" such as critical thinking, learning agility, communication, and teamwork empowering employees to adapt, collaborate, and lead effectively.

Leadership and Development

We nurture leadership potential at every level from entry-level employee to senior management via structured programmes like the Management Trainee Programme and Succession Planning Track.

Functional (Product)

Focused primarily on branch employee, these sessions enhance product and service knowledge through refreshers, general accounting systems, and feature-based learning.

FIGURE 14 Bank Rakyat's Learning Ecosystem

Talent Development and Learning

GRI 2-7, 401, 404

Upskilling and Certifications

Professional certifications and degree programmes supported financially by the Bank reflect our alignment with global labour trends. As the World Economic Forum projects that half the workforce will need reskilling by 2025, our proactive stance ensures competitiveness and future-readiness.

SUPPORTING TRANSITIONS AND LIFE BEYOND EMPLOYMENT

In addition to upskilling and career development, Bank Rakyat recognises that preparing employees for life's transitions is equally important. As part of our commitment to holistic employee wellbeing, we offer a structured Pre-Retirement Programme for employees approaching retirement within the next three years.

This programme is designed to help participants navigate their transition from active employment to retirement with confidence, purpose, and a sense of security. It comprises four core modules:

- **Spirituality (Kerohanian):** Supporting inner resilience and spiritual grounding, helping employees reflect on purpose, fulfilment, and faith as they prepare for the next stage of life.
- **Financial Planning:** Equipping participants with the knowledge to manage personal finances, investments, and retirement savings effectively, ensuring continued financial stability post-retirement.
- **Wellness and Mental Health:** Encouraging healthy ageing through awareness of physical, emotional, and psychological wellbeing. Sessions cover nutrition, active lifestyles, and mental preparedness for lifestyle changes.
- **Post-Retirement Employment Opportunities:** Providing guidance and resources for those seeking continued engagement through consultancy, part-time work, volunteering, or entrepreneurial ventures.

This comprehensive approach not only helps retiring employees embrace the next chapter of life with clarity and confidence, but also reflects Bank Rakyat's enduring care for its people yet honouring their contributions and sustaining their wellbeing even beyond active service. It is part of how we build a culture of lifelong value, mutual respect, and continuous support.

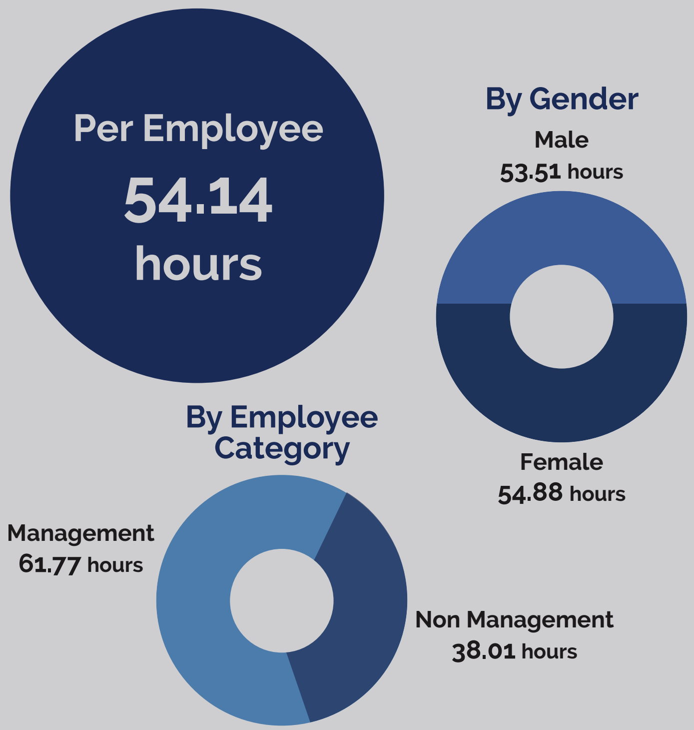


FIGURE 15 Average Employee Training Hours 2024

Employee Engagement and Wellbeing

GRI 2-7, 401, 404

Our DEI approach is fundamentally **people-centered**. We conduct regular culture surveys and town-halls, ensuring employees of all levels and backgrounds have a voice. In 2024, over 90% of employee participated in our biennial employee engagement survey; feedback on inclusivity scored above industry benchmarks. We also support work–life balance through flexible work arrangements, telecommuting options, and family-friendly policies (such as paid parental leave beyond statutory requirements). These programmes foster a sense of belonging – as one colleague puts it, "Bank Rakyat feels like a second family where everyone's wellbeing matters."

Recognising that mental and physical health underpin engagement, we bolstered our **Workforce Health and Wellbeing** pillar in 2024. Initiatives included on-site clinics, annual health screenings, and access to counselling services. We launched stress-management workshops and subsidised gym memberships. Our strong health and safety record (aligned with GRI 403) means zero workplace fatalities and minimal lost-time injuries year-to-date, reflecting rigorous safety protocols.

2022	2023	2024
89%	88%	89%

TABLE 7 Employees Who Received Regular Performance and Career Development Reviews (Average %)

Crucially, wellbeing extends beyond physical and mental health to include personal and professional development. At Bank Rakyat, performance and career development reviews are a foundation of our talent growth framework. From 2022 to 2024, **an average of 89% of employees received regular performance and development reviews** reflecting our consistent commitment to transparent feedback and continuous improvement.

In 2023, we introduced two key enhancements to strengthen this process further:

- **A Refined Performance Rating Scale**
  We transitioned from a 4-point to a 5-point rating system to provide a more granular and meaningful assessment of employee performance. The updated scale now ranges from Needs Improvement, Marginal, Competent, Commendable, to Distinguished enabling clearer recognition of excellence and areas for growth.
- **A Strengthened KPI Cascading Process**
  To ensure strategic alignment throughout the Bank, structured KPI cascading sessions were conducted between sector Chiefs and their direct reports. This approach ensures that top-level priorities are effectively translated into actionable goals at every operational level, reinforcing accountability and shared direction.

These enhancements, while building on a stable foundation, have elevated the quality and impact of our performance reviews ensuring they remain relevant, empowering, and closely aligned with each employee's development journey.

Throughout, we visualise our progress with clear metrics (see chart placeholders below). For example, a gender-distribution infographic shows the current male–female split and track record of female promotions; an age-group pyramid and career-stage funnel can highlight how we are broadening our leadership pipeline. (Best practices in sustainability reporting recommend such charts to convey diversity data at a glance.)

By embedding DEI into every facet of HR – from hiring and training to engagement and safety – Bank Rakyat ensures "people" governance meets global benchmarks. In sum, 2024 was a year of measurable progress in empowering our people, consistent with GRI 401/403/404/405 on employment practices. This holistic, inclusive culture not only aligns with our Islamic cooperative values but also strengthens our appeal to regulators, investors and the communities we serve.

Sustainability Report 2024
EMPOWERING OUR PEOPLE
Employee Engagement and Wellbeing
GRI 2-7, 403

OCCUPATIONAL SAFETY AND HEALTH

At Bank Rakyat, we uphold the belief that the health, safety, and wellbeing of our employees are fundamental to our organisational resilience and performance. As a Development Financial Institution (DFI), our workforce is our greatest asset—serving communities across Malaysia with integrity, professionalism, and compassion. A safe and healthy work environment is therefore integral not only to our operational excellence but also to the values we espouse as a Shariah-compliant cooperative bank.

Our approach to occupational safety and health (OSH) aligns with the Occupational Safety and Health Act 1994 (Act 514) and relevant national regulations. Internally, we adopt the principles of ISO 45001 as a framework for developing a structured, risk-based OSH management system that promotes continuous improvement. Our programmes are guided by the Vision Zero Bank Rakyat initiative, which seeks to eliminate workplace injuries and illnesses through proactive governance, awareness, and engagement.

EMBEDDING SAFETY ACROSS OUR OPERATIONS

Bank Rakyat has formalised an OSH policy and implemented supporting procedures that are applied across all levels of the organisation—from headquarters to branches and specialised centres. The OSH Management System (OSHMS) encompasses permanent and contract employees, as well as third-party contractors and visitors, covering a wide scope of operational activities including customer service, Ar-Rahnu (pawn broking) operations, maintenance and facilities management, and off-site services.

We apply a rigorous Hazard Identification, Risk Assessment and Risk Control (HIRARC) process, complemented by the engagement of certified occupational health consultants for monitoring high-risk exposures such as air quality, chemical handling, and noise. This enables timely identification of workplace hazards and implementation of corrective actions. Employees are empowered to report hazards or unsafe conditions through multiple internal channels, including supervisors, union platforms, dedicated email addresses, and formal incident reporting forms. The right to refuse unsafe work is upheld and protected under our Whistleblower Policy.

Incident investigations follow a structured approach, including root cause analysis, with learnings shared Bank-wide to prevent recurrence. Emergency preparedness is reinforced through scenario planning, drills, and continuous feedback to improve response protocols.

WORKFORCE PARTICIPATION AND HEALTH SUPPORT

Our commitment to a participatory safety culture is driven through active employee involvement in OSH planning and implementation. The OSH Committee, chaired by the Chief People Officer, includes union representatives from Kesatuan Pegawai-Pegawai Bank Kerjasama Rakyat Malaysia Berhad (PEBARA) and Kesatuan Sekerja Kakitangan Bank Kerjasama Rakyat Malaysia Berhad (KSKBR), plays a pivotal role in overseeing safety policies, incident reviews, and risk mitigation efforts. OSH policies, guidelines, and minutes from committee meetings are communicated via internal platforms and physical notice boards across the Bank's network.

All employees are provided with targeted safety training, both in-house and externally facilitated. Programmes include First Aid and CPR, ergonomic awareness, OSH coordinator certification, and emergency response preparedness. This ensures the workforce remains informed, skilled, and compliant with the latest occupational safety standards.

Occupational health services are integrated into our safety management approach. For high-risk roles—such as Ar-Rahnu operations involving hazardous chemicals—medical surveillance is provided under certified occupational health doctors. Body composition monitoring and mental health check-ins are also offered as part of our broader surveillance framework.

Beyond occupational risk, Bank Rakyat promotes holistic wellbeing. Employees have access to non-occupational health services through PMCare, a third-party administrator platform that simplifies clinic access and benefit tracking. The NALURI digital wellness programme supplements this by offering personalised coaching on mental health, nutrition, and fitness.

To ensure our contractors and business partners uphold similar safety standards, Bank Rakyat extends its OSH principles through clear risk controls, compliance obligations, and joint safety initiatives. Incident learnings and policy expectations are also shared with third-party vendors as part of our commitment to responsible business conduct.

Indicator	2022	2023	2024
Total Recordable Injury Cases	8	5	10
Lost Time Injury Rate (per 200,000 hrs)	1.31	0.82	1.64
Work-related Fatalities	0	0	0
Cases of Work-related Ill Health	1	0	2
Fatalities from Ill Health	0	0	0
Workers covered with OSHMS (%)	100	100	100

TABLE 8 Occupational Safety and Health Performance (2022 - 2024)

Talent Beyond Today

Ethical and Shariah-Compliant Banking Practice

Shariah Compliance and Ethical Conduct

GRI 205, 206

SHARIAH GOVERNANCE FRAMEWORK

The Shariah governance structure of Bank Rakyat is anchored by its Shariah Committee, which plays a pivotal role in ensuring that all operations, products, and services are fully compliant with Shariah principles, while also supporting the Board of Directors in upholding these principles. The Shariah Committee is entrusted with providing independent oversight based on the Bank's activities and operations and is responsible for reporting its deliberations and decisions directly to the Board of Directors. Supporting the Shariah Committee are several dedicated functions: the Shariah Secretariat & Advisory Department oversees advisory on product development and day-to-day business operations; the Shariah Review and Shariah Audit Departments conduct review and audit, and systematic evaluations across branches and subsidiaries; and the Shariah Risk Unit within the Operational Risk Department actively monitors and mitigates Shariah non-compliance risks using integrated risk tools. This multi-layered structure ensures robust oversight, effective implementation of Shariah governance, and alignment with regulatory standards, reflecting Bank Rakyat's commitment to ethical and sustainable Islamic banking practices.

ETHICAL CONDUCT AND ANTI-CORRUPTION

Bank Rakyat maintains a strict code of ethics and a zero-tolerance stance on bribery and corruption. In alignment with Malaysia's National Anti-Corruption Plan (NACP) and the guidelines for Organisational Anti-Corruption Plans (OACP), the Bank has developed the Bank Rakyat Anti-Bribery Plan (BRABP) 2024–2026 to formalise its anti-corruption roadmap. This dedicated plan outlines key strategies for preventing corruption and reinforces the Bank's internal governance standards. Bank Rakyat is also in the process of obtaining ISO 37001 Anti-Bribery Management System certification, which will further strengthen its policies, whistleblowing mechanisms, and internal control systems. Comprehensive ethics training is provided across the organisation: all directors, officers and employees (and, where applicable, agents and third-party partners) receive periodic training on anti-corruption policies. Management and employee are tested on the Bank's Malaysian Anti-Corruption Commission (MACC) Adequate Procedures, and violations trigger swift investigation and disciplinary measures. The Bank's Audit and Examination Committee oversees these ethics programmes and reports on them in its annual disclosures. As required by GRI 205 (Anti-corruption 2016), Bank Rakyat reports on the percentage of operations assessed for corruption risk and the extent of anti-corruption training. Similarly, the Bank adheres to GRI 206 (Anti-competitive Behavior 2016) by implementing fair-competition policies and discloses that no anti-trust violations have occurred.

Alignment with Standards

GRI 205, 206

All practices are reported and managed in accordance with leading frameworks. Bank Rakyat's disclosures on anti-corruption, competitive behavior, and legal compliance are fully aligned with GRI 205 and 206 standards. Under GRI 205, the Bank discloses its anti-bribery risk assessments and training efforts, including its Organisational Anti-Corruption Plan (OACP), training completion rates, and formal anti-corruption policies covering directors, employees, and suppliers. In line with GRI 206, the Bank confirms that no substantiated cases of legal action has been taken against it for anti-competitive behaviour.

This governance framework also reflects the principles outlined in the CRMSA guidance and contributes to Bank Negara Malaysia's Performance Measurement Framework (PMF). The PMF evaluates the Bank not only on governance effectiveness but also on social performance, including financial inclusion, ethical conduct, and community impact. Bank Rakyat's sustainability governance, risk management, and Shariah oversight feed into both the PMF and the Shariah governance scorecards as part of its accountability obligations.


Sustainability
Beyond
the Present
Annual Climate-related
Disclosure Report

In 2024, Bank Rakyat embarked on the inaugural climate risk disclosures through Annual Climate-related Disclosure reporting as part of our commitment to climate action and in preparation to meet Bank Negara Malaysia's TCFD-aligned reporting requirement for financial years beginning on or after 1 January 2024. The report is aligned to the TCFD Framework, addressing recommended disclosures across four core elements throughout the financial year 2024.

ABOUT THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The global landscape on climate risk disclosures is rapidly evolving. As of 2023, TCFD has gathered 4,900 supporters in 103 jurisdictions with a combined market capitalisation of USD29.5 trillion. The commitment expressed by the G7 finance ministers to support mandatory climate risk disclosures has created more urgency for companies to participate in TCFD reporting. Additionally, jurisdictions like European Union, Switzerland, New Zealand, Brazil, Hong Kong, and Singapore have already or will soon made TCFD reporting mandatory. These developments stress the importance of sound climate risk disclosures as an important tool in climate change action.

The TCFD initiative was founded on the recognition that climate change poses significant and systemic risks to the global financial system. To address these risks effectively, a standardised framework for reporting is essential to enhance understanding, decision-making, and risk management.

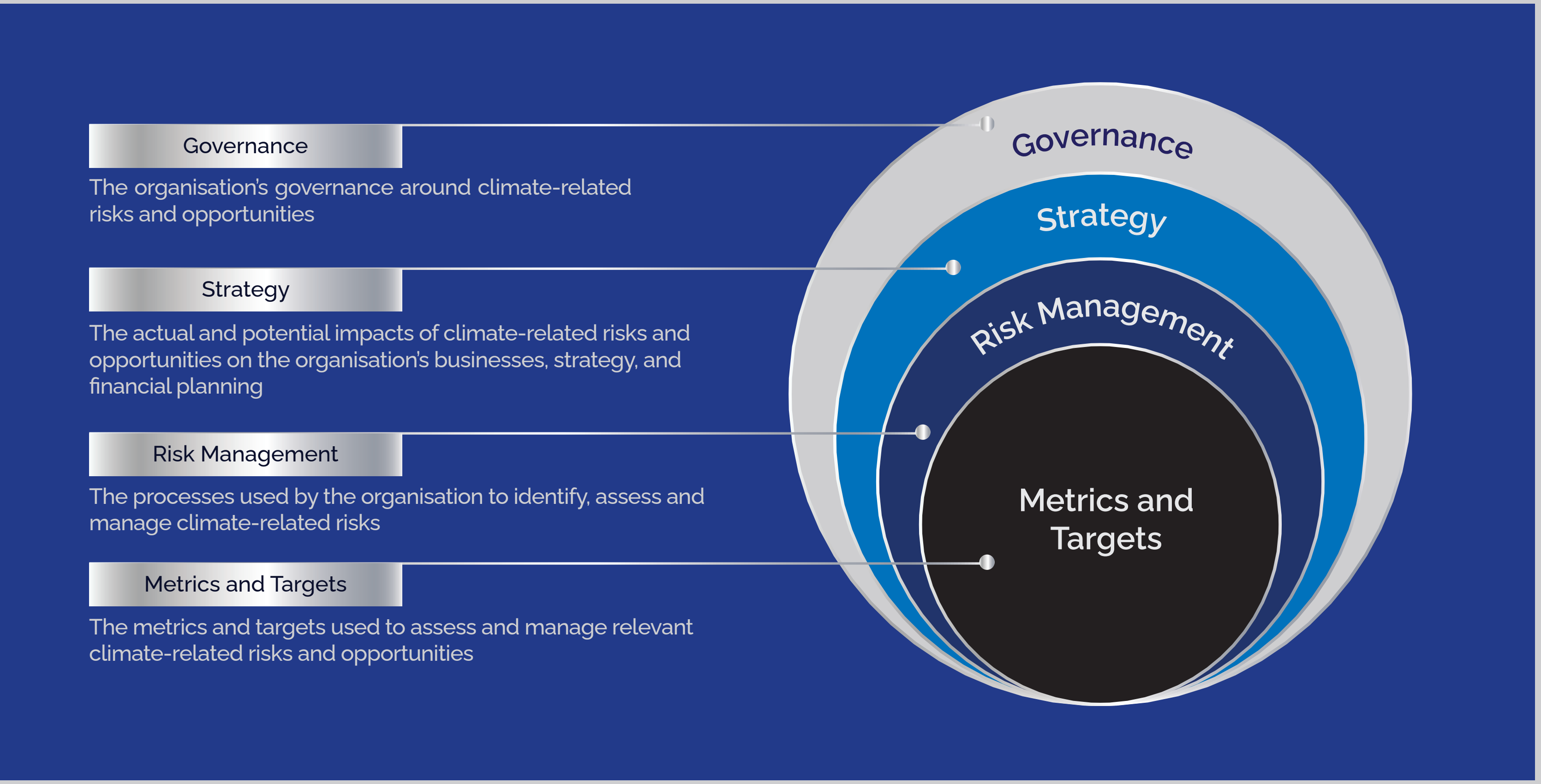


FIGURE 16 Four Thematic Areas of the Task Force on Climate-related Financial Disclosures (TCFD, 2022)

The TCFD recommendations are structured around four thematic areas that represent the core elements of how organisations operate, as shown in Figure 16. The TCFD recommendations are designed to improve the quality and consistency of climate-related financial disclosures, enabling companies to identify and communicate the financial implications of climate change. By doing so, these disclosures support the transition toward a sustainable, low-carbon economy and promote more informed decisions in investment, credit, and takaful underwriting processes.

OUR SUSTAINABILITY APPROACH

Bank Rakyat's commitment to Building a Sustainable Future is supported by three pillars to create sustainable value for the Bank and its stakeholders which are tied to the UNSDGs and Value based Intermediation (VBI). The concept of Embodying Shariah Leadership forms the foundation of the Bank Rakyat's Sustainability Framework and Policy (BRSFP), cross cutting all three pillars in contributing towards the Bank's vision of Building a Sustainable Future, as shown in Figure 17.

Bank Rakyat's Sustainability Vision and Mission are as below:

Sustainability Vision

To Build a Sustainable Future for the Bank and its stakeholders.

Sustainability Mission

Bank Rakyat will Build a Sustainable Future by driving socioeconomic development for the nation and accelerating the green transition, while continuously strengthening our internal foundation.

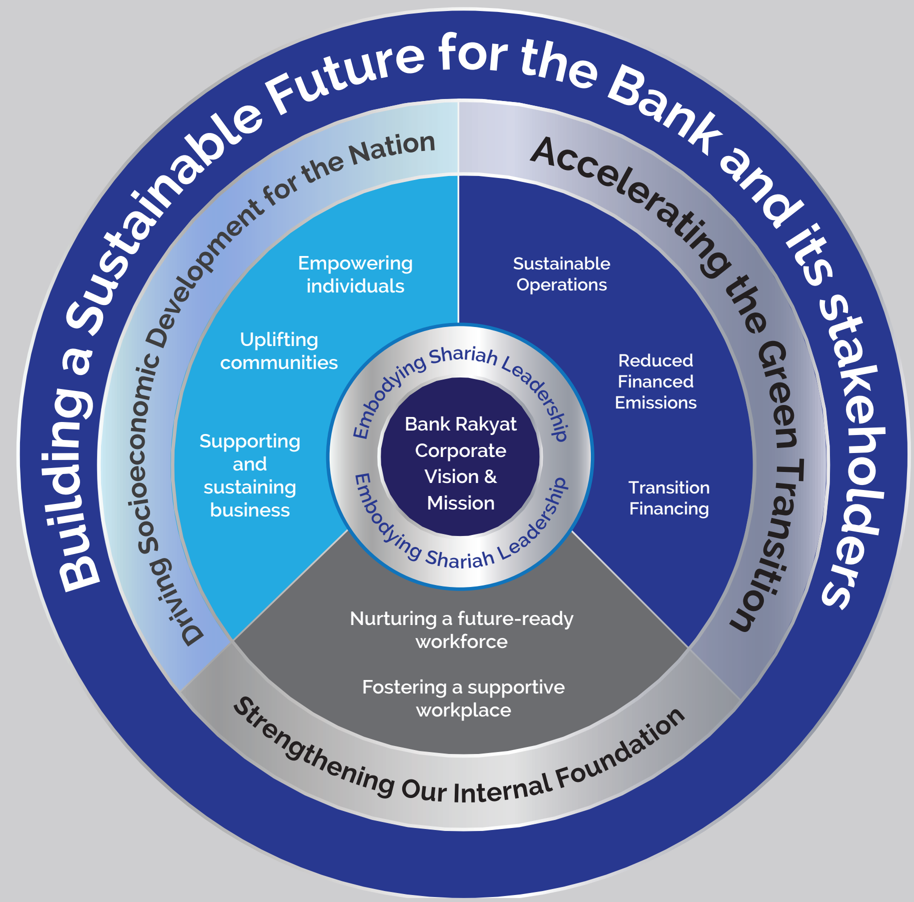


FIGURE 17 The Bank Rakyat Sustainability Framework

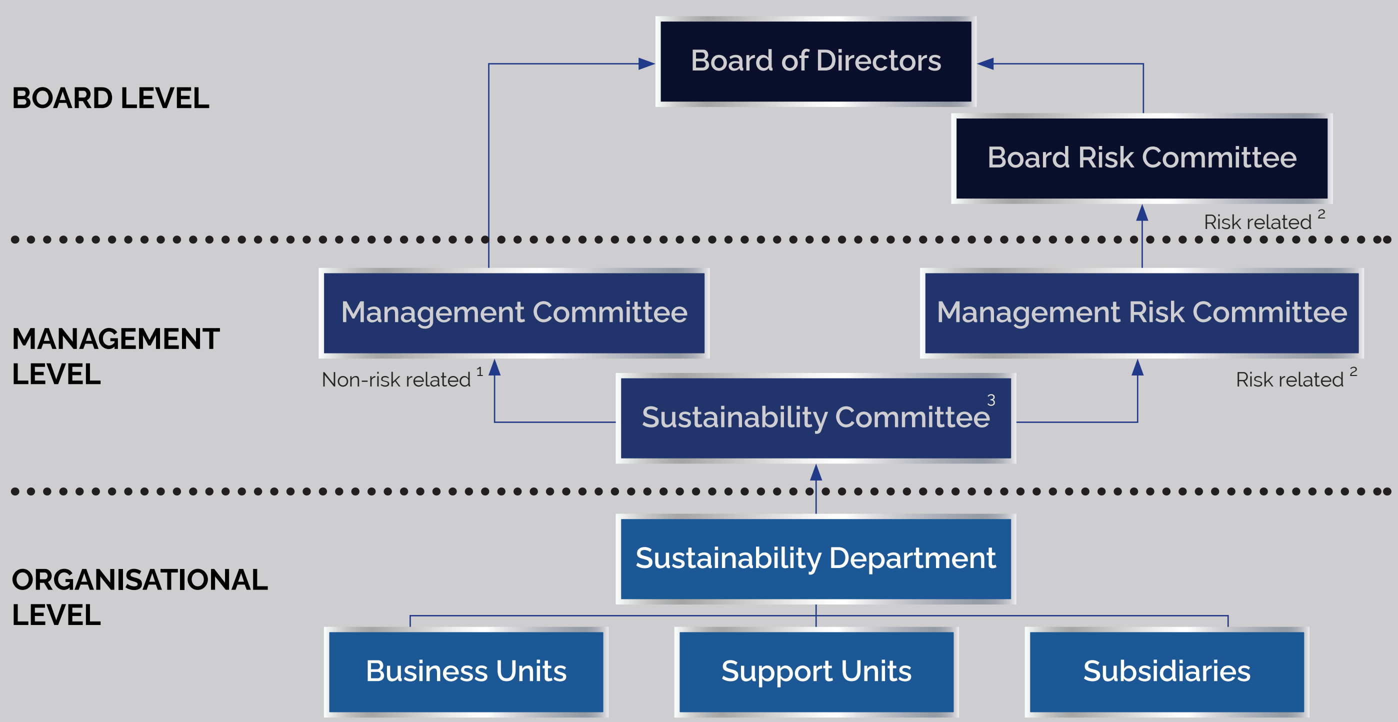
Governance

GRI 2-9, 2-13

Bank Rakyat recognises the complexities of climate change and the importance of exemplary business practices for sustained organisational growth. Our unwavering dedication to sustainable development is reflected through the establishment of the Sustainability Committee, while the Sustainability Framework guides our organisation by integrating sustainability and climate-related considerations into our business standards and conduct. Following the Bank Rakyat Sustainability Framework and Policy, we have developed a robust corporate governance structure to ensure effective leadership and oversight of climate issues to achieve Net Zero by 2050.

GOVERNANCE STRUCTURE

Bank Rakyat has established a robust governance structure to facilitate accountability and transparency, ensuring consistent oversight at the Board level and through our dedicated management committees, as shown in Figure 18. In 2024, Bank Rakyat refined its Governance Structure to strengthen oversight and execution of climate-related initiatives and ensure clearly defined reporting lines across governance levels. Key enhancements include expanding the roles of the Board Risk Committee (BRC) to support the Board in identifying, assessing, and managing climate-related risks. The BRC reviews and recommends climate risk strategies, risk appetite, frameworks, and policies for Board approval. The role of Management Risk Committee (MRC) has been expanded to ensure the effective execution of the climate risk strategy by monitoring and driving initiatives, establishing, and enforcing policies, and ensuring adequate infrastructure, resources, and controls are in place to manage risk exposure within acceptable limits. Additionally, the roles and responsibilities of the Sustainability Task Force (STF) have been formalised and enhanced with the establishment of the Sustainability Committee (STC).



[1] *Non-risk related matters defined as sustainability and climate related framework, policies, strategies, targets and disclosure.*
[2] *Risk related matters defined as sustainability risk and climate risk related risk appetite, risk limit, framework, policies and procedures.*
[3] *The chairperson of Sustainability Committee is Chief Strategy and Transformation Officer.*

FIGURE 18 Sustainability Governance Structure

As part of our ongoing climate agenda, we have conducted bank-wide awareness programme and capacity building initiatives to enhance climate risk expertise and provide training for Board of Directors (BOD), Management Committee (MANCO) and employees based in the headquarters in 2024. Additionally, the bank is working to provide comprehensive climate risk awareness through e-learning modules specifically designed for headquarter and branch employees in the upcoming year. These efforts have strengthened our internal foundation by equipping our workforce with the skills and knowledge needed to advance in climate-related areas. Looking ahead, we plan to introduce a comprehensive climate capacity-building program that will include e-learning platforms, professional training sessions, and certification programs for designated employees. These initiatives will be tailored to meet the specific needs of various business and support units, ensuring that employees possess the knowledge required to address the potential risks faced by their respective areas.

BOARD OF DIRECTORS OVERSIGHT

The BOD holds the ultimate responsibility for our strategic approach to climate change, including the management of climate-related risks and opportunities. The Board participates in developing, approving, and updating the Bank's purpose, mission statement, climate strategy, and policies. It also oversees the implementation of climate-related initiatives, with support from the MANCO, Management Risk Committee (MRC) and Sustainability Committee.

The roles and responsibilities of each Board-level Committee are further illustrated in the table below.

GOVERNANCE BODY	ROLES AND RESPONSIBILITIES
Board of Directors	The Board of Directors oversees the integration of climate risk considerations into all activities and operations. The Board ensures a thorough understanding of the Bank's business operations from a climate risk and opportunity perspective, providing strategic direction for managing climate-related risks and opportunities. It is responsible for approving frameworks, policies, and risk strategies related to climate risk and ensuring their effective implementation across the Group. The Board provides oversight of senior management actions to ensure alignment with approved policies and strategies while ensuring the Bank is equipped with adequate infrastructure and resources to integrate climate risk effectively.
Board Risk Committee	The Board Risk Committee supports the Board in managing climate-related risks by reviewing and recommending climate risk strategies, risk appetite, and tolerance levels consistent with the Group's objectives and risk profile. The BRC also evaluates and recommends climate risk management frameworks, policies, and subsequent revisions to the Board. Additionally, it approves tools and methodologies for identifying, measuring, monitoring, and controlling climate-related risks, ensuring robust oversight and alignment with the Group's climate objectives.

TABLE 9 Roles and Responsibilities of the Board-level Committee

Governance

GRI 2-9, 2-13

Management Oversight

At the management level, Bank Rakyat ensures the effective execution and integration of climate strategies through key committees: the Management Committee (MANCO), the Management Risk Committee (MRC), and the Sustainability Committee (STC). MANCO is responsible for executing the Board's directives on climate strategies, policies, and practices, as well as managing impacts on the economy, environment, and society. The MRC focuses on climate risk management, including recommending risk appetite, frameworks, and monitoring mechanisms. Supporting both, the STC oversees climate-related initiatives, operational matters, and progress monitoring, ensuring alignment with the Bank's climate commitments. Together, these committees provide comprehensive oversight and drive alignment with the Bank's climate objectives.

The roles and responsibilities of each Management-level Committee are further illustrated in the table below.

GOVERNANCE BODY	ROLES AND RESPONSIBILITIES
Management Committee (Non-risk related)	The Management Committee is responsible for ensuring the effective execution of the Bank's climate strategy by monitoring and driving the implementation of initiatives, projects, and programs. The MANCO reviews and recommends climate-related frameworks, policies, strategies, targets, and disclosures for Board approval.
Management Risk Committee (Risk related)	The Management Risk Committee is responsible for the effective execution of the Group's climate risk-related matters. It oversees the establishment and enforcement of climate risk management policies, ensuring the necessary infrastructure, resources, and systems are in place. The MRC also ensures adequate and effective monitoring, reporting, and controls to manage climate risk exposure within acceptable limits.
Sustainability Committee	The Sustainability Committee is responsible for endorsing sustainability and climate related matters for further consideration by MANCO and/or MRC, respectively. It establishes, reviews, and recommends frameworks, policies, strategies, targets, tools, methodologies, and disclosures related to sustainability and climate. In addition, the STC provides oversight to ensure the Group's climate strategies and goals align with its commitment, monitors the progress of climate initiatives, ensures adequate support and resources, and carries out additional functions as delegated by management.

TABLE 10 Roles and Responsibilities of the Management-level Committee

Strategy

GRI 201

Bank Rakyat's commitment to building a sustainable future is guided by three strategic pillars that shape our transformation and create long-term value for stakeholders and the business. Recognizing the urgency of addressing climate change, the Group has developed a comprehensive climate transition strategy to proactively identify climate-related opportunities, mitigate risks, and address the impacts of climate change. This strategy emphasizes building resilience against material climate-related risks while promoting sustainable practices to drive the Group's journey toward decarbonization.

OUR CLIMATE AMBITION

Bank Rakyat is committed to achieving net-zero emissions across its operations and value chain by 2050, aligning with BNM's and the Malaysian government's climate goals under the National Sustainability Reporting Framework and the Paris Agreement. The Bank has anchored its sustainability strategy on three pillars: Driving Socioeconomic Development for the Nation, Accelerating the Green Transition, and Strengthening Our Internal Foundations.

The first pillar, Driving Socioeconomic Development for the Nation, focuses on reducing socioeconomic inequalities, empowering marginalised communities, and promoting financial literacy to support inclusive economic growth. The second pillar, Accelerating the Green Transition, emphasises integrating sustainability into operations, expanding access to green financing, and promoting innovative solutions to support Malaysia's transition to a low-carbon economy. The third pillar, Strengthening Our Internal Foundations, underscores the importance of workforce development, ensuring employees are equipped with the skills and knowledge needed to drive the Bank's sustainability ambitions.

To achieve this ambition, the second pillar has been enhanced to include three sub-pillars (Figure 19). We have integrated sustainability into our activities, focusing on digitalisation, green buildings, energy efficiency, and resource optimisation as outlined in our strategic framework. In addition to reducing our operational footprint, we actively support a just and orderly transition to a low-carbon economy by empowering our customers through green financing, investments, and advisory services. This approach ensures that Bank Rakyat contributes to both environmental sustainability and inclusive economic growth.

The details of the three key strategic sub-pillars are further illustrated in the figure below.

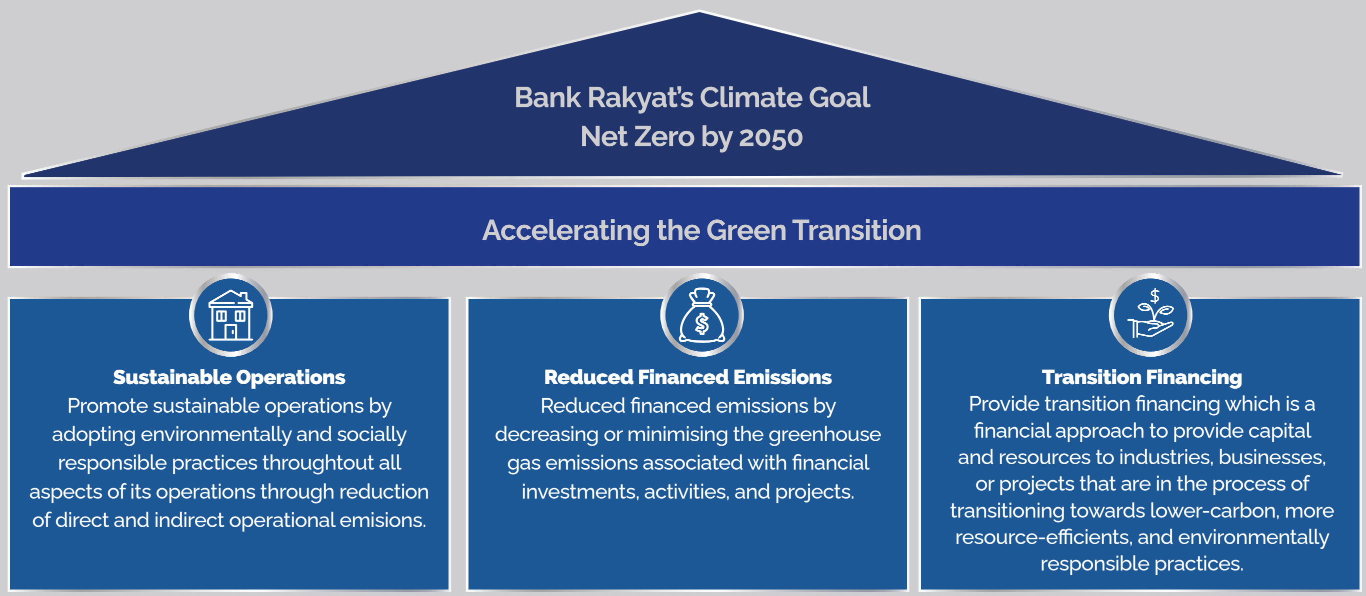


FIGURE 19 Bank Rakyat's Climate Strategic Sub-pillars

IDENTIFICATION AND IMPACT OF CLIMATE-RELATED RISKS

Understanding and addressing climate-related risks are essential to Bank Rakyat's climate strategy and resilience. These risks have the potential to impact the Bank's operations, customers, and broader value chain. By identifying these risks early and assessing their potential impacts, Bank Rakyat is better equipped to develop effective mitigation strategies and capitalise on emerging opportunities, ensuring long-term stability and value creation for stakeholders.

The figure below illustrates the main Categories of Climate-related Risks:

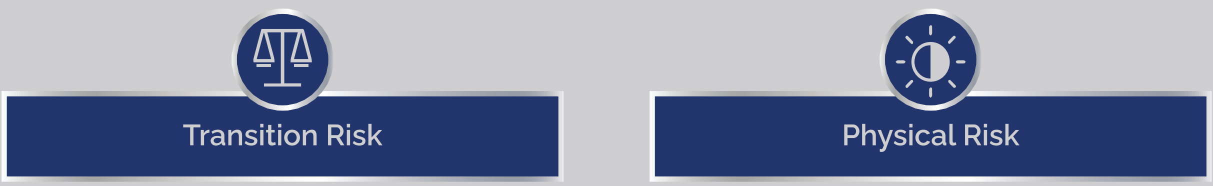


FIGURE 20 Main Categories of Climate-related Risks

To mitigate these risks, the Bank adopt strategies across short-, medium-, and long-term horizons, as detailed below.

Transition Risk

We define transition risk as the risk of economic dislocation and financial losses is associated with the process of transitioning to a low-carbon economy. Table 6 summarises how these transition risks may emerge over short-, medium- and long-term time horizons, in alignment with the recommendations from the TCFD.

The selected time horizons align with Bank Rakyat's existing business planning cycles, which are regularly reviewed, realigned, and reassessed to stay in step with our transformation plans. These planning cycles are designed to address the dynamic changes in the financial industry, enabling us to remain responsive to the evolving needs of our business, customers, and stakeholders. While climate-related issues often unfold over medium to longer-term horizons, the precise timing and impact of these risks remain uncertain. Nonetheless, climate-related considerations are increasingly integrated into Bank Rakyat's strategic and financial planning processes to ensure resilience and long-term sustainability.

Short Term 1-4 years	Medium Term 4-10 years	Long Term >10 years
Carbon Tax The implementation of a carbon tax or scheme may impact the implementation of the Bank's growth and expansion strategies as well as profitability	**Regulatory Changes** The Bank may face challenges in adapting to regulatory changes, such as low-carbon or energy efficiency measures, which could result in penalties	**Susceptibility to Litigation** The Bank may increasingly be targeted with climate-related litigations based on perceived contribution to global warming leading to high legal costs
Takaful Premiums Increased flood frequency and severity may result in higher claims and increasing takaful contributions resulting in higher operating costs	**Increased Expectations** Increasing customer expectations for climate-related products and services may pose challenges in maintaining the Bank's market share and its competitiveness	**Brand Reputation** Customer trust may be lost if the Bank is unable achieve Net Zero Emissions by 2050 target
Energy Demand Rising costs of energy prices as the world's energy system adapts to climate change compounded by the Bank's increasing energy demands as the business grows	**Market Expansion** The Bank will need to be proactive in seizing opportunities of new products/ services to support emerging climate solutions	
	Stranded Assets The Bank could face significant financial losses if its assets become stranded due to physical risk events, market shifts, regulatory changes, or the transition to a low-carbon economy	

TABLE 11 Potential Impact of Material Climate-related Transition Risks on the Bank over Different Time Horizons

Transition risk modelling

To address the impact of transition risk, Bank Rakyat developed a transition risk assessment model that utilises climate adjusted macroeconomic variables. We have selected internationally recognised scenarios developed by the Network for Greening the Financial System (NGFS) which provide a range of potential pathways for global greenhouse gas emissions and the economic and policy shifts required for a transition to a low-carbon economy, as shown in Table 11, with a time horizon up to 2050. By analysing transition risks through NGFS scenarios, the Bank gains valuable insights into the potential impacts on its operations, portfolio, and stakeholders, enabling informed decision-making to support resilience and alignment with climate goals.

Orderly: Net Zero 2050 (NZ 2050)	Disorderly: Divergent Net Zero 2050 (DNZ 2050)	Hot House World: Nationally Determined Contributions (NDCs)
A scenario which limits global warming to 1.5°C through stringent climate policies and innovation, reaching global Net Zero CO2 emissions around 2050. Some jurisdictions such as the US, EU and Japan reach Net Zero for all GHGs.	A scenario reaches net zero around 2050 but with higher costs due to divergent policies introduced across sectors leading to a quicker phase out of oil use.	A scenario assumes both implemented and pledged policy measures are fully implemented but remains inadequate to facilitate an orderly transition.

TABLE 12 Overview of the NGFS Phase III Climate Scenarios Used

The assessment of transition risks considers the potential impacts on the bank's collaterals, operations, and impact to capital and revenue. The inherent risks are both quantitatively and qualitatively described from an external perspective, reflecting the influence of climate-related factors and enabling a comparison of risks across different scenarios. As these scenarios evolve, Bank Rakyat is committed to adapting its strategies to actively manage and mitigate these risks effectively.

Physical Risk

Physical risk is defined as the risk with direct physical impacts on an area, physical property, or business operations can be caused by climate hazards, which can be categorised into two types, as shown in Figure 21,

Acute Physical Risk
Extreme climate events such as storms, floods, and droughts

Chronic Physical Risk
Progressive shifts in climate patterns, such as increasing temperatures and sea-level rise

FIGURE 21 Types of Physical Risks

Physical risk modelling

We recognise the importance of safeguarding the resilience of the Bank's operations and assets. Understanding our exposure to physical risks is critical for building a more climate-resilient business. Through scenario analysis using the globally recognised Intergovernmental Panel on Climate Change (IPCC) scenarios, we have identified floods as a key physical risk, representing the most significant climate-related threat in Malaysia.

The IPCC scenarios are built on Representative Concentration Pathways (RCPs), which are standardised climate modelling pathways that project potential future climate conditions based on different levels of greenhouse gas (GHG) concentrations. Each RCP represents a distinct trajectory of GHG concentrations and their effects on climate conditions, including precipitation, temperature, and wind patterns. This analysis enables Bank Rakyat to quantify potential financial exposures, identify vulnerabilities in flood-prone regions, and understand the implications of flood frequency and severity on asset values and financing portfolios. Such insights strengthen decision-making for risk mitigation and enhance the Bank' operational and financial resilience in an era increasingly impacted by climate-related flooding.

To address the impact of physical risk, Bank Rakyat developed a physical risk assessment model by mapping the geospatial locations of our material assets at the address level against their elevation levels and forecasted precipitation data under key scenarios, as illustrated in Table 12, with a time horizon extending to 2050.

RCP 2.6	RCP 4.5	RCP 6.0	RCP 8.5
The most ambitious scenario in line with the Paris Agreement's stated 2°C limit/1.5°C aim. This RCP is consistent with substantial reduction of GHG emissions, which would peak around 2020, then decline on a linear path and become net negative before 2100.	An intermediate-emissions scenario, consistent with a future with relatively ambitious emissions reductions and GHG emissions increasing slightly before starting to decline in 2040.	A high-to-intermediate emissions scenario where GHG emissions peak at around 2060 and then decline through the rest of the century.	A high-emissions scenario, consistent with a future within no policy changes to reduce emissions and characterised by increasing GHG emissions that lead to high atmospheric GHG concentrations. It is aligned broadly with Current Policies or Business-As-Usual Scenarios.

TABLE 13 Four Selected IPCC Representative Concentration Pathways (RCPs) Scenarios

Strategy

GRI 201

In view of the risks posed by floods, the Bank has established several climate risk-related framework and policies as follows:

- Integrate ESG elements into its assessment framework to ensure comprehensive evaluations aligned with the Bank's risk appetite. The measurement of climate risks is translated into a risk rating—such as high, medium, or low to facilitate Bank's decision making in offering financing or entering such business activities where applicable.

- Adoption of a Climate Risk Management Policy to guide the Bank in understanding and mitigating the potential impacts of climate-related risks on its business model and strategy. This policy enhances the Bank's resilience to climate-related risks and supports a just and orderly transition to a low-carbon economy.

- Developed an assessment template aligned with BNM's Climate Change and Principle-based Taxonomy (CCPT), incorporating guiding principles and classification requirements for financial investment activities.

- Moving forward, the Bank plans to actively engage customers through a nurturing program, facilitating their shift towards sustainable and climate-resilient practices. This engagement focuses on high climate impact sectors, such as upstream oil & gas, coal & gas power plant, iron & steel manufacturing, cement manufacturing, and mining.

- Moving forward, the Bank will leverage the analysis conducted and insights gathered from the climate modelling exercise to develop targeted strategies aimed at further mitigating identified risks and enhancing resilience.

Climate-related Opportunities

We are also actively exploring potential climate-related opportunities in areas such as enhancing resource efficiency, adopting alternative energy sources, developing innovative financial products, and strengthening business resilience against climate change. These efforts align with the Bank's commitment to leveraging climate change as a catalyst for sustainable growth while ensuring long-term business resilience and value creation for stakeholders.

The Bank has identified and seized diverse opportunities in the key areas outlined below:

- Transition finance
  Provide financial support to industries, businesses, or projects transitioning towards lower-carbon, more resource-efficient, and environmentally responsible practices.

- Renewable energy
  Supporting investments and financing for renewable energy projects to promote cleaner energy alternatives.

- Sustainable products
  Developing innovative sustainable products, such as green financing, sukuk, and eco-friendly banking services, to encourage sustainable practices among customers.

Organisational Resilience to Climate Change

By integrating sustainability into our strategy, Bank Rakyat strengthens its business resilience, creates inclusive value for stakeholders, supports national development objectives, and contributes to addressing global sustainability challenges. Through engagements with key stakeholders across our business functions, the insights from our latest scenario analysis have provided valuable perspectives on building resilience against potential worst-case climate change impacts. However, we acknowledge the limitations of these scenarios, as they represent hypothetical futures with uncertainties regarding the magnitude and timing of these risks. Our analysis highlights that the strategic actions we have taken have enhanced the Bank's resilience to climate-related risks, positioning us to navigate future challenges effectively.

Risk Management

GRI 201

Bank Rakyat has established a risk management framework to ensure a holistic assessment of climate-related risks and opportunities. In addition to the BRSFP, we have developed a Sustainability Risk Policy and Climate Risk Management Policy, both aligned with TCFD and CRMSA requirements. These policies are embedded into all the Bank's business activities to ensure the activities and strategy are aligned with the risk appetite and our commitment to sustainability. This framework enables the Bank to effectively identify, assess, and mitigate climate-related risks while supporting sustainable growth and meeting regulatory expectations. These risk considerations are integrated throughout our risk management approach, which includes:

FIGURE 22 Climate Risk Management Cycle

Financing activities constitute a significant portion of Bank Rakyat's climate-related risks. To address this, our credit risk evaluation processes incorporate a comprehensive range of climate-related considerations. This approach allows the Bank to support financing activities that align with climate resilience and objectives, fostering positive environmental and social outcomes while effectively managing associated risks. Through proactive measures and robust monitoring processes, Bank Rakyat aims to enhance resilience and deliver long-term value for stakeholders.

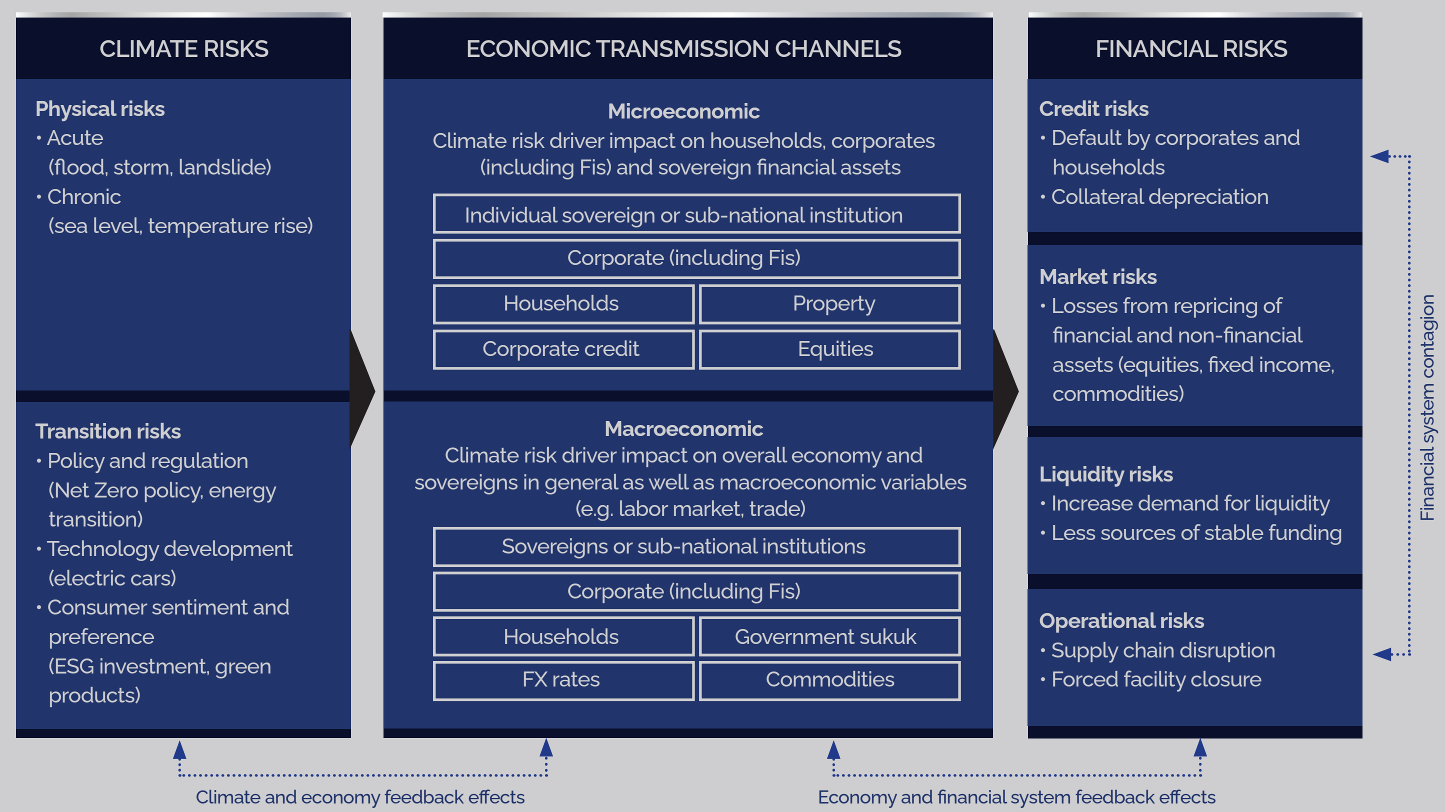


FIGURE 23 Climate-related Risks Transmission Channels

PROCESSES FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS

Bank Rakyat has established processes for identifying and assessing climate-related risks, which are integral to its climate strategy. This process enables us to effectively mitigate and minimize risks associated with climate change. Our approach is guided by the Bank's policies and Bank Negara Malaysia's Climate Change Principle-based Taxonomy (CCPT), a framework designed to help identify and categorize economic activities that enhance climate resilience. In 2024, we introduced the Bank Rakyat's Climate Risk Management Policy, which establishes our approach to identifying and assessing climate-related risks in line with the TCFD framework and key regulatory requirements across our operational markets. These risks, including physical, transition, and liability risks, are evaluated to ensure the Bank can effectively mitigate and manage their potential impacts.

Climate Risk Identification

Climate-related risks are identified based on their impacts on transaction activities, including financing and investing, considering both positive (benefits) and negative (risks) influences on the Bank's value in the short and long term. This identification process is guided by the Bank's policies and is updated annually or upon significant developments to ensure relevance and accuracy.
Key climate risk categories include:

- Physical Risks: Resulting from acute events like floods and droughts or chronic conditions such as rising sea levels and temperature changes, which can damage property, reduce productivity, and disrupt operations.
- Transition Risks: Arising from adjustments toward a low-carbon economy, including changes in regulations, carbon pricing, and shifts away from fossil fuels.
- Liability Risks: Associated with legal claims and financial impacts due to non-compliance or inaction related to ESG regulations.

The Bank maps the transmission of these risks to financial and non-financial impacts to assess materiality, likelihood, and concentration. To enhance its management of climate-related risks, Bank Rakyat emphasizes proactive engagement with material customers and counterparties. These engagements are conducted to understand their exposure, mitigation measures, and transition strategies for managing climate-related risks. For customers classified as high risk, the Bank may maintain the relationship within its approved risk appetite and business strategy.

Climate Risk Measurement and Monitoring

To measure identified material risks, Bank Rakyat employs a comprehensive assessment and measurement framework to evaluate potential exposures under different time horizons. The Bank is actively enhancing its processes to address climate-related risks by assessing customers' readiness and capacity to transition, mitigate, or reduce their risk exposure, along with their compliance with the regulations and standards. The efforts include the enhancement on evaluation process to assess the potential exposure to climate-related risks, including high-emission sectors, and verify the robustness of customers' mitigation strategies and transition plans.

Furthermore, the Bank also considers the effectiveness of customers' existing risk mitigation measures, supported by evidence such as certifications or approvals, in determining risk levels. To further support business and support units, the Bank will be developing measurement tools such as scorecards for assessment purpose to standardize evaluation of customers' risk profiles. This approach ensures alignment with regulatory standards and climate objectives, enabling the Bank to identify, measure, and mitigate climate-related risks effectively while fostering long-term resilience and value creation.

PROCESSES FOR MANAGING CLIMATE-RELATED RISKS

To effectively manage these risks, Bank Rakyat has established clear policies, procedures, and controls, reflecting its risk appetite and commitment to supporting a just and orderly transition toward a sustainable and resilient future. The processes include leveraging climate-related metrics, implementing risk controls, and fostering customer engagement to promote sustainable practices. By embedding these processes into its governance structure, the Bank aims to mitigate potential adverse impacts and capitalise on opportunities associated with climate change.

Climate Risk Monitoring

Bank Rakyat has developed the necessary policies and frameworks to prepare the bank to measure and monitor selected climate-related risks on a regular basis. The following considerations have been made in the framework development to support the operationalisation within the Bank:

- Metrics Integration: Climate-related metrics, such as GHG emissions are integrated into the Bank's risk monitoring, reporting, and escalation framework. These metrics are essential for tracking risk appetite, business strategy, business plans, and climate-related targets.
- Key Metrics and Indicators: Data on key climate-related metrics and indicators such as GHG emissions are monitored and reported for internal purposes to help the Bank track exposures and assess potential impacts on climate risk levels.

Climate Risk Controls

The Bank has established the climate risk management policy which are foundational to support the establishment of risk controls and integrate climate considerations into the risk appetite framework, and promotion of a just and orderly transition for customers and counterparties. Furthermore, the Bank also supports its customers in transitioning toward sustainable and climate-resilient practices, such as providing green financing to support green initiatives. Through a forward-looking transition strategy, the Bank ensures a gradual, progressive, and transparent rebalancing of high-risk exposures, aligning its efforts with regulatory expectations, business objectives, and long-term climate goals.

By integrating these processes into its overall risk management approach, Bank Rakyat ensures a structured and proactive approach to identifying, monitoring, and controlling climate-related risks, supporting long-term resilience and sustainable growth.

Risk Management

GRI 201

INTEGRATION INTO THE ORGANISATION'S OVERALL RISK MANAGEMENT

Bank Rakyat has aligned its practices with the TCFD disclosure requirements, integrating the identification, assessment, and management of climate-related risks into its overall risk management framework. While climate-related risks are distinctive elements, they are also reflected as risk drivers of existing risk types, including credit, market, operational, and liquidity risks. Material risk assessment is conducted to evaluate the sources and levels of these risks, enabling the development of effective management controls.

Currently, sustainability is one of six major risks at Bank Rakyat, illustrated in Figure 24. Climate change and its associated risks and opportunities are categorised under this pillar, ensuring that these critical challenges are systematically addressed within the Bank's climate strategy.

MAJOR RISK TYPES					
CREDIT RISK	LIQUIDITY RISK	MARKET RISK	OPERATIONAL RISK	TECHNOLOGY RISK	SUSTAINABILITY RISK

FIGURE 24 Major Risk Types

The Bank has established a comprehensive material risk assessment framework for climate-related risk impact on credit, market, and liquidity risk quantitatively and operational risk impacts qualitatively. Moving forward the Bank intends to leverage on the existing framework to support its upcoming climate risk stress testing exercise in the upcoming year.

Metrics and Targets

GRI 305

Bank Rakyat's commitment to a net-zero future is deeply embedded in its operations and financing activities. The Bank is focused on achieving its carbon emission reduction target through a collective effort, including but not limited to, improving operational efficiency, increasing the use of renewable energy, and implementing energy-saving initiatives across its branches and office buildings.

NO.	KEY METRICS	DESCRIPTIONS	UNIT OF MEASUREMENT
1	GHG Emissions Historical and current GHG Emissions	Scope 1: Mobile Combustion	177 tCO2e
		Scope 1: Stationary Combustion	21 tCO2e
		Scope 2: Purchased Power	30,742 tCO2e
		Scope 3: Employee Commuting (Category 7)	11,945 tCO2e
2	Transition Risks Amount and extent of assets or business activities vulnerable to transition risks	Concentration of credit exposure to or investments in companies with carbon-related assets or business activities by sector e.g., energy, agriculture, construction, transportation, mining and quarrying, waste, food, and forest products.	• Proportion of portfolio in high climate impact sectors (%) :- • Broad Property Sector 20.9% • Primary Agriculture 1.3% • Mining & Quarrying 1.4% • Electricity, Gas & Water 2.1%
3	Climate-Related Opportunities Amount and extent of Financings and Investments Aligned with Climate-Related Opportunities.	Total amount of financings and investments aligned with climate-related opportunities across retail banking, business banking, and investment portfolios.	Total financing and investments aligned with climate-related opportunities: RM 1.76 billion
4	Capital Deployment Amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities	Share of financial assets (e.g., financing, investment assets) based on classification by green taxonomy for example BNM's Climate Change and Principles-based Taxonomy ("CCPT").	• Proportion of portfolio in CCPT classification of newly approved and accepted financing for business SME and non-SME (%):- • C1 (26.7%) • C2 (0.0%) • C3 (28.0%) • C4 (0.0%) • C5a (21.6%) • C5b (23.7%)

TABLE 14 Climate-related Metrics

Appendices

APPENDIX 1 OUTLINE OF TCFD RECOMMENDATION

TCFD Pillars		TCFD Recommendations	Section(s)
Governance	G1	Board Oversight of Sustainability and Climate-related Matters	Governance Structure
	G2	Sustainability Governance Structure Including Climate-related Matters at the Management Level	Management Oversight
	G4	Sustainability and Climate-related Training	Governance Structure
	G7	Separate Committee on Sustainability and Climate-related Matters	Governance Structure
Strategy	S1	Identification on Climate-related Risks and Opportunities	Identification and Impact of Climate-related Risks
	S2	Impact of Climate-related Risks and Opportunities	Identification and Impact of Climate-related Risks
	S3	Strategy and Risk Appetite on Climate Change-related Risks and Sustainability Measures	Our Climate Ambition
	S4	Scenario Analysis as an Opportunity to Improve Strategic Resilience and Explore Climate Vulnerabilities	Climate-related Opportunities
Risk Management	R1	Process for Identifying and Assessing Climate-related Risks	Integration into the Organization's Overall Risk Management
	R2	Process for Managing Climate-related Risks	Processes for Managing Climate-related Risks
	R3	Process for Integrating (i) Process for Identifying and Assessing Climate-related Risks and (ii) Process for Managing Climate-related Risks; into Overall Risk Management	Processes for Identifying and Assessing Climate-related Risks
	R4	Process for Identifying and Assessing Climate-related Risks	Integration into the Organization's Overall Risk Management
	R5	Process for Managing Climate-related Risks	Processes for Managing Climate-related Risks
	R6	Process for Integrating (i) Process for Identifying and Assessing Climate-related Risks and (ii) Process for Managing Climate-related Risks; into Overall Risk Management	Processes for Identifying and Assessing Climate-related Risks
Metrics & Targets	M1	Key Climate-related Metrics	Climate-related Metrics

GRI Index

Statement of use	Bank Kerjasama Rakyat Malaysia has reported in accordance with the GRI Standards for the period 01 January 2024 to 31 December 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Not applicable

GRI Standard	Disclosure	Description	Page Number(s)
GRI 2: General Disclosures 2021	2-1	Organisational details	43 - 44
	2-2	Entities included in the organisation's sustainability reporting	7
	2-3	Reporting period, frequency and contact point	6 - 7
	2-4	Restatements of information	
	2-5	External assurance	7
	2-6	Activities, value chain and other business relationships	42 - 44
	2-7	Employees	84 - 91
	2-8	Workers who are not employees	84 - 85
	2-9	Governance structure and composition	43 - 44
	2-10	Nomination and selection of the highest governance body	
	2-11	Chair of the highest governance body	8 - 11
	2-12	Role of the highest governance body in overseeing the management of impacts	8 - 11
	2-13	Delegation of responsibility for managing impacts	102 - 104
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	
	2-16	Communication of critical concerns	
	2-17	Collective knowledge of the highest governance body	
	2-18	Evaluation of the performance of the highest governance body	
	2-19	Remuneration policies	
	2-20	Process to determine remuneration	
	2-21	Annual total compensation ratio	
	2-22	Statement on sustainable development strategy	48 - 51

GRI Index

GRI Standard	Disclosure	Description	Page Number(s)
GRI 2: General Disclosures 2021	2-23	Policy commitments	
	2-24	Embedding policy commitments	
	2-25	Processes to remediate negative impacts	
	2-26	Mechanisms for seeking advice and raising concerns	
	2-27	Compliance with laws and regulations	20 - 21
	2-28	Membership associations	
	2-29	Approach to stakeholder engagement	54
	2-30	Collective bargaining agreements	

Disclosure	Description	Page Number(s)
	GRI 3: Material Topics 2021	
3-1	Process to determine material topics	55
3-2	List of materials topics	55
	GRI 201: Economic Performance 2016	
3-3	Management approach	
201-1	Direct economic value generated and distributed	28 - 32
201-2	Financial implications and other risks and opportunities due to climate change	106 - 114
201-3	Defined benefit plan obligations and other retirement plans	
201-4	Financial assistance received from government	
	GRI 203: Indirect Economic Impact 2016	
3-3	Management approach	70
203-1	Infrastructure investments and services supported	62 - 66
203-2	Significant indirect economic impacts	62 - 66, 78 - 81
	GRI 204: Procurement Practice 2016	
3-3	Management approach	
204-1	Proportion of spending on local suppliers	

GRI Index

Disclosure	Description	Page Number(s)
	GRI 205: Anti-Corruption 2016	
3-3	Management approach	94 - 95
205-1	Operations assessed for risks related to corruption	94 - 95
205-2	Communication and training about anti-corruption policies and procedures	94 - 95
205-3	Confirmed incidents of corruption and actions taken	94 - 95
	GRI 206: Anti-Competitive Behavior 2016	
3-3	Management approach	94 - 95
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practice	94 - 95
	GRI 301: Materials 2016	
3-3	Management approach	
301-1	Materials used by weight or volume	
301-2	Recycled input materials used	
301-3	Reclaimed products and their packaging materials	
	GRI 302: Energy 2016	
3-3	Management approach	
302-1	Energy consumption within the organisation	
302-2	Energy consumption outside of the organisation	
302-3	Energy intensity	
302-4	Reduction of energy consumption	
302-5	Reductions in energy requirements of products and services	
	GRI 303: Water and Effluents 2018	
3-3	Management approach	
303-1	Interactions with water as a shared resources	
303-2	Management of water discharge-related impacts	
303-3	Water withdrawal	
303-4	Water discharge	
303-5	Water consumption	

GRI Index

Disclosure	Description	Page Number(s)
	GRI 305: Emissions 2016	
3-3	Management approach	44
305-1	Direct (Scope 1) GHG emissions	115
305-2	Energy indirect (Scope 2) GHG emissions	115
305-3	Other indirect (Scope 3) GHG emissions	115
305-4	GHG emissions intensity	
305-5	Reduction of GHG emissions	
305-6	Emissions of ozone-depleting substances (ODS)	
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	
	GRI 401: Employment 2016	
3-3	Management approach	86
401-1	New employee hires and employee turnover	86
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	88 - 89
401-3	Parental leave	88 - 89
	GRI 403: Occupational Health and Safety 2018	
3-3	Management approach	90 - 91
403-1	Occupational health and safety management system	90 - 91
403-2	Hazard identification, risk assessment, and incident investigation	90 - 91
403-3	Occupational health services	90 - 91
403-4	Worker participation, consultation, and communication on occupational health and safety	90 - 91
403-5	Worker training on occupational health and safety	90 - 91
403-6	Promotion of worker health	90 - 91
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	90 - 91
403-8	Workers covered by an occupational health and safety management system	90 - 91
403-9	Work-related injuries	90 - 91
403-10	Work-related ill health	90 - 91

GRI Index

Disclosure	Description	Page Number(s)
	GRI 404: Training and Education 2016	
3-3	Management approach	88
404-1	Average hours of training per year per employee	88
404-2	Programs for upgrading employee skills and transition assistance programs	88 - 89
404-3	Percentage of employees receiving regular performance and career development reviews	88
	GRI 405: Diversity and Equal Opportunity 2016	
3-3	Management approach	84 - 85
405-1	Diversity of governance bodies and employees	84 - 85
405-2	Ratio of basic salary and remuneration of women to men	
	GRI 413: Local Communities 2016	
3-3	Management approach	76 - 81
413-1	Operations with local community engagement, impact assessments, and development programs	62 - 67, 78 - 80
413-2	Operations with significant actual and potential negative impacts on local communities	62 - 67, 78 - 80
	GRI 418: Customer Privacy 2016	
3-3	Management approach	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	

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