BANKRAKYAT
بيغك رعيه

Your Bank of Choice

EMPOWERING
BEYOND BOUNDARIES

ANNUAL REPORT **2025**





SHAPING TOMORROW TOGETHER

Empowering Beyond Boundaries captures the essence of Bank Rakyat's journey as we continue to evolve with purpose in an increasingly dynamic world. It reflects our belief that banking should not be confined to transactions alone, but should serve as a catalyst for opportunity, inclusion and sustainable progress. Every initiative we undertake, every partnership we forge and every solution we deliver is guided by a single purpose—to empower people to move beyond limitations and realise greater possibilities.

This theme also marks an important milestone in our journey. As we look to the future, we are building on our strong cooperative heritage while embracing innovation, sustainability and digital transformation to meet the evolving needs of our members, customers and communities. By empowering beyond boundaries, we are creating a future where growth is shared, opportunities are accessible and prosperity is built collectively, ensuring that Bank Rakyat remains a trusted partner in the progress of Malaysia for generations to come.

To access our Annual Report, please scan the QR code with your smart device.

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ABOUT US

BANK RAKYAT OVERVIEW

We are Malaysia's LARGEST ISLAMIC COOPERATIVE BANK

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 and 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, micro, small and medium enterprises (MSMEs) and a whole range of other stakeholders.

MISSION

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

VISION

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

CORE VALUE

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

ABOUT US

BANK RAKYAT OVERVIEW

OUR MANTRA

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

OUR PRINCIPAL ACTIVITIES

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

OUR LEGACY

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

OUR STRENGTH

EMPLOYEES
6,193
PERSONNEL

PROFIT BEFORE TAXATION AND ZAKAT
1.89
BILLION

CUSTOMERS
9.03
MILLION

SHAREHOLDERS
783,324
INDIVIDUALS AND COOPERATIVES

MEMBERS' SHARE CAPITAL
2.99
BILLION

TOTAL ASSETS
131.04
BILLION

OUR PRODUCTS

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

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

ABOUT US

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

BANK SECRETARY

- Mohamad Khairil Abidin

REGISTERED OFFICE

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

AUDITORS

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

COOPERATIVE REGISTRATION NUMBER

2192

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

WEBSITE

www.bankrakyat.com.my

OUR BUSINESS PILLARS

MEMBERS

To ensure continuous success through collectively directing the company's affairs, whilst maintaining shareholders' confidence by ensuring the appropriate interests of shareholders and stakeholders are met. Additionally, to deal with issues relating to business, finance, corporate governance, corporate social responsibility and corporate ethics in a transparent manner.

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 Malaysians.

NATION

To be a responsible corporate citizen that is not just driven by profit, but more notably, bringing positive changes to the economy, generating jobs and spearheading economic activities that will assist Malaysia in achieving a developed nation status within a high-income economy.

ABOUT US

THE BANK RAKYAT BRAND

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

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

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

ABOUT US

GROUP CORPORATE STRUCTURE

BANKRAKYAT بيڠكڽ رعيت

Your Bank of Choice

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

ABOUT US

BANK RAKYAT AND THE GOVERNMENT

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

MINISTRY OF ENTREPRENEUR DEVELOPMENT AND COOPERATIVES

CENTRAL BANK OF MALAYSIA
The Development Financial Institutions Act 2002

SURUHANJAYA KOPERASI Malaysia

Cooperative Act 1993

BANKRAKYAT بيڠكڽ رعيت

Your Bank of Choice

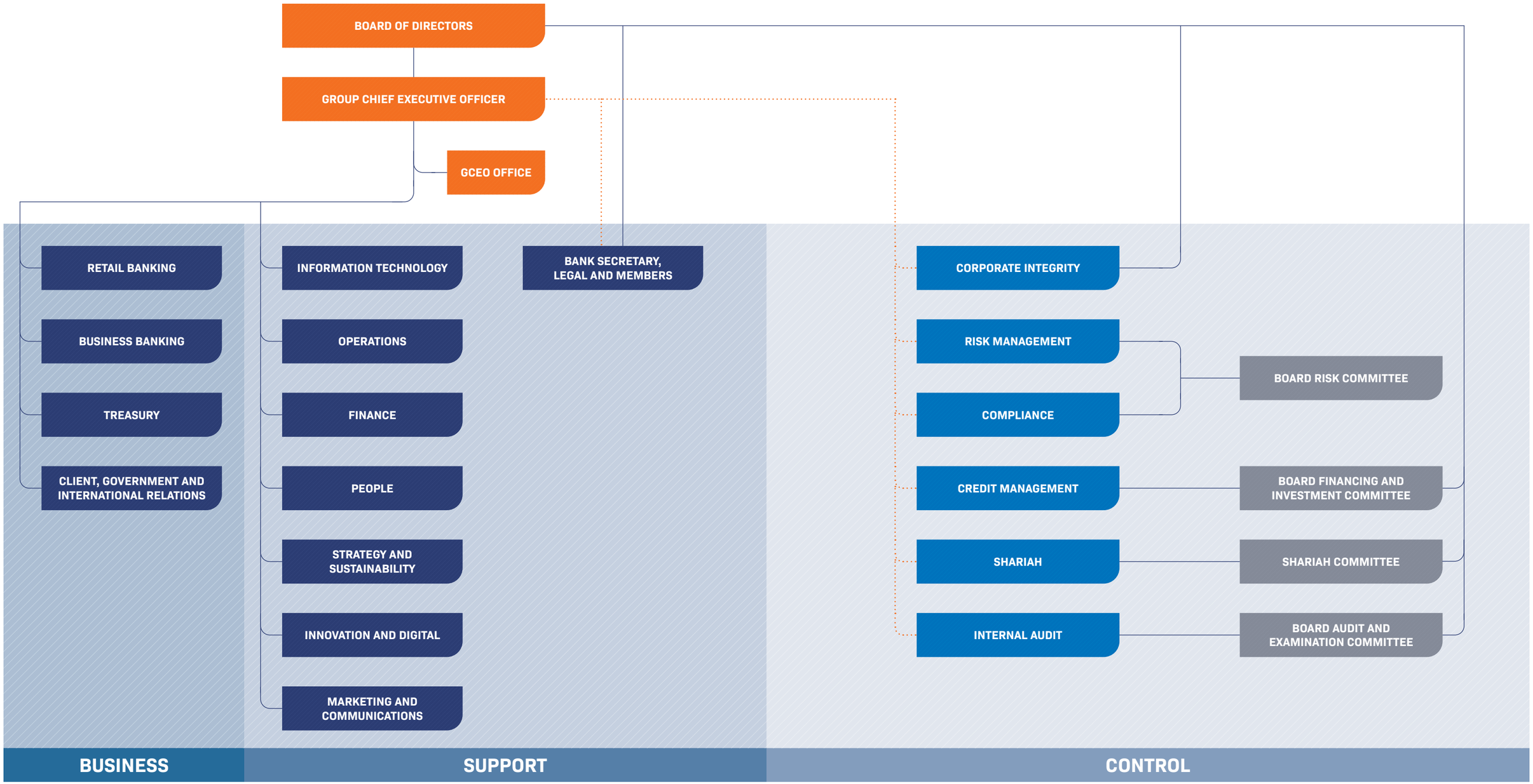
By-Law

ABOUT US

ORGANISATION CHART

ABOUT US

ORGANISATION CHART



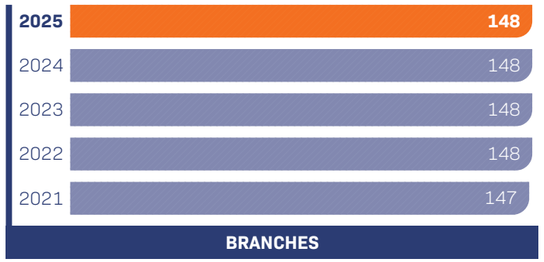
Where

Enterprises Flourish

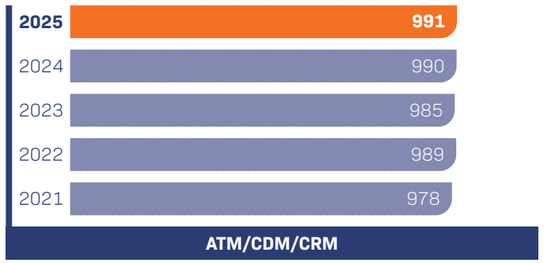
Empowering businesses to innovate, grow and prosper, driving sustainable progress for the economy and the communities we serve.

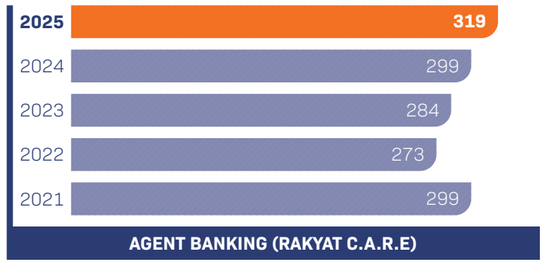
A SNAPSHOT

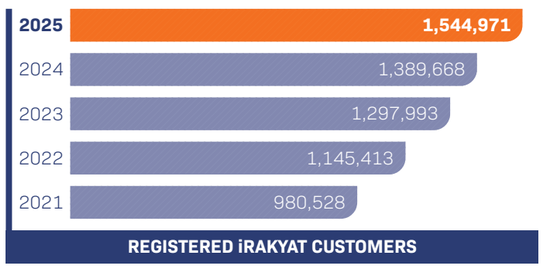
FIVE-YEAR PERFORMANCE (NON-FINANCIAL)

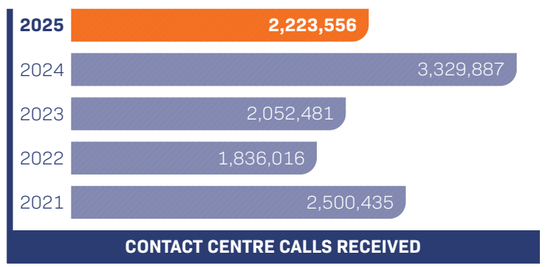




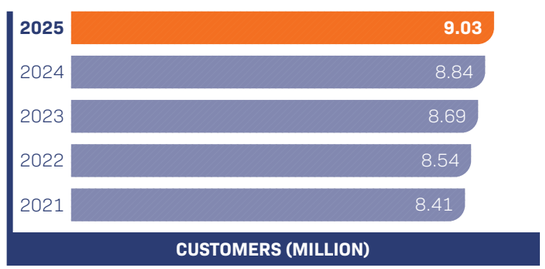






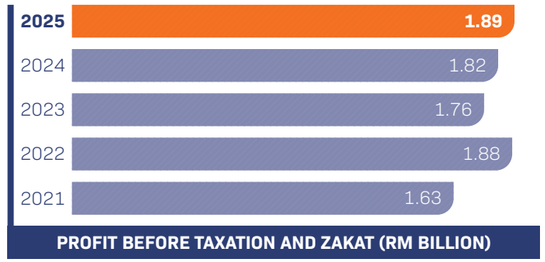


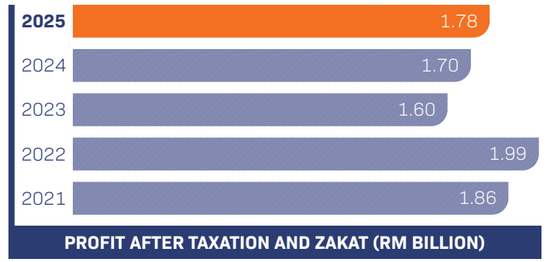




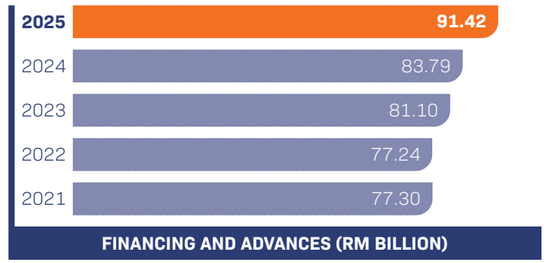
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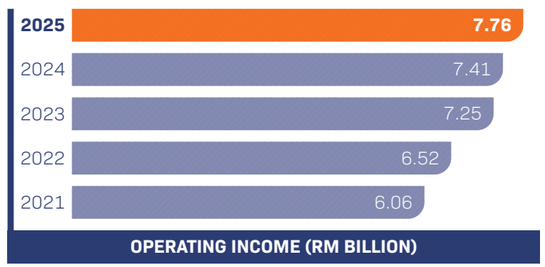
FIVE-YEAR PERFORMANCE (FINANCIAL)

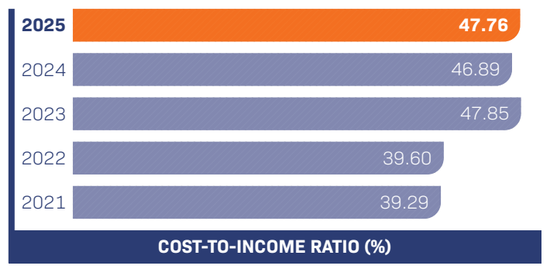


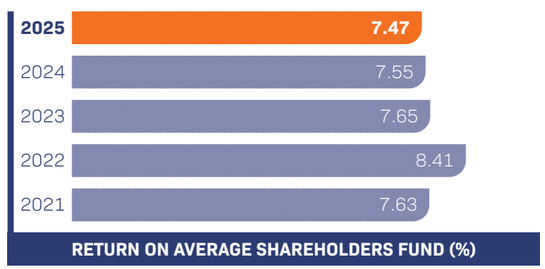


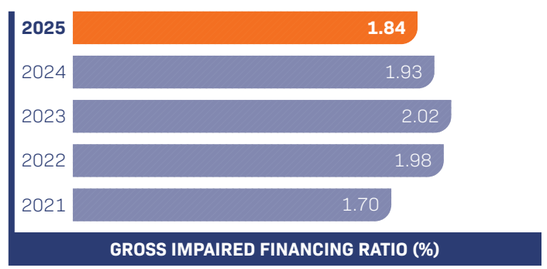












A SNAPSHOT

QUARTERLY PERFORMANCE

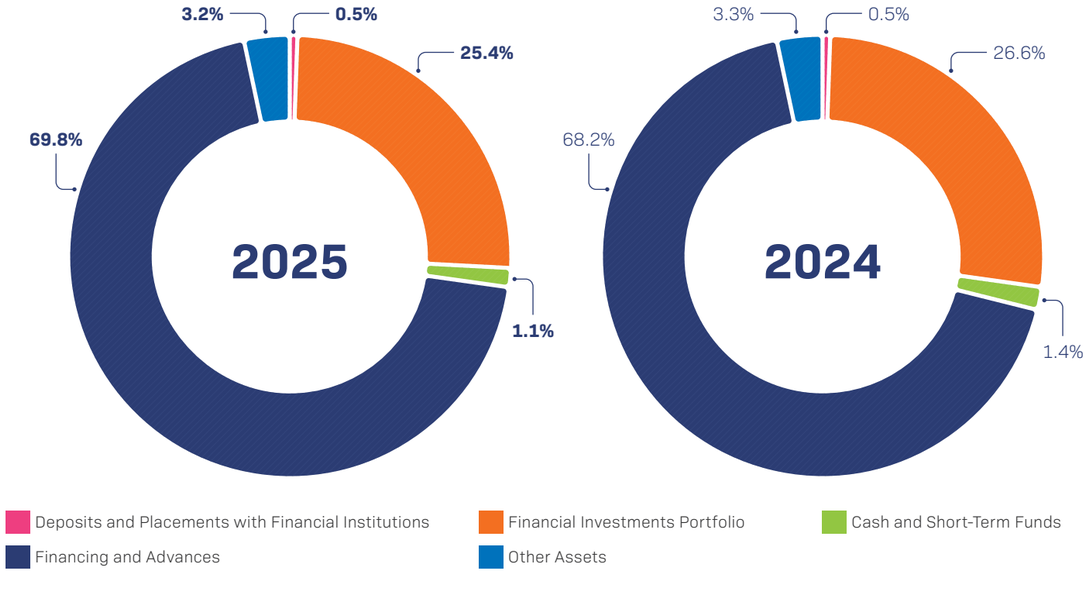
	(RM Billion)	Q1	Q2	Q3	Q4
2025	Income	**1.71**	**1.66**	**1.70**	**1.75**
	Expenditure	**0.90**	**0.93**	**0.89**	**0.89**
	Net Income	**0.81**	**0.73**	**0.81**	**0.86**
	Profit Before Taxation and Zakat	**0.39**	**0.42**	**0.47**	**0.61**
	Profit After Taxation and Zakat	**0.36**	**0.45**	**0.33**	**0.64**
	(RM Billion)	**Q1**	**Q2**	**Q3**	**Q4**
2024	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

A SNAPSHOT

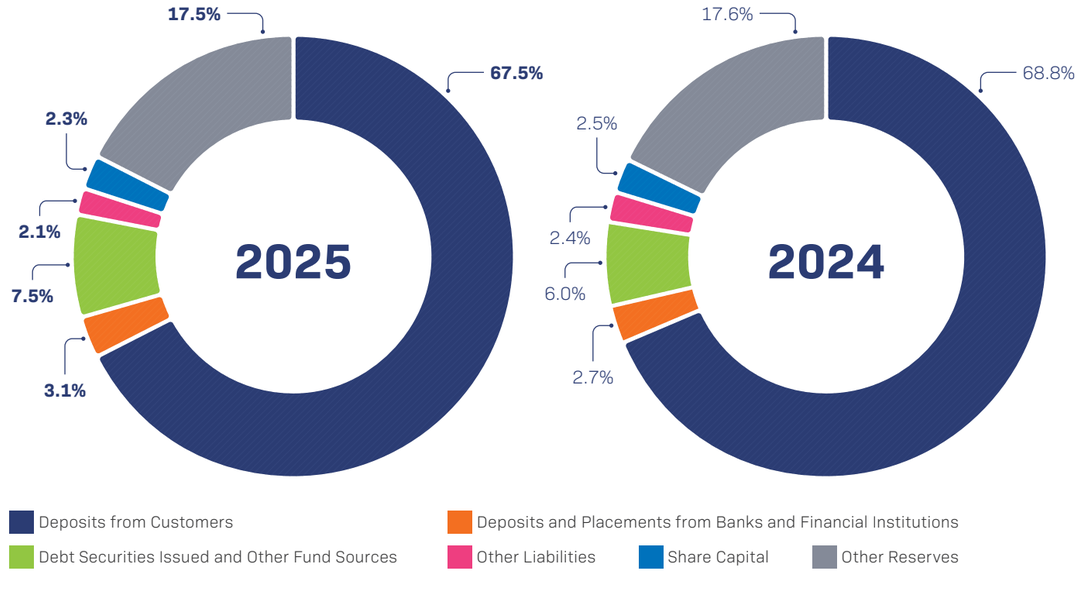
SEGMENTAL ANALYSIS FOR BANK EARNINGS

		Percentage (%)	RM'000
2025	Retail Banking	**61.4**	**5,049,670**
	Commercial Banking	**4.3**	**353,880**
	Fee-Based	**3.9**	**323,979**
	Ar-Rahnu	**6.8**	**555,748**
	Others	**23.6**	**1,946,772**
		Percentage (%)	**RM'000**
2024	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

ASSETS

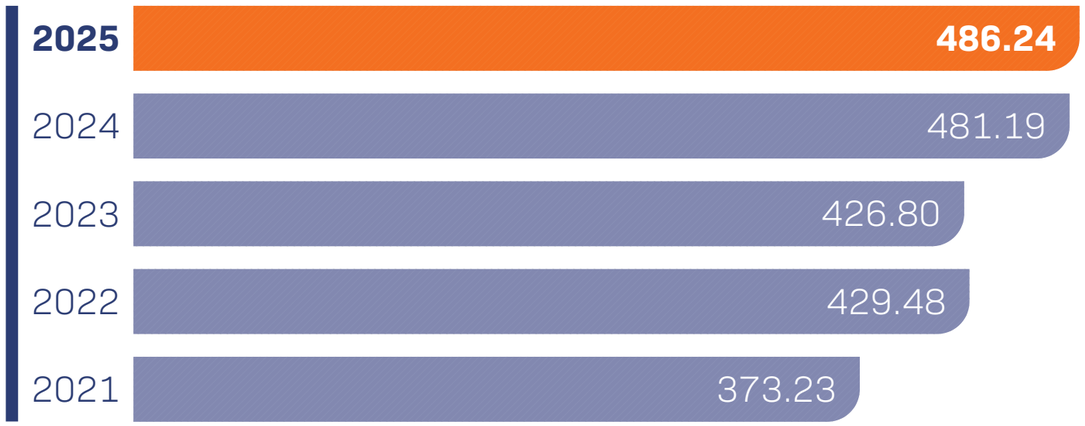


LIABILITIES AND EQUITY



A SNAPSHOT

DIVIDEND (RM MILLION)



A SNAPSHOT

OUR MEMBERS

TOTAL MEMBERS (INDIVIDUALS AND COOPERATIVES): 2021 - 2025

2025
INDIVIDUALS
781,069
COOPERATIVES
2,255

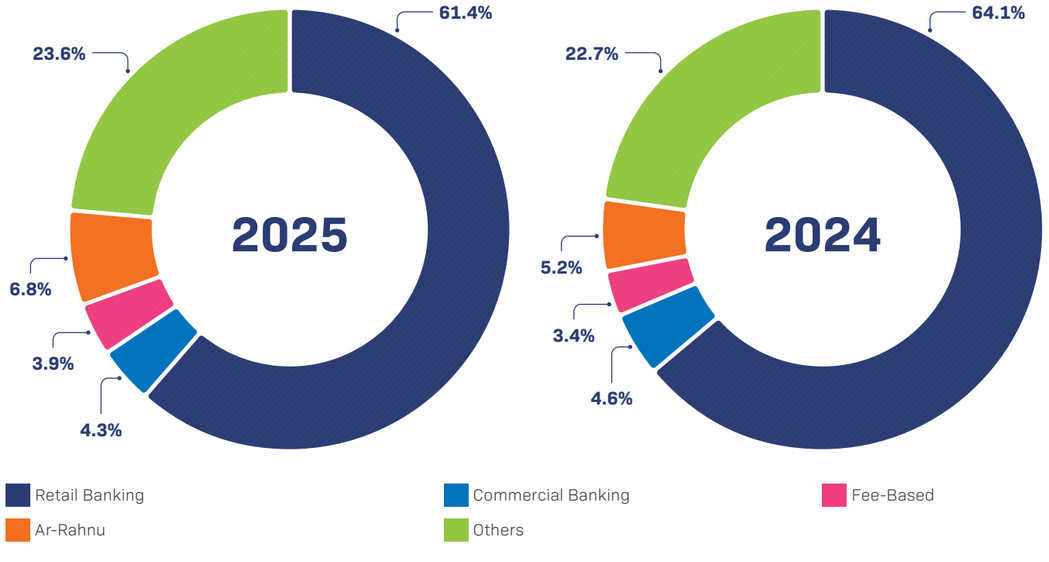
2024
INDIVIDUALS
789,932
COOPERATIVES
2,259

2023
INDIVIDUALS
800,559
COOPERATIVES
2,264

2022
INDIVIDUALS
815,367
COOPERATIVES
2,264

2021
INDIVIDUALS
824,799
COOPERATIVES
2,267

BANKING OPERATIONS PERFORMANCE



TOTAL SHARE CAPITAL (RM'000)

TOTAL SHARE CAPITAL (RM'000)

2025
2,986,030

2024
2,986,030

2023
2,986,030

2022
2,986,030

2021
2,986,030

A SNAPSHOT

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 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 Peninsular Malaysia.

1963

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

1964

- Commencement of the 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.

A SNAPSHOT

KEY MILESTONES

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 Genossenchaftsbank (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 the Bank's membership to 29,002 comprising 28,134 individuals and 868 cooperatives.
- Increase in the 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.

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 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).

A SNAPSHOT

KEY MILESTONES

1990

- Approval received to use Bank Rakyat's reserves amounting to RM96.70 million to cover accumulated losses totalling RM86.60 million.
- Announcement of the distribution of a 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:
  i. To encourage and promote the development of cooperatives.
  ii. To transform cooperative into a sustainable movement.
  iii. To reform cooperative administration and management.
  iv. 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, the 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 Peninsular Malaysia 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.

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 the Electronic-Banking Centre (EBC) or eRakyat at Jalan Tangsi branch, Kuala Lumpur.

2004

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

2005

- Bank Rakyat became 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 a 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.

A SNAPSHOT

KEY MILESTONES

A SNAPSHOT

KEY MILESTONES

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 corporate social 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 a 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 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 supporting savings and alternative income channels, and not just to 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.

2024

- RAKYAT Accelerator, The RAKYATpreneur alumni initiative and Bank Rakyat UNIpreneur programme aimed to secure additional funding with a total fund value of RM300,000 through the presentation of their respective business plans.



- Bank Rakyat and Syarikat Perumahan Negara Berhad (SPNB) formed a strategic partnership through the Rumah Mesra Rakyat Programme to provide opportunities for low-income groups to own their own homes by subscribing to Bank Rakyat's Home Financing-i and Personal Financing-i products. The programme targets households with a monthly income of under RM5,000 who do not own a home or are living in dilapidated houses but have land available to build their own homes.



A SNAPSHOT

SIGNIFICANT EVENTS OF 2025

14 JANUARY 2025



As part of its ongoing digital transformation journey, Bank Rakyat introduced **Balqis**, the first AI-powered digital influencer in Malaysia's banking industry. Designed to elevate customer engagement, Balqis leverages artificial intelligence to deliver personalised financial insights and guidance, reflecting the Bank's commitment to innovation and customer-centric digital solutions.

24 JANUARY 2025



Bank Rakyat celebrated and recognised the winners of the **Akaun Pelaburan-i Rizq Plus 2025** Grand Prize Draw during a prize presentation ceremony held at Menara Kembar Bank Rakyat. The event honoured customers who received prizes worth a total of RM5.8 million, including the RM1 million grand prize, reaffirming the Bank's commitment to rewarding customers while promoting Shariah-compliant investment solutions and encouraging long-term financial planning.

25 FEBRUARY 2025



Bank Rakyat marked a significant milestone with the presentation of additional financing under the **Bank Rakyat Indian Entrepreneur Financing-i (BRIEF-i)** programme, following an increase in the funding allocation by the Ministry of Entrepreneur and Cooperatives Development (KUSKOP). The initiative reinforced the Bank's commitment to empowering Indian entrepreneurs by expanding access to Shariah-compliant financing and supporting the sustainable growth of micro, small and medium enterprises (MSMEs).

16 APRIL 2025



Bank Rakyat announced a 17% dividend for the financial year ended 31 December 2024, amounting to RM486.32 million. The dividend distribution reflects the Bank's strong financial performance, prudent financial management and continued commitment to delivering sustainable returns while creating long-term value for its members.

18 APRIL 2025



Bank Rakyat hosted its annual **Hari Raya Aidilfitri Celebration** to foster camaraderie, appreciation and togetherness among employees. The event provided an opportunity for the Bank's workforce to strengthen relationships, celebrate the festive season and reinforce the spirit of unity that underpins Bank Rakyat's organisational culture.

A SNAPSHOT

SIGNIFICANT EVENTS OF 2025

10 MAY 2025

Bank Rakyat successfully held its **Annual General Meeting (AGM)** 2025, providing members with an overview of the Bank's financial performance, key achievements and strategic priorities. The AGM served as an important platform to uphold transparency, accountability and good governance while strengthening engagement with the Bank's members.

5 JUNE 2025

Bank Rakyat launched the **Program Kembara Qurban Kemboja 2025**, reaffirming its commitment to extending humanitarian outreach beyond Malaysia's borders. Through the programme, the Bank facilitated the distribution of qurban meat and essential food aid to underserved Muslim communities in Cambodia, reflecting its continued dedication to fostering compassion, community well-being and meaningful social impact.



19 MAY 2025



Bank Rakyat strengthened its commitment to financial inclusion with the introduction of the **Mastercard Touch Card**, becoming the first Islamic bank in Malaysia to offer tactile-enabled payment cards for blind and partially sighted customers. Developed in collaboration with Mastercard and PERTIS, the initiative enhanced accessibility and empowered customers with greater independence, convenience and confidence in their everyday banking experience.

2 JULY 2025



Bank Rakyat achieved another significant milestone by becoming the first bank in Malaysia appointed as a Mutawalli by the Federal Territories Islamic Religious Council (MAIWP). This appointment enables the Bank to manage and administer waqf assets in accordance with Shariah principles, reinforcing its commitment to advancing Islamic social finance and creating sustainable socio-economic value for the community.

A SNAPSHOT

SIGNIFICANT EVENTS OF 2025

8 JULY 2025

Bank Rakyat strengthened its commitment to advancing Islamic financial governance through the organisation of the **Mosque and Surau Financial Management Seminar** in collaboration with the Johor Islamic Religious Department (JAINJ). The initiative enhanced financial literacy and promoted transparent, efficient and accountable financial management practices among mosque and surau administrators, supporting the sustainable development of Islamic social finance institutions.





18 - 20 JULY 2025

Bank Rakyat hosted the **Retail Banking Excellence Awards 2025** to recognise and celebrate outstanding achievements across its retail banking network. The annual event honoured high-performing branches and employees for their excellence, dedication and commitment to delivering exceptional customer service while driving the Bank's retail banking growth and performance.

30 SEPTEMBER 2025

Bank Rakyat reaffirmed its commitment to advancing Islamic education through the **Bank Rakyat Scholarship Programme 3.0**, providing full scholarships to selected students to pursue Shariah studies at The World Islamic Sciences and Education University (WISE) in Jordan. The initiative reflects the Bank's ongoing investment in developing future Islamic finance and Shariah talents while contributing to the nation's sustainable human capital development.



A SNAPSHOT

SIGNIFICANT EVENTS OF 2025

7 OCTOBER 2025



Bank Rakyat celebrated the winners of its **Hulurkan Salam** and **Go Privilege campaigns**, reaffirming its appreciation for customers' continued trust and loyalty. With prizes worth over **RM400,000**, the campaigns reflected the Bank's commitment to rewarding customers while enhancing engagement through meaningful value-added initiatives and enriching their overall banking experience.

13 OCTOBER 2025



Bank Rakyat launched a new **Kebun Nuri Nutrisi** project at SK Narinang, Kota Belud, Sabah, further expanding its flagship community programme to empower students through sustainable agriculture and entrepreneurship. The initiative reflects the Bank's continued commitment to nurturing future-ready generations by promoting financial literacy, environmental stewardship and practical entrepreneurial skills.

9 NOVEMBER 2025



Bank Rakyat served as the Title Sponsor of the **Bank Rakyat Johor International Marathon**, organised in collaboration with the Johor State Sports Council (MSNJ). The event promoted healthy living, community engagement and sports tourism while reinforcing the Bank's commitment to supporting initiatives that inspire active lifestyles and strengthen community well-being.

26 NOVEMBER 2025

Bank Rakyat marked another milestone in its sustainability journey with the installation of a **rooftop solar photovoltaic (PV) system** at its headquarters, Menara Kembar Bank Rakyat. The initiative underscores the Bank's commitment to reducing its environmental footprint, enhancing energy efficiency and advancing responsible operations in support of a low-carbon future.

6 DECEMBER 2025





Bank Rakyat organised the Muslimah Fest 2025, offering exclusive banking promotions and engaging customers through a vibrant lifestyle platform. On the same day, the Bank sponsored Mufti Menk in Malaysia programme, organised by Faith Events, reaffirming its commitment to promoting islamic lifestyle initiatives while fostering community engagement and meaningful social impact.

A SNAPSHOT

OUR PRESENCE THROUGHOUT MALAYSIA

148 BRANCHES — Offers full-fledged Islamic banking services.

27 AR-RAHNU X'CHANGE — Offers Islamic pawn broking services.

23 RAKYAT XCESS AND AR-RAHNU X'CHANGE — Offer Islamic pawn broking and essential services.

4 RAKYAT XCESS — Offers full-fledged Islamic banking services.

991 SELF SERVICE TERMINAL (SST) — Provide self-service banking facilities that cater basic banking services (i.e. deposit, withdrawal, fund transfers etc).

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

319 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)		Bank On Wheels (BOW) and Ar-Rahnu On Wheels (ARROW)		Agent Banking (RAKYAT C.A.R.E)	
	148	**75**							**991**		**9**		**319**	
	Branches	Rakyat Xcess and Ar-Rahnu X'Change	Ar-Rahnu X'Change	Rakyat Xcess	Rakyat X'Lite	Rakyat Xclusive Centre	AFC	MSC	In Premise	Off Premise	Bank Bergerak	ARROW	Cooperative	Sole Proprietor
Kuala Lumpur/ Putrajaya	14	-	2	-	1	2	2	1	58	28	1	-	2	-
Selangor	23	4	5	-	-	-	1	1	109	39	-	-	16	3
Kedah	10	3	3	-	-	-	1	-	55	18	-	1	14	2
Perlis	2	-	-	-	-	-	-	-	8	4	-	-	10	-
Pulau Pinang	7	-	-	-	-	-	1	1	25	8	-	-	8	-
Perak	12	2	4	1	-	-	1	-	52	25	-	-	24	4
Melaka	4	-	3	-	-	-	1	-	19	9	-	-	9	3
Negeri Sembilan	7	2	1	1	-	-	1	1	39	15	-	-	22	-
Johor	15	3	4	2	-	1	1	1	79	21	-	1	40	1
Kelantan	8	1	2	-	-	-	-	-	43	14	-	1	33	4
Terengganu	8	1	1	-	-	-	-	-	42	9	-	-	29	5
Pahang	11	2	1	-	-	-	-	-	49	27	-	1	40	11
Sabah and Labuan	13	1	-	-	-	-	1	1	55	43	-	3	14	3
Sarawak	14	4	1	-	-	-	1	-	60	38	-	1	17	5
Total	**148**	**23**	**27**	**4**	**1**	**3**	**11**	**6**	**693**	**298**	**1**	**8**	**278**	**41**

A SNAPSHOT

2025 ACCOLADES



Bronze in Banking, Investment and Insurance
Putra Aria Brand Awards

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

Business Partner Appreciation
Perodua Annual Conference 2025

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

Top 10 Raya TVCs 2025

ESG Leaderhip Excellence
Bumiputera Business Excellence Awards 2025

Outstanding Rural Community Program
Malaysia e-Payments Excellence Awards 2025

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

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

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

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

A SNAPSHOT

BANK RAKYAT IN THE MEDIA

BUSINESS

Bank Rakyat catat pembiayaan RM17.45 bilion melalui Kempen Mega Pembiayaan Peribadi-i



Bank Rakyat perkenal Balqis, teman digital perbankan AI pertama di Malaysia



Bank Rakyat lancar Pembiayaan Mortgage Suite-i, mudahkan rakyat miliki rumah



Bank Rakyat increases allocation for BRIEF-i to RM100 million to support Indian entrepreneurs



Bank Rakyat sasar RM700 juta nilai Akaun Pelaburan i-Rizq Plus tahun ini



Bank Rakyat tawar kadar untung Pembiayaan Perumahan-i 3.85 peratus





Bank Rakyat, Mastercard Bekerjasama Lancar Touch Card Untuk OKU Cacat Penglihatan

KUALA LUMPUR, 7 Mei (Bernama) -- Bank Rakyat dengan Mastercard bekerjasama untuk menyepadukan ciri kad sentuh, Touch Card ke dalam pelbagai jenis kad bank terpilih.

Kad ini membantu pemegang kad bank dalam kalangan orang kurang upaya (OKU) iaitu buta selain mereka yang mengalami masalah penglihatan separa bagi mengenal pasti kad kredit, debit dan prabayar mereka.

CORPORATE

Bank Rakyat perkasa Usahawan RAKYATpreneur dan UNIpreneur 2025 adaptasi teknologi dan pendigitalan perniagaan



Bank Rakyat raih dua pengiktirafan antarabangsa atas komitmen kewangan tanggungjawab



Bank Rakyat umum dividen 17 peratus



COMMUNITY

1,000 pelajar Sarawak terima sumbangan 'Jangkauan Komuniti MADANI Bank Rakyat'



Bank Rakyat sumbang RM300,000 santuni 1,500 keluarga asnaf



Bank Rakyat sumbang RM144,000, 460 set komputer menerusi Program Jangkauan Komuniti MADANI di Sabah



Bank Rakyat sumbang RM144,000 kepada 72 sekolah



Kebakaran Putra Heights: Bank Rakyat tawar penangguhan bayaran sehingga 6 bulan



Bank Rakyat Lancar Program Kembara Qurban Di Kemboja, Santuni Komuniti Islam Serantau



A SNAPSHOT

BANK RAKYAT IN THE MEDIA

Where
Wealth Grows

Helping customers grow their wealth with confidence, creating lasting financial security for themselves and future generations.



CHAIRMAN'S STATEMENT

DATUK MOHD IRWAN MOHD MUBARAK

Chairman of Bank Rakyat

Dear Stakeholders,

The theme of this year's Annual Report, "Empowering Beyond Boundaries" represents the evolution of Bank Rakyat from a trusted financial institution into a more active contributor to inclusive and sustainable progress. This means creating value measured not only by financial performance but by the lives we support, the cooperatives we strengthen, the businesses we help grow and the communities we uplift. It also refers to the future we help shape – one that reaches beyond geographical boundaries, customer segments, legacy systems and conventional ways of working.

AN INSTITUTION BUILT FOR PURPOSE

For more than seven decades, Bank Rakyat's cooperative purpose has remained unchanged. Notably, our reach, capabilities and contribution have expanded significantly. Today, we serve individuals, cooperatives and businesses through 148 branches nationwide, supported by physical and digital channels spanning deposits, financing, payments, business banking and wealth management.

This evolution has been driven by the changing needs of the nation and the strengths we have developed over time, such as financial resilience, Islamic banking expertise, a nationwide presence, growing digital infrastructure, sound governance and strategic partnerships. These are not merely institutional assets; they are the foundations upon which we continue to build a Bank that is responsive to today's realities and to the needs of tomorrow.

Our cooperative heritage remains central to our purpose and shapes our decisions by ensuring that commercial priorities are balanced with the interests of members, customers, communities and the nation. Strategic choices are therefore assessed not only by their financial contribution, but also by their ability to widen financial access, strengthen cooperatives and enterprises, support sustainable livelihoods and create shared prosperity while remaining anchored in the principles of trust, inclusivity and adherence to Shariah values.

As we continue to serve a more diverse customer base, support emerging sectors and pursue new avenues of growth, including trade and cross-border opportunities, it is equally important that we overcome internal boundaries such as legacy ways of working, organisational silos and capability gaps. This requires a culture that embraces change, empowers our people to think differently and strengthens collaboration and continuous learning, guided by our RAKYAT values.



DELIVERING RESILIENT PERFORMANCE

I am proud to report that, despite a challenging year marked by shifting global rate expectations, uneven growth and intense deposit competition, Bank Rakyat delivered another year of resilient financial performance in 2025, supported by Malaysia's solid economic fundamentals and a strengthening ringgit, Bank Rakyat delivered another year of resilient financial performance in 2025.

The Group recorded a profit before tax and zakat (PBTZ) of RM1.9 billion, representing a year-on-year increase of 4.2% or RM75.8 million compared to the preceding year. This was underpinned by strong gross financing growth of 8.6% to RM93.3 billion, outperforming the industry average, alongside a 30.8% increase in other operating income to RM938.4 million. Total assets expanded to RM131.0 billion, reflecting a healthy balance sheet supported by disciplined growth across our core business lines.



This result was supported by clear strategic direction, disciplined execution and strong organisational fundamentals. Through BR25 and its six strategic blueprints, we maintained focus across our financial, customer, digital, sustainability and organisational priorities, achieving all 14 performance targets for the year, with several surpassing their respective benchmarks.

On the strength of these results, the Board is proud to declare a dividend of 18% for FY2025, representing a total payout of RM534.7 million to 783,324 members and marking the highest dividend in the past decade. This achievement signals that Bank Rakyat is operating from a position of genuine financial resilience, with returns to members carefully balanced against capital requirements, regulatory obligations and the Bank's future strategic priorities. It is a reflection of disciplined governance and our unwavering commitment to creating value for all who have placed their trust in us.

ACHIEVEMENTS THAT MATTER

What makes us most proud is the way our people have translated Bank Rakyat's purpose into real, lasting change for the communities and businesses we serve.

We are especially proud of our progress in financial inclusion and digital empowerment. Our BRICK platform has recorded more than 408,000 cumulative applications, with more than half from new-to-bank customers, providing evidence that accessible digital design can reach customers who were previously underserved. Through i-MerchantRAKYAT, we supported more than 11,000 businesses in making the transition to a cashless ecosystem, facilitating over 9 million transactions worth in excess of RM256 million. Initiatives such as My First Credit Card-i and the eGold platform, which now holds over 19 kg of gold on behalf of everyday savers, reflect our conviction that access to meaningful financial tools should not be a privilege reserved for the few.

We also take pride in the progress made in responsible banking. Paperless onboarding across more than 200,000 account openings reflects our commitment to reducing our environmental footprint while improving access. The embedding of a Sustainability Scorecard this year establishes a structured foundation for measuring and guiding our sustainability transition in the years ahead. These are not peripheral initiatives — they are part of how we intend to operate as a bank going forward.

Our commitment to the MSME community is equally worth noting. Growing our MSME financing balance to RM2.25 billion, a sixfold increase since 2019, reflects our commitment to the entrepreneurs and small enterprises that depend on us to grow, hire and contribute to the nation. Our MSMEC financing balance exceeded RM5 billion in 2025, and through BRICK, we have facilitated more than 472,000 applications through seamless digital onboarding.

Perhaps closest to our identity, a milestone in our Shariah work stands out this year. Being appointed by MAIWP as the first bank in Malaysia to serve as Mutawalli, entrusted with managing and distributing Cash Waqf funds, is a profound honour that reinforces our role as a custodian of Islamic finance for the public good. Alongside our International Shariah Scholars Roundtable (iSHAR) engagements and more than 50 published Shariah research papers, this appointment reflects our commitment to deepening Shariah knowledge within the industry.

EMPOWERING COOPERATIVES, MSMES AND COMMUNITIES

Bank Rakyat has always carried a dual responsibility: as a financial institution and as a development partner. In 2025, we continued to honour both dimensions of this mandate by going beyond financing to deliver advisory services, capability-building programmes and ecosystem support for cooperatives, MSMEs and entrepreneurs.

Our development approach spans the full entrepreneurship journey, from aspiring entrepreneurs receiving their first financial guidance to established SMEs accessing business banking solutions and structured development programmes, including BRPlus-i, BRTani-i and BRIEF-i. Through targeted training, outreach and advisory programmes, we help cooperatives and entrepreneurs build the capabilities needed to participate more fully in Malaysia's economy.



Equally important is our commitment to community resilience and financial inclusion. Through financial literacy outreach conducted via our Bank Bergerak and ARROW channels, we reached more than 3,100 individuals during Financial Literacy Month 2025 alone. Programmes such as RAKYATpreneur and Bank Rakyat UNIpreneur continued to empower asnaf entrepreneurs, contributing to poverty alleviation and community development.

Our Islamic social finance activities also deepened in 2025. As Mutawalli of Cash Waqf funds under MAIWP's mandate, we are now able to channel resources directly to those most in need, reinforcing the Bank's role as a responsible steward of Islamic wealth for the benefit of society.



FROM THE TOP
CHAIRMAN'S STATEMENT

TRANSFORMING DIGITALLY, STAYING HUMAN

Our digital transformation journey is centred on creating a seamless, customer-first banking experience while enhancing operational efficiency and driving sustainable growth, in line with our LEAD30 aspiration to generate at least 35% of sales through digital channels by 2030.

Building on the strong digital foundations of BR25, we are developing an enhanced Omnichannel platform, including new retail and business mobile banking applications, that uses data analytics and artificial intelligence (AI) to deliver more personalised insights and proactive engagement. In parallel, we are evolving BRICK into a comprehensive end-to-end digital onboarding platform, incorporating e-KYC, electronic signatures and preliminary credit assessments, with full straight-through processing to follow.

Technology and AI enable us to understand our customers' needs and circumstances, so we can offer the right solution to the right person, rather than a one-size-fits-all approach. This matters most for customers who have not previously had access to proper financial guidance: new-to-bank customers, micro-entrepreneurs and members of the cooperative ecosystem who may have found it harder to access banking before. Our micro-financing, digital gold and investment offerings build on this same principle, bringing everyday financial tools closer to more Malaysians, wherever they are.

Even as we modernise, we remain firmly rooted in the cooperative spirit and member-first values that have guided Bank Rakyat for more than seven decades. Our digital initiatives are designed to extend our relationship with customers, not replace it. Human support and personalised service remain central to who we are, particularly for members who continue to value face-to-face engagement. The goal is to use digital tools to strengthen the human relationships at the heart of what we do.

DEEPENING OUR ISLAMIC BANKING COMMITMENT

As Malaysia's largest Islamic cooperative bank, we see our role as making Islamic finance genuinely accessible, easy to understand and easy to use for everyday Malaysians, regardless of their background or level of digital literacy. Digitalisation takes the cooperative model beyond traditional boundaries, extending its reach, accessibility and impact.

Guided by the Prime Minister's[1] call for Bank Rakyat to be more courageous in exploring new opportunities and strengthening the role of Islamic finance, our LEAD30 strategy carries a defining ambition: to advance the development and application of new Shariah contracts and structures, translating their principles into innovative and relevant solutions for individuals, entrepreneurs, cooperatives and businesses. Through this, we aspire to strengthen Islamic finance as a source of economic progress, inclusion and shared prosperity.

Every digital innovation we introduce remains anchored in robust Shariah governance. Our products and platforms are developed in close consultation with our Shariah function, ensuring that the convenience of technology never comes at the expense of Shariah compliance. By presenting Shariah-compliant products through experiences that reflect how younger, digitally native customers bank today, we ensure that the principles of Islamic finance are preserved and genuinely understood by future generations. Technology supports our ability to uphold the spirit of Islamic banking by enabling greater fairness, transparency and accessibility in how we engage with customers, while staying true to the values that have defined Bank Rakyat for over seven decades.

GOVERNANCE, SUSTAINABILITY AND RESPONSIBLE GROWTH

The Board recognises that long-term growth can only be achieved when sustainability and prudent risk management are embedded in our strategic decision-making. Sustainability is therefore not viewed as a standalone agenda, but as an integral consideration in our business strategy, investment decisions and long-term value creation.

Our sustainability governance structure operates across the Board, management and organisational levels, providing clear accountability, effective oversight and defined reporting lines. The Board, supported by the Sustainability Committee, oversees the Bank's sustainability strategy, monitors progress against sustainability commitments and ensures that emerging risks and opportunities are appropriately considered in strategic discussions. The integration of a Sustainability Scorecard this year marks an important step in embedding sustainability into our performance management framework, thus facilitating more informed financing decisions and the implementation of sustainability initiatives across the Bank moving forward.

At management level, sustainability initiatives are coordinated and their performance monitored across the Bank's business units and subsidiaries, while climate-related risks are identified, assessed, monitored and reported in accordance with the Bank's risk governance framework and regulatory requirements. This collaborative approach ensures that sustainability and risk considerations are integrated into business planning and day-to-day decision-making, rather than treated as isolated functions.

Our commitment to sound governance was further reinforced in 2025 through enhanced compliance processes, active participation in the National Fraud Portal for real-time fraud intelligence sharing, and continued adherence to the ISO:37001 Anti-Bribery Management Systems standard. These measures reflect the standards of integrity and accountability we hold ourselves to.

[1] BERNAMA: Bank Rakyat Needs To Explore New Opportunities, Strengthen Role - PM Anwar, 14 April 2026

FROM THE TOP

CHAIRMAN'S STATEMENT

In pursuing growth, business strategies and key initiatives are evaluated not only for their financial and commercial viability, but also for their sustainability implications, alignment with the Bank's objectives, regulatory expectations and overall risk appetite. This balanced approach enables the Bank to pursue sustainable growth while safeguarding its financial resilience, reputation and long-term stakeholder value.

CONFIDENT IN OUR FUTURE

The future will inevitably be marked by heightened uncertainty, rapid technological change and evolving economic conditions and customer expectations. Nevertheless, Bank Rakyat approaches this landscape with confidence, guided by our LEAD mindset (Lean, Expansionary, Agile and Dynamic), which enables us to remain focused and disciplined, pursue growth with ambition, adapt decisively and turn emerging challenges into new opportunities.

As we close the chapter on BR25 and step into LEAD30, our Five-Year Strategic Plan for 2026–2030, we are focused on broadening our contribution, strengthening our resilience and creating lasting value while remaining anchored in our cooperative purpose and Shariah principles.

Under LEAD30, we will pursue new markets and business opportunities, embrace progressive business models, build meaningful partnerships and strengthen the capabilities required to create sustainable long-term value. We will diversify our sources of growth, deepen our contribution to the economy and further strengthen our position among Malaysia's leading Islamic banks. These aspirations are firmly reflected in our strategic focus on accelerating financing asset expansion, growing fee-based income, advancing our sustainability agenda and deepening financial inclusion through strengthened digital capabilities.

I remain confident in the foundation that Bank Rakyat has built. Our financial resilience provides the capacity to invest for the future. Sound governance, Islamic banking expertise, an extensive nationwide reach, strategic partnerships and a growing capacity for innovation enable us to pursue opportunities responsibly and at scale. And above all, it is our people, committed to the Bank's purpose and guided by the RAKYAT values, who will ultimately determine how far we go.

Success over the next five to ten years will be measured not only by financial returns, but also by the breadth of our impact: the aspirations realised, the businesses that flourish, the communities that prosper and the opportunities created for generations to come.



FROM THE TOP

CHAIRMAN'S STATEMENT



GRATEFUL AND FORWARD-LOOKING

The future will undoubtedly bring new challenges, new expectations and new opportunities. Yet I remain confident that Bank Rakyat will continue to navigate this journey with resilience, integrity and a clear sense of purpose. Guided by our cooperative values and strengthened by the trust of our members, customers, employees and partners, we will continue to evolve while remaining true to the principles that have defined us for more than 70 years.

To our members, customers, employees and partners: thank you for your continued trust and support. Together, we will continue to move beyond boundaries, embrace new possibilities and create meaningful progress that benefits not only ourselves but the nation we proudly serve.

As we embark on our next chapter, let us remember that progress is never achieved alone. It is built through collaboration, shared purpose and a collective determination to open opportunities for others. That is the true meaning of Empowering Beyond Boundaries, and it is the legacy we aspire to leave for future generations.

Thank you.

Datuk Mohd Irwan Mohd Mubarak
Chairman of Bank Rakyat



The Global Economy Remained Resilient in 2025 Despite Heightened Uncertainties

GLOBAL ECONOMY

The global environment remained highly volatile throughout the year due to rising trade tensions and geopolitical conflicts. The implementation of reciprocal tariff measures by the United States (U.S.) and broader protectionist trade policies heightened concerns over global trade fragmentation and supply chain disruptions. Although several tariff exemptions and temporary pauses helped ease immediate pressures, uncertainties surrounding global trade policies continued to weigh on business confidence and investment decisions. Meanwhile, geopolitical tensions continued in 2025, particularly involving conflicts in the Middle East and the prolonged Russia-Ukraine war, contributing to heightened financial market volatility and renewed concerns over energy security, and global inflationary pressures.

Nevertheless, global growth expanded by 3.4% year-on-year (YoY) in 2025 (2024: 3.3% YoY), according to the International Monetary Fund (IMF) estimates. Growth was supported by resilient domestic demand in major economies, continued artificial intelligence (AI)-related investments, and accommodative financial conditions. Global trade activity also performed better-than-initially expected, driven by frontloading activities ahead of the U.S. tariff implementations, successful trade negotiations which resulted in lower final tariff rates and continued demand for technology-related products particularly semiconductors and AI-related equipment.

Looking ahead into early 2026, global growth is expected to moderate to 3.1% YoY amid the fading impact of frontloaded trade activities and continued uncertainties surrounding global tariffs and geopolitical developments. Supportive labour market conditions, accommodative monetary policy across major economies, and sustained technology-related investments are expected to continue providing support to global economic activity. Downside risks remain elevated, particularly from a prolonged escalation of geopolitical conflicts, tighter trade restrictions, and potential moderate global financial markets.

INFLATION EASED AMID IMPROVING SUPPLY CONDITIONS



Global inflation continued to ease in 2025 following improvements in global supply chains, moderating commodity prices, and the absence of excessive demand pressures across most economies. The easing inflation trend became more evident during the second half of the year as lower energy prices and easing imported inflation helped reduce overall price pressures globally. Currency appreciation against the U.S. dollar in several economies also contributed towards containing imported inflation due to weaker U.S. dollar in 2025.

Major central banks continued shifting towards a more accommodative monetary policy stance throughout 2025 as inflationary pressures moderated further. The U.S. Federal Reserve (the Fed) and several advanced economies' central banks implemented policy rate reductions during the year. The Fed, Bank of England, and ECB made cuts to their interest rates, contributing to a broad easing in global financial conditions. Nonetheless, inflation developments remained uneven across regions. In the U.S., tariff pass-through effects gradually became more visible towards the later part of 2025, limiting the pace of disinflation.

Looking forward, the inflation outlook remains highly dependent on external developments, particularly global commodity prices and geopolitical tensions. Risks of renewed inflationary pressures persist amid the ongoing Middle East conflict, which could potentially disrupt global energy supply chains and increase transportation and production costs worldwide.

FINANCIAL MARKETS

Global financial markets experienced significant volatility in 2025 amid uncertainties surrounding global trade policies, geopolitical developments, and evolving expectations on monetary policy adjustments. Financial market sentiment weakened notably during the early part of the year following the announcement of broad U.S. tariff measures, turning the sentiment towards alternative safe-haven assets such as gold.



Market conditions gradually improved as trade negotiations progressed. Emerging market economies benefitted from improved investor sentiment and capital inflows, supported by the broad weakening of the U.S. dollar and easing global financial conditions.

Gold prices remained elevated throughout 2025 amid continued geopolitical uncertainties and global market volatility. Strong demand from central banks and investors seeking safe-haven assets continued to support gold prices at historically high levels of US$5,417.21 in early-2026.

OIL MARKET

Global oil prices remained volatile throughout 2025, primarily influenced by geopolitical tensions and evolving global supply conditions. Although improving supply conditions and increased production from non-OPEC+ countries initially contributed towards relatively contained oil prices, escalating tensions in the Middle East towards the later part of the year had renewed concerns over potential disruptions to global energy supply.



Brent crude oil prices experienced periods of sharp increases following heightened conflicts and disruptions in key energy-producing regions. Nevertheless, broader concerns over moderating global demand and expectations of additional supply from major oil-producing economies partly limited further upside pressures on prices.

Moving into early 2026, the outlook for global oil markets remains highly uncertain and largely dependent on geopolitical developments and the extent of supply disruptions arising from ongoing conflicts. Prolonged geopolitical tensions could lead to renewed volatility in commodity markets, increase global inflationary pressures, and weigh on overall global growth momentum.

FROM THE TOP
MANAGEMENT DISCUSSION AND ANALYSIS

THE MALAYSIAN ECONOMY

RESILIENT ECONOMY DESPITE EXTERNAL UNCERTAINTIES IN 2025



Malaysia's economy expanded by 5.2% YoY, marginally higher than the 5.1% YoY recorded in 2024, the highest annual growth since 2022 and exceeding the official forecast range of 4.0% to 4.8%. The stable growth was also underpinned by resilient domestic demand, sustained export performance, and stronger tourism receipts further boosted by Malaysia's role as ASEAN Chairmanship host.

Government assistance programmes such as Sumbangan Asas Rahmah (SARA) and BUDI95, together with the public sector salary revision, also continued to support household spending and consumer sentiment. Tourism activity strengthened further during the year, with Malaysia recording 42.19 million visitor arrivals/11.2% YoY (2024: 37.96 million/31.1% YoY).

Private investment also played a significant role in driving growth, recording a strong expansion of 9.4% YoY (2024: 12.3% YoY), sustained by continued realisation of approved investments as well as the ongoing implementation of initiatives under national master plans. According to the Malaysian Investment Development Authority (MIDA), Malaysia recorded RM426.7 billion of approved investments in 2025. This was an 11.0% YoY increase from RM384.4 billion in 2024, led by both foreign and local investments amid gains across the Primary, Manufacturing and Services sectors.

Notably, the ongoing realisation of both new and existing projects further bolstered economic expansion, with key initiatives under national master plans providing additional momentum to investment growth. On the external front, total trade for the whole year reached to RM3.1 trillion mark (2024: RM2.8 trillion), the highest on record, though the rate of growth was softer at 6.3% YoY (2024: 9.2% YoY). The higher trade was underpinned by stronger exports (6.5%; 2024: 5.8%). The ongoing AI-driven technology upcycles further supported manufacturing activity, particularly within the E&E segment, reinforcing the contribution from external demand.



Looking ahead, Malaysia's economy is projected to grow within the range of 4.0% to 5.0% YoY in 2026, driven by resilient domestic demand and a recovery in trade activity. External uncertainties will remain a key challenge in 2026, particularly from the ongoing U.S. tariffs. Nevertheless, resilient domestic demand on the back of continued spending, steady investment flows, and continued targeted government support should cushion external pressures and sustain the growth trajectory. Prolonged geopolitical conflicts in the Middle East raise the risk of higher energy prices, renewed supply-chain disruptions, and a deterioration in global sentiment. A potential slowdown in global demand amid tighter financial conditions, persistent trade frictions, and weaker advanced-economy growth could weigh on exports and dampen investment sentiment, particularly in manufacturing and trade-related services.

STEADY LABOUR MARKET



Malaysia's labour market recorded a stable unemployment rate of 3.0% (2024: 3.2%), driven by robust economic progress and stable labour force participation. This was accompanied by moderate growth in employment, which expanded by 2.9% YoY (2024: 0.8% YoY) amid improving economic conditions. As the favourable labour market outlook is expected to continue, the unemployment rate is projected to remain stable at 3.0% in 2026, supported by sustained employment opportunities, particularly in the domestic-oriented services sector, and Visit Malaysia 2026, which will continue to benefit the household segment.

LOWEST INFLATION IN FIVE YEARS



Inflation pressures were largely stable, as full-year headline inflation moderated to 1.4% YoY (2024: 1.8% YoY). However, core inflation picked up to 2.0% YoY in 2025 (2024: 1.8% YoY). The combination of a resurgent Ringgit and falling global food prices effectively neutralised external cost pressures. Meanwhile, the primary driver of domestic cost increases remains the expanded Sales and Service Tax (SST) coverage, particularly following adjustments to selected imported food.

The Ministry of Finance (MOF) and Bank Negara Malaysia forecast headline inflation to be stable in the range of 1.3% to 2.0% YoY in 2026. This is fuelled by elevated global commodity prices, geopolitical tensions alongside higher input costs from trade policy uncertainty and adverse weather conditions, reflecting a balance between volatile commodity prices and dampening effect of a stronger Ringgit on imported costs. Domestic policy measures should continue to anchor price trends and limit cost pass-through across retail and services.

FIRST OVERNIGHT POLICY RATE (OPR) CUT SINCE 2020



After maintaining the OPR at 3.00% since May 2023, BNM reduced the rate by 25 basis points in July 2025, the first cut since 2020. On the monetary policy front, BNM reduced the OPR as a pre-emptive measure to support domestic economic activity, considering the downside risks to the economy from global trade tensions and moderating inflation. The lower OPR is expected to reduce financing costs, which may encourage financing application and boost private consumption and investment, thereby supporting domestic economic growth.

ANOTHER CONSECUTIVE YEAR OF GAINS



FBMKLCI retreated to a year-to-date low of 1,400.59 points (-14.72%) on 9 April 2025 following tariff-related announcements, before gradually recovering upon signing of the Agreement on Reciprocal Tariffs (ART), which provided greater clarity for investors and reaffirmed Malaysia's commitment to stable trade relations. FBMKLCI closed the year at 1,680.11 points, delivering a second consecutive year of positive returns (+2.30% YoY), albeit at a more moderate pace (2024: +12.9% YoY), reflecting renewed investor confidence as well as support from ongoing national policies aimed at strengthening fiscal resilience and driving high-value sector growth. Total market capitalisation eased slightly to RM2.06 trillion in 2025 (2024: RM2.08 trillion), while the benchmark FBMKLCI's market capitalisation increased to RM1.19 trillion (2024: RM1.15 trillion). Meanwhile, foreign investors remained net sellers of Malaysian equities, amounting to a total of -RM22.32 billion in 2025 (2024: -RM4.16 billion).

For 2026, rising AI-related investments are expected to spur regional market activity which could subsequently increase foreign portfolio flows into emerging markets like Malaysia. Moreover, the equity market will be influenced by continued realisation of investment projects under national master plans, coupled with supportive policies and strong corporate fundamentals.

Overall, the Malaysian capital market in 2026 appears to be supported by robust macro fundamentals, sound corporate performance, ample domestic liquidity, and well-established market infrastructure.

RINGGIT CONTINUES ITS STRONG RECOVERY AGAINST THE USD IN 2025



Ringgit extended its upward momentum in 2025, emerging as one of Asia's best-performing currencies against the U.S. dollar (USD). The Ringgit strengthened significantly from RM4.47/USD at the end of 2024 to approximately RM4.06/USD by the end of 2025, marking an appreciation of more than 9% during the year. The currency also rebounded strongly from its early-2025 low of around RM4.51/USD, supported by improving investor confidence, resilient domestic economic growth, and sustained foreign direct investment inflows. The Ringgit's stronger performance was further underpinned by the Fed's shift towards monetary policy easing, a softer USD environment, and improving global trade sentiment following trade-related developments between the U.S. and its major trading partners.

Going forward, the Ringgit, like other regional currencies, will continue to be influenced by external developments, particularly potential policy shifts in major economies. Nevertheless, further easing of monetary policy by the Fed and improvements in investment and trade activities should lend support to the Ringgit.

FROM THE TOP
MANAGEMENT DISCUSSION AND ANALYSIS

BANKING SECTOR

STABLE BANKING SECTOR PERFORMANCE

The banking sector remained broadly stable in 2025 despite a challenging and uncertain economic environment, underpinned by moderate financing expansion, stable asset quality, and strong capitalisation levels. However, the performance was weighed down by uneven Net Profit Margin (NPM) recovery and pressures faced by vulnerable customers, particularly Small and Medium Enterprises (SMEs) and export-oriented sectors. Looking ahead, the banking sector is expected to face several headwinds in 2026, including geopolitical tensions and a high-cost environment. However, steady economic momentum, driven by domestic demand and investment upcycle is expected to provide continued support to the overall banking outlook.



NET PROFIT MARGIN (NPM) PRESSURES PERSIST

NPM remained under pressure in view of intensified deposit competition coupled with the reduction in Statutory Reserve Requirement (SRR) and a 25 bps cut in Overnight Policy Rate (OPR). Looking ahead, expectations of a stable OPR path in 2026 are likely to provide further support for NPM recovery.

SLOWER FINANCING GROWTH

Industry financing eased to 4.8% YoY in 2025 (2024: 5.5% YoY), reflecting softer expansion across both household and non-household segments. The household segment, which accounts for approximately 60% of total industry financing, recorded a slower growth of 5.3% YoY (2024: 6.0% YoY). Residential and passenger car financing continued to underpin the growth, albeit at a more moderate pace. Similarly, non-household segment growth eased to 4.1% YoY in 2025 (2024: 4.8% YoY) amid a slower expansion in the working capital segment, reflecting a more challenging business environment in 2025. Financing growth in 2026 is expected to be supported by resilient domestic demand and ongoing investment activity from both public and private sectors.



STRONGER DEPOSIT EXPANSION

Industry deposit growth accelerated to 3.4% YoY in 2025 (2024: 3.0% YoY), primarily supported by stronger expansion in the Current Account and Savings Account (CASA) deposits segment.

ASSET QUALITY REMAINS WELL CONTAINED

The overall industry gross impaired financings (GIF) ratio improved further to 1.37% in 2025 (2024: 1.44%) supported by steady domestic economic growth and strengthening labour market conditions. Similarly, asset quality within Islamic banking remained broadly stable, with the GIF ratio recorded at 1.36% in 2025 (2024: 1.35%). Overall asset quality is expected to remain stable in 2026.



FULFILLING OUR MANDATE

The Performance Measurement Framework (PMF) for Development Financial Institutions (DFI) is an outcome-based framework designed to capture the broader contributions of DFIs beyond the narrow focus of financing growth indicators. In particular, PMF incorporates additionality as part of DFIs' business operations with the intention to promote greater development impact. Additionality is defined as a positive impact attributable to DFI's participation, which goes beyond what would have occurred without its participation.

Being a DFI and aligned with Bank Rakyat's Mission, Bank Rakyat remains committed to enhancing the economic well-being of its members, customers and the nation. In supporting the national agenda on economic recovery, resilience and social well-being, Bank Rakyat continues to play its countercyclical role in mitigating the impact of global trade uncertainties, softening external demand and financial vulnerability among households and Micro, Small and Medium Enterprises and Cooperatives (MSMEC), by extending targeted support throughout this period. Bank Rakyat has steadfastly delivered these goals in FY2025 with a focus on providing support to the individuals and MSMEC in helping them in building resilience within a disruptive economic environment.

This continuous focus on MSMEC is aligned with the Government's National Entrepreneurship Policy 2030 (NEP2030), set out by the Ministry of Entrepreneur and Cooperatives Development (KUSKOP), under which Bank Rakyat acts as one of its agencies.

As the country's largest DFI, Bank Rakyat successfully accelerated financing to the unserved and underserved segments, achieving the RM5.0 billion target by end 2025 as outlined in Bank Rakyat 2025's (BR25) MSMEC Business Blueprint.

In addition, Bank Rakyat has always been supporting Bank Negara Malaysia's (BNM) financial inclusion agenda to have an inclusive financial system that best serves all members of society, including the underserved, to have access to and usage of quality, affordable, essential financial services to satisfy their needs towards shared prosperity. This is also aligned with the BNM Financial Sector Blueprint (FSBP) 2022-2026 which sets out development priorities for the financial sector within five years, anchored on efforts to foster market dynamism and support sustainable development objectives, with a continued focus on monetary and financial stability mandates.

Bank Rakyat's mandate has been upheld over the years with continuous development contributing to the followings:

MEMBERS

In line with Bank Rakyat's mission of enhancing economic well-being of our members, customers and nation

ENTREPRENEURSHIP ECOSYSTEM

As an agency of KUSKOP, Bank Rakyat is committed in supporting the Ministry's mission in the areas of entrepreneurship and cooperatives development

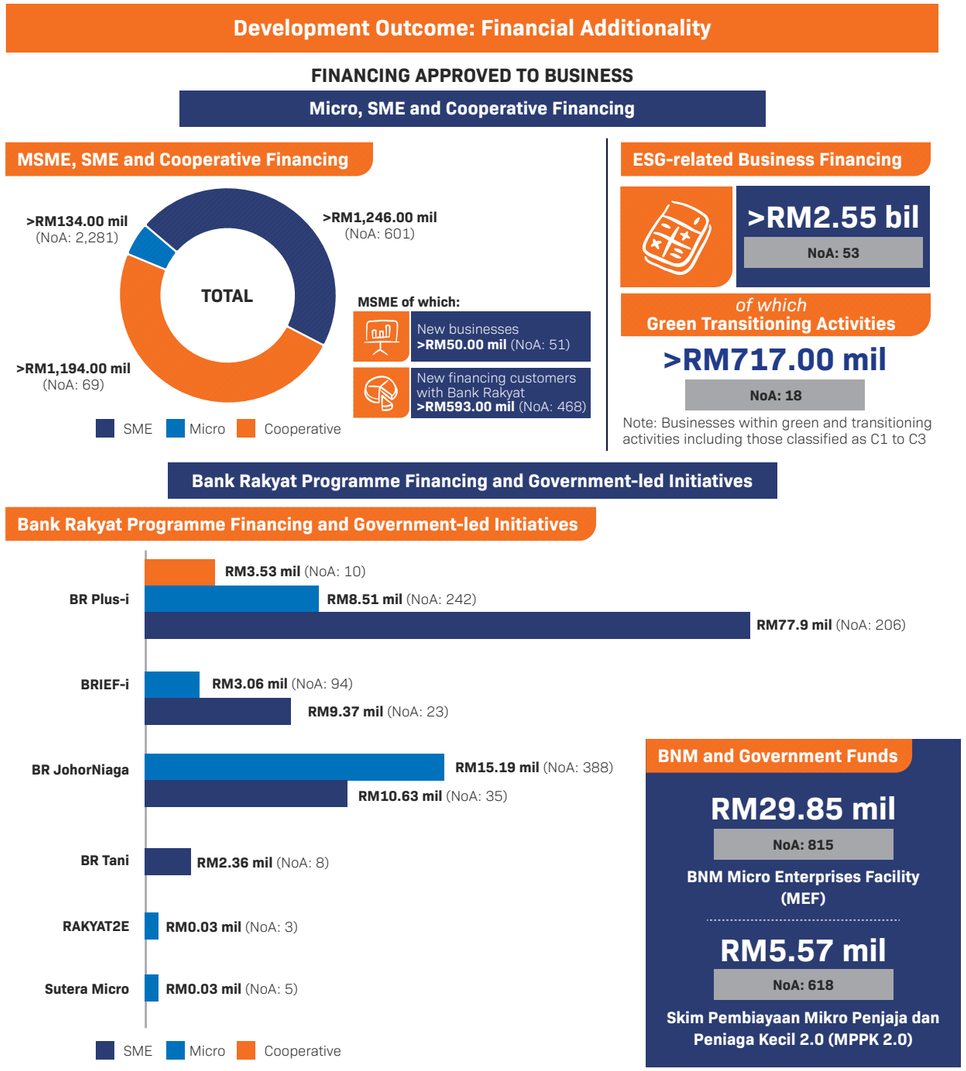
FINANCIAL INCLUSION

As a Development Financial Institution (DFI) for BNM's financial inclusion agenda

SUMMARY OF FY2025 DEVELOPMENT OUTPUT – FINANCIAL ADDITIONALITY

FINANCING APPROVED TO BUSINESSES

As an agency under KUSKOP, Bank Rakyat is mandated to facilitate the development of MSMEC by extending financing and other services such as advisory and training for their businesses to expand and thrive.



FINANCING APPROVED FOR BANK RAKYAT'S FINANCING PROGRAMMES AND GOVERNMENT-LED INITIATIVES



During 2025, Bank Rakyat has continued BRPlus Financing-i (BRPlus) aiming to provide additional financing assistance to the MSMEC to sustain and grow their businesses, assists in employment creation and to ensure post-pandemic resilience alongside with the initiative to enhance women's participation in entrepreneurial activities, empower existing women entrepreneurs/women-owned cooperatives and increase household income. BRPlus-i financing package offers a maximum financing limit of up to RM50,000 to micro entrepreneurs and micro cooperatives and RM1.0 million to eligible SMEs and small and medium cooperatives.

In supporting the agricultural sector and agro-based industry in line with the national agenda to improve food safety and security, BRTani-i was offered to assist entrepreneurs involved in the food and agricultural sectors. This financing programme offers a maximum financing limit of up to RM50,000 to eligible micro entrepreneurs and micro cooperatives and RM5.0 million to eligible SMEs and small and medium cooperatives.



BRJohorNiaga-i is a financing programme created through collaboration between Bank Rakyat and the Johor State Government which provides financing facilities for MSMEs in the state of Johor. This initiative aims to drive the local economy and maintain the survival of entrepreneurs with the assistance of profit rate subsidies through Johor State Government funds. BRJohor Niaga offer a maximum financing limit of up to RM50,000 and RM500,000 to eligible micro entrepreneurs and SMEs, respectively.



Bank Rakyat Indian Entrepreneur Financing-i (BRIEF-i) which was initiated in FY2024, is a specific initiative for Indian (MSMEs) to support their working capital and/or capital expenditure in expanding their businesses. This financing programme offers a maximum financing limit of up to RM50,000 to eligible micro entrepreneurs and RM1.0 million to eligible SMEs.



During FY2025, Bank Rakyat introduced Sutera Micro Financing, a social finance product that adopts a blended funding structure based on the Qard (interest-free loan) concept, complemented by zakat assistance through the Iqrad Al-Zakat mechanism. The programme is targeted at asnaf entrepreneurs with the objective of supporting business growth and promoting long-term financial sustainability.

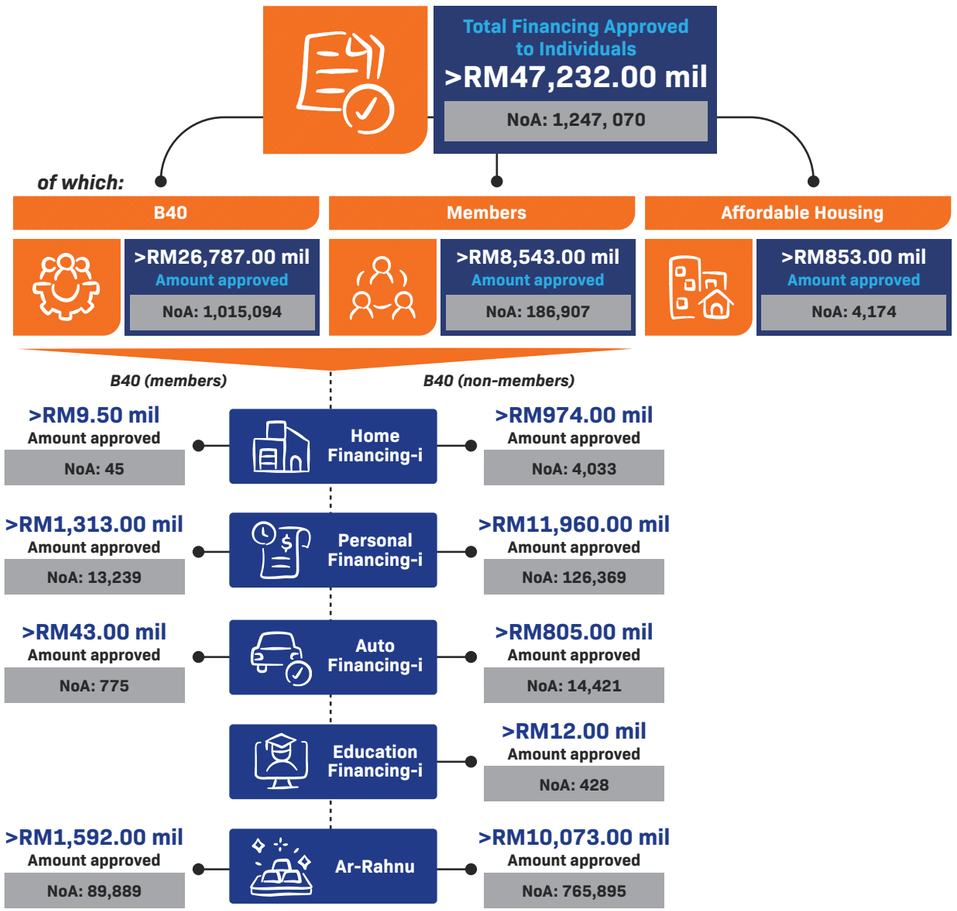
On top of Bank Rakyat's internal financing programmes, Bank Rakyat also continuously supports various BNM and Government's financing programmes in assisting the MSMEs ecosystem.

FINANCING APPROVED TO INDIVIDUALS

Being one of the Nation's DFIs, Bank Rakyat has always committed to serve its mandated and targeted segments of society including individuals.

Development Outcome: Financial Additionality

FINANCING APPROVED TO INDIVIDUALS



TRAINING, OUTREACH AND ADVISORY SERVICES CONDUCTED

Throughout FY2025, Bank Rakyat has conducted various advisory and capacity building programmes for cooperatives and entrepreneurs namely, 'Kembara Pemerkasaan Usahawan: Santai Namun Sampai', Graduate Mentoring Program, Islamic Financing Workshop, Cooperative eCa-i Tour and RAKYATpreneur and Bank Rakyat UNIpreneur Series. Further details of the initiatives undertaken for cooperatives are elaborated in the 'Developing the Cooperative and Entrepreneur Sector' section.

FINANCIAL LITERACY CONDUCTED FOR INDIVIDUALS

Exposure to financial literacy has always been Bank Rakyat's initiative to inculcate a savings culture in youths from the early age and adoption into digital banking services. These programmes include components of electronic payments agenda (Cashless School and Digital Desa), integration of financial education with financing decisions to promote informed financing behaviour i.e. Just-In-Time Financial Education (JITFE) and others. These initiatives are in line with BNM's financial inclusion priorities and 2nd National Strategy for Financial Literacy 2026-2030 (NS2.0) which are to enhance greater access to digital financial services, as well as to enable the underserved to benefit from increased convenience, greater efficiency, and lower cost. Another important priority would be financial education for the newly banked, to elevate the financial resilience by ensuring that new entrants into the financial system behave responsibly and do not suffer the unintended consequences of being over-indebted. Further details are elaborated in the 'Financial Inclusivity' section.

Development Outcome: Financial Additionality

TRAINING, OUTREACH AND ADVISORY SERVICES CONDUCTED

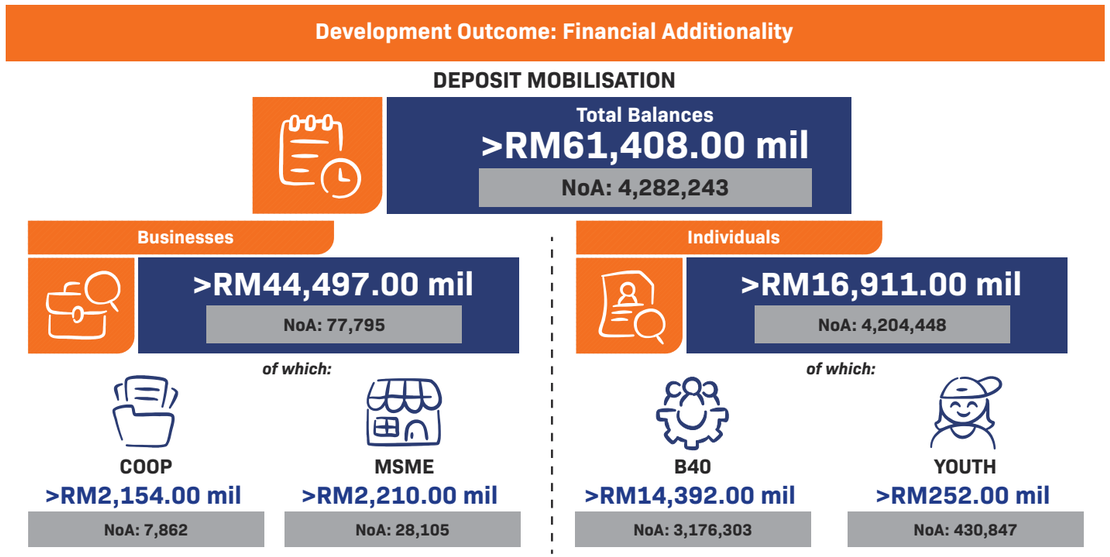


DEPOSITS MOBILISATION

Bank Rakyat has always accentuated a savings culture amongst its customers and potential customers by way of marketing and promotions on its deposit products.

Development Outcome: Financial Additionality

DEPOSIT MOBILISATION



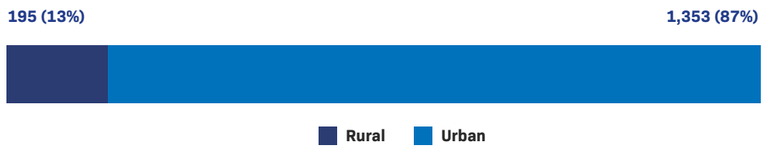
FINANCIAL ACCESS POINTS

Bank Rakyat constantly reviews and improves its physical channel footprints for better community outreach, as well as increases access to financial services, particularly in rural areas. As at end FY2025, Bank Rakyat has 1,548 physical access points located nationwide with 195 located in the rural areas. The physical access points comprise Bank Rakyat's branches, Self-Service Terminal (SST) (ATM/CDM/CRM), Rakyat Xcess, Ar-Rahnu X'Change, Rakyat Xcess and Ar-Rahnu X'Change, Rakyat X'Lite, Business Banking Centres, Auto Finance Centres, Mortgage Sales Centre, Bank on Wheels (BOW), Ar-Rahnu on Wheels (ARROW) and Agent Banking (Rakyat C.A.R.E.).

Development Outcome: Financial Additionality

FINANCIAL ACCESS POINT

ACCESS POINTS



AGENT BANKS, BOW AND ARROW

Agent Banks

URBAN

>RM8.30 mil — Transaction Values

61,690 — Transaction Volumes

No: 221

RURAL

>RM1.80 mil — Transaction Values

19,848 — Transaction Volumes

No: 98

BOW and ARROW

RURAL

>RM71.80 mil — Transaction Values

19,666 — Transaction Volumes

No: 9

DIGITAL PENETRATION LEVEL

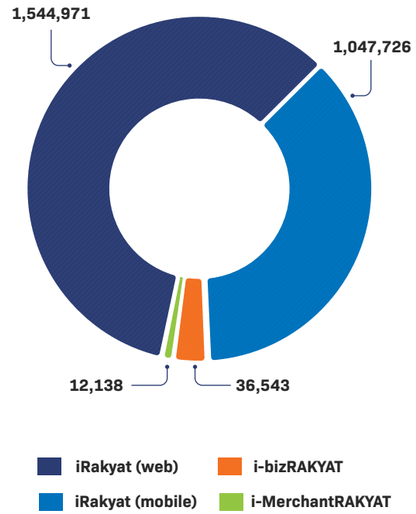
In addition to the numerous physical access points made available, Bank Rakyat has further expanded its offerings in digital access points, namely, iRakyat (web and mobile apps), i-bizRAKYAT, Quick Response to Entrepreneurs (QR2E), eBiz Suite, eBiz Tools Marketplace, Bank Rakyat Quick (BRICK), i-MerchantRAKYAT, as well as Ar-Rahnu and Branch eAppointment. Further details are elaborated in the 'Financial Inclusivity' section.

Development Outcome: Financial Additionality

DIGITAL PENETRATION LEVEL

Digital Platform

Number of Customers Onboarded to Digital Platform



Digital Platform Transaction Volume and Value

Volume		Value
>17.30 mil	iRakyat (web)	>RM3.30 bil
>71.10 mil	iRakyat (mobile)	RM17.70 bil
>1.80 mil	i-bizRAKYAT	RM14.00 bil
>7.7 mil	iMerchant RAKYAT	RM216.10 mil

SUMMARY OF 2025 DEVELOPMENT OUTCOME – DEMONSTRATION ADDITIONALITY

Development Outcome: Demonstration Additionality

CROWDFUNDING FROM PRIVATE SECTOR

WAQF

>RM2,314,000

Total crowdfunding from the private sector for the year

through Waqf collections by Bank Rakyat in collaboration with:

- Majlis Agama Islam dan Adat Melayu Terengganu
- Kolej Professional Baitulmal KL
- Surau Al-Barakah Bank Rakyat
- Universiti Kebangsaan Malaysia
- Yayasan Waqaf Malaysia
- Universiti Islam Antarabangsa Tuanku Syed Sirajuddin
- Universiti Teknologi MARA
- Universiti Sains Islam Malaysia

SYNDICATION FINANCING

>RM20.00 bil

Total crowdfunding from the private sector for the year

CROWDFUNDING

Bank Rakyat has undertaken collaboration with eight institutions namely, Majlis Agama Islam dan Adat Melayu Terengganu (MAIDAM), Kolej Professional Baitulmal Kuala Lumpur, Surau Al-Barakah Bank Rakyat, Universiti Kebangsaan Malaysia (UKM), Yayasan Waqaf Malaysia, Universiti Islam Antarabangsa Tuanku Syed Sirajuddin (UniSIRAJ), Universiti Teknologi MARA (UiTM) and Universiti Sains Islam Malaysia (USIM) for Bank Rakyat to act as the intermediary to collect waqaf funds from any public or private parties via online or physical.

Bank Rakyat is also Malaysia's first bank to be appointed by Majlis Agama Islam Wilayah Persekutuan (MAIWP) as mutawalli, enabling Bank Rakyat to collect and manage waqf funds to further deepen its role in Islamic social finance. The Bank Rakyat's Cash Waqf fund was launched in June 2025 and as at end-2025, total waqf collection amounted to RM1.15 million.

During the year under review, RM2.31 million of waqf funds were collected from the public with additional contribution from Bank Rakyat of over RM400,000 into these funds, leading to 528% crowd-in efficiency ratio (total funding from the private sector over total funding from DFI).

Apart from Waqf collection, Bank Rakyat has also participated in a syndication financing by collaborating with local commercial FIs. The total amount that has been crowdfunded for syndication financing was more than RM20 billion with the Bank's own portion amounted to around RM1.1 billion.

SUMMARY OF FY2025 DEVELOPMENT OUTCOME – DESIGN ADDITIONALITY

CLIENT RESILIENCE AND POSITIVE SPILLOVER INTO THE ECONOMY

From the financing extended by Bank Rakyat towards its SME and cooperative customers over the years, a number of SMEs and cooperatives have shown positive incremental values in their sales turnover and number of new jobs created along with sustaining jobs.

Development Outcome: Design Additionality

CLIENT RESILIENCE AND POSITIVE SPILLOVER INTO THE ECONOMY

SME		COOPERATIVE
>RM1,867.00 mil by 129 companies	BUSINESS WITH HIGHER SALES TURNOVER	>RM422.00 mil by 41 coops
>10,100 jobs sustained	EXISTING JOBS SUSTAINED BY CUSTOMERS	>2,500 jobs sustained
>500 new jobs created	NEW JOBS CREATED BY CUSTOMERS	>30 new jobs created
11 companies	UPWARD MIGRATION	6 coops
34 companies	IMPROVEMENT IN INTERNAL CREDIT RATING	2 coops

Note: Outcome in year 2023, based on SMEs and Cooperatives granted financing by the Bank in year 2022 and before.

QUALITATIVE SUMMARY AS A PROXY FOR POSITIVE SPILLOVER

Development Outcome: Design Additionality

QUALITATIVE SUMMARY AS A PROXY FOR POSITIVE SPILLOVER

Targeted/Counter-cyclical Financing Programme for Entrepreneurs

More than 5,500 entrepreneurs have been assisted with over RM650,000,000 worth of financing amount via offerings of specialised financing programmes such as BRPlus-i (MSME and Cooperative working capital), BR JohorNiaga (subsidise profit rate by Johor State Government), BRIEF-i (Indian entrepreneurs), BR Tani (agro entrepreneurs), RAKYAT2E (Informal sector), MPPK 2.0 (micro and informal) and SPED 2.0 (rural area entrepreneurs). BNM MEF (micro-entrepreneurs) and SUTERA (Asnaf micro-entrepreneurs).

Social Finance and Sustainability

More than 5,000 graduates of RAKYATpreneur, RAKYATpreneur B40, Bank Rakyat UNIpreneur and Asnafpreneur have been assisted through capacity building and monetary contribution using the Bank's zakat funds and BNM iTekad funds. Through these programmes, over 60% of graduates have managed to increase their sales turnover and/or created job opportunities for their local communities.

Offerings of retail and business financing for 'green' purposes and products and retail financing products for Umrah/Hajj purpose.

Entrepreneur and Cooperative Development

Multiple collaboration with various Government and Non-Government agencies for MSME and Cooperative financing, advisory, training and capacity building i.e.: KUSKOP, PERNAS, PERKESO, SME Corp., YaPEIM, PETRONAS, Johor State Government, Sarawak State Government, CAKNA, Dropee, AKPK.

Financial Inclusion

Implementation of Cashless School and Digital Desa to cultivate savings culture and cashless ecosystem amongst school students and rural communities have managed to attract opening of new CASA-i.

Driving digital transformation by enabling cashless transactions in bazaars and night markets through the Jajahan Rakyat programme, while expanding access to bank financial solutions nationwide.

Deployment of 9 BOW and ARROWs and operation of 27 Rakyat Xcess and Ar-Rahnu X'Change locations nationwide in support of underserved and unserved segments.

Digital Access to Products and Services

Implementation of various digital platform channels such as Quick Response 2 Entrepreneurs (QR2E), eBiz Suite and eBiz Tools Marketplace, Bank Rakyat Quick (BRICK), Ar-Rahnu and Branch e-appointment, iRakyat (web and mobile apps), i-bizRAKYAT (web), i-MerchantRAKYAT, JomPay in Touch 'n Go eWallet have managed to ease the daily banking application and transactions needs of Bank Rakyat's individuals and business customers.

SUPPORTING THE COOPERATIVES' ECOSYSTEM

Bank Rakyat provides supports to the cooperatives' ecosystem through contributions made to Suruhanjaya Koperasi Malaysia (SKM) via the Cooperative Education Trust Fund (CETF) and Cooperative Development Provident Fund (CDPF). The contribution amount made is based on 2% and 1% of Bank Rakyat's annual PBTZ, respectively.

Further details on Bank Rakyat's other initiatives to support the cooperative ecosystem are deliberated in 'Developing the Cooperative Sector' section.

SUPPORTING THE MEMBERS' WELL-BEING

As a cooperative, Bank Rakyat has always been prioritising its members and their economic well-being. Apart from extending financial services to members, Bank Rakyat also offers an attractive dividend pay-out annually as well as annual contributions to Yayasan Bank Rakyat in upgrading the socio-economy of the country through education. Financial contribution by Bank Rakyat is based on 0.5% of the members' shareholding with ratio of 2(Bank): 1(Member).

Development Outcome: Design Additionality

SUPPORTING THE COOPERATIVES' ECOSYSTEM

Social Finance and Sustainability

Contribution

RM38.00 mil → **Cooperative Education Trust Fund (CETF)**

Contribution

RM19.00 mil → **Cooperative Development Provident Fund (CDPF)**

SUPPORTING THE MEMBERS' WELL-BEING

Social Finance and Sustainability

Dividend Distribution

RM540.00 mil → **Benefiting more than 780,000 members including individuals and cooperatives**

Contribution

RM28.50 mil → **Yayasan Bank Rakyat**

SOCIAL FINANCE

CONTRIBUTIONS OF ZAKAT FUNDS TO ASNAF ENTREPRENEURS

Social Finance and Sustainability

RAKYATpreneur 6.0

300 Participants
RM1.5 mil Seed funding
RM0.648 mil Learning modules

UNIpreneur 5.0

500 Participants
RM1.5 mil Seed funding
RM0.175 mil Learning modules

>60% of **RAKYATpreneur 6.0** and **Bank Rakyat UNIpreneur 5.0** have shown increased in their sales for the entire six-month period

Contribution for the Needy

Contribution of Zakat and CSR by the Bank
>RM20.50 mil
>78,000 Recipients

ZAKAT

- Asnafpreneur Empowerment
- Poverty Elimination
- Quality Education
- Sustainable City and Community

CSR

- Kebun NURI Nutrisi and Inisiatif Jangkauan Komuniti MADANI
- Imarah Ramadan and Cahaya Aidilfitri
- Citra Kasih and Kasih Wira Negara TLDM
- Saya Mau Kaamatan and Mok Sambut Gawai
- Flood Relief

SOCIAL FINANCE

In 2025, Bank Rakyat continued its philanthropic initiatives via RAKYATpreneur 6.0, Bank Rakyat UNIpreneur 5.0, with the aim of elevating the potential of Asnaf and Asnaf student entrepreneurs to progress across their business value chains. This social finance initiatives programme was also held as support for the iTEKAD programme established by BNM (RAKYATpreneur B40) with the aim of helping low-income micro-entrepreneurs to strengthen financial management and business intelligence to generate continuous income.



The programmes were specially designed to guide asnaf entrepreneurs who received zakat assistance from Bank Rakyat through competency upskilling workshops, advisory services, network building, as well as follow-up monitoring by Bank Rakyat's selected partners namely, UiTM Technoventure Sdn Bhd (UTVSB) and 20 other local tertiary education institutions. The main goal of the programmes is to help asnaf entrepreneurs improve their competencies, identify and seize opportunities to remain relevant in the market. These programmes are expected to nurture the entrepreneurs to become Bank Rakyat's future MSME customers.

In terms of profile, the selected entrepreneurs were from all states across Malaysia, including Sabah and Sarawak, with diverse businesses ranging from food and beverage, clothing and apparels, handicraft, workshop, agriculture, tailoring, hair dressing and other segments.

To date, 1,333 of RAKYATpreneur, 2,100 of Bank Rakyat UNIpreneur and 1,104 RAKYATpreneur B40 participants have graduated from these programmes.

CONTRIBUTING ZAKAT AND CSR FUNDS FOR THE NEEDY



During the year under review, Bank Rakyat contributed to community and societal development nationwide through the distribution of zakat and Corporate Social Responsibility (CSR) funds across various initiatives and programmes.

SUMMARY OF 2025 DEVELOPMENT OUTCOME – POLICY ADDITIONALITY

Development Outcome: Policy Additionality

POLICY/INITIATIVES PROPOSED TO THE GOVERNMENT

SHARIAH THOUGHT LEADERSHIP

1. Completion of research paper on Sukuk Waqf on 23 January 2025 contributing to the advancement of Shariah-based financial innovation.
2. A Public Hearing on the Research Outcome: An Exploratory Study on The Issuance of Sukuk Waqf in Malaysia was successfully held on 16 June 2025 at DTAR, Menara Kembar Bank Rakyat.

MSMEXC ECOSYSTEM

Bank Rakyat involved in Perancangan Program Pembangunan Usahawan dan Koperasi KUSKOP for Rancangan Malaysia Ke-13 (RMK13) workshop in drafting initiatives to support Malaysia's MSME and Cooperative ecosystem.

DIGITAL AND SUSTAINABILITY

1. Bank Rakyat at the Annual Malaysia - Türkiye Finance Summit as a panellist in Insight Forum: Digital Transformation and Sustainability, highlighted Bank Rakyat's efforts in utilising digital technologies to support sustainable development and promote inclusive growth.
2. Bank Rakyat involved as a Member of Sectoral Guide Working Group (SGWG) for the Wholesale & Retail Trade sector under the VBIAF 4th Cohort.

NATIONAL BUDGET 2026

Proposal by Bank Rakyat during Belanjawan 2026 Focus Group on Islamic Finance by MOF:
1. Unlocking value of waqf properties
2. i-Tekad fund
3. Expansion of Halal Industry Players
4. One-stop Centre for entrepreneurs
5. Training fund for entrepreneur capacity building programmes
6. Bank Bergerak Initiative (BBI)
7. Skim Pembiayaan Mikro Peniaga and Penjaja Kecil (MPPK)

POLICY/INITIATIVES UP BY THE GOVERNMENT

NATIONAL BUDGET 2026

Proposal by Bank Rakyat that were listed into the National Budget 2026:
1. Unlocking value of waqf properties
2. i-Tekad fund
3. Expansion of Halal Industry Players
4. One-stop Centre for entrepreneurs
5. Training fund for entrepreneur capacity building programmes
6. Bank Bergerak Initiative (BBI)

MSMEC ECOSYSTEM

Inclusion of BR's initiatives in the National Budget 2026 on MSME and Cooperative development i.e.:
1. BizLady - RM30 mil
2. Financing to MSME - RM750 mil
3. Financing to Cooperative - RM250 mil
4. Insentif Kadar Faedah/Keuntungan Penskalaan PMKS - RM20 mil

IMPACT FROM THE POLICY ADVICE

MSMEC ECOSYSTEM AND NATIONAL BUDGET 2025

The recognition of Bank Rakyat's initiatives under National Budget 2025 translated into RM4.84 billion in approved financing, empowering 3,008 businesses to expand and strengthen their operations.

IMPACT FROM THE INITIATIVES TAKEN

SHARIAH THOUGHT LEADERSHIP

As a result of successfully organising iSHAR 2024, Bank Rakyat continues to be recognised as a leading reference point for both industry and academia within the Shariah and Islamic finance ecosystem.

FINANCIAL INCLUSIVITY

EMPOWERING FINANCIAL INCLUSION AGENDA

In addition to the existing developmental and mandate, Bank Rakyat also consistently supports the financial inclusion agenda to provide suitable, affordable and quality financial services to all segments of society in contributing to balanced and sustainable economic growth and development.

Financial education forms a core component of Bank Rakyat's financial inclusion approach, equipping individuals with the knowledge and capability to effectively access, use, and benefit from financial services. In this regard, Bank Rakyat remains steadfast in advancing the effective delivery of financial education initiatives to all segments of society nationwide, with its partnership under the Financial Education Network (FEN) playing a key role in strengthening this endeavour.

Bank Rakyat offers multitude products, services and innovative touchpoints as well as provision of financial education in catering to the underserved and unserved segments such as:

- Just-In-Time Financial Education (JITFE)
- Targeted Financial Education for Vulnerable Segments
- Cashless School
- Digital Desa
- Bank On Wheels (BOW) and Ar-Rahnu on Wheels (ARROW)
- Agent Banking (Rakyat C.A.R.E.)
- Self Service Terminals (SST)
- Rakyat Xcess, Ar-Rahnu X'Change, Rakyat Xcess and Ar-Rahnu X'Change and Rakyat X'Lite
- Business Banking Centre, Auto Finance Centre and Mortgage Sales Centre
- Digital Platforms
  - iRakyat
  - i-bizRAKYAT
  - Bank Rakyat Quick (BRICK)
  - Quick Response to Entrepreneur (QR2E), eBiz Suite and eBiz Tools Marketplace
  - i-MerchantRAKYAT
  - e-Gold

JUST-IN-TIME FINANCIAL EDUCATION (JITFE)

Bank Rakyat's JITFE was introduced in December 2024 to embed financial education at the point of financing, with the aim of promoting informed financial decision-making among customers in support of the national financial literacy agenda.



In 2025, the programme was further strengthened through the institutionalisation of quarterly financial education sessions at branch level and the expansion of outreach through Bank Bergerak to widen the programme coverage.

Building on this foundation, the Bank was selected by Bank Negara Malaysia (BNM) to participate in a BNM JITFE pilot implementation in 2026, reinforcing its role in advancing JITFE as a behavioural intervention within the financing journey to enhance customer understanding, improve decision quality, and support responsible financing practices.

TARGETED FINANCIAL EDUCATION FOR VULNERABLE SEGMENTS



Bank Rakyat continues to enhance its financial inclusion efforts through targeted financial education initiatives for vulnerable segments, including low-income individuals, ageing customers and those with limited financial resilience.

These initiatives focus on strengthening financial capability in key areas such as debt management, savings behaviour and financial planning, delivered through structured modules and outreach programmes, including participation in national platforms such as Financial Literacy Month (FLM) led by BNM.

The Bank is also progressively aligning these efforts with its JITFE approach to ensure that vulnerable customers receive timely and relevant financial guidance at critical decision points.

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 students and normalise the use of a cashless environment, offering a more convenient and efficient way to manage transactions.
- **MyDebit-i Card** – Provides customised MyDebit-i cards featuring school logos and student photographs (optional), while reducing the risks associated with carrying cash. A fee waiver is offered for five years.
- **Current Account-i** – To facilitate canteen operators and school cooperatives in adopting a cashless operating environment.
- **POS Terminal** – To support and enable cashless payment transactions within school premises.
- **Rakyat C.A.R.E.** – Offers basic banking facilities such as deposits, cash withdrawals, intra-bank fund transfers, bill payments and financing payments through appointed agents.
- **Internet Banking** – Enables customers to conduct financial transactions via i-bizRAKYAT and iRakyat platforms.
- **i-MerchantRAKYAT** – Facilitates payments using QR-based transactions.
- **BOW and ARROW** – Supports CASA account opening and iRakyat subscription, as well as provides advisory on eBanking and ePayment services.

BANK ON WHEELS (BOW) AND AR-RAHNU ON WHEELS (ARROW)

BOW and ARROW are initiatives introduced by Bank Rakyat in ensuring its customers have easy access to banking services and facilities in urban and rural areas.

As of FY2025, 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 provide 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 the Bank's BOW and ARROW.



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 FY2025, Bank Rakyat's BOW and ARROW have participated in the Financial Literacy Month 2025 (FLM2025). This event is the flagship annual initiative organised by FEN co-chaired by BNM and Securities Commission (SC). It is held throughout the month of October 2025 with this year's event carried the theme of "Bijak Sekarang, Masa Depan Terjamin".

The main event took place on 18 October 2025 at Dewan Serbaguna Taman Sri Pelabuhan, Bintulu, Sarawak. The event saw the participation of over 30 schools, hawker stalls as well as agencies from the Bintulu area. This event also facilitated in Bank Rakyat's Zakat donation to 32 schools within Bintulu area and school aids to orphanage of Kompleks Kebajikan Daud Abdul Rahman (PERYATIM).

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. In 2025, JomPay services has been expanded to underserved area and community through agent banking, improving access to secure and convenient digital payment solutions.

SELF SERVICE TERMINAL (SST), RAKYAT XCESS, AR-RAHNU X'CHANGE, RAKYAT XCESS AND AR-RAHNU X'CHANGE AND RAKYAT X'LITE

Apart from the 148 branches, nationwide presence of Bank Rakyat is accompanied by 991 SST consisting of 669 automated teller machines (ATM), 202 cash deposit machines (CDM), 120 cash recycler machines (CRM).



Bank Rakyat is also equipped with small-scale branches to serve the local communities not limited to the underserved and unserved areas. To date, Bank Rakyat has four Rakyat Xcess, 27 Ar-Rahnu X'Change, 23 Rakyat Xcess and Ar-Rahnu X'Change and one Rakyat X'Lite located nationwide including in Borneo region.

In addition to Bank Rakyat's own operated Ar-Rahnu X'Change outlets, there are currently 82 Ar-Rahnu X'Change outlets operated by 42 cooperatives under a franchising arrangement with its subsidiary, Rakyat Management Services Sdn Bhd (RMS). This franchise model has contributed positively to the cooperatives by enhancing income generation and creating new employment opportunities. RMS also directly owns and operates two outlets under the same Ar-Rahnu X'Change brand. In addition, RMS operates RMS Gold, which complements and strengthens the overall Ar-Rahnu ecosystem.

BUSINESS BANKING CENTRE (BBC), AUTO FINANCE CENTRE (AFC) AND MORTGAGE SALES CENTRE (MSC)

In line with the BR25 goal to improve outreach towards entrepreneurs nationwide and increase access to Bank Rakyat's financial assistance and solutions, the BBC has been established as a one-stop centre that provides holistic advisory and financing services for MSMEC. During the year under review, a total of 10 BBCs have been established at KL Sentral (Kuala Lumpur), Shah Alam (Selangor), Ayer Keroh (Melaka), Ipoh (Perak), Sungai Petani (Kedah), Kota Bharu (Kelantan), Johor Bahru (Johor), Kuching (Sarawak), Kota Kinabalu (Sabah) and Kuantan (Pahang).

Bank Rakyat also has 11 AFCs located nationwide at Jalan Ipoh (Kuala Lumpur), Seberang Jaya (Penang), Mergong (Perak), Johor Bahru (Johor), Kuching (Sarawak), Seremban (Negeri Sembilan), Shah Alam (Selangor), Likas (Sarawak), Meru Raya (Perak), Putrajaya and Ayer Keroh (Melaka) as well as five MSCs at KL Sentral (Kuala Lumpur), Bandar Baru Klang (Selangor), Skudai (Johor), Kepala Batas (Penang) and Kota Kinabalu (Sabah) to expand the Bank's outreach to the public in providing auto financing and home financing products.

DIGITAL PLATFORMS

In FY2025, Bank Rakyat has made significant progress towards its digitalisation goals by improving its 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 these channels:

iRakyat

In addition to Bank Rakyat's iRakyat online banking web-based platform, the iRakyat mobile application was launched in September 2021, enabling customers to conveniently manage their product holdings anytime, anywhere. Apart from regular retail banking functionalities, the application also supports 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.

Ultimate Card Control at Your Fingertips
- Activate your card, enable overseas transactions, request a replacement or block your card - all in just a few taps on iRakyat.

Safeguarding Against Financial Fraud
- As part of ongoing efforts to strengthen fraud prevention, Bank Rakyat successfully launched Bank Negara Malaysia (BNM)'s Countermeasures initiative, significantly enhancing security of its system.

Broader Access, Same Great Experience
- Our app is now available on the Huawei AppGallery, expanding accessibility for more users.



i-bizRAKYAT

i-bizRAKYAT, the corporate internet banking platform offered by Bank Rakyat, provides 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

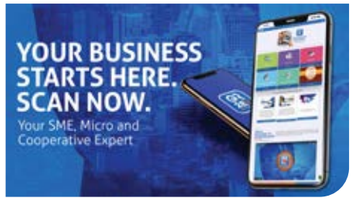
Bank Rakyat Quick (BRICK) serves as an alternative digital channel for retail customers to conveniently access Bank Rakyat's products. Since its inception, BRICK has evolved into a comprehensive platform that connects potential customers to a wide range of retail offerings, including Savings-i Account, eCurrent Account-i, Personal Financing-i, Home Financing-i, Vehicle Financing-i, Credit Card-i, and Investment-i Account, providing both product information and end-to-end application capabilities.

Gradually, BRICK has progressed from a simple lead form into a paperless onboarding platform. All products in BRICK (except for Vehicle Financing-i, which is targeted to go live in May 2026) is now integrated with the Bank's Financing Origination System (FOS), enabling customer application data to flow directly into the core banking environment, eliminating the need for Retail Sales Agents (RSA) to re-key information.

In addition, BRICK also has an Electronic Know-Your-Customer (eKYC) capabilities for Personal Financing-i, allowing new-to-bank customers to complete identity verification digitally and proceed with their applications. This enhancement accelerates onboarding, reduces manual intervention, and improves the overall customer experience while strengthening readiness for a straight-through processing (STP) journey.

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 MSME entrepreneurs and cooperatives, the QR2E platform introduced the eBiz Tools Marketplace in 2023. This marketplace offers valuable digital business solutions, including Human Resources, accounting, and e-commerce management, through partnerships with leading fintech companies.



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

i-MerchantRAKYAT



Bank Rakyat's i-MerchantRAKYAT application, launched in October 2023, has provided MSME entrepreneurs and cooperatives with a powerful tool for accepting payments via DuitNow QR. This initiative underscores the Bank's commitment to secure, fast, and convenient financial transactions, promoting a cashless community. In November 2024, Bank Rakyat 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 the Bank's goal of making e-payments the primary choice for all transactions.

e-Gold

In 2025, Bank Rakyat expanded its digital Islamic financial solutions portfolio with the launch of the eGold Account-i, a Shariah-compliant digital gold trading product available via the iRakyat platform. The product enables customers to conveniently buy, sell, transfer, and convert their gold holdings seamlessly through a fully digital channel.

This initiative supports the financial inclusion agenda by broadening access to gold trading, allowing customers to start accumulating savings and building wealth in gold from as low as RM10 to buy 999.9 purity gold with real-time trading capabilities, making it easy for customers to track prices and make transactions at their convenience.

DEVELOPING THE COOPERATIVE AND ENTREPRENEURS SECTOR

Bank Rakyat plays a significant role in developing the cooperative and entrepreneurs' sector, sharing the government's aspiration of making the cooperative and entrepreneurs' sector a vital contributor to economic growth. Bank Rakyat fortifies the sector's growth through facilitating cooperative and entrepreneur development programmes that provide financial assistance and advisory services.

This effort is a manifestation of Bank Rakyat in supporting the objectives of the NEP2030 which is also in line with Bank Rakyat's aspirations in driving the development of the MSMEC outlined under Bank Rakyat's 2025 strategic plan.

This programme is Bank Rakyat's initiative whose main objective is to empower entrepreneurs through various customised programmes such as training, product briefings, business matching and engagement sessions with cooperative and entrepreneurs to enhance business operations, business expansion, and build resilience in cooperative and entrepreneurs' businesses.

The programmes, offered via physical and virtual platforms, include the following:
- Kembara Pemerkasaan Usahawan Dan Koperasi "Santai Namun Sampai" (SNS)
- Graduate Mentoring Program
- Islamic Financing Workshop
- Entrepreneur Engagement and Loyalty Driven "…Dari Sutera ke Camisa"
- BBNU @ Pondok Panas…Usahawan Hangat
- JR#2 - Digital Transitioning: Jajahan Rakyat Tech2Go
- eCa-i Coop Tour

Kembara Pemerkasaan Usahawan dan Koperasi - "Santai Namun Sampai"

- The Santai Namun Sampai Programme is a capacity-building initiative aligned with National Entrepreneurship Policy (NEP 2030), aimed at empowering unserved, underserved, and unbankable entrepreneurs. It promotes upward migration and positions entrepreneurs as agents of change by supporting business growth through a comprehensive framework covering business management, financing advisory, digitalisation, and strategic development, while strengthening the SME ecosystem, contributing to sustainable economic growth, and supporting efforts to eradicate poverty.

Graduate Mentoring Program

- The Graduate Mentoring Program empowers graduates to embark on their entrepreneurial journey through hands-on guidance from experienced business mentors. Aligned with NEP2030, it nurtures an entrepreneurial mindset, drives innovation and exploration among university students, and builds the confidence of graduates to pursue entrepreneurship as a preferred and sustainable career pathway.

Islamic Financing Workshop

- Transforming cooperatives and entrepreneurs towards a Shariah-compliant framework aligned with the government's aspirations under the Pelan Transformasi Koperasi Malaysia, fostering sustainable socioeconomic growth through Bank Rakyat's integrated financial solutions and digitalisation.

Entrepreneur Engagement and Loyalty Driven "...Dari Sutera ke Camisa"

- The Sutera to Camisa Programme supports selected entrepreneurs from the Santai Namun Sampai initiative through dedicated professional coaching to assess business readiness and growth potential, and to drive measurable, sustainable outcomes.
- Driving impactful scaling for entrepreneurs by accelerating sustainable growth, strengthening resilience, and enabling successful entry into Halal and global markets.

BBNU @ Pondok Panas... Usahawan Hangat

- A marketing platform leveraging Bank Rakyat's social media channels, including TikTok, Instagram, and Facebook, as an initiative to promote MSME customers' products and services, particularly empowering entrepreneurs who have yet to fully develop their digital marketing capabilities. This initiative aims to expand market reach through effective algorithms, generate positive viral impact, and serve as a reliable channel to enhance visibility and engagement, ultimately driving sales growth.

JR#2 Digital Transitioning: Jajahan Rakyat Tech2Go

- Powered by our fintech strategic partner, Dropee Technology, this marketplace platform enables the Bank's existing customers to access a Digital B2B Tech2Go ecosystem that drives seamless bulk trading and strategic business networking. As part of the Bank's digitalisation agenda, the platform expands market reach, unlocks new growth opportunities, and empowers customers with greater visibility to build resilient, competitive, and sustainable businesses.

Jajahan Rakyat

- Jajahan Rakyat, in strategic collaboration with state governments, is building a holistic and inclusive entrepreneurial ecosystem that strengthens the nation's socio-economic development. Through initiatives such as financial literacy programmes. the empowerment of local products, handicrafts, and tourism, as well as the nationwide adoption of cashless bazaars, the programme drives digital transformation, expands access to financial solutions, and supports sustainable and balanced economic growth, while contributing to efforts to eradicate poverty.

eCa-i Coop Tour

- eCA-i Coop Tour were held mainly to introduce the Bank's Cash Management Services and to convey our aspiration to be the preferred operating bank in Cooperative ecosystem.
- This programme also aim to strengthen the existing cooperation and to build new business relationship between Bank Rakyat and cooperatives nationwide.
- During the course of the programme, Bank Rakyat emphasised the importance of utilising electronic payment/fund transfer for dividend payment purpose by which would enable the whole process to be done swiftly and in efficient manner.
- Also highlighted in the programme, the availability of Bank Rakyat's financing products such as working capital, term financing and Cashline-i for cooperatives to sustain and further expand their businesses.
- Cooperatives who attended the programme were divided into several small groups to make it easier for the Bank to understand each individual cooperative and hence, provide tailor-made solution(s) accordingly.

TO DRIVE HIGH VALUE-ADDED GROWTH

1 BUSINESS DIVERSIFICATION
To enhance cooperative resilience to change in the external environment.

2 FINANCIAL ASSISTANCE
To support cooperative with tailored financial products and services to operate efficiently and to grow, with a strong relationship focus identified potential cooperatives for business expansion.

- JOB CREATION
- BUSINESS DIVERSIFICATION
- INCREASE IN ASSET

Santai Namun Sampai

2,575 Participants

Cooperative and Entrepreneur

Graduate Mentoring Program

1,219 Participants

University Student and Graduate

Islamic Financing Workshop

336 Participants

Cooperative and Entrepreneur

Dari Sutera ke Camisa

100 Participants

Entrepreneur

Jajahan Rakyat Tech2Go

525 Participants

Entrepreneur

BBNU Usahawan Hangat

52 Participants

Entrepreneur

Cooperative e-Cai Tour

427 Participants

Cooperative

The programme initiatives and modules will strengthen Bank Rakyat's drive to deliver values to the society and creating a conducive entrepreneurial eco-system to support the sustainable socio-economic development of cooperatives and entrepreneurs by:

- Inculcating a cooperative and entrepreneurship culture through prioritising developmental impact.
- Enhancing cooperative and entrepreneurs' ability to self-assess their financing capability relevance in an evolving economic climate.
- Nurturing cooperatives and providing tailored solutions for targeted segments.
- Collaboration with other agencies and external parties.

Bank Rakyat is committed to forging long-term relationships that can lead to more business opportunities by way of greater collaboration with agencies such as Suruhanjaya Koperasi Malaysia (SKM), Institut Koperasi Malaysia (IKMa), Angkatan Koperasi Kebangsaan Malaysia Berhad (ANGKASA) and Institut Keusahawanan Negara (INSKEN) in order to promote sustainable cooperative development.

Rejuvenating the brand is crucial to ensuring Bank Rakyat's business operations growth, and customer retention. This initiative will better position the Bank and demonstrate its commitment for the unserved and underserved entrepreneurs as well as serving as a platform for the marketing of Bank Rakyat's products and services.

Bank Rakyat continues to intensify focus towards a progressive and sustainable cooperative and entrepreneur development alignment with the government's Pelan Transformasi Koperasi Malaysia 2021 - 2025 (TransKom) and the NEP2030. Bank Rakyat will continue to facilitate the development of the cooperative and entrepreneur sector in strengthening and achieving the potential of the cooperative and entrepreneur sector as a national economic driver.

SUCCESS STORIES OF BANK RAKYAT'S MICRO-ENTREPRENEURS

Bank Rakyat continued to make meaningful impact in 2025 by supporting entrepreneurs from diverse backgrounds in achieving measurable business growth, enabling enterprise expansion, wider market reach and job creation within their communities.

One notable success story achieved from Santai Namun Sampai programme is Heaven Scarves (fashion accessories business) an entrepreneur under the Jajahan Rakyat Johor programme at Bazar Karat JB, which has achieved notable growth to empower unserved, underserved, and unbankable entrepreneurs. Once constrained by limited capital, unstable cash flow, and low digital capability, the business has transformed through structured financial training and the adoption of digital tools such as QR payments and POS systems, resulting in stronger operations and steady business growth.

Today, Heaven Scarves is expanding with increased sales, improved efficiency, and new product offerings including exclusive design tumblers and trending keychains. The business has successfully opened a new outlet, hired additional employees, and strengthened its nationwide presence through active participation in bazaar marketplaces, marking a clear and impactful milestone in its entrepreneurial journey.

Building on this momentum, selected entrepreneurs with strong growth potential were further supported through advanced mentoring and strategic guidance under the Sutera to Camisa programme. Participants were intensively coached to refine their business models, improve operational readiness and pursue sustainable growth. Among the standout examples are:

- **Bell Food Sdn Bhd**, a flavoured popcorn manufacturer under the UBells brand. UBell Popcorn has experienced significant growth after joining the Bank Rakyat Entrepreneur Development Programme, leveraging structured training and financial solutions to drive digital transformation. The business adopted digital payment systems, improved financial management practices, and expanded its marketing network, resulting in increased sales, wider market reach, and stronger operational efficiency. This momentum propelled UBell Popcorn onto the global stage, where it was selected by MATRADE to represent Bank Rakyat at the CIIE–MIHAS Shanghai 2025 exhibition. As a Halal-certified Malaysian brand, it attracted strong international interest and successfully expanded into major retail channels including AEON, Rismart24, selected petrol stations, marking a key milestone in its journey toward becoming a globally recognised homegrown brand.

- **So Cabai Signature Enterprise** grew from a humble pop-up booth serving Malay breakfast favorites into a fast-rising brand by seizing the power of financial support and digitalisation. Selected for the i-TEKAD grant under Bank Rakyat's micro-entrepreneur empowerment initiative, the business made bold, strategic investments in marketing that rapidly elevated its visibility and credibility in the market. This momentum translated into real growth a physical retail outlet, expanding its product range, and scaling production to meet surging demand, especially for its ready-to-eat sambal. With stronger sales and participation in major marketplaces and bazaars, So Cabai has transformed into a structured, competitive, and scalable enterprise, proving that the right support can turn small beginnings into standout success.

Bank Rakyat consistently played a pivotal role in transforming graduates' entrepreneurial aspirations into real ventures. The Graduate Mentoring Program provides mentoring, access to financing and exposure to the entrepreneurial ecosystem through seminars and pocket talk sessions under this programme. Notable success stories include:

- **KOPI KOPIO** has grown into a distinctive hipster cafe brand in the heart of Kundasang's tourism hub, driven by young graduate entrepreneurs who combined family support with structured entrepreneurship training through the Graduate Mentoring Program business module strong foundation enabled them to transform a simple cafe idea into a purposeful and competitive business venture. With the support of the i-TEKAD grant, KOPI KOPIO strengthened its operations by upgrading raw material sourcing, equipment, and cafe supplies, resulting in improved efficiency, consistency, and service quality. The adoption of digital business practices and structured financial management further enhanced operational control and decision-making, driving stronger customer satisfaction, repeat purchases, and steady business growth. This transformation has positioned KOPI KOPIO as one of the most competitive hipster cafes in Borneo, led by young graduate entrepreneurs, demonstrating how digital adoption can elevate a small cafe into a sustainable and scalable business.

- **GLOWIEKA Beauty** began as a home-based venture by a UiTM student entrepreneur, built on creativity in crafting surprise bouquets for special occasions. Through consistent perseverance and self-development via Bank Rakyat's Graduate Mentoring Program, the entrepreneur strengthened both business capability and mindset, establishing a strong foundation for sustainable growth. With support from the i-TEKAD grant, the business strategically expanded into spa services through investment in equipment and service diversification. The adoption of digital financial management and cashless payment systems further enhanced efficiency, customer experience, and revenue growth. This transformation has positioned GLOWIEKA Beauty as a more structured, professional, and competitive enterprise with strong scalability, demonstrating that entrepreneurship is a viable and impactful career pathway.

- **Usaha Tawakkal Enterprise** - Encik Meor, a final-year UiTM Perlis student, turned a simple iced lime jelly drink into a high-potential business by combining innovation with disciplined execution. Through Bank Rakyat's Graduate Mentoring Program and digital financial tools, he earned the ITEKAD grant and reinvested it strategically upgrading to an automated cup sealing machine that elevated product quality, consistency, and operational efficiency while strengthening his brand in the market. By adopting i-bizRAKYAT and QR payments, he expanded his reach, accelerated sales, and built a scalable business model. His journey proves that with the right financial literacy, digital adoption, and determination, young entrepreneurs can drive real growth. More than just building a business, Encik Meor is setting the pace as a trendsetter and job creator, inspiring his peers to turn ideas into impact.



BANK RAKYAT'S FINANCIAL PERFORMANCE REVIEW: FY2025

The Bank Rakyat Group delivered a strong financial performance for the year ended 31 December 2025, sustaining the positive momentum established in preceding years. The Group reported a profit before tax and zakat (PBTZ) of RM1.9 billion, representing a year-on-year increase of 4.2% or RM75.8 million, compared to RM1.8 billion recorded in FY2024. This improvement reflects the Group's solid underlying fundamentals and its strategic focus on core business activities, effectively navigating a challenging global economic outlook and a demanding banking environment, supported by improved domestic economic conditions.

This performance was driven by strong growth in total assets, which rose by 6.6% to RM131.0 billion, alongside compelling offerings in the retail financing segment, a stronger focus on non-fund-based income, accelerated digitalisation to capture the mass affluent market, and overall improvements in asset quality. The successful completion of BR25 further enabled the Group to unlock the full benefits of its portfolio diversification, notably in the business banking and secured financing segments, including Home Financing-i, Vehicle Financing-i, and Pawn Broking-i.

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MANAGEMENT DISCUSSION AND ANALYSIS

The Group's core income increased by 2.0% to RM6.8 billion, attributed to strong growth in the gross financing balance of 8.6% to RM93.3 billion, outperforming the industry average. This performance was further supported by sustained growth across the Group's secured financing portfolio, reflecting the positive outcomes of its strategic diversification efforts.



The Group's deposit-led strategy and targeted efforts in low-cost deposit acquisition resulted in a significant increase of 15.2% in Current Accounts-i, Savings Accounts-i, and Investment Accounts-i (CASAIA) to RM12.4 billion, boosting the CASAIA ratio by 129 basis points to 14.4%. The Group's overall performance was further bolstered by a substantial 30.8% increase in other operating income, contributing RM938.4 million, up from RM717.4 million in FY2024, benefiting from higher financing growth and expanded non-fund-based income streams.

Bank Rakyat Group maintained its commitment to prudent risk management and stringent credit underwriting processes, leading to an improvement in the gross impaired financing ratio from 1.9% to 1.8%. The Group also demonstrated effective cost management, as reflected in a healthy cost-to-income ratio of 47.8%. The Group's capital position remained robust, with the Risk-Weighted Capital Ratio and Core Capital Ratio standing strong at 25.6% and 24.2% respectively, comfortably above the minimum regulatory requirements, underscoring the Group's financial strength and its standing as one of the largest full-fledged Islamic financial institutions in Malaysia.



DIVIDEND FOR THE YEAR:



The commendable financial results enabled the Group to optimise its capital position and maintain an attractive dividend payout for its members and stakeholders. A dividend of 18%, amounting to a total payout of RM534.7 million — the highest in the past 10 years — was announced by YB Encik Steven Sim Chee Keong, Minister of Entrepreneur and Cooperatives Development. The dividend payment commenced on 16 April 2026, benefiting a total of 783,324 members.



Beyond member's returns, Bank Rakyat continued to fulfil its mandated role in supporting the cooperative ecosystem. The Group contributed 2% of its profit before taxation and zakat, amounting to RM38.0 million, to the Cooperative Education Trust Fund, and a further 1%, or RM19.0 million, to the Cooperative Development Provident Fund. The total contribution to these cooperative funds for FY2025 amounted to RM57.0 million, an increase from RM54.7 million contributed in the preceding year.

RAM RATING

RAM RATINGS AFFIRMS BANK RAKYAT'S AA2/P1 RATINGS WITH STABLE OUTLOOK

RAM Ratings reaffirmed our AA2/Stable/P1 financial institution ratings, reflecting the Bank Rakyat's strong credit fundamentals and its strategic role as a cooperative bank cum developmental financial institution (DFI).

Financial Institution Ratings (FIRs)	Description
AA2 (Long-term rating)	Bank Rakyat demonstrates a strong capacity to meet its financial obligations and remains resilient in the face of adverse changes in circumstances, economic conditions, and operating environments.
P1 (Short-term rating)	This represents the highest short-term Financial Institution Rating (FIR) assigned by RAM Ratings. An institution rated P1 demonstrates a strong capacity to meet its short-term financial obligations.

Ratings of the Bank's sukuk issued through its funding conduits have also been reaffirmed as follows:

Bank Rakyat's Funding Conduits	Ratings
Imtiaz Sukuk II Berhad RM10 billion Sukuk Wakalah Programme (2020/2050)	AA_2(s)/Stable
Mumtaz Rakyat Sukuk Berhad RM5 billion Subordinated Sukuk Murabahah Programme (2016/2036) *The one-notch difference between the Bank's long-term FIR and the rating of Mumtaz Rakyat's Subordinated Sukuk Murabahah reflects its subordinated position relative to the Bank's senior obligations.	AA_3(s)/Stable

The Bank's standalone credit profile remains underpinned by a strong foothold in personal financing (PF) particularly among civil servants, and ample loss absorption buffers against potential credit deterioration. The ratings indicate that Bank Rakyat's healthy gross impaired financing (GIF) coverage and solid capital position provide meaningful buffers against potential credit impairment. The ratings also reflect RAM Ratings' expectation of a moderately high likelihood of extraordinary government support, given Bank Rakyat's unique status.

RAM Ratings' assessment also incorporates its Environmental, Social and Governance (ESG) Credit Impact Assessment. On this front, we have been assigned a Neutral rating (as shown in the table below), reflecting the view that ESG risks have a limited influence on the Bank's credit profile and financial performance. These risks are considered well-managed and effectively mitigated, and are therefore not expected to affect the Bank's current ratings.

ESG Credit Impact Assessment	
Environmental Risk	Neutral
Social Risk	Neutral
Governance Risk	Neutral

RETAIL BANKING

Retail Banking remained a key pillar of Bank Rakyat's performance in FY2025, delivering broad-based growth across its core product segments. Against a backdrop of regulatory change, competitive deposit markets, and evolving customer expectations, the division sustained healthy momentum in financing, cards, deposits, and digital channels. The following sections outline the performance and key developments across each business segment during the year.

PERSONAL FINANCING-i

Personal Financing-i remains the largest financing portfolio within Retail Banking and contributes significantly to the Bank's financing assets and income in 2025. Despite regulatory changes introduced by Bank Negara Malaysia to strengthen customer safeguarding, the portfolio recorded a year-on-year growth of RM2.05 billion or 3.51% compared to 2024. Personal Financing-i accounted for approximately 72% of the total gross financing balance, reaffirming its central role in supporting the Bank's sustainable growth agenda.

The year's performance was underpinned by disciplined execution, dedicated sales team (RSA), targeted campaigns, and strategic product initiatives aimed at expanding market reach while maintaining prudent risk management standards. Key developments in 2025 included the introduction of BR GEMA to strengthen the Bank's presence in the public sector, as well as the launch of Personal Financing-i Instacash to support the Bank's long-term strategy of expanding into the private-sector mass market, enhancing competitiveness, and sustaining market leadership across both segments.

The Bank advanced its digital capabilities and presence to improve accessibility and customer experience, including the establishment of a strategic partnership with a renowned e-wallet provider to offer Personal Financing-i through the e-wallet platform, expanding and enabling wider reach within the private-sector market. These initiatives were complemented by the implementation of additional controls and affordability-based assessments in line with heightened regulatory expectations. Portfolio quality improved during the year, with a 0.12% reduction in impairments, reflecting strengthened risk management, while asset quality remained well managed through consistent underwriting practices and proactive portfolio monitoring.

Looking ahead, Personal Financing-i remains consistent in its focus on customer-centric innovation, targeted growth initiatives, and strong governance to ensure sustainable performance, in line with the Bank's commitment to long-term value creation and responsible banking.

HOME FINANCING-i FY2025

Home Financing continued to demonstrate strong and resilient performance in FY2025, underpinned by steady portfolio expansion, sustained income growth, and strategic market positioning.

The Bank's mortgage financing balance increased to RM12.14 billion, reflecting a year-on-year growth of 10.15%, equivalent to an uplift of RM1.12 billion compared to FY2024. This growth trajectory highlights the Bank's continued ability to expand its core asset base while maintaining portfolio quality and disciplined underwriting standards.

In tandem, financing income recorded a robust performance, reaching RM531.36 million, supported by a consistent upward trend. This reflects effective yield management and sustained contribution from both new disbursements and the existing portfolio.

From a business generation perspective, total disbursements remained stable at RM1.66 billion, demonstrating the Bank's ability to sustain financing momentum despite evolving market conditions. Monthly disbursement trends indicate consistent activity throughout the year, supported by targeted campaigns and strengthened distribution channels.

The Bank also continued to reinforce its ecosystem through active engagement with developers, recording 359 active panel developers as of December 2025, alongside 665 developers engaged between 2023 to 2025, further enhancing market reach and pipeline sustainability.

Strategically, effective 26 August 2025, the introduction of new financing package namely Mortgage Suite-i, marked a significant milestone in enhancing the Bank's product offerings. Mortgage Suite-i provides greater flexibility to customers, including financing options for education and renovation, while offering higher financing margins of up to 120% for first-and second-home buyers. This initiative, delivered through the dedicated Mortgage Sales Centre (MSC) channel, reflects the Bank's commitment to addressing diverse customer needs while remaining competitive in the mortgage market.

Green home financing alone recorded RM46.16 million, exceeding targets and reinforcing the Bank's commitment towards sustainable financing.

The primary market segment also delivered strong performance, with approvals reaching RM892.50 million supported by strategic developer collaborations and nationwide property engagements, further solidifying the Bank's presence in the mortgage ecosystem.

Overall, FY2025 performance reflects a well-balanced growth across portfolio expansion, income generation, and asset quality, positioning the Bank on a solid footing to accelerate mortgage growth and capture emerging opportunities in FY2026.

VEHICLE FINANCING-i

Retail Auto Financing-i recorded the Gross Balance growth of 12% in FY2025. The amount of Gross Balance stood at RM4.75 billion, an increase of RM0.51 billion from RM4.24 billion in FY2024. Seasonal campaigns and active participation in dealers' activities were key drivers of the double-digit growth achieved. Bank Rakyat strengthened its market presence through the branch network and 10 dedicated Auto Financing Centres (AFC), providing service and support to customers.



The growth was also associated with the national TIV increment of 0.5% from 2024. In 2025, national Total Industry Volume (TIV) was 820,752 units compared to 816,747 units in 2024. Strong customer purchasing power and stable economic conditions led the healthy growth in Malaysian TIV. For the first time, Malaysia recorded the highest TIV in ASEAN in 2025, surpassing Indonesia and Thailand.

Green Vehicles Financing recorded robust growth, with the Gross Balance rising to RM111 million in FY2025 from RM34 million in FY2024. Bank Rakyat's campaigns and competitive pricing strategies have driven strong growth in FY2025. With the high customer demand and introduction of affordable models of this segment, the figures are anticipated to accelerate further in the years ahead.

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PAWN BROKING-i

Pawn Broking-i (Islamic pawnbroking or Ar Rahnu) offers a Shariah compliant alternative to conventional pawn broking by providing immediate cash financing of up to RM350,000. Introduced in 1993, Ar-Rahnu has since become one of the Bank's most successful and widely accepted products. The service is currently available across 141 branches and 50 Ar-Rahnu X'Change (ARX) outlets nationwide, operating from Monday to Saturday.

To further enhance product accessibility and operational efficiency, the Bank implemented an improved process known as "Overlap Express." This re engineered process reduced transaction overlap processing time to approximately eight minutes, compared to the previous duration of 12 to 15 minutes. The streamlined workflow has significantly enhanced customer experience while contributing positively to portfolio growth.
As a result of this process reengineering, Ar-Rahnu achieved a group market leading share of 51% in FY2025, contributing RM5.84 billion to the portfolio balance, a substantial increase from RM3.67 billion in FY2024.

CREDIT CARD-i AND DEBIT CARD-i

In 2025, the Card Business continued to build on its strong foundation by introducing more tailored solutions and enhancing the overall cardholder experience. During the year, the Card Business achieved significant milestones, with debit card utilisation growing by 13.33% and credit card usage increasing by 8.16%, contributing to a year-on-year rise in outstanding financing amount (OFA) by 4.11%. This strong performance was driven by targeted marketing campaigns and strategic product launches implemented throughout the year.



A key highlight was the introduction of new credit card offerings designed for specific communities. The Bank Rakyat PAUTM Credit Card-i was launched to serve Universiti Teknologi Malaysia alumni (ready base of more than 200,000 members), offering enhanced rewards for overseas spending and auto related expenditures. Towards the last quarter of the year, Bank Rakyat has concluded the Perodua and Bank Rakyat partnership where a Bank Rakyat Perodua Credit Card-i dedicated for Perodua owners was developed providing practical benefits for fuel, vehicle maintenance, and EV-related expenses, alongside a seamless acquisition journey through digital onboarding for each of Perodua Sales and Service agent.

At the same time, the Bank continued to strengthen its existing portfolio. The Bank Rakyat Muslimah Credit Card-i was refreshed with a 5% cashback feature across key lifestyle categories such as dining, utilities, pharmacies and health & beauty spa, ensuring a more relevant and personalised experience for cardholders.

Travel benefits under the Bank Rakyat Credit Card-i Platinum Explorer and Xklusif Explorer were also elevated with the expansion of Plaza Premium Lounge (PPL) access from domestic to global coverage of more than 300 PPL locations, further enhancing convenience for customers on the move. Throughout the year, a series of campaigns and promotional initiatives kept customers engaged and driving the Bank's strong performance in 2025:

Campaign 2025		
No	Campaign Name	Campaign Period
1	Save Your Card and Get Rewarded	15 February 2025 - 31 December 2025
2	Menangi Duit Belanja Setahun	8 March 2025 - 31 May 2025
3	PAUTM Explorace and Usage Campaign	15 November 2025 - 15 May 2026
4	Easy Cash With Bank Rakyat Credit Card-i	27 January 2025 - 30 June 2025
5	Keluarkan Tunai Tanpa Caj Ketika Musim Haji	1 May 2025 - 31 July 2025
3	Win Your Share Of RM100,000 When You Spend Overseas (Bank Rakyat and Mastercard Campaign)	2 December 2025 - 28 February 2026
4	Up To 60% Rebate On CNP Spend (Bank Rakyat and Mastercard Campaign)	15 December 2025 - 15 April 2026

ACQUIRING BUSINESS

As at 31 December 2025, Bank Rakyat's Acquiring Business recorded robust growth, with card sales volume increasing significantly from RM154 million to RM318 million, a notable increase of 106%, alongside a CASA balance of RM559 million and an expanded network of 6,353 POS terminals nationwide.

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Growth was driven by strategic partnerships across both public and private sectors, including Majlis Bandaraya Shah Alam, Majlis Bandaraya Seremban, Senheng Electric (KL) Sdn Bhd, and other key merchants. New merchants acquired during the year contributed RM63 million in sales and RM150 million in CASA balances.

In parallel with expansion, the Acquiring Business focused on improving operational efficiency through the implementation of a multi-vendor strategy. This initiative enhanced pricing competitiveness, service quality, and operational agility. Key outcomes included the adoption of cost-efficient soundbox devices in place of traditional POS terminals, improved customer experience through wider SME adoption and expanded e-wallet acceptance (including TNG, ShopeePay, and Alipay), and greater scalability to support future growth.

Overall, the Card and Acquiring Businesses delivered strong performance in 2025, driven by targeted product innovation, effective campaigns, and strategic partnerships. Continuous enhancements to card propositions, customer experience, and acquiring capabilities have strengthened the Bank's market position and established a solid platform for sustainable growth into 2026.

DEPOSIT

In 2025, Bank Rakyat demonstrated resilience and strategic growth across its core deposit segments, underpinned by proactive funding strategies and sustained customer engagement. The Bank's Current Account, Savings Account and Investment Account (CASAIA) achieved a new milestone, growing by 15.21% or RM1.63 billion to RM12.38 billion (December 2024: RM10.75 billion). This strong performance underlines the Bank's continued success in diversifying its funding base while progressively reducing reliance on higher-cost deposits.

The growth in CASAIA was primarily driven by strong performance across key components. The Current Account segment remained a significant contributor, expanding by RM1.41 billion or 37.88% from RM3.73 billion in December 2024 to RM5.14 billion in December 2025. This was supported by structured collaboration efforts with government agencies, SMEs and businesses, which strengthened transactional flows and deepened customer relationships.

The Investment Account (IA) portfolio sustained its strong growth trajectory, increasing by 99.98% (RM470 million) from RM469 million in December 2024 to RM940 million in December 2025. The expansion was driven by continued demand for Shariah-compliant investment solutions offering, competitive investment returns and attractive rewards. The Rizq Plus IA campaign further strengthened the Bank's deposit offering by presenting a compelling value proposition, featuring rewards such as gold wafer and cash prizes, with a total pool of RM5.8 million in FY2025. The total number of investors rose by 117%, from 93,929 accounts to 203,625 accounts in 2025.



The Bank also recorded encouraging growth in its NURI product suite, marking the first full year of NURI Kids Savings-i Account and NURI Teens Savings-i Account. The portfolio grew by 30.04% (RM25.04 million) from RM83.36 million in December 2024 to RM108.40 million in December 2025. This performance was driven by continuous on-ground engagement through Kelab Nuri initiatives, including financial literacy roadshows and school-based programmes. Campaigns such as Adik Simpan Adik Senang 2025 further promoted savings habits among younger customers, supporting the Bank's long-term strategy of cultivating early financial literacy, in line with Bank Negara Malaysia's aims to drive greater financial inclusion, digitalisation and accountability.

Despite a highly competitive deposit environment, Total Term Deposit-i (TD-i) remained stable at RM73.91 billion (December 2024: RM71.57 billion), supported by targeted deposit mobilisation campaigns such as the Term Deposit Campaign 2025 and Kempen Wakaf Pelaburan.

The Bank successfully optimised its deposit mix, as reflected in the improved CASAIA ratio of 14.35% (December 2024: 13.06%). This improvement reflects a deliberate strategic shift towards strengthening low-cost and transactional deposits, enhancing funding resilience and supporting a more sustainable and cost-efficient funding structure.

BUSINESS BANKING

Business Banking delivered another year of strong performance in FY2025, reinforcing its role as a key growth engine for Bank Rakyat. Total financing assets increased by 16.2% to RM9.97 billion, compared with RM8.58 billion in FY2024. Although the growth rate moderated from the previous year, mainly due to higher settlements and early payments, the division continued to achieve healthy portfolio expansion across all business segments while maintaining a balanced and sustainable growth trajectory.

The Corporate and Commercial segment recorded the strongest growth, expanding by 23.7% or RM944.3 million, followed by the Cooperative portfolio, which grew by 11.5%, and the MSME portfolio, which increased by 7.0%. The enlarged financing portfolio contributed to higher financing income, reflecting the division's continued emphasis on quality asset growth and sustainable profitability.

Throughout the year, Business Banking enhanced its financing ecosystem by streamlining operational processes, improving customer experience, and introducing enhanced financing features to deliver faster turnaround times and a more seamless financing journey. These initiatives strengthened service delivery, improved operational efficiency, and supported the division's financing growth. During FY2025, the division approved RM7.17 billion in financing to more than 2,900 companies and entrepreneurs, with financing strategically channelled towards five priority growth sectors: Digital and Information Technology, High-Technology Manufacturing, Healthcare, Sustainability, and Food Security.



The year also marked several significant strategic milestones with the introduction of new financing solutions and ecosystem partnerships. Business Banking launched Bank Rakyat Indian Entrepreneur Financing-i (BRIEF-i) to enhance financing accessibility for the Indian entrepreneur community and BRPROSPER-i to support the growth of Chinese-owned businesses. To strengthen Bumiputera entrepreneurship, the Bank established a strategic collaboration with TERAJU through the Bumiputera Expansion Catalyst Fund (BECF), which provides cash collateral support of up to 20% of approved financing to facilitate business expansion and scaling. As at year-end, the programme had supported financing amounting to RM101.55 million. The division also formalised a strategic collaboration with the Suruhanjaya Koperasi Malaysia (SKM) to strengthen financing access and support the sustainable development of Malaysia's cooperative sector.

Supporting the Bank's sustainability agenda remained a key priority throughout the year. Business Banking continued to embed Environmental, Social and Governance (ESG) principles into its financing activities through capacity-building programmes, workshops, and awareness initiatives on sustainability and climate change for both customers and employees. These efforts contributed to RM2.50 billion in ESG-related financing approvals during FY2025, reinforcing the Bank's commitment to responsible and sustainable financing.

The division also maintained a strong focus on preserving asset quality by cultivating a robust credit and compliance culture through continuous capability development, governance enhancement, and risk awareness programmes. These initiatives strengthened prudent financing practices and supported the acquisition of quality customers while ensuring the long-term resilience of the financing portfolio.

In addition to financing growth, Business Banking continued to diversify its revenue streams through cross-selling initiatives by integrating Motor and Non-Motor Takaful solutions with financing facilities. These efforts generated approximately RM3 million in takaful sales, RM662,000 in takaful fee-based income, and a total of RM11.76 million in overall fee-based income, further enhancing the division's contribution to the Bank's non-financing income.



Moving Forward

Business Banking will play a pivotal role in delivering the Bank's LEAD30 strategic aspiration by accelerating sustainable asset growth and strengthening its market leadership in the business banking segment. In parallel, Business Banking will continue to focus on high-growth sectors comprising Digital and Information Technology, High-Technology Manufacturing, Healthcare, Sustainability, and Food Security, ensuring that financing growth remains aligned with national economic priorities while supporting long-term portfolio quality and resilience.



To enhance customer experience and operational excellence, the division will leverage the LEAD30 transformation agenda by adopting end-to-end digital financing capabilities, straight-through processing, and data-driven credit assessment. This will improve turnaround time, enhance credit decision-making, and deliver more personalised financing solutions for business customers. These initiatives will strengthen the Bank's competitiveness while providing a seamless and customer-centric financing journey.

Business Banking will also continue to expand its strategic collaborations with government agencies and ecosystem partners to improve financing accessibility for underserved business communities while supporting Malaysia's economic development agenda. Through initiatives such as the expansion of financing support for cooperatives, digital transformation of financing services, and the integration of sustainable financing principles, the division remains committed to building a resilient, future-ready business banking franchise. These efforts will reinforce Bank Rakyat's aspiration under LEAD30 to become the most progressive and high-growth Islamic bank, while creating sustainable value for customers, members, and the wider economy.

DELIVERY CHANNEL

Bank Rakyat's delivery channel strategy in 2025 focused on strengthening the reliability, accessibility, and reach of its physical and community-based banking infrastructure. Through targeted investments in self-service technology, strategic network optimisation, branch modernisation, and expanded agent banking capabilities, the Bank continued to enhance service quality and financial inclusion across its nationwide footprint. These efforts reflect the Bank's commitment to delivering a seamless banking experience to all customer segments, including those in rural and underserved communities.



UPGRADING SELF-SERVICE BANKING

As part of its ongoing commitment to enhancing self-service banking capabilities, the Bank introduced a new model of Cash Recycle Machine (CRM) in 2025, with the first unit deployed on 4 June 2025. The upgraded CRM offers improved functionality, operational efficiency, and a more seamless banking experience, enabling customers to perform both cash deposit and withdrawal transactions through a single self-service platform. This initiative reinforces the Bank's continuous efforts to strengthen its service delivery channels, enhance the customer experience, and improve the efficiency and reliability of its branch infrastructure.

STRENGTHENING SELF-SERVICE TERMINAL INFRASTRUCTURE

In December 2025, the Bank completed a nationwide replacement programme for ageing and end-of-life self-service terminals (SST), encompassing a total of 331 machines across its self-service network. The programme was undertaken to enhance service reliability, strengthen security standards, and ensure the continued availability of self-service banking facilities for customers. The completion of this initiative marks a significant step in fortifying the Bank's physical infrastructure and maintaining uninterrupted access to banking services nationwide.

ENHANCING SERVICE ACCESSIBILITY THROUGH STRATEGIC RELOCATIONS

The Bank continued to enhance service accessibility and customer convenience through the strategic relocation of selected branches and Ar-Rahnu X'Change premises during the year. Three relocations were completed: Damansara Utama Branch relocated to a new premise on 24 February 2025; Satok Branch and Ar-Rahnu X'Change Satok commenced operations at their new premises in Sego Precinct 1, Kuching, Sarawak, on 8 September 2025; and Ar-Rahnu X'Change Kemaman relocated to a new premise in Chukai, Terengganu, effective 15 June 2025. Each relocation was undertaken to provide a more accessible, modern, and customer-friendly environment, supporting the Bank's commitment to delivering an enhanced banking and Ar-Rahnu service experience across its physical network.

BANK BERGERAK/ARROW: BANKING BEYOND BRANCHES

Throughout 2025, the Ar-Rahnu on Wheels (ARROW) continued to serve as a vital delivery channel, extending the Bank's banking and Ar-Rahnu services directly to communities beyond the reach of traditional branch locations. As a key pillar of its financial inclusion strategy, ARROW supports the objective of bringing financial services closer to the people and communities the Bank serves.

Operating across Kedah/Perlis, Kelantan/Terengganu, Pahang, Kuala Lumpur/Selangor, Johor, Sabah, and Sarawak, ARROW participated in community programmes, outreach initiatives, and engagements with educational institutions nationwide. Through these activities, ARROW facilitated account openings, promoted financial awareness, and provided on-the-ground customer support — reinforcing the Bank's commitment to financial inclusion and community engagement.



REFRESHING BRANCH SPACES

The Bank continued to modernise its branch network through targeted refurbishment initiatives aimed at elevating customer comfort and the overall banking experience. During the year, refurbishment works were completed at the Seri Iskandar, Jerantut, Puchong, Lukut, and Sungai Besar branches, introducing refreshed interiors, improved layouts, and upgraded customer facilities.

The refurbished premises feature the Bank's latest branch design concept, incorporating contemporary aesthetics, enhanced functionality, and more spacious customer areas to create a welcoming and customer-centric banking environment. These enhancements reflect its commitment to continuously improving the branch experience while ensuring the physical network remains responsive to evolving customer expectations.

JOMPAY NOW AVAILABLE THROUGH RAKYAT C.A.R.E. AGENT BANKING

Effective 26 September 2025, the Bank enabled the JomPAY bill payment service across its Rakyat C.A.R.E. Agent Banking network, marking a significant enhancement to its community-based banking offerings. The integration allows both existing customers and non-customers to make secure and convenient bill payments to an extensive network of JomPAY billers nationwide, covering essential services including utilities, telecommunications, financing facilities, and local council payments.

By expanding the range of payment services available through the Agent Banking channel, this initiative provides greater payment convenience and improves access to financial services, particularly for customers in rural and underserved communities.



ADVANCING FINANCIAL LITERACY THROUGH BANK BERGERAK AND ARROW

The Bank continued its active support for Financial Literacy Month (FLM) 2025 through its Bank Bergerak and ARROW channels, reinforcing its commitment to advancing financial literacy and inclusion within local communities. The flagship FLM2025 programme was held on 18 October 2025 at Dewan Serbaguna Taman Sri Pelabuhan, Bintulu, Sarawak, bringing together stakeholders from the public and private sectors, including government agencies, educational institutions, healthcare providers, automotive dealers, property developers, and local entrepreneurs.

Financial literacy activities were also conducted across Bank Bergerak operating locations nationwide, covering key topics such as financial planning, savings, scam prevention, mule account awareness, and digital financial education. Collectively, these outreach efforts benefited more than 3,100 individuals, supporting the Bank's broader mission of financial inclusion and community empowerment.

Taken together, the delivery channel initiatives undertaken in 2025 reflect Bank Rakyat's sustained focus on building a physical and community banking network that is modern, reliable, and accessible to all Malaysians. As the Bank transitions into its LEAD30 strategic plan, these foundations will underpin its continued drive to deepen financial inclusion and serve its members and communities with greater reach and impact.

TREASURY

RESILIENT PERFORMANCE IN A DYNAMIC MARKET

The FY2025 financial markets landscape remained steady, anchored by Malaysia's solid economic fundamentals and proactive fiscal reforms. Global markets delivered solid returns despite a challenging backdrop of shifting rate expectations, uneven global growth, and market volatility. The Malaysian Ringgit (MYR) liquidity remained ample, supported by a healthy banking system and steady credit growth in the private sector. The Federal Reserve eased rates gradually during the year, while investor demand for higher-yielding opportunities further bolstered emerging markets and high-yield bond performance.

The Malaysian bond market in FY2025 showed robust growth with outstanding issuances surpassing RM2.2 trillion supported by strong corporate activity and high demand for government papers. The market saw a record RM173.3 billion in gross corporate issuance while the Overnight Policy Rate was reduced to 2.75% in July 2025.



Bank Rakyat adjusted its overall treasury asset balance, aiming to navigate the rising funding costs from intense deposit competition, while enhancing liquidity and diversifying its funding sources. Nevertheless, the Treasury successfully optimised its expanded asset base, leveraging a resilient bond market where yields remained attractive for yield-seeking investors. This strategic asset deployment, combined with the MYR appreciating 10.2% to end 2025 at RM4.06, contributed to a robust 8.49% YoY increase in treasury income.

MOVING FORWARD

The outlook for the Treasury in 2026 is defined by a strategic transition towards sustaining asset growth in a landscape of moderating yields and heightened currency volatility. Investors anticipate a moderate pace of global growth for FY2026 as the economy moderates with the labour market continuing to soften. The FOMC is likely to continue to cut rates in the later part of FY2026, with inflation remaining under control. The rising geopolitical temperature across many parts of the globe adds to the already uncertain growth prospects.

Domestically, the bond market is expected to remain resilient in FY2026 with manageable inflation, a solid labour market and a strengthening ringgit. BNM is likely to maintain a measured stance with the possibility of a rate cut if growth slows or exports weaken.

Treasury must aggressively expand liabilities in a competitive deposit market where system liquidity remains tight. The division aims to maintain stable net profit margins and protect profitability against the challenges of a compressed, lower-yield environment. The ongoing effort to attract high-yield remittance businesses alongside strategic collaborations to identify new deposit streams will remain key to the division's mission to drive income growth.

CUSTOMER EXPERIENCE MANAGEMENT

REINFORCING TRUST AND MEETING EXPECTATIONS

In 2025, the Bank continued to strengthen its commitment to delivering a seamless and customer-centric experience, underpinned by a strong culture of collaboration and service excellence. Customer Experience (CX) remains a key enabler in reinforcing customer trust, enhancing service quality, and supporting the Bank's long-term strategic aspirations. During the year, efforts focused on improving service consistency, embedding customer-centric practices, and strengthening engagement across all touchpoints, resulting in a more responsive and personalised banking experience aligned with evolving customer expectations.



The Bank leveraged Branch Service Rating (BSR) as a key performance measurement tool to monitor and enhance service delivery across its branches. Insights derived from BSR enabled targeted improvements and contributed to measurable gains in service quality and overall customer experience. The overall BSR performance increased by 3.3%, from 91.0% in 2024 to 94.3% in 2025.



To further strengthen frontline capabilities, the CX Accelerator Programme was introduced and implemented in phases beginning with a pilot across selected branches. The programme focuses on reinforcing customer-first behaviours, strengthening service competencies, and driving a consistent service culture across the branch network. The pilot demonstrated positive outcomes, particularly in staff morale, productivity, operational efficiency, and customer engagement.

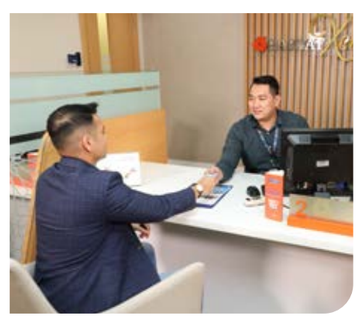
At the operational level, structured initiatives were implemented to improve efficiency, particularly during peak periods. Efforts to streamline customer flow and turnaround time contributed to reduced waiting times and smoother customer interactions. Initiatives such as the Ar-Rahnu Go Cashless programme further enhanced counter efficiency while improving customer convenience and accessibility.

Complaints are managed in a timely and effective manner, with 99% resolved within the stipulated turnaround time in 2025. Complaint handling remains guided by regulatory and internal frameworks, grounded in principles of fairness to ensure consistent, transparent, and equitable outcomes for customers.

In addition, the Bank adopts a proactive approach by encouraging real-time feedback through QR-enabled channels, enabling more agile responses and enhancing service recovery efforts. This reinforces the Bank's commitment to actively listening to customers and embedding feedback into continuous improvement initiatives. Based on feedback received at branches, the Bank recorded an average rating of 4.8 out of 5.

To ensure sustained service excellence, we reinforced the Bank's governance framework through structured monitoring mechanisms, driving accountability, consistency, and adherence to service standards across all branches, while ensuring alignment with our strategic priorities.

In line with our digitalisation initiatives, the Bank continues to advance technology enablement to enhance service delivery and customer engagement. The transition to Queue Management System improves visibility of branch traffic and supports more efficient queue management, while the development of a new Customer Management System (CMS) is underway to enable a more integrated customer view and more personalised service delivery.
Overall, the Bank's continued focus on strengthening CX capabilities has delivered measurable improvements in service quality, operational efficiency, and customer satisfaction, positioning the Bank to remain competitive in an evolving banking landscape.



DIGITAL

Digital transformation remains central to Bank Rakyat's strategy for sustaining a competitive edge and responding to evolving customer expectations. The Bank recognises that the deliberate deployment of digital technologies is essential for enhancing operational efficiency, elevating customer experience, and driving profitability in the modern financial landscape. Building on previous advancements, 2025 saw Bank Rakyat deliver seven key digital initiatives spanning customer onboarding, sales enablement, cloud infrastructure, and strategic market expansion. These initiatives reflect the Bank's continued commitment to embedding digital capabilities across its operations and extending its reach to a broader and more digitally engaged customer base.



CUSTOMER RELATIONSHIP MANAGEMENT (CRM) – CUSTOMER 360 MODULE

The CRM Customer 360 Module, launched on 26 March 2025, represents a significant advancement in the Bank's approach to customer data management and sales enablement. Developed in-house, the module consolidates retail customer profiles into a single, unified view, providing the Bank's sales teams with access to analytical insights that support targeted and personalised product recommendations. By centralising customer data, the module also reduces the manual data retrieval and administrative workload previously experienced at the branch level, enabling relationship managers to focus on higher-value customer interactions.



eKYC MIGRATION TO CLOUD

In May 2025, Bank Rakyat completed the migration of its electronic Know Your Customer (eKYC) solution from on-premise infrastructure to a cloud-based environment. This transition strengthens the Bank's capacity to manage high-volume customer onboarding with improved system performance and reduced downtime. The cloud-native architecture also enhances data security through advanced security controls and compliance standards, aligning the Bank's digital infrastructure with industry best practices.

PAPERLESS ONBOARDING – CURRENT ACCOUNT (INDIVIDUAL) VIA BRICK

The enablement of fully digital current account applications for individual customers through the Bank Rakyat Quick (BRICK) platform, launched on 25 June 2025, marks a further step in the Bank's journey towards a paperless onboarding experience. Customers are now able to apply for an eCurrent Account-i (eCA-i) through the digital channel, eliminating the need for manual documentation. This initiative improves both customer convenience and onboarding speed, contributing to a more seamless and efficient account opening process.

CRM CAMPAIGN MODULE

Launched on 30 June 2025, the CRM Campaign Module enables Bank Rakyat to execute targeted, multichannel marketing campaigns and measure their effectiveness. The module provides tools to track customer conversion rates and assess campaign performance in real time, allowing the Bank to optimise its marketing investment and reduce expenditure on ineffective outreach. By leveraging data-driven insights to improve campaign relevance, the module supports higher conversion rates and a stronger return on investment across the Bank's marketing activities.



i-BRANCH RAKYAT (HANDHELD DEVICE)

The i-Branch Rakyat initiative, deployed in August 2025, equips Retail Sales Agents (RSAs) with handheld devices that enable the management of financing applications on-the-go, from initial data entry through to approval tracking. The devices provide RSAs with direct access to the core banking system, allowing accurate financing calculations to be completed on-site and reducing the need to return to the branch for system-dependent tasks. The initiative also encourages greater adoption of digital platforms, including BRICK and the CRM system, by integrating product information, application submission, and progress tracking into a single portable device. This supports a faster, more efficient sales process and enhances the overall customer experience at the point of interaction.

INTEGRATION OF BRICK AND CORE BANKING SYSTEM FOR CREDIT CARD AND HOME FINANCING

The integration of the BRICK platform with the Bank's Core Banking System for Credit Card and Home Financing products, completed on 26 September 2025, streamlines the data flow between front-end customer applications and back-end processing systems. The integration eliminates manual data entry at the branch level, accelerating the financing approval process and reducing the risk of data entry errors. Customers benefit from a more seamless application journey, with the ability to track their application status in real time through BRICK. The initiative also supports greater standardisation in reporting, enhancing operational efficiency across branches.



PERSONAL FINANCING-i VIA BIGPAY

In December 2025, Bank Rakyat became the first bank partner on the BigPay e-wallet platform to offer a Shariah-compliant personal financing product, marking a significant milestone in the Bank's digital market expansion strategy. The Personal Financing-i product is accessible through the BigPay application, extending Bank Rakyat's reach to a wider, digital demographic that may not have previously engaged with the Bank's channels. This partnership reflects the Bank's strategic intent to grow its presence in the digital financial services space while reinforcing its position as a leading Islamic financial institution.

COMPLIANCE

Bank Rakyat continues to uphold a strong compliance culture, driven by a clear tone from the top, instilling the anticipated values and principles of conduct. Recognising compliance as both, a legal obligation and a crucial component of responsible business management, the collective commitment to adhere to relevant laws, rules, regulations, and internal policies is shared throughout the organisation, from the Board of Directors and senior management to all employees.



To cultivate and sustain this culture, the Bank's Compliance Sector initiated a series of targeted awareness programme for stakeholders, including business and support units, branches, and subsidiaries. These programmes comprise a combination of face-to-face training sessions and e-learning modules, covering topics ranging from Regulatory and Shariah requirements to Anti-Money Laundering/ Counter Financing of Terrorism (AML/CFT). This approach ensures that employees at all levels are kept abreast of the latest developments in regulatory requirements and internal policies.

In 2025, Bank Rakyat enhanced the centralised AML/CFT account freezing and uplifting capabilities in the Bank's system. The enhanced system ensures systematic reviews, consistent regulatory compliance, and improved oversight. The freezing initiatives includes mule prevention initiatives and any related freezing from orders served by law enforcement agencies.

This initiative enables enhanced monitoring by centralising the process, allowing for more effective tracking and oversight of account freezing and uplifting activities. Centralisation reduces the risk of errors and unauthorised actions by ensuring greater control and visibility. In addition, the centralised approach mitigates compliance risks by ensuring that all freezing and uplifting actions consistently adhere to legal and regulatory requirements, thereby decreasing the likelihood of compliance breaches.

Establishing a strong compliance culture at Bank Rakyat requires both technical knowledge of regulatory requirements and the soft skills needed for effective communication and leadership. In line with its commitment to upholding compliance values and promoting continuous learning, the Bank's Compliance Sector actively encourages its officers to enhance their skills and knowledge in across relevant areas, including environmental considerations.



ADVANCING INTO LEAD30



The 2025 financial year marked the successful culmination of the BR25 transformation journey and established a strong foundation for LEAD30. The focus shifted from structural recalibration to disciplined execution, delivering measurable outcomes across portfolio diversification, digital capability, and customer experience.

PORTFOLIO DIVERSIFICATION: STRENGTHENING RESILIENCE

Bank Rakyat achieved a more balanced and resilient financing portfolio in the final year of BR25. Non-Personal Financing grew to RM33.23 billion, increasing its concentration ratio from 24.03% in 2020 to 35.48% in 2025. This shift was driven by sustained expansion in Mortgage, Hire Purchase, and Ar-Rahnu financing, reducing over-reliance on Personal Financing. The rebalanced asset mix significantly enhances earnings stability and strengthens portfolio resilience, positioning Bank Rakyat on a much firmer footing as it transitions into its next strategic cycle, LEAD30.

DIGITAL MATURITY: SCALING A CUSTOMER-CENTRIC ECOSYSTEM

Digital transformation accelerated in 2025, enabling greater reach, efficiency, and ecosystem integration. In merchant digitalisation, over 11,000 businesses migrated to cashless operations via i-MerchantRAKYAT, which includes Tap on Phone payment. Since October 2023, the platform has processed more than 10 million transactions worth over RM278 million in total value. Merchant acquisition was further supported by targeted initiatives under JajahanRAKYAT and the Digital Desa Program.

Concurrently, paperless growth expanded via the BRICK platform, which secured 472,752 cumulative applications since 2022, achieved a strong 24% conversion rate and onboarded over 50% of new-to-bank customers for personal financing. Personal Financing via BRICK, launched July 2024, disbursed RM173.6 million across 3,402 applications, reflecting strong digital adoption.

The QR2E solution added 3,274 accumulated applications, deepening penetration in micro-financing and non-individual segments.

Finally, the Bank advanced its open innovation agenda by onboarding 27 fintech partners, including Touch 'n Go and BigPay, expanding reach through ecosystem partnerships. The CRM platform, live since October 2024, generated 92,099 leads with a 28% conversion rate, significantly outperforming the industry average of 10%.

CUSTOMER EXPERIENCE: ENHANCING SPEED AND ACCESSIBILITY

Operational efficiency improved markedly through the deployment of Mortgage Credit Administration Centres (CAC) in key regions. Turnaround times (TAT) reduced by 50%, enabling the processing of 6,255 files and over RM900 million in disbursements for Kuala Lumpur, Putrajaya, Selangor, Johor, Kedah, Perlis and Pulau Pinang.

Product innovation further strengthened the value proposition. The Mortgage Suite now offers financing up to 120% in selected growth areas, while the launch of My First Credit Card-i was specifically designed as an entry-level option for youth and young professionals looking to manage their first credit facility.



EXPANDING ACCESS TO WEALTH CREATION

In 2025, Bank Rakyat broadened access through the eGold digital platform, enabling around 6,000 customers to participate in gold products. The platform accumulated more than 18kg in gold holdings, valued at over RM10 million, reinforcing the Bank's role in democratising wealth-building opportunities for underserved segments.



MSME EMPOWERMENT: DRIVING INCLUSIVE ECONOMIC GROWTH

The Bank delivered on its commitment to the Micro, Small and Medium Enterprise (MSME) sector, growing financing balances to RM2.25 billion in 2025, a sixfold increase from RM0.37 billion in the pre-BR25 period. This growth was supported through tailored financing programmes and digital onboarding capabilities that improved accessibility for entrepreneurs. In parallel, the Bank strengthened market reach through strategic collaborations, including a dedicated SME Corp portal linkage that enhanced visibility and deepened engagement within the broader business ecosystem.

SHARIAH LEADERSHIP AND SUSTAINABILITY INTEGRATION

Bank Rakyat further strengthened its leadership in Islamic finance in 2025 by becoming the first bank in Malaysia appointed as a Mutawalli by MAIWP. This mandate enables the Bank to manage and distribute Cash Waqf funds, which successfully accumulated RM1 million in collections. The inaugural Waqf Investment Account, launched in October 2025, attracted more than RM405,000 in contributions by year-end of 2025.

Thought leadership was advanced through five iSHAR events, contributing to more than 50 collaborative Shariah research papers, strengthening the Bank's contribution to the evolution of Islamic finance.

Sustainability commitments were translated into operational impact. Paperless onboarding initiatives generated over RM100,000 in savings across more than 200,000 account openings. The implementation of a Sustainability Scorecard further embedded environmental and social considerations into financing decisions, aligning the portfolio with decarbonisation and responsible banking objectives.

TRANSITIONING TO LEAD30: BUILDING ON A STRONG FOUNDATION

The successful execution of BR25 in 2025 has strengthened Bank Rakyat's position as a digitally enabled and customer-centric institution. With this foundation, the Bank has launched LEAD30 – a five-year roadmap designed to deliver sustainable growth, deepen member value, and enhance national impact.

LEAD30 is anchored on five Strategic Focus Areas (SFAs) designed to drive sustainable growth, enhance customer and member value, strengthen competitiveness and advance responsible innovation. Robust success metrics have been established to track progress across each SFA, ensuring accountability and measurable value creation. This framework directly supports the Bank's five-year objectives under LEAD30 and aligns with the Group's 10-year vision of becoming "The Great Rakyat" – a leading financial institution built on trust, inclusivity, and sustainable growth.



Where

Communities Thrive

Creating opportunities that enable communities to grow stronger, prosper together and build a more inclusive future.

FROM THE TOP

OUR SOCIAL EFFORTS

DEMONSTRATING ACCOUNTABILITY THROUGH OUR SOCIAL EFFORTS

Bank Rakyat is intrinsically linked to the prosperity of communities it serves, anchored by a deep sense of accountability to the people who place their trust in the Bank. In 2025, the Bank continued to demonstrate this accountability through a wide range of community outreach initiatives that delivered measurable positive social change. With a strategic focus on supporting disadvantaged groups and contributing to the broader social, economic and environmental well-being of the nation, these efforts remained closely aligned with the principles of Environmental, Social and Governance (ESG) and the Sustainable Development Goals (SDGs), reflecting the Bank's commitment to being answerable for the outcomes it delivers to the communities it serves.

COMMUNITY OUTREACH THROUGH EDUCATION AND HUMAN CAPITAL DEVELOPMENT

Recognising that education remains one of the most powerful drivers of social mobility, Bank Rakyat continued to invest in the next generation through a series of programmes spanning agricultural entrepreneurship, higher education access and digital literacy. The following initiatives reflect the Bank's long-term commitment to nurturing capable, self-sufficient communities through learning.

Kebun Nuri Nutrisi

Now in its sixth consecutive year, Kebun Nuri Nutrisi remains one of Bank Rakyat's proudest and most enduring community outreach achievements, a flagship programme whose outcomes have continued to grow and sustain themselves year after year. As part of its broader community outreach strategy, the Bank remains steadfast in championing this initiative, which integrates agricultural education with entrepreneurship development.

Since its inception, Kebun Nuri Nutrisi has achieved remarkable success. From 2020 to 2025, over 20,000 kilograms of crops were harvested, generating more than RM100,000 in income. This initiative has positively impacted over 28,000 students from 42 educational institutions, including students from rural and Orang Asli communities.

The initiative is designed to cultivate practical skills among students through the establishment of community-based farms within schools and institutions. Beyond agricultural exposure, the programme adopts a value-chain approach whereby harvested produce can be commercialised, enabling beneficiaries to generate income while reinvesting the proceeds to sustain and expand the initiative.

This self-sustaining model not only promotes environmental awareness and food security, but also nurtures entrepreneurial thinking, financial discipline and long-term resilience among participants.



In 2025, Kebun Nuri Nutrisi was implemented across multiple locations nationwide, demonstrating its scalability and adaptability across diverse community settings:

1. At Universiti Malaysia Sarawak (UNIMAS), the programme benefited approximately 200 students, with a focus on youth empowerment and sustainable agricultural practices.
2. At Sekolah Kebangsaan Narinang, Kota Belud, Sabah, the programme benefited 67 students, with an emphasis on early exposure to agricultural skills and community-based learning.
3. At Sekolah Kebangsaan Desa Setapak, Kuala Lumpur, in collaboration with Dewan Bandaraya Kuala Lumpur (DBKL), the programme introduced urban farming concepts and promoted sustainability awareness in a city environment.
4. At Sekolah Kebangsaan Kong Kong Laut, Masai, Johor, under Kampung Angkat MADANI, the initiative benefited 162 students, reinforcing hands-on learning and strengthening community participation at the grassroots level.
5. At Sekolah Menengah Kebangsaan Agama Kuala Lipis, Pahang, under Sekolah Angkat MADANI, the programme reached a wider scale, having benefited 561 students, highlighting its potential for large-scale implementation within educational institutions.

FROM THE TOP

OUR SOCIAL EFFORTS

Santuni MADANI Programme and Sekolah Angkat MADANI

Bank Rakyat implemented the Santuni MADANI Programme alongside the Sekolah Angkat MADANI initiative at Sekolah Kebangsaan Kong Kong Laut, Masai, Johor, on 8 November 2025.

Designed as a holistic community upliftment initiative, the programme integrates multiple dimensions of development, including education, entrepreneurship, digital literacy and financial literacy. By adopting a multifaceted approach, the Bank aims to empower communities not only through financial assistance, but also by strengthening knowledge, skills and long-term self-sufficiency.



The initiative benefited more than 400 residents of Kampung Kong Kong Laut. The programme featured a series of integrated activities such as Kebun Nuri Nutrisi, Santuni MADANI Digital Desa, UNIpreneur, as well as BaktiRAKYAT and Sukan RAKYAT, each tailored to address specific community needs ranging from nutrition and digital inclusion to entrepreneurship development and social cohesion.

Beyond immediate assistance, the programme fostered stronger engagement between the Bank and the local community, reinforcing Bank Rakyat's role as a catalyst for inclusive socio-economic development at the grassroots level.

Higher Education Financial Assistance

In collaboration with Yayasan Bank Rakyat, the Bank extended financial assistance to students embarking on their higher education journey, reaffirming its commitment to advancing education as a key driver of social mobility.

Held on 23 November 2025 in Sungai Buloh, Selangor, the programme benefited 130 students across various levels of study, from certificate to bachelor's degree programmes.

This initiative plays a crucial role in alleviating financial barriers faced by students from diverse backgrounds, enabling them to pursue academic aspirations with greater confidence. By supporting access to higher education, Bank Rakyat continues to contribute towards the development of a knowledgeable, skilled and future-ready generation.



Back-to-School Programme

Bank Rakyat's Back-to-School Programme was implemented across multiple regions to ensure that students from underprivileged backgrounds are equipped with the necessary resources to begin the academic year with confidence and dignity.

In Sarawak, the programme benifitted 1,000 B40 students across 45 schools in Kuching, Lundu, Bau and Padawan.

In Sabah, the programme reached a wider scale benefiting 1,440 students from 72 schools. In addition to school necessities, the Bank further enhanced digital access by distributing 460 refurbished computers to 55 schools, supporting the integration of technology in education.

In Pulau Pinang, contribution were channelled to support 1,000 underprivileged students, ensuring equitable access to essential schooling needs.

Collectively, these initiatives go beyond basic assistance by addressing both physical and digital learning requirements, reflecting the Bank's commitment to bridging educational gaps and promoting inclusive learning environments nationwide.

OUR SOCIAL EFFORTS

FESTIVE AND COMMUNITY EMPOWERMENT INITIATIVES

Festive seasons are moments of togetherness, and Bank Rakyat recognises the importance of ensuring vulnerable communities are not left out of these shared celebrations. Across Malaysia's major cultural and religious occasions in 2025, the Bank extended its support to communities nationwide, bringing joy and support to those who need it most.

Imarah Ramadan Programme 2025

In conjunction with the holy month of Ramadan, Bank Rakyat carried out the Imarah Ramadan Programme 2025, which aimed to strengthen community bonds while supporting vulnerable groups.

The programme benefited 1,500 asnaf families across 50 mosques and surau nationwide. The initiative encompassed the distribution of essential food boxes, financial assistance and the organisation of community-based activities that encourage togetherness and spiritual reflection.

By combining charitable contributions with community engagement, the programme reflects the Bank's commitment to fostering compassion, unity and shared responsibility within society.



Ihya Ramadan Programme

Complementing the Imarah Ramadan initiative, the Ihya Ramadan Programme further extended support to selected communities through targeted contributions and engagement activities.

Contribution were channelled to 16 selected mosques, while 300 asnaf recipients received financial assistance. The programme also facilitated meaningful interactions through communal iftar gatherings, strengthening relationships between the Bank, beneficiaries and the wider community.

This initiative underscores the importance of presence and engagement, reinforcing that impactful contributions extend beyond financial support to include human connection and empathy.



Cahaya Aidilfitri Programme

As part of its festive outreach efforts, Bank Rakyat implemented the Cahaya Aidilfitri Programme to bring joy and support to vulnerable communities during the Aidilfitri celebration.

The programme, conducted between 16 and 24 April 2025 across more than 25 locations nationwide, benefited 600 orphans with implementation support from 30 Bank Rakyat branches.

Through this initiative, the Bank focused on enhancing not only material well-being but also emotional and social inclusivity, ensuring that the spirit of celebration was shared with those in need.



Saya Mau Kaamatan and Mok Sambut Gawai

In celebrating Malaysia's cultural diversity, Bank Rakyat extended its outreach efforts to communities in Sabah and Sarawak during the Kaamatan and Gawai festive seasons.

FROM THE TOP

OUR SOCIAL EFFORTS

The initiative facilitated the distribution of 400 essential food baskets to communities across Sabah and Sarawak, including areas such as Penampang, Likas, Putatan, Kota Kinabalu, Kota Belud, Sri Aman, Sarikei, Sibu, Kapit and Limbang.

This initiative highlights the Bank's commitment to inclusivity and cultural appreciation, ensuring that its support reaches communities across different regions and backgrounds, particularly during meaningful cultural celebrations.

WELFARE AND SPECIAL ASSISTANCE INITIATIVES

Beyond its outreach programmes, Bank Rakyat remains attentive to individuals and families facing circumstances that call for more immediate, personalised care. The following initiative reflects this responsibility, extending support to those navigating exceptional and often long-term challenges.



Kasih Harapan Initiative

Under the Kasih Harapan initiative, Bank Rakyat extended targeted and compassionate support to children living with chronic and rare medical conditions, recognising the challenges faced by these families.

The initiative provided assistance to beneficiaries including children diagnosed with rare genetic conditions such as Epidermolysis Bullosa, as well as congenital heart defects and other complex chronic health conditions requiring continuous care.

Support extended under this initiative included financial assistance, medical support and welfare aid to ease the burden on families. Beyond material contributions, the programme reflects a deeper commitment to humanity, empathy and care, particularly for cases that require sustained and specialised attention.

Through Kasih Harapan, Bank Rakyat reinforces its role not only as a financial institution but also as a responsible responsible and compassionate organisation dedicated to improving lives in meaningful and lasting ways.

BAKTIRAKYAT 2025: CULTIVATING A CULTURE OF VOLUNTEERISM

BaktiRAKYAT is Bank Rakyat's dedicated corporate social responsibility platform designed to foster a strong culture of volunteerism among its employees. The programme serves as a vehicle for empowering Bank Rakyat staff to actively contribute towards the upliftment of communities across Malaysia.

The core objectives of BaktiRAKYAT are to cultivate the values of cooperation and teamwork, reduce self-serving attitudes, and nurture a deeper sense of care and social responsibility towards communities in need among Bank Rakyat employees.

In 2025, BaktiRAKYAT was implemented through 11 programmes (spanning 10 regional programmes across different states and one headquarters programme), mobilising Bank Rakyat volunteers in support of communities nationwide. Through this initiative, the Bank continues to demonstrate its commitment not only to financial performance but also to the social fabric of the nation it has served for decades.



OVERALL SOCIAL IMPACT OF COMMUNITY OUTREACH

The Bank's community outreach initiatives reflect a continued commitment to nation-building, ensuring that no community is left behind in Malaysia's progress. Collectively, these efforts delivered a comprehensive and impactful approach to social responsibility, anchored in:

- Advancing access to education and human capital development.
- Supporting vulnerable and underserved communities nationwide.
- Promoting inclusivity across cultural, social and economic segments.
- Delivering sustainable and meaningful impact through structured programmes.

Looking ahead, Bank Rakyat remains steadfast in its role as a responsible corporate citizen, committed to extending its reach to even more communities in need and supporting the national aspiration of shared prosperity and well-being for all Malaysians.

UPHOLDING ACCOUNTABILITY TO SHARIAH PRINCIPLES

Guided by its Shariah principles, Bank Rakyat upholds its accountability to the communities it serves by actively facilitating and participating in Waqf (endowment), Infak (charity) and other charitable initiatives, creating sustainable avenues for giving and long-term community benefits. To advance and strengthen these efforts, the Bank has established strategic partnerships with State Islamic Religious Councils, waqf-related organisations and various institutions of higher learning. The following table sets out these partners and their contributions to date:

BANK RAKYAT'S STRATEGIC PARTNERS FOR WAQF, INFAK AND ENDOWMENT INITIATIVES

AGENCY	TYPE OF COLLABORATION	YEAR OF COLLABORATION	2025 COLLECTION (RM)	ACCUMULATED AMOUNT (RM)
Majlis Agama Islam & Adat Melayu Terengganu	Waqf	2018	31,379.19	2,358,797.58
Kolej Profesional Baitulmal Kuala Lumpur	Waqf	2020	23,060.71	401,871.02
Yayasan Waqaf Malaysia	Waqf	2021	75,856.20	1,010,909.10
Universiti Kebangsaan Malaysia	Waqf	2022	21,263.80	640,213.92
Universiti Islam Antarabangsa Tuanku Syed Sirajuddin (UniSIRAJ)	Waqf	2022	457,861.92	1,634,874.53
Universiti Teknologi MARA (UiTM)	Infak	2024	355,649.24	356,649.24
Universiti Sains Islam Malaysia	Endowment	2024	199,262.27	199,262.27

BANK RAKYAT'S WAQF AND INFAK INITIATIVES

JĀRIAH AL-BARAKAH (INFAK)

Jāriah Al-Barakah (Infak) is a collaborative initiative between Bank Rakyat and Surau Al-Barakah, established by Bank Rakyat and Surau Al-Barakah with the objective of promoting and facilitating charitable giving among the Bank's employees as well as the wider community. The initiative provided a structured, efficient and transparent platform for the management and distribution of infak contributions.

For the period from 1 January 2025 to 31 May 2025, a total collection of RM158,664.62 was recorded. This amount brought the cumulative collection since the inception of the initiative to RM2,016,109.73. Of the total funds collected, RM1,072,723.67 was successfully disbursed to eligible beneficiaries and relevant agencies in accordance with the initiative's objectives.

The Jāriah Al-Barakah (Infak) initiative was officially discontinued with effect from 31 May 2025. The disbursement of funds continued to ensure that all remaining contributions were channelled to eligible beneficiaries in an orderly and accountable manner, in line with the objectives of the initiative.



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The following were the beneficiaries of Jāriah Al-Barakah (Infak) in FYE2025:

BENEFICIARIES 2025	AMOUNT	BENEFICIARIES 2025	AMOUNT
Solar Dome Dryer Project at Sungai Udang, Kedah	RM73,000	Masjid UKM	RM3,000
Hospital Raub	RM25,600	Sekolah Menengah Agama Sultan Ismail Dungun Terengganu	RM3,000
Waqf Green Mosque Solar Project – Masjid Al-Kawthar, Sarawak	RM30,000	Madrasah Ihsaniah Kg. Batu 14, Hulu Langat, Selangor	RM3,000
Green Initiative Project – Solar Lamp at Kolej Islam Sultan Alam Shah, Klang	RM13,500	Surau Taman Sultan Ismail Petra, Simpang 3 Pulai	RM3,000
Surau Al-Amin, Desa Perwira	RM5,000	Surau Al-Mubarak, Taman Panchor Jaya, Seremban	RM3,000
Kulliah Al-Lughah Waddin As-Sultan Abu Bakar, Pekan, Pahang	RM5,000	Surau Kampung Orang Asli Dusun Kubur	RM3,000
Masjid Kampung Semarang, Dengkil	RM3,000	Masjid Kampung Kuala Kechau, Kuala Lipis, Pahang	RM3,000
Akademi Tahfiz Al Hamidi	RM3,000	Masjid Al Imam Al Ghazali, Manjalara Kepong	RM3,000
Masjid Al-Qurtubi Taman Sri Segambut Kuala Lumpur	RM3,000	Projek Wakaf Lampu Jalan Solar di SAM Sultan Hisamuddin Sungai Bertih, Klang	RM1,160

JĀRIAH AL-BARAKAH (CASH WAQF BANK RAKYAT)

In addition to establishing strategic collaborations with external agencies, Bank Rakyat has also developed its own platform for the implementation of cash waqf initiatives. On 21 August 2024, Bank Rakyat was appointed as a Mutawalli by the Majlis Agama Islam Wilayah Persekutuan (MAIWP), becoming the first bank in Malaysia to be granted such an appointment.

This appointment authorises Bank Rakyat to collect, manage and distribute waqf funds contributed by the public in accordance with the relevant waqf governance and regulatory framework.

Effective 1 June 2025, Bank Rakyat launched Jāriah Al-Barakah (Bank Rakyat Cash Waqf) as its flagship cash waqf initiative. As of 31 December 2025, total collections under the initiative amounted to RM999,914.74.





EMPOWERING THE ASNAF THROUGH ZAKAT

The term 'asnaf' refers to the eight categories of recipients eligible to receive zakat as prescribed in the Quran, such as the fakir (the destitute), the miskin (the poor), the mualaf (new converts to Islam) and those classified as fi sabilillah (those striving in the way of Allah). Fulfilling the obligation of zakat to these groups is a core pillar of Islamic faith, reflecting the principles of social justice, wealth redistribution and collective responsibility for the well-being of the ummah.

Through its zakat contributions, Bank Rakyat actively supports and implements initiatives designed to advance social equity for the asnaf, spanning education, entrepreneurship, healthcare and community welfare. In FY2025, a total Zakat of RM24.37 million was distributed to 91,591 eligible asnaf recipients across the Fakir, Miskin, Mualaf and Fi Sabilillah categories through programmes ranging from education and entrepreneurship support to livelihood assistance, healthcare and knowledge-building initiatives.

NO.	ITEM	PROGRAMME	BENEFICIARIES	TOTAL (RM)
A	**ASNAF FAKIR/MISKIN/MUALAF**			
1	Primary/Secondary School Students (One-off)	Quality Education	63,102	8,991,500.00
2	University/University College (Education Programmes)	Quality Education	1,289	1,045,482.60
3	Livelihood assistance and medical treatment	No Poverty/Good Health and Well-Being	14,363	2,523,799.90
4	AIBIM myZakat asnafpreneur	No Poverty/Decent Work and Economic Growth	160	10,000.00
5	Empowering asnaf entrepreneurs through SUTERA	No Poverty/Decent Work and Economic Growth	50	1,000,000.00
6	RAKYATpreneur/Bank Rakyat UNIpreneur/Asnafpreneur (End to End)	No Poverty/Decent Work and Economic Growth	850	4,499,800.00
B	**ASNAF FI SABILILLAH**			
7	International Shariah Scholars Roundtable	Partnerships for the Goals/Decent Work and Economic Growth/No Poverty	1,310	500,000.00
8	Research grants were awarded to universities to study issues related to Shariah operations within the industry	Sustainable Cities and Communities	2	389,292.00
9	Mosques/Mussolla/NGOs (Education Programmes)	Sustainable Cities and Communities	8,423	2,067,510.00
10	Translation and commentary project on a kitab Minhaj Al-Talibin Wa 'Umdah Al-Muftin (sections on family law and jurisprudence)	Quality Education/Sustainable Cities and Communities	1,000	136,600.00
11	Ai Fiqh Scholar Version	Quality Education	1,000	400,000.00
12	Students studying within the country (One-off)	Quality Education	20	36,991.20
13	Students studying abroad	Quality Education	2	4,500.00
14	Sponsorships for High-Potential Students (MINHAH)	Quality Education	20	2,763,237.80
	GRAND TOTAL		**91,591**	**24,368,713.50**

NOTE: Data as of APRIL 2025 – MARCH 2026

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SPOTLIGHT: BANK RAKYAT ENTREPRENEUR LEADERSHIP PROGRAMMES

The Bank Rakyat Entrepreneurship Leadership Series, encompassing RAKYATpreneur and Bank Rakyat UNIpreneur, stands as a key social finance initiative under the Bank's Zakat distribution framework. These programmes are specifically designed to empower high-potential entrepreneurs from underserved asnaf communities by strengthening their financial management skills and business acumen, enabling them to generate sustainable income and expand their ventures.

Each programme provides participants with a funding injection from the Bank, alongside comprehensive entrepreneurship training, guided mentorship and ongoing monitoring conducted by selected collaboration partners. This holistic support equips aspiring entrepreneurs with the tools to grow their businesses sustainably, create employment opportunities within their families and local communities and develop critical competencies in financial literacy and digital safety.

RAKYATpreneur 6.0

RAKYATpreneur 6.0 is a social finance initiative by Bank Rakyat aimed at enhancing the entrepreneurial potential of asnaf micro-entrepreneurs across the nation. Participants receive a funding injection from the Bank, supplemented by entrepreneurship training sessions, mentorship, and ongoing monitoring carried out by selected collaboration partners. Running from August 2025 to January 2026, the programme engaged a total of 300 participants nationwide, reinforcing the Bank's continued commitment to nurturing need-based entrepreneurship and driving economic self-sufficiency among Malaysia's underserved communities.





Bank Rakyat UNIpreneur 5.0

Bank Rakyat UNIpreneur 5.0 is a social finance initiative designed to elevate the entrepreneurial potential of asnaf student entrepreneurs across the country. Participants benefit from a funding injection from the Bank, paired with entrepreneurship training, mentorship, and monitoring delivered by Entrepreneurship Centres at selected Institutions of Higher Learning (IPTs). The programme ran from August 2025 to January 2026, engaging 500 participants nationwide through a network of 20 collaboration partners comprising 18 public institutions of higher learning and two private institutions of higher learning. By embedding entrepreneurship development within the university ecosystem, Bank Rakyat UNIpreneur 5.0 continues to cultivate a generation of opportunity-driven student entrepreneurs equipped to create sustainable livelihoods and contribute meaningfully to the nation's socio-economic progress.





YAYASAN BANK RAKYAT: AMPLIFYING SOCIAL IMPACT

Yayasan Bank Rakyat (YBR) is the philanthropic arm of Bank Rakyat, established to channel contributions from the Bank and its members into structured social investment programmes that advance education, community development and social welfare for underserved Malaysians.

YBR drives a diverse range of high-impact initiatives aimed at advancing education, strengthening socio-economic development and enhancing community well-being. The core initiatives comprise the provision of educational sponsorships, including Pembiayaan Pendidikan Boleh Ubah (PPBU), alongside the implementation of comprehensive programmes across education, community development and career advancement. YBR also provides welfare assistance and targeted support to underprivileged communities, particularly students in need. These initiatives are strategically designed to empower human capital, alleviate poverty and promote inclusive and sustainable development in alignment with national aspirations and long-term growth objectives.

The funds contributed to YBR in 2025 are as follows:

CATEGORIES	CONTRIBUTION
Bank Rakyat Members	RM14,285,182.50
Bank Rakyat	RM23,570,365.00
TOTAL CONTRIBUTION	**RM37,855,547.50**

YBR was honoured with the prestigious Excellence Award in the Non-Profit Organisation (NPO) category at the Malaysia National Business Awards 2025, in recognition of its continued commitment to driving meaningful impact through a wide range of initiatives aimed at uplifting the socio-economic well-being of Malaysians. These efforts were delivered primarily through education and community development initiatives implemented throughout the year, particularly benefiting underprivileged communities.



INITIATIVES THROUGHOUT 2025

Education Sponsorship

Education sponsorship is provided through the Pembiayaan Pendidikan Boleh Ubah (PPBU), as well as through Memorandum of Understanding (MoU) arrangements with higher education institutions. This sponsorship is a form of financial assistance and scholarships offered to eligible Malaysian citizens, providing financial aid for full-time students. The sponsorship covers fields of study such as Accounting, Islamic Studies, Economics, Information Technology, Business Management, Social Science, Media Communications and Education. It also covers tuition fees and living allowances.

Total sponsored	525 students
Total allocation	RM16,625,000.00

Educational Development Programme

YBR continues to uphold its commitment to empowering education through the implementation of various high-impact programmes under its educational development pillar. These initiatives are delivered holistically and aim to enhance the quality of education and supporting students in their academic journey.

a. Financial Aid for Higher Education

This initiative is implemented to alleviate the initial financial burden faced by students in higher education institutions (IPT) by providing essential support as they embark on their academic journey. It enables students from low-income families to pursue their studies without financial constraints and reflects YBR's ongoing commitment to broadening equitable access to higher education.

Number of IPTs	21
Number of beneficiaries	1,028 students
Total allocation	RM951,283.00



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b. School Supplies for Students

This initiative aims to support students from low-income families in obtaining school supplies for the new academic session. The assistance is provided in the form of cash, enabling the purchase of essential school items such as uniforms, shoes, bags, stationery and other educational supplies. The programme is implemented in collaboration with NGOs, Bank Rakyat branches, State Education Departments (JPN) and schools.

Number of beneficiaries	8,569 students
Total allocation	RM1,470,410.00



c. Community Tuition

This is an educational empowerment initiative that provides free supplementary classes conducted outside regular school hours. The initiative targets students facing financial difficulties as they prepare for the Sijil Pelajaran Malaysia (SPM) examination. The programme focuses on five core subjects: Bahasa Melayu, English, Mathematics, Science and History. Classes are conducted face-to-face by experienced instructors, with the support and collaboration of the Ministry of Education (MOE), State Education Departments (JPN), District Education Offices (PPD) and participating schools.

Number of beneficiaries	1,450 students 29 secondary schools
Total allocation	RM320,000.00



d. Programmes in collaboration with Government Agencies/ Schools/Institutions of Higher Learning/NGOs

These educational programmes are implemented specifically for school students and students from institutions of higher learning (IPTs) to enhance their academic performance and provide holistic educational exposure. The programmes are conducted nationwide, with participants from across Malaysia.

Number of beneficiaries	41,083 individuals
Total allocation	RM1,457,245.00



COMMUNITY DEVELOPMENT PROGRAMME

This initiative is implemented to support low-income groups, families affected by disasters and other underprivileged communities in need of assistance. Support provided encompasses basic necessities, community-based activities, as well as programmes that foster volunteerism and social cohesion. Through strategic collaborations with government agencies, educational institutions, NGOs and Bank Rakyat branches nationwide, YBR has successfully expanded the reach of its initiatives and ensured that assistance is delivered effectively.

a. Distribution of Family Nutrition Kit

This initiative is implemented on an ongoing basis to support low-income groups in managing their daily lives. Assistance is distributed to eligible recipients to help ease the burden of rising living costs, while ensuring that the well-being and welfare of the community are continuously safeguarded.

Number of beneficiaries	14,712 individuals
Total allocation	RM1,637,688.00

b. Medical Equipment Supply

This initiative provides essential healthcare equipment to support individuals facing health challenges, particularly those who are underprivileged, to help improve their quality of life.

Number of beneficiaries	101 individuals
Total allocation	RM116,897.60

c. Social and Community Intervention Programmes

Education, welfare and community programmes were implemented to enhance the quality of life, promote entrepreneurship, build skills and provide basic assistance to those in need.

Number of beneficiaries	4,477 individuals
Total allocation	RM469,317.20

CAREER DEVELOPMENT PROGRAMME

This initiative is designed to help individuals improve their skills, knowledge and competencies to advance in their careers. The main goal of the programme is to support participants in building clear career goals, enhancing their employability and reaching their full potential.

a. Student Development Programme (SDP)

This programme was introduced to cultivate leadership qualities and holistically enhance the talents of YBR-sponsored students through initiatives centred on the developing soft skills as well as physical and spiritual well-being. It is also a compulsory requirement for newly sponsored YBR students.

Number of beneficiaries	411 PPBU students
Total allocation	RM149,122.12



b. Programmes in collaboration with Government Agencies/Schools/Institutions of Higher Learning/NGOs

A specialised programme focusing on capacity building and career development for youth and the community was implemented through various activities, courses and trainings. In 2025, YBR collaborated with the Malaysian Substance Abuse Council on the Certified Addiction Recovery Specialist (MyCARS) Programme.

Number of beneficiaries	40 individuals
Total allocation	RM80,000.00



DONATIONS

YBR has provided various forms of assistance, including cash contributions and healthcare support for patients, particularly those with chronic illnesses. These aid initiatives are delivered directly to recipients to ensure immediate and meaningful impact on their well-being. In addition, YBR extends educational support, including teaching aids and laptops for students, as well as special contributions to schools, to enhance learning activities and support students' academic development.

Number of beneficiaries	4,283 individuals
Total allocation	RM152,670.00



RAKYAT MANAGEMENT SERVICES: CORPORATE SOCIAL RESPONSIBILITY INITIATIVES 2025

Rakyat Management Services Sdn. Bhd. (RMS) is a wholly owned subsidiary of Bank Rakyat that was established to fulfil the Bank's mandated role in developing the cooperative business sector through the Islamic pawnbroking franchise brand Ar-Rahnu X'Change. RMS also operates complementary gold-related businesses, including specialist gold consultancy services and gold retail under the RMS Gold brand.

In line with Bank Rakyat's broader commitment to social responsibility, RMS allocates a portion of its annual profits to structured Corporate Social Responsibility (CSR) programmes. To ensure these programmes are effectively planned and executed, RMS has embedded CSR as a brand marketing pillar within the Ar-Rahnu X'Change Product and Brand Marketing Plan 2025, built around three strategic approaches: corporate sponsorships and donations, asnaf contributions and franchisee-led initiatives.

CORPORATE SOCIAL COMMITMENT

From the National Marketing Fund managed by RMS, RM100,000 was allocated for the implementation of CSR programmes in 2025. These funds were channelled through sponsorships, donations, and charitable contributions to a range of individuals and institutions under the flagship Ar-Rahnu X'Change We Care programme.

Established in 2020, Ar-Rahnu X'Change We Care is an ongoing social welfare initiative that reflects the brand's identity as a community-conscious institution. The programme continued to expand its reach in 2025, supporting a diverse range of causes aligned with RMS's philosophy of giving back to the communities it serves.

A notable highlight of 2025 was the inaugural collaboration with the Institut Kefahaman Islam Malaysia (IKIM), involving a sponsorship of RM10,000 to support the publication and distribution of Quranic translations in Japanese, Russian and Korean — an initiative aimed at promoting Islamic understanding across international communities.

RMS continued to prioritise the welfare of the underprivileged. On 4 September 2025, dormitory supplies were distributed to students of Sekolah Kebangsaan Lampada, Kota Marudu, Sabah, extending support to schoolchildren in a rural community. A collaboration with Surau Al-Barakah Bank Rakyat also facilitated the Hulurkan Salam Aidiladha 1446H programme, with a sponsorship of RM10,000 directed at meeting the basic needs of asnaf recipients.

Continuing its annual traditions of Islamic community engagement, RMS sponsored qurban (ritual sacrifice) programmes at several mosques, including Masjid An-Naim (Jalan Kebun), Masjid Kampung Johan Setia (Klang), and Masjid Abu Bakar As-Siddiq, Pos Tuel (Gua Musang, Kelantan). Sponsorships were also extended to Islamic finance forums at Masjid Jamek As-Solihin (Banting) and Masjid Baru Tok Jembal (Gong Badak), as well as a Smart Solat, Akhlak & Sahsiah Remaja programme at Masjid Al-Hikmah, Kuang, reinforcing RMS's commitment to strengthening Islamic education and practice within local communities.

Beyond the National Marketing Fund, RMS committed an additional RM100,000 from its annual corporate budget as a supplementary contribution to social welfare activities, channelled primarily through partnerships with local non-governmental organisations (NGOs). Collaborating NGOs included Yayasan Kebajikan Insan, Yayasan Sayang Malaysia, Pertubuhan Skuad Bakti Khidmat Malaysia and Pertubuhan Kebajikan Asnaf Al-Barakh Malaysia, which collectively supported a range of programmes benefiting asnaf recipients, chronically ill patients, and students from low-income families through Back-to-School assistance.

On 17 December 2025, RMS collaborated with Yayasan Kaseh & Kanser Kronik to provide food relief to flood victims in Ijok, contributing RM15,000 to the initiative.



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ASNAF INITIATIVES

As of December 2025, RMS had disbursed close to RM1 million in Zakat Wakalah funds across multiple asnaf categories, reflecting the organisation's sustained commitment to Islamic social finance and community welfare.

Education Support

Students represented the primary beneficiary group of RMS's asnaf contributions. A total of 19 schools, including two tahfiz (Quranic memorisation) institutions, received asnaf assistance under the poor student aid category. Contributions totalling RM362,550 benefited more than 1,800 students, supporting their schooling needs and essential educational expenses.

The largest single contribution of RM67,500 was allocated to SMK Kebangsaan Kota, Kota Bharu, Kelantan. Other significant recipients included SMK Arab Falahiah, Kuala Krai, Kelantan (RM32,175); SMK Taun Gusi, Kota Belud, Sabah (RM22,500); and SMK Felda Ulu Tebrau, Ulu Tiram, Johor (RM19,125).

Tahfiz education also received dedicated support, with 100 students from Darul Al-Quran Lil Banat Al-Hanafiah (Batu Caves) and Maahad An-Noer (Janda Baik) benefiting from asnaf contributions. At the tertiary level, three universities — Universiti Malaysia Pahang Al-Sultan Abdullah, Multimedia University and Universiti Malaysia Sabah — each received RM30,000 from the Student Education Fund to support deserving students in continuing their studies.



Family Welfare

In recognition of the financial pressures faced by low-income asnaf families, RMS channelled RM211,100 in contributions through seven mosques nationwide, providing assistance to 769 families. This support aimed to ease the burden of daily living expenses for households in need.

Individual cases of hardship also received direct attention. Puan Rokiah Mohd Ali, a single mother from Selayang who supports a chronically ill child, and Encik Abdul Rahman Omar, a fisherman from Kelantan who requires financial assistance for his wife's and child's medical costs, each received asnaf contributions of RM10,000.



Mosques and Surau

To sustain the operations and programmes of religious institutions, 21 mosques and four surau received Zakat Wakalah contributions totalling RM230,000 for community activities and kariah (congregation) welfare. Recipients included Masjid Al-Falah (Pelabuhan Klang, Selangor), Masjid India Muslim Sungai Siput (Perak), Masjid Jamek Kong Kong Laut (Masai, Johor) and Masjid Nurhidayah (Kuala Penyu, Sabah), among others.



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FRANCHISEE-LED COMMUNITY INITIATIVES

As the franchisor of the Ar-Rahnu X'Change network, RMS actively encourages its franchisees to embrace the Ar-Rahnu X'Change We Care philosophy — positioning each outlet as a community-minded presence in its local area.

Under the Ar-Rahnu X'Change Product and Brand Marketing Plan 2025, a total of RM547,000 was allocated across all 84 Ar-Rahnu X'Change outlets nationwide for CSR-based brand marketing activities. Franchisees implemented a variety of community welfare programmes targeting local institutions and communities.

Koperasi Kakitangan Bank Rakyat Berhad (SEKATARAKYAT) channelled RM159,000 through its 17 Ar-Rahnu X'Change franchise outlets to conduct Ramadan infaq programmes benefiting the wider community. Koperasi Wawasan Pekerja-Pekerja Berhad (KOWAJA) organised food basket programmes for those in need across three locations in Rawang, Kapar and Petaling. Ar-Rahnu X'Change Alam Avenue, operated by Koperasi Serbaguna Anak-Anak Selangor Berhad (KOSAS), implemented a Back-to-School programme as its flagship initiative for the year.

Collectively, the Ar-Rahnu X'Change franchisee network served as a brand ambassador, delivering a broad range of community programmes that embody the Ar-Rahnu X'Change We Care ethos across the country.



ORGANISATIONAL PHILOSOPHY AND COMMITMENT

The Board of Directors and management of Rakyat Management Services Sdn. Bhd. remain steadfast in their commitment to operating as an organisation with a strong sense of social purpose, extending assistance to those in need regardless of social background or circumstance.



The company's CSR philosophy is anchored in the belief that business success should be shared with the community — a value that has guided RMS for nearly two decades of operations. This commitment reflects the broader ethos of Bank Rakyat that financial institutions have a responsibility not only to their members and shareholders but also to the communities and society they serve.



Where
Leaders Emerge

The collective strength of Bank Rakyat's leadership—guiding with vision, upholding values and turning purpose into progress for the Bank, its stakeholders and the nation.

OUR LEADERSHIP TEAM

BOARD OF DIRECTORS

1. **Datuk Mohd Irwan Mohd Mubarak**
   Independent Non-Executive Director/Chairman
2. **Dato' Sri Khairul Dzaimee Daud**
   Non-Independent Non-Executive Director
3. **Dato' Dr Amiruddin Muhamed**
   Non-Independent Non-Executive Director
4. **Tunku Dato' Ahmad Burhanuddin Tunku Datuk Seri Adnan**
   Independent Non-Executive Director
5. **Haji Mohd Jafri Kudus**
   Independent Non-Executive Director
6. **Dato' Seri Dr. Vaseehar Hassan Abdul Razack**
   Independent Non-Executive Director
7. **Professor Dr. Haji Raduwan Idar**
   Independent Non-Executive Director
8. **Idris Abd Hamid**
   Independent Non-Executive Director
9. **Mohamad Khairil Abidin**
   Executive Vice President, Bank Secretary, Legal and Members



OUR LEADERSHIP TEAM

BOARD OF DIRECTORS PROFILE

Datuk Mohd Irwan Mohd Mubarak

Independent Non-Executive Director/Chairman

APPOINTMENT AS DIRECTOR

- **Appointment as Board of Director:**
  24 July 2020 – 23 July 2022
- **Reappointment as Board of Director:**
  24 July 2022 – 23 July 2024
- **Appointment as Acting Chairman:**
  1 November 2022 – 1 February 2024
- **Appointment as Chairman:**
  2 February 2024 – 1 February 2026

EDUCATION

- Certified Mediator, The Accord Group, Sydney, Australia
- Diploma in Syariah and Legal Administration, Universiti Teknologi MARA (UiTM)
- Master in Comparative Laws (MCL), International Islamic University Malaysia (IIUM)
- Bachelor of Laws (Hons) L.L.B, IIUM
- Certificate of Laws, Matriculation Centre, IIUM
- American Degree Programme in Social Science, UiTM

MEMBERSHIP OF BOARD COMMITTEES

- Member, Board Nomination and Remuneration Committee
- Interim Member, Board IT Committee

OTHER POSITIONS HELD

- Managing Partner, Messrs Mohd Irwan Mohd Mubarak, Advocates and Solicitors/Syarie Counsel
- Part Time Tutor, Open University Malaysia (OUM)
- Director, MIMM Travel and Tours Sdn Bhd
- Director, MIMM Development Sdn Bhd
- Director, MIMM Consultancy Sdn Bhd

PREVIOUS EXPERIENCE

- Director, Rakyat Management Services Sdn Bhd
- Director, Seven T Nine Sdn Bhd
- Independent Non-Executive Director, KNM Group Berhad
- Reading in Chambers of Messrs Aziz Zakaria Saiful and Wan, Advocates and Solicitors
- Part Time Tutor in English Language, Mawar Tuition Centre, Damansara
- Part Time Lecturer, Systematic College (SEGI) Petaling Jaya
- State Manager of Selangor and Kuala Lumpur, Knowledge Development Centre (PBI)
- Customer Service Agent/Operator, Customer Service Centre Pizza Hut
- Coordinator in Usrah Programme, International Islamic College (IIC), Kuala Lumpur
- Pembantu Rakan Muda, Department of Youth and Sports, Pulau Pinang
- Material Handler, Baxter Healthcare S.A, Pulau Pinang
- Housekeeper, Front Office Assistant, Food and Beverage Assistant various Hotel
- Partner, Mihan Resources

OUR LEADERSHIP TEAM

BOARD OF DIRECTORS PROFILE





Dato' Sri Khairul Dzaimee Daud
Non-Independent Non-Executive Director

APPOINTMENT AS DIRECTOR
- **Appointment as Board of Director:**
  1 January 2025 – 31 December 2026

EDUCATION
- Master of Social Science (Strategy and Diplomacy)
  Institute of Diplomacy and Foreign Relations (IDFR) and Universiti Kebangsaan Malaysia (UKM)
- Bachelor of Business Administration Universiti Utara Malaysia (UUM), Malaysia

OTHER POSITIONS HELD
- Secretary General, Ministry of Entrepreneur Development and Cooperatives (KUSKOP)
- Board of Directors, UDA Holdings Berhad
- Board of Directors, Perbadanan Nasional Berhad (PERNAS)

PREVIOUS EXPERIENCE
- Secretary General, Ministry of Human Resources (MOHR)
- Director-General of Legal Affairs Division, Prime Minister's Department
- Director-General of Immigration Department of Malaysia
- Deputy Secretary-General (Policy and Enforcement) for the Ministry of Home Affairs (KDN)
- Deputy Secretary General (Management), Ministry of Housing and Local Government (KPKT)
- Under-Secretary of Finance and Procurement Division, Ministry of Urban Wellbeing, Housing and Local Government (KPKT)
- Deputy Under-Secretary Development Division, Ministry of Home Affairs (KDN)
- Senior Private Secretary, (SUSK), Minister of Public Works
- Programme Director, Colombo Plan Secretariat, Colombo, Sri Lanka (Cross Fertilization Programme)
- Principal Assistant Secretary, Federal Special Task Force, National Security Council, Sabah
- Assistant Secretary, National Security Council, Prime Minister's Department
- Assistant Secretary, Ministry of Entrepreneur Development
- Assistant Secretary, National Institute of Public Administration Malaysia (INTAN)
- Graduate Trainee, Public Finance Berhad



Dato' Dr. Amiruddin Muhamed
Non-Independent Non-Executive Director

APPOINTMENT AS DIRECTOR
- **Appointment as Board of Director:**
  - 13 June 2023 – 12 June 2025
- **Reappointment as Board of Director:**
  - 13 June 2025 – 12 June 2027

EDUCATION
- Doctor of Philosophy in Accounting and Finance, Durham University United Kingdom
- Master of Economics (Economics Development), Universiti Kebangsaan Malaysia (UKM)
- Bachelor of Accounting (Hon.), UKM

MEMBERSHIP OF BOARD COMMITTEES
- Member, Board Procurement Committee
- Member, Board Financing and Investment Committee

OTHER POSITIONS HELD
- Secretary of the Government Investment Company Division (GIC), Ministry of Finance
- Director, SRC International Sdn Bhd

PREVIOUS EXPERIENCE
- Director, Export-Import Bank of Malaysia Berhad
- Chief Executive Officer, Majlis Agama Islam dan Adat Melayu Perak (MAIPk)
- Strategic Investment Division (SID), Ministry of Finance
- Senior Principal Assistant Secretary, MKD (Inc.) and Privatisation Division, Ministry of Finance Investment
- Assistant Director, Accounting and Management Development Division, Accountant General's Department of Malaysia
- Executive, Corporate Planning Division, Business Focus Group Sdn Bhd
- Director, Malaysia Development Holdings Sdn Bhd
- Director, Malaysia Rapid Transit Corporation
- Director, Railway Assets Corporation



Tunku Dato' Ahmad Burhanuddin Tunku Datuk Seri Adnan

Independent Non-Executive Director

APPOINTMENT AS DIRECTOR

- **First Appointment as Board of Director:**
  1 October 2019 – 30 September 2021
- **Reappointment as Board of Director:**
  - 1 October 2021 – 30 September 2023
  - 1 October 2023 – 30 September 2025
  - 1 October 2025 – 30 September 2027

EDUCATION

- Fellowship, Association of Chartered Certified Accountants, United Kingdom
- Associate, Association of Chartered Certified Accountants, United Kingdom
- Associate, Malaysian Institute of Accountants, Malaysia
- Graduate, Association of Chartered Certified Accountants, United Kingdom
- Certificate and Diploma, Luton College of Higher Education, United Kingdom
- Graduate, Brighton Technical College, United Kingdom
- Certificate, The Malay College Kuala Kangsar (MCKK)

MEMBERSHIP OF BOARD COMMITTEES

- Chairman, Board Audit and Examination Committee
- Member, Board Risk Committee
- Member, Board Financing and Investment Committee
- Member, Board IT Committee

OTHER POSITIONS HELD

- Director, Jaya Raya Sdn Bhd
- Director, International Paint Sdn Bhd
- Director, Rakyat Management Services Sdn Bhd
- Director, Rakyat Holdings Sdn Bhd

PREVIOUS EXPERIENCE

- Group Managing Director and Group Chief Executive Officer, Themed Attractions Resorts and Hotels Sdn Bhd
- Managing Director/Chief Executive Officer, Themed Attractions and Resorts Sdn Bhd
- Executive Director CIMB, Bank Berhad
- Executive Director, CEO's Office, CIMB Bank Berhad Group and CIMB Investment Bank Berhad
- Group Chief Internal Auditor, Bumiputra-Commerce Bank Berhad
- Head - Retail Financial Services, Bumiputra-Commerce Bank Berhad
- Strategic Corporate Planner, Bumiputra-Commerce Bank Berhad
- Executive Director and Chief Executive Officer, Commerce Asset Fund Managers Sdn Bhd
- Financial Controller, Commerce Asset-Holding Berhad
- Group General Manager and Company Secretary, Lenggang Holdings Sdn Bhd
- Senior Bank Officer, Bank of Commerce Berhad



Haji Mohd Jafri Kudus

Independent Non-Executive Director

APPOINTMENT AS DIRECTOR

- **First Appointment as Board of Director:**
  13 July 2020 – 12 July 2022
- **Appointment as Senior Independent Director:**
  19 December 2022
- **Reappointment as Board of Director:**
  - 13 July 2022 – 12 July 2024
  - 13 July 2024 – 12 July 2026

EDUCATION

- Diploma in Computer Science, Universiti Teknologi MARA (UiTM)
- Certificate in Multimedia Technology, Institute of Systems Science, National University of Singapore (NUS)
- Certified Instructor, DDI International

MEMBERSHIP OF BOARD COMMITTEES

- Chairman, Board IT Committee
- Chairman, Board Nomination and Remuneration Committee
- Member, Board Risk Committee
- Member, Board Procurement Committee
- Member, Board of Audit and Examination Committee

OTHER POSITIONS HELD

- Director, Ingress Master Sdn Bhd
- Chairman, Rakyat Management Services Sdn Bhd

PREVIOUS EXPERIENCE

- Director, Storvee Media Sdn Bhd
- Director, Strovee Rich Sdn Bhd
- Director, Strovee Event Sdn Bhd
- Director, Strovee Travel & Tours Sdn Bhd
- Director, Kasturi Kualiti Sdn Bhd
- Executive Director, Strovi Dox Sdn Bhd
- Business Development Consultant, Antah SNC Homeland Security Sdn Bhd
- Chief Executive Officer, E Tanah JV Sdn Bhd
- Vice President - Enterprise Market, Celcom (Malaysia) Berhad
- Vice President - Mobile Data, Celcom (Malaysia) Berhad
- Vice President - Wholesale and Global Business, Celcom (Malaysia) Berhad
- Vice President - Government Market and Special Projects, Celcom (Malaysia) Berhad
- Management Representative - Director, Trifiniti Sdn Bhd
- Vice President/Head, Celcom Technology Sdn Bhd (CTSB)
- Senior Manager/Head - Multimedia Services, CTSB
- Senior Manager, CTSB
- Senior Manager, Celcom (Malaysia) Berhad
- Senior Officer, Celcom (Malaysia) Berhad
- Operation Programmer, Kompleks Kewangan Malaysia Berhad



Dato' Seri Dr. Vaseehar Hassan Abdul Razack

Independent Non-Executive Director

APPOINTMENT AS DIRECTOR

- **First Appointment as Board of Director:**
  15 July 2021 – 14 July 2022
- **Reappointment as Board of Director:**
  - 15 July 2022 – 14 July 2023
  - 15 July 2023 – 14 July 2025
  - 15 July 2025 – 14 July 2027

EDUCATION

- Currently pursuing Doctor of Psychoanalysis (Psya. D) with Boston Graduate School of Psychoanalysis
- Executive Master in Consulting and Coaching for Change, INSEAD, France
- Doctor of Philosophy, Vrije Universiteit Amsterdam, Netherlands
- Specialised Master in Consulting and Coaching, HEC, France
- Postgraduate Diploma in Industrial Administration, University of Aston in Birmingham, United Kingdom
- Master of Business Administration, University of Aston in Birmingham, United Kingdom
- Bachelor of Commerce, Loyola College, University of Madras, India

MEMBERSHIP OF BOARD COMMITTEES

- Chairman, Board Financing and Investment Committee
- Member, Board Nomination and Remuneration Committee
- Member, Board Risk Committee
- Member, Board Audit and Examination Committee

OTHER POSITIONS HELD

- Director, Ingress Corporation Berhad
- Director, Saturna Sdn Bhd
- Director, Barkath Burkill Plantations Sdn Bhd
- Director, Jupiter Trading Sdn Bhd
- Director, Golden Angel Sdn Bhd
- Director, Organic Treasure Sdn Bhd
- Director, Kingsley Advisory And Strategic Initiatives Sdn Bhd
- Chairman, Rakyat Holdings Sdn Bhd
- Director, AlBaraka Bank Pakistan Ltd
- Director, Perdana Leadership Foundation

PREVIOUS EXPERIENCE

- Chief Executive Officer/Managing Director, Dallah al-Baraka (Holdings) Sdn Bhd
- Director of Bank Islam Malaysia Berhad, Bank Utama Malaysia Berhad, Utama Merchant Berhad, UBG Berhad, RHB Berhad, RHB Capital Berhad, RHB Bank Berhad, RHB Investment Bank Berhad, RHB Islamic Bank Berhad, RHB Insurance Berhad, Unicorn Islamic Investment Bank Berhad and Asian Finance Bank (now known as MBSB Bank)
- Manager Corporate Finance, Aseambankers
- Consulting Assistant, Messrs Ernst & Young



Professor Dr. Haji Raduwan Idar

Independent Non-Executive Director

APPOINTMENT AS DIRECTOR

- **First Appointment as Board of Director:**
  1 June 2022 – 31 May 2024
- **Reappointment as Board of Director:**
  - 1 June 2024 – 31 May 2026

EDUCATION

- Doctor of Business Administration, Universiti Utara Malaysia (UUM)
- Master of Business Administration, Universiti Kebangsaan Malaysia (UKM)
- Bachelor of Economic, UKM

MEMBERSHIP OF BOARD COMMITTEES

- Member, Board Nomination and Remuneration Committee
- Member, Board Audit and Examination Committee
- Member, Board Procurement Committee
- Member, Board IT Committee

OTHER POSITIONS HELD

- Vice Chancellor, Geomatika Universiti Malaysia
- Director, Rakyat Management Services Sdn Bhd

PREVIOUS EXPERIENCE

- Deputy Vice Chancellor Academic, Kuala Lumpur Metropolitan University College
- Deputy Vice Chancellor Academic, Twintech International University College of Technology
- Dean of Faculty of Business and Finance, Twintech International University College of Technology
- Dean Faculty Business, Kuala Lumpur Metropolitan University College
- Panel Assessor, Malaysian Qualification Agency (MQA) Specialisation in Entrepreneurship, Strategic Management and Finance
- HRDF Trainer, Twintech International University College of Technology
- Adjunct Professor, Open University Malaysia
- Panel Assessor, Apel (C), ASA College, Rawang
- Head of Programme Management and Entrepreneurship, Business School, UniKL Business School
- Deputy Dean (Academic) Cum Lecturer, Faculty of Business, University Selangor
- Deputy Dean (Student Affair) Cum Lecturer, Faculty of Business, Head of Programme Bachelor of Marketing, Faculty of Industrial Management (presently known as Faculty of Business) and Lecturer, Faculty of Business, Universiti Selangor, Universiti Industri Selangor
- Company Director, RI Options Sdn Bhd
- General Manager - Group Corporate and Business and Group Senior Manager Credit Control, SAP Holding Berhad (presently known as Kumpulan Hartanah Selangor Berhad)
- Branch Manager/Assistant Branch Manager/Bank Officer, Maybank Berhad
- Investment Officer, Koperasi Usaha Bersatu Berhad
- Director, RI Options Sdn Bhd



Idris Abd Hamid
Independent Non-Executive Director

APPOINTMENT AS DIRECTOR

- **First Appointment as Board of Director:**
  1 September 2022 – 31 August 2024
- **Reappointment as Board of Director:**
  1 September 2024 – 31 August 2026

EDUCATION

- Diploma in Accountancy
- B.SC Finance, Southern Illinois University
- MBA, University Northern Colorado

MEMBERSHIP OF BOARD COMMITTEES

- Chairman, Board Procurement Committee
- Chairman, Board Risk Committee
- Member Board Audit and Examination Committee
- Member, Board Financing and Investment Committee
- Member, Board IT Committee
- Interim Member, Board Nomination and Remuneration Committee
- Board representative in the Shariah Committee

PREVIOUS EXPERIENCE

- Director, Consumer Banking, Affin Bank Berhad
- Senior Vice President, Hire Purchase Business, Affin Bank Berhad
- Deputy, Chief Executive Officer, Affin-ACF Finance Bhd
- Chief Executive Officer, Affin Finance Bhd
- Head Retail Loans, Arab Malaysian Finance Bhd
- Branch Manager, Arab Malaysian Finance Bhd
- Assistant Branch Manager, Malayan Finance Corporation Berhad



Mohamad Khairil Abidin
Executive Vice President, Bank Secretary, Legal and Members

APPOINTMENT AS Bank Secretary

- **First Appointment as Bank Secretary:**
  1 September 2022 – To date

EDUCATION

- Graduate, The Chartered Governance Institute
- Master of Corporate Administration, Universiti Teknologi MARA (UiTM)
- Admitted as an Advocate and Solicitor in the High Court Malaya in Kuala Lumpur (Appeals and Special Powers Division)
- Pupilage under the late Mr. T. Kuhanandan, Messrs Badri Kuhan Yeoh and Ghandi, Kuala Lumpur
- Bachelor of Laws, International Islamic University Malaysia (IIUM)
- Law Matriculation Program, Matriculation Centre, IIUM
- Sijil Pelajaran Malaysia (SPM), Penang Free School

PREVIOUS EXPERIENCE

- Vice President, Law, Bank Rakyat
- Managing Partner, Law Firm Messrs Shaikh Harun and Co, Advocates and Solicitors, Kuala Lumpur
- Legal Assistant, Messrs Ling and Mok, Advocates and Solicitors, Kuala Lumpur
- Partner, Law Firm Messrs Rabin and Associates and Co, Advocates and Solicitors, Ipoh (KL Branch)
- Tutor, Ahmad Ibrahim Law Kuliyyah, IIUM
- Legal Assistant, Messrs Kean Chye and Sivalingam, Ipoh
- Legal Assistant, Badri Kuhan Yeoh and Ghandi, Advocates and Solicitors, Kuala Lumpur

OUR LEADERSHIP TEAM

SHARIAH COMMITTEE

OUR LEADERSHIP TEAM

SHARIAH COMMITTEE

1. **Dr. Mohammad Zaini Yahaya**
   Chairman
2. **Professor Emeritus Dato' Dr. Mohd Azmi Omar**
3. **Dr. Tuan Badrul Hisyam Tuan Soh**
4. **Associate Professor Dr. Abdul Manan Ismail**
5. **Associate Professor Dr. Nurazmallail Marni**
6. **Associate Professor Dr. Yasmin Hanani Mohd Safian**
7. **Ustaz Mohd Zamerey Abdul Razak**
   Chief Shariah Officer/Secretary of Shariah Committee





OUR LEADERSHIP TEAM

SHARIAH COMMITTEE PROFILE

Dr. Mohammad Zaini Yahaya
Chairman

APPOINTMENT AS SHARIAH COMMITTEE

- **First Appointment as Shariah Committee Member:**
  1 July 2017 – 1 May 2019
- **Reappointment as Shariah Committee Member:**
  - 1 May 2019 – 31 August 2021
  - 1 September 2021 – 31 August 2023
  - 1 September 2023 – 31 August 2026
- **Appointment as Chairman of Shariah Committee:**
  1 January 2025 – 31 August 2026

EDUCATION

- PhD, Fiqh and Usul Department, International Islamic University Malaysia (IIUM)
- Master of Islamic Studies, Universiti Kebangsaan Malaysia (UKM)
- Bachelor of Shariah (Hons), Al-Azhar University, Cairo, Egypt

OTHER POSITIONS HELD

- Senior Lecturer, Department of Shariah, Faculty of Islamic Studies, UKM
- Deputy Director, Islamic Centre, UKM
- Research Panelist, EC Sham Holding Sdn Bhd
- Panelist, Dini Integrated Curriculum Developer, Ministry of Education Malaysia

PREVIOUS EXPERIENCE

- Member, Shariah Committee, Asian Finance Bank
- Member, Research Panel, Research for The Enhancement of KAFA Curriculum, Jabatan Kemajuan Islam Malaysia (JAKIM)
- Assessment Panel, Chair of Principal Fellow in Fatwa Research Project, World Fatwa Management and Research Institute (INFAD), Islamic Science University of Malaysia (USIM)
- Chairman, Panel Meeting for Assessment of Manuscripts and Sample Textbook Packages for Standard Curriculum for Prior Primary Schools (KSSR), Dewan Bahasa dan Pustaka (DBP)
- Member, Committee for The Development of DSKP KSSM (Document for Standard Curriculum and Assessment, Standard Curriculum for Secondary Schools) Al-Shahadah Al-Ulya Ulul Albab Turath Dirasat Islamiah 2017, Ministry of Education Malaysia

OUR LEADERSHIP TEAM

SHARIAH COMMITTEE PROFILE



SHARIAH COMMITTEE PROFILE



Professor Emeritus Dato' Dr. Mohd Azmi Omar

APPOINTMENT AS SHARIAH COMMITTEE

- **First Appointment as Shariah Committee Member:**
  1 January 2018 – 1 January 2020
- **Reappointment as Shariah Committee Member:**
  - 1 January 2020 – 31 December 2020
  - 1 January 2021 – 31 December 2022
  - 1 January 2023 – 31 December 2024
  - 1 January 2025 – 31 December 2026

EDUCATION

- PhD (Finance), Bangor University, Wales, United Kingdom
- Chartered Professional in Islamic Finance, Chartered Institute of Islamic Finance Professionals
- Master of Finance, Northern Illinois University, United States of America
- Bachelor of Finance, Northern Illinois University, United States of America
- Diploma in Finance, Universiti Teknologi MARA (UITM)

OTHER POSITIONS HELD

- President/Chief Executive Officer, International Centre for Education in Islamic Finance (INCEIF)
- Member, Shariah Committee, Etiqa Takaful Berhad
- Member, Shariah Committee, MUFG Bank Malaysia Berhad
- Member, Shariah Advisory Council, Securities Commission Malaysia
- Member, Accreditation Council,Financial Accreditation Agency
- Islamic Finance Expert, Monetary Authority Brunei Darussalam
- Member, External Advisory Group, International Monetary Fund (IMF)

PREVIOUS EXPERIENCE

- Islamic Banking Consultant, EONCAP Islamic Bank Berhad
- Islamic Banking Consultant, Silverlake Systems Sdn Bhd
- Islamic Banking Consultant, CIMB Berhad
- Islamic Banking Consultant, KAF Discount House
- Islamic Banking Consultant, Aseambankers Berhad
  (Currently known as Maybank Investment Bank Berhad)
- Member, Board of Trustees, Responsible Finance and Investment Foundation (RFI) Foundation, United Kingdom
- Director General, Islamic Research and Training Institute, Islamic Development Bank Group Jeddah, Kingdom of Saudi Arabia
- Deputy Rector, Professor and Lecturer, International Islamic University Malaysia
- Member, Board of Governors (Majlis), Malaysian Qualification Agency
- Member, Shariah Committee, Amanah Ikhtiar Malaysia
- Member, Board of Directors and Investment Committee, Permodalan Bank Simpanan Nasional Berhad (mutual fund company)
- Interdepartmental Working Committee of Islamic Finance, United States of America
- Member, Advisory Board, World Bank Global Islamic Finance Development Centre, Turkey
- Chairman, Expert Committee for Strategic Plan of Islam Hadhari, Ministry of Higher Education, Malaysia.



Dr. Tuan Badrul Hisyam Tuan Soh

APPOINTMENT AS SHARIAH COMMITTEE

- **First Appointment as Shariah Committee Member:**
  1 April 2021 – 31 March 2023
- **Reappointment as Shariah Committee Member:**
  - 1 April 2023 – 31 March 2025
  - 1 April 2025 – 31 March 2028

EDUCATION

- PhD Law, Newcastle University, United Kingdom
- LL.M (Shari'ah and Law), International Islamic University Malaysia (IIUM)
- B.A Judicial Studies and Laws (Shariah), Umm Al-Qura University Makkah Al-Mukarramah,Kingdom of Saudi Arabia
- Certificate of Completion, Maahad al-Ta'lim al-Lughah Al-Arabiah Umm al-Qura University, Kingdom of Saudi Arabia
- Diploma Tahfiz al Quran wa al Qiraat Darul Quran (JAKIM), Malaysia

OTHER POSITIONS HELD

- Islamic Banking Executive, Central Bank of Oman
- Head, Shariah Audit Assignments, Abu Dhabi Islamic Bank (ADIB)
- Manager of Consultation and Documentation, Internal Sharia Control Department of Dubai Islamic Bank
- Senior Consultant Dar Al Sharia Islamic Finance Consultancy LLC Dubai
- Chairman, Shariah Supervision Committee, Alliance Islamic Bank (Malaysia)
- Shariah Committee Member of MyEG Islamic Finance Sdn Bhd
- Member, Curriculum Review Committee, the subcommittee of AAOIFI Education Board
- Industry Advisory Panel for the Faculty of Management & Muamalah, Selangor International Islamic University College, Malaysia
- Registered Shariah Adviser, Securities Commission Malaysia
- Secretary, Cluster of Legal and Constitution, Majlis Amal Islami, Islamic Da'wah Foundation Malaysia (YADIM) – government agency under Prime Minister's Department of Malaysia
- Shariah Legal Counsel, the Shariah High Courts of the Federal Territories

PREVIOUS EXPERIENCE

- Shariah Consultant at ISRA Consulting (International Shariah Research Academy for Islamic Finance)
- Legal Researcher, Newcastle Law School, Newcastle University
- Assistant Manager, Shariah Department, CIMB Islamic Berhad
- Manager, Shariah Secretariat and Advisory (Retail, Alrajhi Banking and Investment Corporation (Malaysia) Berhad)
- Senior Executive, Islamic Capital Market Division, Securities Commission Malaysia

SHARIAH COMMITTEE PROFILE



Associate Professor Dr. Abdul Manan Ismail

APPOINTMENT AS SHARIAH COMMITTEE

- **First Appointment as Shariah Committee Member:**
  1 March 2024 – 28 February 2026

EDUCATION

- PhD in Fiqh and Usul al-Fiqh, International Islamic University Malaysia (IIUM)
- Master in Islamic Studies (Shariah) Universiti Kebangsaan Malaysia (UKM)
- Bachelor (Hons) in Shariah (Fiqh and Islamic Studies), Yarmouk University, Jordan

OTHER POSITIONS HELD

- Chairman, Academy Fiqh Islami Malaysia
- Committee Member, Malaysian Universities Debate Council (MADUM)
- Committee Member, Malaysian Universities Co-Curricular Council
- Member, Association of Shariah Advisors in Islamic Finance (ASAS)
- Chairman, Islamic Education Textbook Technical Evaluation Committee of the Malaysian Ministry of Education (KPM) - Kitab al-Iqna'
- Chairman, Islamic Education Textbook Technical Evaluation Committee KPM
- Chairman, KPM Islamic Sharia Textbook Evaluation Committee Form 5 and 4
- Chairman of the Shariah Committee for Sumitomo Mitsui Banking Corporation Malaysia Berhad (SMBCMY)
- Deputy Chairman of Shariah Committee Member for Universiti Sains Islam Malaysia (USIM)
- Shariah Committee Member for USIM
- Member of Terengganu's Fatwa Committee
- Internal and External Examiner for Phd and Master's thesis at USIM, UNISZA, IIUM, UTHM, UTM and KUIS
- Syarie lawyer, Negeri Sembilan
- Verifier for the al-Mausu'ah al-Kuwaitiyyah translation project (From Arabic to Malay)
- Expert and Invited Presenter at an International Islamic Fiqh Academy (IIFA) Conference 2023 in Jeddah, Saudi Arabia.
- Senate member, USIM

PREVIOUS EXPERIENCE

- Associate Professor, Faculty of Shariah & Law, USIM
- Lecturer, Kolej Universiti Islam Antarabangsa Selangor (KUIS)
- Tutor, USIM
- Lecturer, USIM
- Senior lecturer, Faculty of Shariah and Law, USIM
- Principal of USIM Residential College
- Coordinator at the World Fatwa Management and Research Institute
- Research Fellow, World Fatwa Management and Research Institute
- Research Fellow, Islamic Finance and Wealth Management Institute (IFWMI)
- Head of Program for Diploma in Judicial and Advocatory Practice (Postgraduate Diploma)
- Director, Centre for Soft Skills Development
- Director, Centre for Core Studies



Associate Professor Dr. Nurazmallail Marni

APPOINTMENT AS SHARIAH COMMITTEE

- **First Appointment as Shariah Committee Member:**
  1 March 2024 – 28 February 2026

EDUCATION

- PhD in Falsafah dan Pengajian Ketamadunan, Universiti Putra Malaysia (UPM)
- Master in Pengajian Arab dan Tamadun Islam, Universiti Kebangsaan Malaysia (UKM)
- Bachelor in Shariah and Islamic Studies, Islamic University of Madinah, Saudi Arabia

OTHER POSITIONS HELD

- Shariah Committee of Koperasi UTM Berhad (2016 – present)
- Senior Lecture, Faculty of Islamic Civilization (FTI), FSSH (2013 – present)
- Deputy Director Pendanaan Zakat dan Waqf, Islamic Center, Universiti Teknologi Malaysia, Johor (2024 – present)

PREVIOUS EXPERIENCE

- Taskforce Audit Malaysian Qualifications Agency (MQA) (March 2013 – December 2013)
- Head of Department, Faculty of Islamic Civilization (FTI), UTM (2015 – 2017)
- Head of Human Development Unit, Centre for General Courses and Co-Curriculum (CGCC), UTM (2011 – 2013)
- Tutor, Center for Islamic Studies and Social Development (PPIPS) (1999 – 2002)

OUR LEADERSHIP TEAM

SHARIAH COMMITTEE PROFILE



Associate Professor Dr. Yasmin Hanani Mohd Safian

APPOINTMENT AS SHARIAH COMMITTEE

- **First Appointment as Shariah Committee Member:**
  1 March 2024 – 28 February 2026

EDUCATION

- PhD in Islamic Law, University of Exeter.
- Master in Islamic Law, The University of Birmingham
- Bachelor (Hons) Syariah Islamiyyah, Al-Azhar University, Egypt

OTHER POSITIONS HELD

- Board of Trustee Yayasan Pembangunan Ekonomi Islam Malaysia (2022 – To date)
- Ahli Majlis Perundingan Syarak Wilayah Persekutuan (MAIWP) (since 2014 – To date)
- Shariah Committee of Public Islamic Bank (2024 – To date)
- Shariah Committee of Bank Pembangunan Malaysia (2022 – To date)
- Shariah Committee of Swiss ReTakaful (2023 – To date)
- Syariah Committee Yayasan Pembangunan Ekonomi Islam Malaysia (2022 – To date)
- Jawatankuasa Syariah Coop-Bank Pertama (2021 – To date)
- Ahli Jawatankuasa Panel Syariah USIM (2017 – To date)
- JAKIM Halal Certified Trainer (Active)
- International Professional Halal Trainer for The United States Agency for International Development (USAID)/IHRAM
- Halal Training Provider for Malaysian Airport Consultation Services

PREVIOUS EXPERIENCE

- Bank Islam Shariah Supervisory Committee (2014 – 2024)
- Affin Islamic Shariah Committee Member (2011 – 2014)
- Ahli Majlis Agama Islam Selangor (2018 – 2020) (2021 – 2023)
- Board Member Teraju Ekomi Asnaf (Anak Syarikat MAIS) (2023)
- Jawatankuasa Penasihat Pensijilan Halal Malaysia (JAKIM)
- Panel Member on the Standards Development Committee on The National Occupational Skills Standards (NOSS) for Islamic Banking (2017)
- Subject matter expert in China-Malaysia Halal Certification and Educational Training Center 2016

OUR LEADERSHIP TEAM

SHARIAH COMMITTEE PROFILE



Ustaz Mohd Zamerey Abdul Razak

Chief Shariah Officer/Secretary of Shariah Committee

APPOINTMENT AS SHARIAH COMMITTEE

- **Appointment as Secretary of Shariah Committee:**
  18 August 2014 – To date

EDUCATION

- Master in Islamic Studies, Universiti Kebangsaan Malaysia (UKM)
- Bachelor of Shariah (Hons), Yarmouk University, Jordan

OTHER POSITIONS HELD

- Member, Board of Trustees, Harta Suci Sdn Bhd, (Pusat Pungutan Zakat Wilayah Persekutuan - PPZ)
- Chairman, Board of Trustees, Academy Imam Syafi'e
- Member, Board of Trustees, Tabung Amanah Tok Kenali
- Member, Mutual Fund Management Waqaf Ilmu KUIS and Perbadanan Waqaf Selangor (PWS)

PREVIOUS EXPERIENCE

- Secretary, Shariah Committee, Asian Finance Bank (Qatar Islamic Bank Group)
- Khatib and Imam Ratib, Majlis Agama Islam Wilayah Persekutuan, reference JAWI.K500-55
- Head of Shariah Department, Takaful Ikhlas Sdn Bhd
- Pioneering employee in establishing Takaful Ikhlas
- Founder, Akademi Imam Syafi'e (AIS)
- Chairman Board of Trustee, Yayasan As-Syafi'e
- Shariah Committee Member, Stella Capital al-Aqarat Real Estate Fund, United States of America
- Shariah Committee Member, IsaReit Retail Properties Sdn Bhd, Kuala Lumpur
- Board of Trustee, Yayasan Tok Kenali, Kelantan State Government
- Board of Trustee, KUIS Foundation (Islamic International University College Selangor)
- Committee Member, Joint Management of Dana Waqaf Ilmu IIUSC and Perbadanan Waqaf Selangor (PWS)
- Adjunct Lecturer, Universiti Teknologi Petronas
- Associate Research Fellow, International Research Center of Islamic Economics and Finance (IRCIEF), Islamic International University College Selangor
- Founder, Integration High School (Islamic Education and Academics), Kampot Region, Cambodia
- External Advisory Panel, Center for Islamic Finance Education and Research (CIFER), Sultan Abdul Halim Mu'adzam Shah International Islamic University
- Committee Member, Joint Management of Waqf Collaboration, Majlis Agama Islam dan Adat Melayu Terengganu dan Bank Rakyat
- Board of Director, Harta Suci Sdn Bhd, (Pusat Pungutan Zakat Wilayah Persekutuan - PPZ)
- Adjunct Professor, Department of Islamic Studies, Faculty of Human Sciences, University Pendidikan Sultan Idris

OUR LEADERSHIP TEAM

MANAGEMENT COMMITTEE

OUR LEADERSHIP TEAM

MANAGEMENT COMMITTEE

1. **Ahmad Shahril Mohd Sharif**
   Group Chief Executive Officer
2. **Nor Haimee Zakaria**
   Chief Financial Officer
3. **Khairudin Abdul Rahman**
   Chief Retail Banking Officer
4. **Amren Faisal Fadzil**
   Chief Operations Officer
5. **Mohamad Taufik Mahamad Zakaria**
   Chief Strategy and Sustainability Officer
6. **Azni Azaddin**
   Group Chief Risk Officer
7. **Elina Ahmad**
   Chief People Officer
8. **Jufree Soaidin**
   Group Chief Compliance Officer





OUR LEADERSHIP TEAM

MANAGEMENT COMMITTEE PROFILE

Ahmad Shahril Mohd Shariff

Group Chief Executive Officer

EDUCATION

- Bachelor's Degree in Science (Finance and Accounting), University of Salford, United Kingdom
- Certified Chartered Institute of Islamic Finance, Chartered Institute of Islamic Finance

INTERNAL EXPERIENCE

- Group Chief Executive Officer (2025 – To date)
- Acting Chief Executive Officer (2024 – 2025)
- Deputy Chief Executive Officer, Business (2022 – 2024)
- Deputy Chief Executive Officer, Operations (2022)

EXTERNAL EXPERIENCE

- CEO (Advisory Basis), Refflesia Communication Sdn Bhd (2021)
- Chief Business Officer, Agro Bank (2017 – 2021)
- Chief Transformation Officer, Agro Bank (2015 – 2017)
- Deputy Director, Banking Supervision, Bank Negara Malaysia (1998 – 2015)
- Deputy Director, Financial Surveillance, Bank Negara Malaysia (1998 – 2015)
- Risk Specialist, Specialist Group, Bank Negara Malaysia (1998 – 2015)

OUR LEADERSHIP TEAM

MANAGEMENT COMMITTEE PROFILE



OUR LEADERSHIP TEAM

MANAGEMENT COMMITTEE PROFILE

OUR LEADERSHIP TEAM

MANAGEMENT COMMITTEE PROFILE



Nor Haimee Zakaria
Chief Financial Officer

EDUCATION
- BA (Hons) Accounting, Finance and Economics, University of Essex, United Kingdom
- Fellowship, Chartered Association of Certified Accountant, London, United Kingdom (FCCA)
- Chartered Accountant, Malaysia Institute of Accountants (MIA)
- Chartered Institute of Islamic Finance Professionals (CIIF)
- Leadership Certificate in Islamic Banking and Finance, Clare College Cambridge

INTERNAL EXPERIENCE
- Chief Financial Officer (2025 – To date)
- Deputy Chief Executive Officer, Operations (2022 – 2025)
- Chief Finance Officer (2014 – 2021)
- Head, Account and Information Management (2008 – 2013)

EXTERNAL EXPERIENCE
- Head, Group Finance/Joint Secretary, BIMB Holdings Berhad (2003 – 2008)
- Senior Manager, Group Finance, Bank Islam Malaysia Berhad (2001 – 2003)
- Finance Manager, Arab Malaysian Development Berhad (1995 – 2001)
- Audit Senior, Cooper Lancaster Brewers, Chartered Accountants, London (1994)
- Auditor, Coopers and Lybrand Deloitte (CL), Chartered Accountants, Birmingham, United Kingdom (1990 – 1991)



Khairudin Abdul Rahman
Chief Retail Banking Officer

EDUCATION
- Bachelor of Science Business Administration, Oklahoma State University, USA
- Senior Management Development Programme, INSEAD Business School, Singapore
- Certification For Sustainability Leadership & Corporate Responsibility, London Business School
- Diploma in Banking, UiTM Melaka

INTERNAL EXPERIENCE
- Chief Retail Banking Officer (2024 – To date)

EXTERNAL EXPERIENCE
- Chief Executive Officer, Maybank Foundation
- Chief Executive Officer, Maybank International Labuan Limited (Subsidiary)
- General Manager, Maybank International Labuan Branch
- Acting General Manager, Manager Brunei
- Co-Chief Executive Officer, Maybank Labuan Foundation
- Chief Executive Officer, Maybank International Labuan Trust
- Head International Operations, Audit, Maybank
- Project/Team Leader, International Business Audit, Maybank
- Internal Auditor, International Operations & Banking, Maybank
- Assistant Manager, Internal Audit Division, Hong Leong Bank Berhad
- Senior Executive, Customer Service, Hong Leong Bank Berhad



Amren Faisal Fadzil
Chief Operations Officer

EDUCATION
- Bachelor in Finance, Universiti Teknologi MARA (UiTM)
- Diploma in Investment Analysis (UiTM)
- Fellow Chartered Management Accountant (FCMA) and Chartered Global Management Accountant (CGMA) by Chartered Institute of Management Accountants (CIMA)
- Holder of the Capital Market Services Representative License (CMSRL) for Module 9 and 10 by Securities Commission Malaysia (SC)
- Pasaran Kewangan Malaysia Certificate (PKMC)
- Chartered Professional in Islamic Finance (CPIF), Chartered Institute of Islamic Finance Professionals (CIIF)
- Certified Financial Planner (CFP), Financial Planning Association of Malaysia (FPAM)
- Unit Trust Consultant (UTC), Federation of Investment Managers Malaysia (FIMM)

INTERNAL EXPERIENCE
- Chief Operations Officer (2025 – To date)
- Chief Finance Officer (2022 – 2025)
- Chief Treasury Officer (2018 – 2022)
- Vice President, Investment Portfolio Management (2016 – 2018)
- Equity Manager (2014 – 2016)
- Investment Manager (2012 – 2014)

EXTERNAL EXPERIENCE
- Portfolio Manager, Affin Fund Management (2008 – 2012)
- Financial Planner Executive, Permodalan Nasional Berhad (PNB) (2002 – 2008)



Mohamad Taufik Mahamad Zakaria
Chief Strategy and Sustainability Officer

EDUCATION
- Bachelor in Accounting (Hons), Universiti Tenaga Nasional (UNITEN)
- Chartered Accountant, Malaysian Institute of Accountants (MIA)
- Fellow Member, Association of Chartered Certified Accountants (ACCA)
- Chartered Institute of Islamic Finance Professional (CIFP)

INTERNAL EXPERIENCE
- Chief Strategy & Sustainability Officer (2025 – To date)

EXTERNAL EXPERIENCE
- Chief Strategy Officer, Agrobank (2015 – 2025)
- Chief Transformation and Sustainability Officer, Agrobank (2019 – 2021)
- Chief Transformation Officer, Agrobank (2017 – 2019)
- Head, Corporate and Strategic Planning, Agrobank (2015 – 2017)
- Senior Supervisor, Bank Negara Malaysia (2005 – 2015)

OUR LEADERSHIP TEAM

MANAGEMENT COMMITTEE PROFILE

OUR LEADERSHIP TEAM

MANAGEMENT COMMITTEE PROFILE



Azni Azaddin
Group Chief Risk Officer

EDUCATION
- BA (Hons) Accounting and Finance, South Bank University London
- Diploma In Accountancy, Institut Teknologi Mara, Dungun Branch

INTERNAL EXPERIENCE
- Group Chief Risk Officer (2026 – To date)
- Relief Chief Risk Officer (2025)
- Executive Vice President, Financial Risk, Risk Management (2018 – 2026)
- Senior Vice President, Market & Operational Risk, Risk Management (2014 – 2018)

EXTERNAL EXPERIENCE
- Manager, Banking Supervision Department, Bank Negara Malaysia (1997 – 2014)
- Head, Capital Market Supervision Unit, Labuan Offshore Financial Services Authority (2006 – 2007)



Elina Ahmad
Chief People Officer

EDUCATION
- Chartered Professional in Islamic Finance (CPIF)
- Certified Integrity Officer (CeIO)
- Bachelor in Accounting (Hons) University of Tenaga Nasional (UNITEN), Malaysia

INTERNAL EXPERIENCE
- Chief People Officer (2025 – To date)

EXTERNAL EXPERIENCE
- Group Chief Compliance Officer, Agrobank (2019 – 2025)
- Covering Chief People Officer, Agrobank (2024 – 2025)
- Covering Company Secretary, Agrobank (2023 – 2024)
- Head, Corporate Strategy and Planning Department, Agrobank (2018 – 2019)
- Head, Branch Management Department, Agrobank (2015 – 2018)
- Deputy Director/Relationship Manager/Senior Executive, Bank Negara Malaysia (2002 – 2015)
- Audit Associate, PricewaterhouseCoopers (2001 – 2002)



Jufree Soaidin
Group Chief Compliance Officer

EDUCATION
- Bachelor's Degree in Business Administration (Finance), Universiti Teknologi MARA (UiTM)
- Master of Business Administration (Internal Audit), Universiti Malaya (UM)
- Chartered Professional in Islamic Finance (CPIF), Chartered Institute of Islamic Finance Professionals

INTERNAL EXPERIENCE
- Group Chief Compliance Officer (2025 – To date)
- Chief People Officer (2023 – 2025)
- Chief Compliance Officer (2022)
- Vice President, Regulatory and Operational Compliance (2020)
- Manager, Regulatory Compliance (2016 – 2018)
- Manager, Method and Procedure (2013)
- Manager, Internal Audit (2010)

EXTERNAL EXPERIENCE
- Assistant Vice President, Internal Audit Group, CIMB (2008 – 2010)
- Assistant Vice President, Internal Audit Division, Southern Bank Berhad (2004 – 2007)
- Senior Executive, Internal Audit Department, Utusan Melayu (M) Berhad (2002 – 2004)
- Officer, Internal Audit Department, Hong Leong Finance Berhad (1997 – 2001)

Where
Innovation Leads

In pursuit of innovation to drive meaningful progress, empower customers and redefine the future of banking beyond traditional boundaries.

BOARD OF DIRECTORS AND MAIN COMMITTEES

The Board of Directors (Board) of Bank Kerjasama Rakyat Berhad (Bank Rakyat or the Bank) is committed to upholding the principles and best practices of corporate governance and adheres to the Bank Negara Malaysia's (BNM) Corporate Governance Policy Document (BNM CG Policy), and primary legislative and regulatory provisions such as the Development Financial Institutions Act 2002. The Board is cognisant to ensuring that the Bank adheres to the highest standards of corporate governance in order to maximise its shareholders and stakeholders' values.

1.0 Board Composition and Balance

The composition of the Board is in accordance with the requirement stipulated in Section 5 of Bank Kerjasama Rakyat Malaysia Berhad (Special Provisions) Act 1978 (BKRM Act), which states that the Board shall consist of a Chairman and not less than six (6) and not more than eleven (11) other members. The composition also meets the requirement of having a majority of independent directors as set out in the BNM CG Policy.

As at 31 December 2025, the Board comprises eight (8) members, with one (1) Independent Non-Executive Chairman, five (5) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors (nominees from the Ministry of Entrepreneur and Cooperatives Development (KUSKOP or the Minister) and Ministry of Finance (MOF)). The Board takes into account a variety of factors in its composition, including gender, age, educational background, professional experience, skills, and knowledge. The Directors come from a variety of backgrounds and have expertise and skills in banking, accounting, law, information technology, socioeconomics/ public policy, and public administration. This diversity enables the Board to have the critical capabilities, expertise, and experience necessary to carry out its functions effectively. The profile of each Director is briefly described on pages to 100 to 109 of this Annual Report.

2.0 Board Charter

The Board Charter (the "Charter") is the guiding document for the Board of the Bank Kerjasama Rakyat Malaysia Berhad (the "Bank") and is in line with Section 4 of the BKRM Act, which empowers the Board to carry out the functions and powers and general administration of the affairs and business of the Bank. The Board of Directors has defined the Bank's core values, principles, and ethos, which are used to determine policies and strategies. The governance structure, authority, and terms of reference of the Board, its committees, and management have all been outlined in the Charter.

The Charter not only reflects current best practises and applicable rules and regulations, but it also outlines processes and procedures to ensure the effectiveness and efficiency of the Board and Board Committees in carrying out their roles and obligations.

The Board has also adequately allocated authority to the Board Committees and Management. Notwithstanding of this delegation of authority, the Board retains its fiduciary roles and will maintain collective oversight of the Board Committees and Management at all times.

The Charter is reviewed and updated on a regular basis to reflect relevant changes to the policies, procedures, and processes, as well as amendments to the rules and regulations, to ensure that the document remains current and complies with the applicable rules and regulations and best practices.

Among others, the Charter comprises the following areas:

- Roles and Responsibilities of the Board;
- Interaction with the Shariah Committee;
- Matters Reserved for the Board's Deliberation and Approval;
- Appointment, Re-Appointment and Removal of Directors;
- Training And Development for Directors;
- Board and Directors' Effectiveness Evaluation (BDEE) Exercise;
- Roles of the Chairman, Directors, Chief Executive Officer and Bank Secretary; and
- Board Meetings.

3.0 Roles and Responsibilities of the Board

Members of the Board of Directors have a fiduciary duty to act in the best interests of the Bank's co-operative members and stakeholders. They are responsible for ensuring the Bank's long-term growth and financial stability, as well as maximising value and preserving members' interests as stewards of the Bank. The Board is responsible for cultivating a culture of good corporate governance and establishing Key Performance Indicators to improve corporate responsibility, including but not limited to the standards set forth by applicable laws and regulations from time to time.

The key responsibilities of the Board among others, are as follows:

- Approve the risk appetite, business plans and any other initiatives which would, singularly or cumulatively, have a material impact on the Bank's risk profile and continuing ability to support its mandate;
- Oversee the selection, performance, remuneration and succession plans of the Group Chief Executive Officer (GCEO), control function heads and other members of the Management Committee (MANCO) team, such that the Board is satisfied with the collective competence of MANCO to effectively manage operations of the Bank;
- Evaluate the training needs of Directors on a continuous basis and identify areas that would further their understanding of issues facing the Bank;
- Oversee the implementation of the Bank's governance, including Shariah governance framework, internal control environment and periodically review them to adequately reflect the size, nature and complexity of the Bank's operations. This includes the operating infrastructure, systems of control, systems for risk identification and management, financial and operational controls;
- Promote sustainability through appropriate environmental, social and governance considerations in the Bank's business strategies;
- Promote, together with MANCO, a sound corporate culture within the Bank which reinforces ethical, prudent and professional behaviour;
- Oversee and approve the recovery and business continuity plans for the Bank to restore its financial strength, and maintain or preserve critical operations and critical services when it comes under stress; and
- Promote through appropriate communication policies and practices, timely and effective communication between the Bank and the BNM and stakeholder ministries on matters affecting or that may affect the safety, soundness and mandate of the Bank.

4.0 Interaction With the Shariah Committee (SC)

The Board must have due regard to any decisions or advice of the Shariah Committee on any Shariah issues relating to the operations, business, affairs or activities of the Bank.

The Board must establish effective communication with the SC on all matters relating to Shariah requirements, Shariah governance, or Shariah non-compliance risks to enable both parties to effectively discharge respective responsibilities under the BNM Shariah Governance Policy Document. The Board must regularly review the quality and frequency of its engagement with the SC.

5.0 Matters Reserved for the Board's Deliberation and Approval

Business Strategy

- Review and approve changes to the Bank's organisation structure;
- Review and approve the Bank's business strategies, business plans and significant policies, including Management's performance in implementing the approved strategies, plans and budget, within the approved risk appetites;

  This should take into account the sustainability of the Bank's business, with attention given to the environmental, social and governance aspects of the business and the impacts of its operations and activities on the communities it operates in;
- Approve investment or divestment of the Bank, including its subsidiaries with the consent of the minister charged with the responsibility for co-operative development (the Minister); concurrence of the MOF and in accordance with the legislative provisions of BNM;
- Approve major changes in nature of the principal activities carried out by Bank with the consent of the Minister, concurrence of the MOF and in accordance with the legislative provisions of BNM;
- Approve policies of the Bank in all material aspects; and
- Approve the Bank's delegated limits of authority and its revision therein.

Financial Matters (based on the Bank's authority matrix)

- Approve annual budget of the Bank, including capital expenditure;
- Approve major capital commitments, capital management, acquisitions and divestitures, with the consent of the Minister and with concurrence of the MOF;
- Approve adoption of accounting policies in line with the Malaysian Financial Reporting Standards;
- Approve financial statements; and
- Determine the amounts of dividends to be paid, with the consent of the Minister and with concurrence of the MOF and in accordance with the legislative provisions of BNM.

Risk Management and Audit

- Determine the Bank's overall risk appetite, level of risk tolerance and ensure that adequate internal control systems are in place to effectively monitor and manage these risks;
- Review and approve risk management framework and policies, and ensure that the Bank establishes comprehensive risk management policies, processes, and infrastructure;
- Review and approve the Bank's Business Continuity Management Policy and Procedures;
- Establish the internal audit function which reports directly to the Board Audit and Examination Committee (AEC);
- Select, appoint and terminate the appointment of the external auditor, with the consent of the Minister and with concurrence of the MOF; and
- Oversee the AEC's evaluation of the performance of the external auditor and on an ongoing basis, ascertain the independence of the external auditor.

Appointment and Remuneration of Directors and Senior Management Personnel

- Review and approve formal policies defining "Fit and Proper" standards ("Board Nomination and Appointment Framework") for Directors and MANCO personnel and ensure compliance with these standards on continuing basis;
- Review and approve the appointment, job grade, promotion, remuneration, compensation and removal of key MANCO personnel, subject to the approval by BNM and the Minister;
- Review and approve policies relating to staff benefits, code of conduct, performance appraisal procedures, whistle-blowing procedures, disciplinary action procedures and grievance procedures, including appropriate communication and feedback channels, that would encourage employees and other stakeholders to bring out information helpful in enforcing good corporate governance practices;
- Establish and regularly review succession plans to promote Board and MANCO renewal and address unplanned vacancies; and
- Review and approve policies and programmes for succession planning for the orderly succession within the MANCO team and ensure that all candidates appointed to MANCO positions are of sufficient calibre and competency. Monitor the MANCO team's performance on an ongoing basis.

Compliance and Legal

- Review and approve the Bank's compliance framework to enable the operations of the Bank to be in compliance with relevant laws, statutory acts, Shariah principles and established policies and procedures of the Bank;
- Review and approve the appointment, powers and removal of corporate representatives and lawful attorneys acting on behalf of the Bank; and
- Review and approve Management's responses by the regulatory authorities in relation to compliance with regulatory requirements.

Disclosure

- Ensure that the financial statements are prepared for each financial year and that it gives a true and fair view of the state of affairs of the Bank and its subsidiaries (the "Group");
- Establish a communications policy that enables both the Board and MANCO team to communicate effectively with its members, the stakeholders, and the public. In this regard, the Board shall regularly convey pertinent information to the stakeholder ministries specifically on governance, business strategies as well as issues and challenges faced by the institutions and mitigation actions to address such issues; and
- Ensure that the Bank discloses its sustainability policies and their implementation status in the annual report and on the corporate website.

6.0 Appointment of New Directors

The appointment process of Directors shall be conducted in accordance with the Bank's Board Nomination and Appointment Framework (BNAF), which has adopted BNM's Fit and Proper criteria. The Board Nomination and Remuneration Committee (NRC) is in charge of screening and recommending to the Board for approval qualified candidates to serve as Directors and members of Board Committees based on their skills, core competencies, experience, and commitment to effectively discharge their roles as defined by the Bank's BNAF and BNM's Policy Document on Fit and Proper Criteria. Once a potential candidate has been shortlisted for a recommendation, the due diligence process begins with a thorough background check that includes financial and character integrity checks.

Detailed assessments of the candidates' relevant skill sets, expertise, and experience are conducted to fill any gaps in the current Board's skills and expertise, and the NRC would recommend the appointments for the Board's approval prior to submission to BNM for verification, and then to the Minister for final approval.

Directors' Re-appointment

The proposed re-appointment of a Director at the expiration of their present term of appointment is also subject to BNM verification and the Minister's final approval. Accordingly, the NRC is responsible of evaluating the performance of Directors whose current terms of appointment are due to expire and recommending to the Board whether to submit the application to the BNM for verification, and then to the Minister for final approval on the proposed re-appointment of the respective Directors.

The NRC evaluates the candidates' competence, commitment, contribution, and performance based on an independent assessment conducted by a professional independent firm and their ability to act in the best interests of the Bank when determining their eligibility for re-appointment. Upon the Board's approval, submission to BNM for approval is made three (3) months prior to the Director's tenure expires.

7.0 Training and Development for Directors

Newly appointed Directors receive a comprehensive induction programme where they will be briefed by MANCO personnel covering the organisational structure of the Bank, the functions, operations and areas of responsibilities of the various divisions of the Bank. Such induction is to take place within three months of the Director's appointment.

The Board recognises the relevance and value of ongoing training and development and allocates sufficient resources to the Directors' training and development needs.

During the financial year under review, the Directors attended and participated in seminars, and conferences that covered areas among others corporate governance, financial, relevant industry updates, global business developments, digital transformation, corruption, and risk management.

The Directors' participation in seminars and training programmes are set out below:

Name of Directors	Date	List of Training/Conference/Seminar/ Workshop Attended	Organiser
Datuk Mohd Irwan Mohd Mubarak	18/2/2025	Board Leadership Workshop: Board's Role in Digital Transformation: Putting Words into Action	FIDE Forum
	5/5/2025	Bespoke Training - A Delicate Balance: Board & Management Relationship	ICDM
	15/7/2025 to 17/7/2025	*Muzakarah Cendikiawan Syariah Nusantara Ke-19* & Advanced Training	ISRA Institute of INCEIF University
	13/8/2025	Large Exposure Limit (LEL) Policy	Deloitte Business Advisory Sdn Bhd
	16/9/2025 to 18/9/2025	20th International Syariah Scholars Forum in Islamic Finance (ISSF2025) by ISRA Institute of INCEIF University and Masterclass Training	ISRA Institute of INCEIF University
	28/09/2025 to 04/10/2025	Board of Directors Workshop	Kets De Vries Institute (KDVI)
Dato' Sri Khairul Dzaimee Daud	9/07/2025 to 10/07/2025	Islamic Finance for Board of Director	ISRA Consulting Sdn Bhd
Dato' Dr Amiruddin Muhamed	5/5/2025	Bespoke Training - A Delicate Balance: Board & Management Relationship	ICDM
	13/8/2025	Large Exposure Limit (LEL) Policy	Deloitte Business Advisory Sdn Bhd
Tunku Dato' Ahmad Burhanuddin Tunku Datuk Seri Adnan	25/2/2025	2025 ASEAN Banking and Finance Summit "Transforming Banking and Advancing Sustainability"	ASEAN Business Advisory Council (ASEAN-BAC) Malaysia and KSI Strategic Institute for Asia Pacific
	28/4/2025	2nd Comprehensive Capacity Building Program for Complex Modelling (Capacity Building)	Bank Rakyat (PwC)
	5/5/2025	Bespoke Training - A Delicate Balance: Board & Management Relationship	ICDM
	28/09/2025 to 02/10/2025	Board of Directors Workshop	Kets De Vries Institute (KDVI)
	12/10/2025	Sustainability Capacity Building Programme	Pusat Kecemerlangan, Bank Rakyat (COE)
Mohd Jafri Kudus	18/02/2025	Board Leadership Workshop: Board's Role in Digital Transformation: Putting Words into Action	FIDE Forum
	28/4/2025	2nd Comprehensive Capacity Building Program for Complex Modelling (Capacity Building)	Bank Rakyat (PwC)
	5/5/2025	Bespoke Training - A Delicate Balance: Board & Management Relationship	ICDM
	25/6/2025	Spokesperson Media Training	Pusat Kecemerlangan, Bank Rakyat (COE)
	9/7/2025	*Budaya Rakyat - Budaya Pematuhan Syariah:* Tone From The Top	Pusat Kecemerlangan, Bank Rakyat (COE)
	15/7/2025 to 17/7/2025	*Muzakarah Cendikiawan Syariah Nusantara Ke-19* & Advanced Training	ISRA Institute of INCEIF University
	13/8/2025	Large Exposure Limit (LEL) Policy	Deloitte Business Advisory Sdn Bhd
	16/09/2025 to 18/09/2025	20th International Syariah Scholars Forum in Islamic Finance (ISSF2025) by ISRA Institute of INCEIF University and Masterclass Training	ISRA Institute of INCEIF University
	28/09/2025 to 02/10/2025	Board of Directors Workshop	Kets De Vries Institute (KDVI)
	24/10/2025	Navigating Shareholder Expectations: Remuneration Sentiment Insights in Malaysian Financial Institutions	Asia School of Business, FIDE Forum

CORPORATE GOVERNANCE

BOARD OF DIRECTORS AND MAIN COMMITTEE

Name of Directors	Date	List of Training/Conference/Seminar/ Workshop Attended	Organiser
Dato' Seri Dr. Vaseehar Hassan Abdul Razack	5/5/2025	Bespoke Training - A Delicate Balance: Board & Management Relationship	ICDM
	25/6/2025	Spokesperson Media Training	Pusat Kecemerlangan, Bank Rakyat (COE)
	9/7/2025	*Budaya Rakyat - Budaya Pematuhan Syariah:* Tone From The Top	Pusat Kecemerlangan, Bank Rakyat (COE)
	28/09/2025 to 02/10/2025	Board of Directors Workshop	Kets De Vries Institute (KDVI)
	10/12/2025	Sustainability Capacity Building Programme	Pusat Kecemerlangan, Bank Rakyat (COE)
Professor Dr. Haji Raduwan Idar	18/2/2025	Board Leadership Workshop: Board's Role in Digital Transformation: Putting Words into Action	FIDE Forum
	19/2/2025	Special Lecture: How Global Events Will affect the Outlook for the Financial Industry in 2025	FIDE Forum
	28/4/2025	2nd Comprehensive Capacity Building Program for Complex Modelling (Capacity Building)	Bank Rakyat (PwC)
	5/5/2025	Bespoke Training - A Delicate Balance: Board & Management Relationship	ICDM
	25/6/2025	Spokesperson Media Training	Pusat Kecemerlangan, Bank Rakyat (COE)
	9/7/2025	*Budaya Rakyat - Budaya Pematuhan Syariah:* Tone From The Top	Pusat Kecemerlangan, Bank Rakyat (COE)
	15/7/2025 to 17/7/2025	*Muzakarah Cendikiawan Syariah Nusantara Ke-19 & Advanced Training*	ISRA Institute of INCEIF University
	13/8/2025	Large Exposure Limit (LEL) Policy	Deloitte Business Advisory Sdn Bhd
	28/09/2025 to 02/10/2025	Board of Directors Workshop	Kets De Vries Institute (KDVI)
	24/10/2025	Navigating Shareholder Expectations: Remuneration Sentiment Insights in Malaysian Financial Institutions	Asia School of Business, FIDE Forum

Name of Directors	Date	List of Training/Conference/Seminar/ Workshop Attended	Organiser
Idris Abd Hamid	18/2/2025	Board Leadership Workshop: Board's Role in Digital Transformation: Putting Words into Action	FIDE Forum
	16/4/2025 to 17/4/2025	45th Albaraka Symposium (Islamic Banking in Fifty Years: Past Achievements and Future Aspirations)	Global Partner AlBaraka
	28/4/2025	2nd Comprehensive Capacity Building Program for Complex Modelling (Capacity Building)	Bank Rakyat (PwC)
	5/5/2025	Bespoke Training - A Delicate Balance: Board & Management Relationship	ICDM
	9/7/2025	*Budaya Rakyat - Budaya Pematuhan Syariah:* Tone From The Top	Pusat Kecemerlangan, Bank Rakyat (COE)
	15/7/2025 to 17/7/2025	*Muzakarah Cendikiawan Syariah Nusantara Ke-19* & Advanced Training	Bank Rakyat (ICDM)
	29/7/2025 to 30/7/2025	Board Strategic Innovation & Design Thinking Executive Masterclass Malaysia 2025	Asian World Centre
	13/8/2025	Large Exposure Limit (LEL) Policy	Deloitte Business Advisory Sdn Bhd
	19/9/2025	Whistleblower Protection Act 2010 (Act 711) Board Strategic Innovation and Design Thinking Executive Masterclass Malaysia 2025	Community Education Division, MACC
	28/9/2025 to 02/10/2025	Board of Directors Workshop	Kets De Vries Institute (KDVI)

8.0 Board and Directors Effectiveness Evaluation (BDEE)

The effectiveness of the Board is pertinent to the success of the Bank. The Board conducts a yearly exercise to evaluate the effectiveness of leadership and competencies of its current Board members. The Board has decided that the BDEE should be conducted by an independent consultant firm on yearly basis. The performance evaluation focused on among others but not limited to, the assessment of the Board, Board Committees as well individual directors.

The BDEE consists of a structured, confidential face-to-face interview, a review of existing governance documents and a strategic level of Board assessment that can be used to prioritise pivotal issues and implement for Board effectiveness.

Evaluation results will be presented and deliberated at the NRC meeting and thereafter, presented to the Board to enable the Board to identify its strengths, areas for improvement and potential issues that need to be addressed

9.0 Independence of Directors

The Board recognises Independent Directors' effective participation, which enables a balanced and objective assessment of issues and increases accountability during the decision-making process. Independent Directors who meet the criteria for suitability can act as a check and balance on the Board. Additionally, such members can bring fresh perspectives from other businesses, which can help the Board function more effectively. The Bank's Independent Directors shall be independent of Management and free of any business or other relationship that might impair their ability to exercise independent judgement or act in the Bank's best interests.

10.0 Remuneration of Directors

The Bank acknowledges the importance of attracting and retaining high calibre and qualified Directors with the necessary skills, qualifications and experience to have an effective board.

The Board's compensation package is generally commensurate with the expertise, skills, responsibilities, and risks assumed by the Board. Each Director is paid on a monthly basis with a fixed directors' fee and a meeting attendance allowance for each Board and Board Committee they serve on. Additionally, Directors receive other in-kind benefits, such as medical coverage and peripheral devices. Director's compensation package is subject to approval by the Minister and concurrence by the Ministry of Finance.

The range of remuneration of non-executive Directors of the bank during the financial year ended 31 December 2025 are as follows:

Non-Executive Directors	No. of Directors
Below RM100,000	One (1)
RM100,000 - RM200,000	One (1)
RM200,000 - RM300,000	Four (4)
RM300,000 - RM500,000	Three (3)
<RM1,000,000	-

A summary of the total remuneration of the Director for the financial year ended 2025 is set out in the financial statements on page 298 of this annual report.

Peratusan Pegangan Saham Pengarah:

Name of Director	Percentage Held by Shareholder (%)
Datuk Mohd Irwan Mohd Mubarak	0.05000000
Dato' Sri Khairul Dzaimee Daud	0.02375333
Dato' Dr. Amiruddin Muhamed	0.04333333
Tunku Dato' Ahmad Burhanuddin Tunku Datuk Seri Adnan	0.05000000
Mohd Jafri Kudus	0.05000000
Dato' Seri Dr. Vaseehar Hassan Abdul Razack	0.05000000
Professor Dr. Raduwan Idar	0.00835000
Idris Abd Hamid	0.00368333

11.0 Board and Board Committee Meetings

Meetings of the Board of Directors and Board Committees for the following financial year are scheduled well in advance before the end of the current financial year's end. The meeting calendar is distributed well in advance to all Directors to allow for planning. The Board shall meet as often as is necessary but not less than once every month. Special Board meetings may be convened as needed to consider urgent proposals or matters requiring the Board's prompt review or consideration.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS AND MAIN COMMITTEE

Detailed agenda and briefing materials (where applicable) are forwarded to all Directors prior to the date of the Board or Board Committee meetings. All proceedings of Board or Board Committee meetings are minuted and signed by the Chairman of the Board or Board Committees or chairman of the meeting.

All Directors shall have direct access to the Bank Secretary's services. Additionally, the Board may seek independent professional advice for Directors in carrying out their responsibilities, if such services are required.

The Board met 26 times during the financial year ended 31 December 2025. The attendance record of the Directors at Board Meetings for 2025 is as follows:

No.	Name of Director	Meeting Attendance 2025
1.	Datuk Mohd Irwan Mohd Mubarak (Chairman)	26/26
2.	Dato' Sri Khairul Dzaimee Daud [1]	22/25 *
3.	Dato' Dr. Amiruddin Muhamed	23/26
4.	Tunku Dato' Ahmad Burhanuddin Tunku Datuk Seri Adnan	24/26
5.	Mohd Jafri Kudus	25/25*
6.	Dato' Seri Dr. Vaseehar Hassan Abdul Razack	19/22*
7.	Profesor Dr. Raduwan Idar	26/26
8.	Idris Abd Hamid	26/26

[1] Appointed as member of the Board on 1 January 2025
* Reflects the number of meetings attended during the time the Members held office

12.0 Board Committees

The Board has delegated several of its governance responsibilities to the Board Committees, which operate within clearly defined terms of references, primarily to assist the Board in execution of its duties and responsibilities. The following Board Committees were established to assist the Board in discharging its duties and responsibilities:

(1) Board Audit and Examination Committee;
(2) Board Risk Committee;
(3) Board Nomination and Remuneration Committee;
(4) Board Procurement Committee;
(5) Board Financing and Investment Committee; and
(6) Board IT Committee.

Where necessary, the Board shall establish ad-hoc Board Committees to consider matters of special importance or to exercise the delegated authority of the Board. The existence of the Board Committees does not diminish the Board's ultimate responsibility over the functions and duties of these Board Committees.

13.0 BOARD AUDIT AND EXAMINATION COMMITTEE (BAEC)

The composition, roles and responsibilities of the BAEC, attendance of each director at the BAEC meetings during the financial year are presented under Audit and Examination Committee Report on page 156 of this Annual Report.

14.0 BOARD RISK COMMITTEE (BRC)

The primary objective of the BRC is to assist the Board and the Board of the Subsidiaries in fulfilling its roles and responsibilities with regards to risk management and compliance.

Duties and Responsibilities

The duties and responsibilities of the BRC are as follows:

1. Risk management

   (a) The Committee shall ensure that the Bank's risk governance and business units' activities are in compliance with Bank Negara Malaysia's Guidelines on Risk Governance;

   (b) The Committee is responsible for the following:

      (i) Review and recommend risk management strategies, policies and risk tolerance for the Board's approval;

      (ii) Review and assess adequacy of risk management framework, policies, in identifying, measuring, monitoring and controlling key risks and review such policies at least once a year to ensure they remain appropriate, relevant and prudent;

      (iii) Determine and regularly review the Bank's risk appetite for approval by the Board. The risk appetite should consider operations at the bank-wide level at strategic business unit levels; and

      (iv) Ensure the organisational structure, processes and information flows promote an integrated approach to evaluate and monitor interrelated risks, and foster bank-wide awareness of the Bank's risk appetite and strategy. This includes the following:

         - Properly define relationships of the Risk Management function with other business lines and with the Senior Management team, review and monitor the effectiveness and independence of the Risk Management function, and ensure that the Risk Management function has access to the Committee at all times

         - Recommend the appointment of CRO of the Bank for the consideration of the Board, evaluate the performance of the CRO and in the instance of his resignation, conduct an exit interview; and

         - Ensure that adequate and technically competent resources are allocated for effective discharge of responsibilities;

      (v) Review the risk management processes and systems throughout the Bank/Subsidiary and ensure that they are operating effectively strategy This includes the following:

         - Review risk methodologies for measuring and monitoring significant risks, including credit, market, operational and compliance risks.

      (vi) Meet periodically with the Bank's Audit and Examination Committee to facilitate the exchange of information and enable coverage of risks that the Bank faces;

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      (vii) Review, monitor and report to the Board significant risk profiles, mitigation plans and the controls in place to manage significant risks as well as the overall effectiveness of the risk management framework;

      (viii) Ensure that the Shariah risk management function forms part of the Bank's integrated risk framework review, and monitor Shariah risk management processes via reports from the Shariah risk management function;

      (ix) Oversee the processes to comply with relevant laws, regulations, internal policies, procedures, and authority limits. This includes the following:

         - Review and monitor effectiveness of the performance and systems of the Bank's Compliance function in maintaining policies and procedures, detecting and minimising risk of non-compliance; and

         - Review reports issued by regulators on the Bank's compliance with applicable requirements.

      (x) The Committee shall further be responsible to review and monitor compliance initiatives and activities on anti-money laundering/counter financing of terrorism, in line with Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 as well as the accompanying Guidelines issued by BNM.

      (xi) Ensure that all issues related to BNM's Composite Risk Rating (CRR) review are monitored and resolved accordingly;

      (xii) Review with the Senior Management team and advise the Board on whether a sound and effective approach has been followed in establishing the Bank's business continuity planning arrangements including whether disaster recovery plans and procedures have been tested periodically;

      (xiii) Review the implementation of capital management in line with the Capital Adequacy Framework for Islamic Banks, issued by BNM, and approve scenario for stress test on capital adequacy;

      (xiv) Oversee the development and implementation of the Internal Capital Adequacy Assessment Process (ICAAP);

      (xv) Review the allocation of risk-adjusted capital and broad-based limits across the Bank;

      (xvi) Review and recommend to the Board any new outsourcing proposals and approve the renewal of outsourcing services including the appointment and/or renewal of the outsourcing service providers; and

      (xvii) In regards to the Bank's remuneration system, examine whether incentives provided by the remuneration system take into consideration risks, capital, liquidity and the likelihood and timing of earnings, without prejudice to the tasks of the Bank's Board Nomination and Remuneration Committee.

2. Risk management on product development

   (a) The Committee shall ensure the Bank/Subsidiaries' risk management framework addresses end-to-end risks in the product life cycle in a consistent manner with expectations set out under Bank Negara Malaysia's guidelines on Introduction of New Products, such as the following:

      (i) Review and monitor systems and procedures in place to manage current and new product risks and customer expectations;

(ii) Ensure that the designated senior officer has considered the risk implications of any material change to the current product, or combination of products, from the perspective of the Bank and the customer;

(iii) Ensure that the designated senior officer has consulted the Shariah Committee for risks of non-compliance after considering any material change to the current, or combination of products;

(iv) Ensure that management of product risks are well integrated within the Bank's overall governance framework and risk management system;

(v) Establish and review lines of responsibility for managing related risks;

(vi) Review and ensure that product innovation is consistent with the Bank's risk management framework, and capability to manage associated risks before recommendation to the Board; and

(vii) Review and ensure that Senior Management personnel have conducted an assessment of the potential risks associated with the new product, including exposures to money-laundering risk, and how these risks will be measured, monitored and controlled before recommendation to the Board.

(b) Legal and regulatory requirements

(i) The Committee shall review with the Senior Management team any legal matters that could have a significant impact on the Bank and the Subsidiaries's operations, reputation and/or financial performance.

Frequency of Meetings

The BRC shall meet at least every quarter and more frequently as circumstances dictate. During the financial year ended 31 December 2025, the BRC convened twelve (12) times. The attendance recorded for the members of the BRC is as follows:

No.	Name of BRC Members	Meeting Attendance 2025
1.	Idris Abd Hamid [1] (Chairman)	12/12
2.	Tunku Dato' Ahmad Burhanuddin Tunku Datuk Seri Adnan	12/12
3.	Mohd Jafri Kudus	12/12
4.	Dato' Seri Dr. Vaseehar Hassan Abdul Razack	11/11*

[1] Appointed as Chairman of BRC with effect 30 January 2025
* Reflects the number of meetings attended during the time the Members held office

15.0 BOARD NOMINATION AND REMUNERATION COMMITTEE (BNRC)

The primary objective of the BNRC is to assist the Board as well as the Subsidiaries Board (collectively referred as "Group Board") in fulfilling its roles and responsibilities with regards to the following matters:

(a) Composition of the Board and Senior Management;
(b) Nomination, appointment and re-appointment removal of Directors and Senior Management personnel;
(c) Induction and continuing education programmes;

(d) Assessment of the Director, Shariah Committee and Senior Management's fitness and propriety as well as his/her independence, where relevant;
(e) Board annual assessment;
(f) Performance evaluation and development;
(g) Succession planning;
(h) Board Remuneration policy and framework; and
(i) Remuneration structure for the Senior Management team.

Duties and Responsibilities

The duties and responsibilities are as follows:

1. Composition of the Board and Senior Management team

(a) Create and regularly update a board profile that outlines the ideal size and composition of the Board and Board Committees, considering the mandate/objective, necessary expertise, and the skills required for effective governance.

(b) Review the structure, size and composition of the Board on a regular basis or at least annually, and make recommendations to the Board on any adjustments that are deemed necessary including in terms of the appropriate size and skills;

(c) Determine the appropriate limit for the total number of directorships that can be held by a Director nominee in companies, institutions or organisations;

(d) Establish and maintain a pool of qualified candidates for independent Board Director positions to ensure a diverse and capable selection;

(e) Ensure compliance with the BNM CGPD for the composition of Bank Board which require a minimum of three (3) Directors, excluding the Executive Director to possess finance-related or accounting experience and a minimum of five years' working experience at a senior management level in the discipline of banking, insurance, takaful or investment;

(f) Establish and recommend to the Board the minimum requirements on skills, business experience, professional and academic qualifications, expertise and other core competencies of a Director and Shariah Committee members ("SC members");

(g) Consider the relationship between 'pay and performance' for the Directors, CEO and the Senior Management team's remuneration packages should commensurate with their level of responsibilities; and

(h) Actively seek women directors in promoting boardroom diversity.

2. Nomination, appointment and re-appointment of Directors, Shariah Committee and Senior Management personnel

(a) Establish a formal and transparent procedure for the recommendation of eligible candidates for appointment or re-appointment as Chairman, Directors, SC members, CEO and key Senior Management personnel;

(b) Assess the Board on the required mix of skills, experience and core competencies regularly as well as to ascertain whether each Director, SC and Senior Management meets the "fit and proper" criteria as defined under the Development Financial Institutions Act 2002, as also outlined in Bank Rakyat's Board Nomination and Appointment Framework, and the PG 391 Corporate Governance (Senior Management Appointments and Removals) and Fit and Proper Criteria;

(c) Assess the competence and experience and recommend to the Board the nominees for directorship, Board Committee members, SC members and the CEO. This includes assessing the competence and experience of directors, SC members and the CEO for re-appointment. For this purpose, the names submitted by the Committee to the Board shall be supported by:

(i) sufficient biographical details and other relevant information to enable the Board to make an informed decision on the recommendation of the nominee to the Minister for appointment or re-appointment; and

(ii) a statement by the Committee setting out why it believes an individual should be appointed and confirming, when proposing re-appointment, that following the annual performance evaluation conducted by the Committee, the individual has contributed effectively to the Board, possesses expertise and demonstrates commitment to his role.

(d) Ensure that all Non-Executive Directors receive a formal letter of appointment setting out the key terms and conditions of their appointment or reappointment, including but not limited to their roles and responsibilities as Board and/or Board Committees, tenure, conditions for termination due to disqualification under Development Financial Institutions Act 2002/Companies Act 2016 and removal if the director fails to meet the requirements set during the appointment, does not fulfil time commitment and fit and proper requirements, or is assessed as ineffective or otherwise unsuited to carry out his responsibilities, together with relevant Board and Bank-related documents.

3. Induction and continuing education programmes

(a) Review and recommend to the Board the appropriate induction programmes for newly onboarded Directors, and monitor continuous training and ongoing development for all Directors; andn

(b) Evaluate and conduct training needs analysis for each Director based on findings of the Board assessment and ensure that their training needs are met.

4. Board assessment process

(a) Ensure that prior to a new Director's appointment, a full assessment of the candidate is undertaken based on Board Nomination and Appointment Framework to assess the core competencies of the said candidate, so that an appropriate balance of skills, experience, expertise and diversity is maintained and that the Board is equipped to discharge its responsibilities effectively;

(b) Develop, maintain and review the criteria to be used in the assessment of the Board as a whole, Board Committees and individual Directors;

(c) Assess the findings of the Board's assessment and devise appropriate action plans to address any gaps identified and table to the Board for approval;

(d) Undertake ongoing assessment and annual review of the performance of the Chairman, Directors and SC members and in particular to seek confirmation on whether any of the directors and SC members are disqualified under any applicable statutory acts and guidelines issued by Bank Negara Malaysia and whether they are qualified "fit and proper" persons under the BNM Policy and report its findings to the Board;

(e) Develop, maintain and review the independence criteria to assess independent Director on an annual basis, and recommend to the Board for approval in accordance with the BNM Guidelines and criteria as outlined in Bank Rakyat's BNAF; and

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(f) Review the suitability of an Independent Director to remain as one, when they have reached the maximum tenure of nine years, except under exceptional circumstances or as part of transitional arrangements towards full implementation of the succession plans of the Bank.

5. Succession planning for the Board and Senior Management team

(a) Manage a comprehensive succession plan for both Board members and the Senior Management that aligns with the Bank's and the Group's strategic needs and priorities;

(b) Review and oversee the development of a succession planning framework for the Board members, Board Committees, the CEO and Senior Management team;

(c) Oversee, assess and recommend to the Board the appointment, job grade, promotion, remuneration package, succession planning and performance evaluation of key senior management personnel;

(d) Recommend to the Board the removal or any other actions to be taken against any Director, SC member, the CEO or the Chairman from the Board or Board Committees if they are assessed to be ineffective, errant or negligent in discharging their responsibilities;

(e) Recommend to the Board actions to be taken, such as the issuance of a warning letter, show cause letter prior to conducting any Domestic Inquiry process before further stern action against any key Senior Management personnel if they are assessed to be ineffective, errant or negligent in discharging their responsibilities; and

(f) Undertake such other duties and responsibilities as may be determined by the Board from time to time.

6. Policies related to remuneration

(a) Review and recommend to the Board the overall remuneration policy and framework for Directors, the CEO and key Senior Management personnel to ensure appropriate incentives are in place to encourage performance and that the framework commensurate with their contribution and level of responsibility. The remuneration policy should reflect the mandate/objective of the Bank/Subsidiary and be in line with the business, risk strategies and development priorities, corporate values and long-term interests of the Bank and the Group;

(b) Oversee the design and operation of the Bank's remuneration system and make recommendations to the Board in relation to any review of employee remuneration and benefit structures, including bonuses and performance-related pay schemes; and

(c) Review and recommend to the Board remuneration of the Shariah Committee ("SC") members. The remuneration should commensurate and reflect the roles and responsibilities of the SC members.

7. Remuneration structure

(a) Periodically review and recommend to the Board remuneration packages for the Directors, the CEO and key senior management personnel reporting functionally or administratively to the CEO and such other personnel as determined by the Board from time to time;

(b) The remuneration packages should reflect their contribution, level of expertise, commitment, responsibility and performance, should be structured to link rewards to corporate and individual performances to encourage high performance standard (such remuneration packages are subject to the Minister's endorsement, where applicable);

(c) Determine the total individual remuneration package for Senior Management personnel including, where appropriate, bonuses, incentive payments within the terms of the agreed remuneration policy and based on individual performance; and

(d) Ensure that executive remuneration must be aligned with prudent risk-taking and appropriately adjusted for risks. The Committee also has to ensure that the remuneration payout schedules must reflect the time horizon of risks and take account of the potential for financial risks to crystallise over a longer period of time.

8. Disclosure and other duties

(a) Ensure the quantitative disclosure of remuneration shows the breakdown of the total amount of remuneration awards for the CEO and Directors for the financial year in the annual report; and

(b) Undertake such other duties and responsibilities as may be determined by the Board from time to time.

Frequency of Meetings

The BNRC shall meet as and when required. During the financial year ended 31 December 2025, the BNRC convened twenty-three (23) times. The attendance recorded for the members of the BNRC is as follows:

No.	Name of BNRC Members	Meeting Attendance 2025
1.	Mohd Jafri Kudus (Chairman)	22/22*
2.	Datuk Mohd Irwan Mohd Mubarak	23/23
3.	Dato' Seri Dr. Vaseehar Hassan Abdul Razack	17/18*
4.	Professor Dr. Raduwan Idar	23/23
5.	Idris Abd Hamid [1]	1/1 *

[1] Appointed as member of BNRC with effect from 28 November 2025
* Reflects the number of meetings attended during the time the Members held office

16.0 BOARD PROCUREMENT COMMITTEE (BPC)

The primary objective of the BPC is to assist the Board in discharging its statutory and fiduciary responsibilities in overseeing the Bank's process of awarding significant contracts by the Bank. The Board authorises the BPC to deliberate and approve on matters within its primary duties and responsibilities in line with such limits as may be determined by the Board from time to time and approve procurement methods relating to budgeted and unbudgeted capital expenditure in line with the Bank's Authority Matrix.

Duties and Responsibilities

The duties and responsibilities of the BPC related to all procurement activities are as follows:

(a) Ensure that all procurement processes are carried out in accordance with the Bank's Procurement Policies, Guidelines and Procedures.

(b) Approve qualified vendor(s) subject to requirements as, in its opinion, is most advantageous of the Bank.

(c) Review the adequacy of the Evaluation Report.

(d) Deliberate the Evaluation Report and recommend actions as appropriate:

(i) award to the tenderer as recommended; or
(ii) recommend price renegotiation benchmarking against the lowest bidder or market rate; or

(iii) award to a tenderer(s) other than the one recommended and support with reason(s); or
(iv) request for specification review and to proceed with new tender or to request resubmission quotation on changes only or to renegotiate; or
(v) to keep-in-view or to cancel the tender with supporting reason(s)/justification(s);
(vi) Should the awarded vendor decline the offer, the next qualified vendor, determined by the next highest score and supported with justification, shall be appointed by the Committee if deemed qualified.

(e) Participate in the negotiations and/or site visits if such actions will assist in the decision making.

(f) Report directly to the Board of Directors pertaining to the results of Commitment Approval Paper, including criteria and basis for approval of the respective procurement exercise.

Frequency of Meetings

The BPC shall meet at least every two months, or as and when required. During the financial year ended 31 December 2025, the BPC was convened six (6) times. The attendance recorded for the members of the BPC is as follows:

No	Name of BPC Members	Meeting Attendance 2025
1.	Idris Abd Hamid (Pengerusi)	6/6
2.	Dato' Dr. Amiruddin Muhamed	6/6
3.	Mohd Jafri Kudus	5/5*
4.	Professor Dr. Raduwan Idar	6/6

* Reflects the number of meetings attended during the time the Members held office

17.0 BOARD FINANCING AND INVESTMENT COMMITTEE (BFIC)

The primary objective of the BFIC is to assist the Board in fulfilling its roles and responsibilities in reviewing current and new financing proposals as well as formulation of investment policies and plans to secure the Bank's investment and guaranteed returns.

Duties and Responsibilities

The duties and responsibilities of the BFIC are as follows:

(a) Affirm or veto the Financing Committee A's approval on annual or periodic reviews, new or additional financing and restructuring/rescheduling of financing including business banking and rehabilitation proposals;

(b) Affirm or veto the Financing Committee A's approval on all cases of charge-off/ write-off of financing;

(c) Review the financing facilities and exposure with connected parties and recommend to the Board for approval;

(d) Oversee and critically review the performance of rescheduled/restructured accounts to minimise credit loss and maximise the recovery of such accounts;

(e) Provide strategic views on the Bank's credit risk appetite;

(f) Provide strategic direction and input on the management of delinquent or impaired financing;

(g) Oversee and monitor the management and recovery of impaired financing to ensure financing recovery functions maximise collections;

(h) Approve the appointment and removal of the members of Financing Committee A;

(i) Determine and approve policies and procedures for investment, asset allocation, the direction of investment, risk control and other relevant investments

(j) Review and approve new investment-related activities and termination of current investment;

(k) Review the Bank's investment portfolio; and

(l) Undertake such other duties and responsibilities as may be determined by the Board from time to time.

The BFIC shall meet at least once a month and more frequently as circumstances dictate. During the financial year ended 31 December 2025, the BFIC convened sixteen (16) times. The attendance recorded for the members of the BFIC is as follows:

No.	Name of BFIC Members	Meeting Attendance 2025
1.	Dato' Seri Dr. Vaseehar Hassan Abdul Razack (Chairman)	14/14 *
2.	Dato' Dr. Amiruddin Muhamed	16/16
3.	Tunku Dato' Ahmad Burhanuddin Tunku Datuk Seri Adnan	16/16
4.	Idris Abd Hamid	16/16

* Reflects the number of meetings attended during the time the Members held office

18.0 BOARD IT COMMITTEE (BITC)

The primary objective of the BITC is to assist the Board in fulfilling its roles and responsibilities with regard to the following:

(a) Carry out with delegated authority on its behalf in ensuring sustainable oversight of IT and digitalisation/innovation strategies, plans and operations, information, cybersecurity and data privacy risk management and third-party technology risk management are in place and implemented within the stipulated or desired timeframe and/or monitored efficiently and effectively by the Management;

(b) To ensure IT development and maintenance projects initiated are consistent with the Bank's strategic business goals and overall priorities of the Bank;

(c) Ensure that the requirements of good corporate governance practices are observed accordingly; and

(d) Govern an effective working relationship with the Management of the Bank to ensure that matters are referred and escalated between the contractors, consultants, advisors, dialogue partner(s) or any other person deemed relevant, Board Committees and the Board as appropriate.

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Duties and Responsibilities

The duties and responsibilities of the BITC are as follows:

1. Information Technology Strategy Oversight

   (a) Oversee the implementation and monitoring of the Board's decision including the deliverable(s) of IT strategies, planning and implementation within the expected Project timelines. Where potential delays emerge, the Committee is expected to make credible challenge to contributing factors and review proposed immediate/ remediation/catch up/improvement plans accordingly initiated;

   (b) Conduct and perform investigation, interviews, assessments and impacts upon all findings and information relating to the progress and implementation of IT and digitalisation strategies in pursuant to the agreements entered between the Bank and any third party(s);

   (c) Evaluate and determine whether the proposed IT system is within the best-of-breed practice in line with the Bank's transformation programme to enable optimum harvest of the said system potentials;

   (d) To evaluate IT requirements that are in line with business needs and meet user specifications with the current industry/market trend;

   (e) Reviewing IT performance against plans and budgets and recommend changes as needed and to set priorities based on resources required, cost/benefit, implementation schedule requirements or limitations;

   (f) To review/reassess any major technological innovations/trends that could pose disruptive threats or opportunities to the Bank; and

   (g) To review and recommend to the Board any trainings/programmes related to IT, cybersecurity, technology risk etc. that may benefit the Bank, directors and/or any other officers or employees deemed appropriate, if any.

2. Information, Cybersecurity and Data Privacy Risk Management

   Receive reports from members of management including but not limited to the Chief Information Technology Officer, Chief Risk Officer, Chief Information Security or any other officers or employees as appropriate, regarding the Bank's practices, management and functioning of technology operations and information security, cybersecurity and data privacy risks, including reports related to the assessment, analysis and mitigation of related risk.

3. IT Operations and Assets

   (a) Review all proposals, milestones, deliverables, terms of agreements including action plans from the Project Team, appointed consultants and contractors involved with IT to the satisfaction of the Committee in the best interest of the Bank and meeting the authorities' expectations;

   (b) To obtain prompt report on the progress on IT implementation on a frequent or periodic basis from any person subject to validation or approval the subject matter experts for the Committee and/or the Board to make informed decisions from time to time;

   (c) Reviewing and making recommendations to the Board on Information Technology/Data security policies and governance;

(d) Reviewing and advising the Audit and Examination Committee on matters which may be relevant to the carrying value of IT assets;

(e) Reviewing results of quality assurance testing to ensure projects meet user specifications and approve implementation or require more development before implementation; and

(f) Report and make recommendations to the Board on the above, as the case may be, and on any matter which falls under its authority, as it may deem fit.

4. IT/Technology Risk, Security and Cyber Security

(a) Reviewing and making recommendations to the Board and Risk Committee in relation to the overall technology and cyber risk profile of the Bank;

(b) Receiving and reviewing reports from management on technology & cybersecurity risk and major technology & cybersecurity incidents; and

(c) Reviewing the effectiveness of disaster recovery plans and disaster recovery testing (as a subset of overall Business Continuity planning) and reporting to the Board on the effectiveness of these plans and testing;

The BITC shall meet at least every quarter and more frequently as circumstances dictate. During the financial year ended 31 December 2025, the BITC convened ten (10) times. The attendance recorded for the members of the BITC is as follows:

No.	Name of BITC Members	Meeting Attendance 2025
1.	Mohd Jafri Kudus (Chairman)	10/10
2.	Datuk Mohd Irwan Mohd Mubarak	10/10
3.	Tunku Dato' Ahmad Burhanuddin Tunku Datuk Seri Adnan	10/10
4.	Professor Dr. Raduwan Idar	10/10
5.	Idris Abd Hamid	10/10

BANK RAKYAT REMUNERATION SYSTEM/PHILOSOPHY

The Bank Rakyat Remuneration Principle is under the purview of the Nomination Remuneration Committee (NRC) for its endorsement and approval by the Board where the guiding principles in designing the employee's remuneration is to preserve internal equity and ensure market competitiveness. The key principles in Bank Rakyat's Remuneration principles as follows:

Principle	Purpose
Business Focused	Remuneration must be relevant and aligned toward achieving the Bank's business results by incorporating additionality elements.
Prudent	The remuneration structure and quantum must reinforce the importance of sustainability, encourage ethical behaviours, and sound risk management.
Performance Driven	The performance assessor must have adequate quantitative and qualitative performance measurements before making a practicable and measurable remuneration recommendation.
Fair	There must be no discrimination, biased treatment, or exploitation. Proper, fair, and logical justification must ensue.
Transparent	Employees should understand the expectations set out and seek clarification where necessary.

COMPONENTS OF REMUNERATION

The Employee Remuneration Framework (ERF) provide a broad direction on remuneration policy and ensure effective operationalisation of the remuneration management that adopts sound corporate governance standards and practices.

The overall ERF objectives are:

i. To provide a remuneration mechanism that attracts, motivates, encourages, and retains employees of the highest performers.
ii. To ensure compliance and maintain high standards of governance.
iii. To provide performance-based remuneration that integrates with the additionality elements.
iv. To achieve fairness, equity, and consistency in remuneration.

Emphasis on competitive remuneration and to ensure alignment with the market, the remuneration packages are regularly benchmarked against market-related surveys. Participation in the Total Compensation Survey is essential, as it aids the Bank in acquiring current information on banking industry compensation. This ensures a competitive edge and a comprehensive understanding of the job market.

REMUNERATION PRINCIPLE

Semua elemen imbuhan diringkaskan seperti dalam jadual di bawah:

Element	Objective	Purpose and Approach
Annual base salary	To attract and retain high-performing employees.	▪ Reviewed annually based on individual compa-ratios against market and individual performance.
Fixed Cash	To provide additional cash benefits based on job requirements.	▪ Review market rate of industry peers for competitiveness.
Variable Cash	To differentiate remuneration for employees who contribute to the success of the Bank.	▪ Performance-based reward, reflecting the individual employee's performance against Sectors' and Bank's performance.
Benefits-in-Kind (BIK)	To support wellbeing of the employees through BIK.	▪ Benchmark industry peers to ensure competitiveness.

MEASUREMENT OF PERFORMANCE

The fundamental purpose of performance management is to enhance results of the organisation supported by teams, and individuals by managing performance within an agreed framework of planned goals, standards, and competency requirements.

Performance Management incorporate two (2) key elements:

i. Key Performance Indicators (KPIs)

Employees must know what is expected of them and know "what" that must be achieved by them through structured KPIs.

ii. Behavioural Competencies

Employees must have the knowledge, skills and attitude to deliver on these expectations of "what" is expected.

Performance metrices in Bank Rakyat are divided into two main categories: KPIs derived from the Key Results Areas (KRAs) and Competencies.

There are four (4) categories under Key Result Area (KRA) which are:

- Financial
- Customer
- Governance & Internal Business Process
- People (Learning and Growth)

The performance metrics implemented is to ensure the employee strives towards meeting the goals to support Bank Rakyat towards achieving its Vision and Mission.

The first KRA category is for the Bank, through its employees, to work towards achieving its financial goals in terms of profit and growth. Thus, financial KPIs are determined to enable the employees to strategise to achieve the target financial goals.

REMUNERATION PRINCIPLE

The second KRA is to address its target market in terms of customer reach by identifying the best channel for market penetration through appropriate customer-oriented strategies and initiatives to promote its products. Identified KPIs for employees would be to drive customer-oriented initiatives to increase its customer base as well provide value to its customers.

The third KRA is to inculcate a compliance culture and strengthen the business processes. A compliance culture displays adherence to governance and mitigation of risks to ensure integrity. While a strong business process supports systems and structural capabilities necessary in an efficient as well as effective management. Employees will have KPIs that range from applying the relevant policies and procedures to applying appropriate SOPs. This serves as an enabler to meet customers' requirement.

Monitoring and reporting become key in managing, analysing and delivering results. KPIs will include areas such as meeting Turn Around Time (TAT) or acceptable response time in completing task with adequate controls in place.

The fourth KRA category is in learning and growth to build internal capability and to support the employee's career development based on their career aspiration. KPIs are structured for supervisors to make people management as part of their agenda. Building of internal capability ensures sustainability as competencies are to be embedded in all aspects of work in the Bank. While a long-term career growth allows for a strong succession pipeline to be institutionalised. Both the supervisor and employee will develop synergy in crafting their KPIs for the Bank's growth.

The second element of our performance metric is Competencies. In Bank Rakyat, we have developed a set of competencies we refer to as I.N.S.P.I.R.E framework to measure the competencies as follows:

i. Impact and Influence (I)

To position Bank Rakyat as a major player in commercial and retail banking whilst maintaining its cooperative bank role. It is critical for its leaders to be able to effectively use/adapt persuasion and influencing skills to grow its customer base, position a diverse product portfolio as well as to effectively manage key stakeholders (e.g. Bank Negara, Ministry of Domestic Trade, Cooperatives and Consumerism and MOF).

ii. Nurture and Develop Others (N)

Building up internal capabilities to mitigate the risk in succession and ensure long-term business sustainability. Ensure that capability development interventions match the longterm business demand.

iii. Strategic Insight (S)

To realise the transformation of Bank Rakyat in strengthening its role as a competitive retail and commercial bank whilst maintaining its core mandate, its leaders needs to be able to recognise market trends and developments; and adapts strategy to achieve business results and meet evolving customer needs.

iv. Performance Excellence Mindset (P)

To drive a high-performance culture and to become a merit-based organisation, it is critical to emphasise accountability and personal ownership at all levels of the Bank.

v. Innovation and Change (I)

In alignment with the Bank's Vision to become a competitive commercial and retail bank, it is critical to continuously improve and evolve its internal processes and practices such that greater efficiency can be achieved.

vi. Re-Energise Customer Service Orientation (R)

To become the bank of choice, it is critical to ensure reliable and efficient service to all customer segments. Enhance end-to-end customer experience by improving service standards, recognising different needs and taking a proactive service approach to meeting those needs.

vii. Engage Internal Collaboration (E)

Greater collaboration and a sense of shared purpose within and across functions would promote better alignment and optimisation of resources.

In maintaining integrity in our performance management process whereby rewards commensurate with the balance of contribution and compliance, we have obtained approval from the Management to incorporate the Demerit System into our appraisal exercise. We have also conducted various briefings to ensure KPIs are better structured for alignment to business goals.

DETERMINATION OF VARIABLE REMUNERATION

Based on Bank Rakyat's performance and the achievement of the business plan, the Board will determine the variable remuneration To position Bank Rakyat as a major player in commercial and retail banking whilst maintaining its cooperative bank role. It is pool by taking into consideration key performance measures. The Board has discretion to adjust the variable remuneration critical for its leaders to be able to effectively use/adapt persuasion and influencing skills to grow its customer base, positioncomponent of the cash elements where required, based on performance, requirements, and economic conditions.

Variable bonus of individual employees (if applicable) is determined based on the employees' performance rating subject to the bonus pool allocated by the Bank in its business and budget plan.

The sales incentive is awarded based on both individual and team performance to foster a results-focused culture and improve workforce productivity.

CEO, SENIOR MANAGEMENT AND OTHER MATERIAL RISK TAKERS

The remuneration of Group Chief Executive Officer (GCEO), Senior Management and Other Material Risk Takers (OMRT) are reviewed annually. The remuneration of those in key roles in Bank Rakyat in FY2025 is summarised in the table below:

Rank	Fixed Remuneration (RM)	Variable Remuneration (RM)	Other Emoluments [1] (RM)	Total Annual (RM)
GCEO	834,309	794,508	511,996	2,140,813
Senior Management	8,515,376	4,423,838	4,686,968	17,626,182
OMRT	17,857,802	9,795,931	6,497,532	34,151,265

[1] Other emoluments include EPF contributions and benefits-in-kind.

Category	Definition
Group Chief Executive Officer	An individual, who either individually or jointly with one or more persons, is responsible, subject to the authority of the directors, for the conduct of the business and the administration of the Bank.
Senior Management	a) Having the authority and influence in making decisions. b) Is accountable or responsible for implementing and enforcing policies and strategies approved by the Board. c) Is accountable or responsible for developing and implementing systems, internal controls and processes that identify, measure, monitor or control the Bank's risks. d) Permanent members of the Bank's Management Committee. e) Has the responsibility for key control functions, including to be accountable for monitoring the appropriateness, and effectiveness of the Bank's internal controls, risk management, internal audit and compliance systems and processes.
OMRT	a) An officer who is not a member of Senior Management of the Bank and who: i) Can materially execute or control significant amounts of the Bank's resources or whose actions are likely to have a significant impact on its risk profile; or ii) Either individually or jointly having the authority to approve new business product or to commit to the credit risk exposure and market risk transactions; or iii) Among the most highly remunerated officers in the Bank. iv) Except for those who identify as Senior Management, all the Bank's Executive Vice President shall be identified as the Bank's OMRT. b) The list of the officers who fall under Other Material Risk Taker shall be approved by the Management Committee.

INDEPENDENT MEASURE OF THE CONTROL FUNCTION

The performance and remuneration of control function employees are determined based on the objectives outlined in the performance scorecard, tailored to their specific functional roles. This assessment is conducted independently of the Bank's key performance areas, such as profitability and growth.

In ensuring the interdependencies of Bank Rakyat's control functions, each control function has the appropriate authority and operates independently from the business units. Therefore, the performance of each control function is assessed independently without intervention from the business units to avoid any conflict of interest.

Additionally, annual remuneration reviews for control function employees are internally benchmarked and compared to the market standards to ensure competitiveness.

AUDIT AND EXAMINATION COMMITTEE REPORT

1.0 COMPOSITION

- The Audit and Examination Committee ("AEC") is a committee established by the Board of Directors from amongst its members.
- The AEC comprises only non-executive directors with no less than three (3) members, of which the majority should be independent directors.
- All members of the AEC have the skills, knowledge and experience relevant to the responsibilities of the AEC. At least one (1) member should be a member of a relevant professional body.
- They are also financially literate and able to understand matters under the purview of the AEC including the financial reporting process, transactions and other financial information.

2.0 AUTHORITY

- The Board authorises the AEC to act within the scope of its duties and responsibilities as set out in the AEC Charter. Apart from the specific duties and responsibilities outlined, it is understood that the Committee shall report its recommendations to the Board for decision-making.
- The AEC has explicit authority to investigate matters within its terms of reference in line with such limits as may be determined by the Board from time to time. During the discharge of such duties, the AEC shall have full and unrestricted access to:
  - the records, properties and personnel of the Bank;
  - the resources which are required to perform its duties;
  - co-operation from Management and the discretion to invite any Director and/or employee, including external auditors without the presence of other employees to attend its meetings;
  - the advice and services of the Bank Secretary, the Group Chief Executive Officer, the Group Chief Internal Audit ("GCIA") and external auditors; and
  - independent professional advice and expertise necessary to perform its duties at the expense of the Bank and/or Subsidiary, provided that written approval from the Board must be obtained prior to the incurring of any such expense on behalf the respective entities.

3.0 DUTIES AND RESPONSIBILITIES

Roles and responsibilities of the AEC, amongst others, include the following:

3.1 Corporate Governance, Internal Control and Audit Functions

- Oversee the work and performance of the Internal Audit function and ensure that the Internal Audit function is in compliance with but not limited to Bank Negara Malaysia's "Guidelines on Internal Audit Function of Licensed Institutions" (BNM/RH/GL013-4), including the following:
  - Ensure that the Internal Audit function has an appropriate standing within the Bank and access to the AEC at all times;
  - Endorse the Internal Audit Charter for approval by the Board;
  - Review the adequacy and effectiveness of the systems of internal control, risk management and governance processes (including Shariah) of the Bank and its subsidiary including reviewing and approving the audit plan, scope, procedures and frequency;
  - Review key audit reports (including reports on internal controls, risk management processes, compliance with statutory requirements and governance practices) and ensure that the Senior Management is taking necessary corrective actions in a timely manner to address control weaknesses, non-compliance with laws, regulatory requirements, policies and other problems identified by the Internal Audit and other control functions;
  - Note significant disagreements between the GCIA and the rest of the Senior Management team, irrespective of whether these have been resolved, in order to identify any impact, the disagreements may have on the audit process or findings;
  - Establish a mechanism to assess the performance and effectiveness of the Internal Audit function;
  - Endorse training programmes and budgetary resources for effective discharge of Internal Audit responsibilities;
  - Recommend the appointment, compensation, performance evaluation, transfer, suspension, disciplinary action, dismissal and/or termination of the GCIA;
  - Review the adequacy of the functions and resources of Internal Audit, and that it has the necessary authority to carry out its work; and
  - Ensure the effectiveness of the internal technology audit function. This includes ensuring that the audit function is adequately resourced with relevant technology audit competency and sound knowledge of the Bank's technology processes and operations. The Committee shall review and ensure appropriate technology audit scope and frequency commensurate with the complexity, sophistication and criticality of technology systems and applications. The AEC must also ensure effective oversight over the prompt closure of corrective actions to address technology control gaps.
- Recommend to the Board the external advisors to be engaged when the Internal Audit function lacks expertise needed to perform specialised audit. In such instance, recommend the fees payable, ensure clear establishment of the terms and scope of engagement, and reporting requirements.
- Review third-party opinions on the design and effectiveness of the Bank's internal control framework.
- Meet the GCIA, at least once in a year, without the presence of Senior Management.

3.2 External Audit Function

The AEC shall foster quality audits by exercising oversight over the external auditors in accordance with the expectations set out in the policy document on External Auditor, at a minimum, by undertaking the following:

- Recommend to the Board on the appointment, removal and remuneration of the external auditor;

CORPORATE GOVERNANCE

AUDIT AND EXAMINATION COMMITTEE REPORT

- Review the external auditors' plan, audit report and maintain a regular, timely, open and honest communication with the external auditor, and ensure the external auditor reports to the Committee on significant matters;
- Review the external auditor's letter on weaknesses of accounting procedures and internal controls, and Management's responses to the external auditors' report and letter, and ensure that the Senior Management team takes necessary and corrective actions in a timely manner to address the findings and recommendations;
- Monitor and assess the independence of the external auditor including by approving the provision of non-audit services by the external auditor; and
- Monitor and assess the effectiveness of the external audit, including by meeting with the external auditor without the presence of Senior Management at least annually.

3.3 Shariah Audit

- Review the results of Shariah Audit assessment including details of the audit findings, recommendations for rectification measures, and the auditee's responses and action plans.

3.4 Financial Reporting Process

- Review appropriateness and applicability of accounting standards used in preparation of the financial statements;
- Ensure that the accounts are prepared in a timely and accurate manner, with frequent reviews of the adequacy of provisions for contingencies as well as bad and doubtful debts;
- Ensure fair and transparent reporting, prompt publication of financial accounts and review financial statements to be submitted to the Board; and
- Review the accuracy and adequacy of the chairman's statement in the directors' report, corporate governance disclosures, interim financial reports and preliminary announcements in relation to the preparation of financial statements.

3.5 Other Duties

- Monitor compliance with the Board's conflicts of interest policy described in BNM Policy Document on Corporate Governance for Development Financial Institutions, 2024;
- Review any conflict-of-interest situations and significant transactions which are not usual to the course of business, and review and monitor all related party transactions to ensure its compliance with the internal policies and report such transactions to the Board; and
- Meet regularly with the Bank's Risk Committee to facilitate exchange of information so as to apprise the Committee of risks that the Bank faces, including emerging risks that could have an impact on the Bank's risk appetite and business plan.

4.0 ATTENDANCE AT MEETINGS

There were 14 AEC Meetings held during year 2025. The details of attendance of each member are as follows:

AEC Members	AEC Meeting Attendance
Tunku Dato' Ahmad Burhanuddin Tunku Datuk Seri Adnan Chairman (appointed effective from 29 October 2019)	14/14 (100%)
Dato' Seri Dr. Vaseehar Hassan Abdul Razack Member (appointed effective from 1 August 2021)	10/12 (83%)
Idris Abdul Hamid Member (appointed effective from 21 February 2023)	14/14 (100%)
Profesor Dr. Raduwan Idar Member (appointed effective from 26 March 2024)	14/14 (100%)
Mohd Jafri Kudus Member (appointed effective from 27 June 2024)	14/14 (100%)

5.0 SUMMARY OF ACTIVITIES

For the financial year ended 31 December 2025, the AEC had carried out the following activities in the discharge of its roles and responsibilities:

5.1 Financial Reporting

Reviewed the quarterly unaudited financial results and the annual audited financial statements of the Bank and Bank Rakyat Group to ensure that the financial reporting and disclosure requirements were in compliance with the accounting standards and regulatory requirements.

5.2 Annual Report

- Reviewed and approved the AEC Report for inclusion in Bank Rakyat's Annual Report for Financial Year ended 31 December 2024.
- Reviewed the accuracy and adequacy of the chairman's statement in the directors' report as well as corporate governance disclosures in the Annual Report.

5.3 Internal Audit

- Reviewed and approved the annual audit plan as well as revision to the audit plan to ensure the comprehensiveness of audit scope and coverage over the activities of Bank Rakyat, its subsidiary and Yayasan Bank Rakyat (upon request) as well as the adequacy of Internal Audit Sector's resources to carry out its functions.
- Reviewed the Internal Audit reports, audit recommendations and Management's responses to these recommendations.
- Reviewed the status of actions taken by Management to rectify the unresolved audit findings to ensure all related lapses/weaknesses of internal control are adequately addressed.
- Reviewed and deliberated audit findings related to Shariah non-compliance as well as the actions to be taken by the Management to resolve the issues prior to escalation to the Board.
- Reviewed various periodical regulatory reporting made by Internal Audit prior to submission to the regulators such as BNM and PayNet.
- Reviewed key observation points raised by Internal Audit through its IT advisory services and ensured that the Management would address the concerns raised accordingly.
- Reviewed the Internal Audit's Performance Progress Reports to ensure the progress, achievement, performance, and coverage of the Internal Audit functions in line with the annual audit plan.
- Reviewed the audit report on Yayasan Bank Rakyat for an overview of the risk management and internal control systems of the entity.
- Deliberated and approved the 2025 key performance indicators (KPI) setting for GCIA.
- Evaluated the performance of the GCIA.
- Reviewed and noted the Key Highlights of Management, Audit, Fraud and Integrity Committee Meetings to obtain an overview of the deliberation and remedial actions taken by Management on the control lapses raised by the Internal Audit Sector.

5.4 External Audit

- Reviewed and deliberated on the Audit Plan for the Year Ending 31 December 2025 encompassing details on the audit focus areas, audit methodology as well as newly effective/forthcoming accounting standards.
- Reviewed with the external auditors the results of audit, the relevant audit reports, Management Letter and Memorandum of Recommendations together with Management's responses/comments to the findings.
- Periodically reviewed and monitored the progress of actions taken to rectify audit findings raised by the external auditor to ensure the issues are being managed and rectified appropriately and in a timely manner.
- Performed assessment on the external auditors prior to recommendation to the Board on its reappointment. The assessment was conducted in accordance with BNM's Guidelines on External Auditor on principal areas covering performance, independence and objectivity.

CORPORATE GOVERNANCE

AUDIT AND EXAMINATION COMMITTEE REPORT

6.0 TRAINING

The training attended by the AEC members is reported under the Board of Directors and Main Committees section.

7.0 INTERNAL AUDIT FUNCTION

The Internal Audit Sector (IAS) at Bank Rakyat supports the AEC in fulfilling its duties and responsibilities. IAS provides independent and objective assessments on the adequacy and effectiveness of risk management, internal controls, and governance processes. Additionally, IAS conducts investigative audits in cases of reported improper, illegal, or dishonest activities.

The IAS evaluates the effectiveness of internal control structures across Bank Rakyat, its subsidiary, and Yayasan Bank Rakyat, focusing on high-risk areas identified through a risk-based approach. All high-risk activities within each auditable area are audited annually.

IAS reviews the adequacy of risk management, operational controls, compliance with established procedures, guidelines, and statutory requirements. The audits also assess asset quality, management efficiency, and customer service levels. These reviews ensure that established controls are appropriate, effectively applied, and maintain acceptable risk exposures in line with the Bank's risk management policy. Recommendations for improvements and enhancements to internal controls and work processes are provided following each review.

IAS audits the information systems of Bank Rakyat to ensure the security of computing resources, protecting data integrity and confidentiality. IAS also evaluates the adequacy of measures to continuously safeguard the system's availability, ensuring it supports business operations effectively.

IAS offers consulting or advisory functions to evaluate risk exposures of new systems, business products, and services, assessing necessary controls to mitigate identified risks before implementation. To maintain objectivity and independence, IAS is not involved in system selection or implementation processes when providing such consulting or advisory functions.

In September 2025, the Internal Audit and Fraud Management functions were merged under the IAS. This integration was undertaken to strengthen governance, enhance coordination, and provide a more holistic approach to risk oversight and integrity assurance across Bank Rakyat.

All Internal Audit activities are conducted in alignment with Bank Rakyat's objectives and policies, and in compliance with relevant guidelines issued by BNM and professional standards for internal auditing.

During 2025, the activities undertaken by Internal Audit Sector were as follows:

- Developed an annual audit plan using a risk-based approach, taking into consideration the Bank's Strategic Plan and inputs from the Management (as recommended by the Institute of Internal Auditors);
- Provided independent assessment and objective assurance over the adequacy and effectiveness of risk management, internal control and governance processes through structured reviews of departments and operations identified in the annual audit plan;
- Performed reviews on the draft unaudited quarterly financial statements to ensure the Bank's conformity with applicable accounting and financial reporting standards as well as compliance with the relevant regulatory requirements;
- Provided independent Shariah audit assessment on the quality and effectiveness of the Bank and its subsidiary's internal control, risk management systems, governance processes as well as the overall compliance of the Bank and its subsidiary's operations, business, affairs and activities with Shariah;

AUDIT AND EXAMINATION COMMITTEE REPORT

- Performed Shariah audit analysis (including screening process on possible Shariah Non-Compliance ("SNC") event) on result of internal audit assessment; initiated internal collaboration across various functions/departments/divisions etc. of the Bank and its subsidiary related to the proposed rectification plan for the possible SNC event; and conducted reporting process of the possible SNC event as required by BNM;
- Assisted the Shariah Committee in discharging its oversight role on Shariah matters related to the Bank and its subsidiary's operations, business, affairs and activities through Shariah Audit's observations and participations at Shariah Committee Meetings which enabled the Shariah Committee to identify issues that require its attention and where appropriate, to propose corrective measures;
- Performed audits on the Bank's information systems to ensure the adequacy of the systems' security, controls and compliance with the relevant acts or regulatory requirements;
- Attended various Management level committees' meetings such as Project Working Committee (PWC) and Project Steering Committee (PSC), in a consultative and advisory capacity to provide independent views pertaining to the governance and controls encompassing the Bank's critical IT projects;
- Participated in proposal paper review discussions for IT projects;
- Conducted ad-hoc assignments and special reviews as instructed by the Board, AEC, Management or regulators;
- Participated in various Business Continuity Management exercises to ensure the Bank's readiness in resuming/recovering its operational activities and systems in the event of disaster within the expected timelines;
- Ascertained, the level of compliance with established policies and procedures and statutory requirements;
- Recommended improvements and enhancements to the existing system of internal controls, work procedures/processes, relevant guidelines and department manuals;
- Implemented and oversaw the Bank's fraud risk management strategic initiatives, ensuring alignment with the broader Bank strategy and reinforcing a strong anti-fraud culture across all business lines to reduce fraud incidents and financial losses;
- Rolled out and monitored fraud awareness programmes, including periodic fraud alerts and targeted communications to business units, to promote continuous vigilance and preparedness across the Bank;
- Conducted internal and external fraud investigations covering cyber fraud, digital forensics, and Open-Source Intelligence (OSINT). Delivered investigation findings together with actionable recommendations to strengthen controls and prevent recurrence;
- Maintained engagement with Law Enforcement Agencies (LEA) and relevant government authorities to stay abreast of emerging financial crime trends within the Banking and Financial Services industry, ensuring intelligence was incorporated into fraud risk assessments; and
- Prepared the Audit and Examination Committee Report for Bank Rakyat's Annual Report for Financial Year ended 31 December 2024.

The total cost incurred for the Internal Audit Sector of Bank Rakyat for 2025 is RM14,797,364.

RISK MANAGEMENT COMMITTEE

Driving Resilience Through Integrated Risk Management

"Building Resilience, Enabling Financial Inclusivity" reflects Bank Rakyat's enduring commitment to prudent stewardship, strong governance, and financial resilience. As the Group advances its commitment to enabling banking for all, it remains firmly anchored on sound risk management practices and aligned with regulatory expectations set by Bank Negara Malaysia.

Risk Management continues to serve as a key pillar in safeguarding the Group's stability and supporting sustainable growth. The Group adopts an integrated approach to managing credit, market, liquidity, operational, and technology risks, underpinned by robust policies, a clearly defined risk appetite, and effective internal controls. This ensures that all risk-taking activities are conducted in a measured, transparent, and disciplined manner, consistent with the Group's strategic objectives.

In line with regulatory requirements, the Group has further strengthened its governance through the effective implementation of the three lines of defense model, enhanced risk reporting, and continuous improvements in stress testing and scenario analysis. Key focus areas include technology risk, cybersecurity resilience, and third-party risk management, in accordance with evolving supervisory expectations, including the Recovery Plan and the latest Risk Management in Technology (RMiT) policy.

Amid an increasingly complex operating environment, the Group remains vigilant in preserving operational resilience and ensuring business continuity. Risk Management plays a critical role in maintaining preparedness through regular reviews of contingency plans and crisis management, ensuring the Group's ability to respond effectively to emerging disruptions.

The Group remains committed to continuously enhancing its risk management capabilities, upholding regulatory compliance, and sustaining long-term value creation. These efforts position the Group to remain resilient, responsive, and inclusive in delivering financial services to all stakeholders.

Enabling Banking for All

Guided by our commitment to "Building Resilience, Enabling Financial Inclusivity," the Group continues to strengthen its credit risk management practices to ensure that financial access remains inclusive, responsible, and sustainable. Our approach balances prudent credit risk oversight with the need to support a diverse customer base, particularly in an evolving economic environment.

During the year, the Group implemented the revised Vulnerable Customer Policy (VCP) Retail Credit Policy to enhance the way we assess and support customers who may be more susceptible to financial strain. Through refinement of key parameters such as Cost of Living (COL), customer categorisation, and Debt Service Ratio (DSR), we have embedded a more robust affordability assessment and structured framework that enables fairer and more responsible financing decisions. This ensures that vulnerable segments are not excluded from financial access but are instead supported with solutions aligned to their repayment capacity.

Towards the efforts in supporting the growth and development of the underserved segment, the Group has also implemented an enhanced Micro Financing credit scoring model. The initiative advances the Group in strengthening and improving assessment of the ability and willingness of the targeted segment to perform obligation. By aligning our mandated roles with the Group's broader business strategies, the enhancement strengthens fair and transparent offerings for customers while maintaining portfolio quality.

To further reinforce consistent and rooted internal structure across the organisation, Risk Management continues to strengthen internal capabilities through continuous engagement and training initiatives. Regional dialogues with business leaders, coupled with targeted awareness session under the Re-imagining Risk and Compliance Culture programme, have enhanced alignment on effective credit risk management. In parallel, the completion of the 2nd Capacity Building Program for Complex Modelling has deepened technical expertise, enabling more robust and data-driven decision-making.

Complementing these efforts, the Group also achieved successful compliance with key policy documents issued by Bank Negara Malaysia, reinforcing its commitment to strong governance and regulatory adherence. Full compliance with the Credit Risk Policy and Phase 1 compliance with the Stress Testing Policy were attained during the year. These achievements were independently validated by a third-party assessor, providing assurance that the Group's risk management practices meet regulatory expectations while supporting a stable and inclusive financial ecosystem.

Collectively, these initiatives reflect the Group's holistic approach to credit risk management, one that not only safeguards financial stability but also enables broader and more inclusive participation in the financial system. Through disciplined execution and continuous enhancement, the Group remains committed to delivering its promise of enabling banking for all.

Advancing Digital Services with Security, Trust and Innovation

As the Group continues to expand its digital capabilities, the priority remains clear to deliver convenient, reliable and secure services to customers. The increasing use of modern technologies, including cloud-based platforms, digital services and emerging artificial intelligence (AI) capabilities, enables the Group to enhance service quality, improve efficiency and better anticipate customers' needs. At the heart of these efforts is an ongoing commitment to build and strengthen trust with customers.

Trust remains central to the Group's digital ambition. Robust governance, strong controls and continuous monitoring ensure that digital services consistently meet regulatory expectations while upholding the highest standards of security, reliability, and ethical use of technology. The technology and cyber risk framework are intentionally designed to be adaptive, enabling innovation to progress at pace without compromising security or customer trust. To strengthen the governance of group-wide technology risk, the Group has established comprehensive policies that sets clear principles, standards and minimum control requirements across all business units and functions. Through this balanced approach, the framework and policies support responsible innovation, confident scaling of digital services and the delivery of sustainable value to stakeholders, while remaining fully aligned with the regulatory expectations set by Bank Negara Malaysia and the requirements of the Cyber Security Act 2024.

Over the past year, the Group has strengthened its cybersecurity capabilities by enhancing monitoring and response functions. Leveraging advanced technologies, including intelligent analytics, dedicated teams operate around the clock to detect unusual activities and respond swiftly to potential threats. These capabilities not only protect customer information but also reinforce confidence in the safety and reliability of services.

CORPORATE GOVERNANCE

RISK MANAGEMENT COMMITTEE

To complement these defensive measures, the Group has further strengthened security assurance practices across all entities, including subsidiaries through several assurance initiatives, including cyber drills and offensive security exercises. These exercises simulate real-world cyberattacks to validate the effectiveness of security controls, response timeliness, and coordination across teams and systems. Conducted in a safe and controlled environment, they enable early identification of vulnerabilities and continuously enhance the ability to detect, respond to, and recover from cyber incidents.

In addition, the Group continues to strengthen its risk management practices through regular Cyber Resilience Maturity Assessments (CRMA). These assessments provide a structured view of how well cybersecurity practices across the Group are aligned with regulatory expectations and industry standards. They enable identification of areas for improvement, prioritisation of key initiatives and assurance that controls remain effective as the threat landscape evolves. By continuously assessing and enhancing cybersecurity maturity, the Group is better positioned to safeguard customer information, support business resilience and sustain trust among stakeholders.

Strong emphasis continues to be placed on building awareness across the Group. Through ongoing education and engagement, employees are better equipped to recognise cyber risks, including emerging threats such as AI-enabled threats and social engineering. This reinforces a culture where security is a shared responsibility, further strengthening trust across the Group.

As the Group continues its digital journey, new technologies, including AI, will be adopted in a careful and disciplined manner, underpinned by strong governance, enhanced transparency and robust security standards. Innovation continues to be pursued with a clear focus on improving customer experience while ensuring the confidentiality, integrity and reliability of services are never compromised. By consistently balancing technological advancement with strong cybersecurity practices, the Group reaffirms its commitment to protecting customer information, sustaining trust and delivering secure, seamless and dependable banking experiences for all stakeholders..

Liquidity Resilience

In 2025, the Malaysian banking system remained resilient, supported by Bank Negara Malaysia's measures to preserve orderly market conditions and adequate liquidity in the banking system.

The Group prudently managed its liquidity position to maintain sufficient high-quality liquid assets to meet short-term obligations and regulatory requirements. The Group Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) remained above the prescribed minimum requirements, supported by a comprehensive liquidity risk management strategy and governance oversight.

To support inclusive growth, the Group continued to diversify its funding structure by prioritising stability and cost efficiency. This included intensified efforts to grow stable retail customer deposits, securing medium-term funds and interbank market opportunities. This strategy reduced reliance on funding concentration and strengthened resilience to market fluctuations, allowing the Group to continue extending financing and transactional services to a broader customer base.

Liquidity risk positions were monitored regularly against the Group's liquidity risk management framework, policies and procedures, with clear escalation and reporting routines. The Group uses a range of tools to monitor and control liquidity risk exposures, including intra-day cash position, liquidity mismatch gap, concentration of deposit, availability of funding, stress testing and reverse stress testing.

RISK MANAGEMENT COMMITTEE

The Group has in place a Liquidity Contingency Funding Plan (LCFP) formulated to provide a systematic approach in addressing potential liquidity crisis or funding disruption affecting its liquidity soundness and financial solvency. The LCFP comprises strategies, decision-making authorities, communication channels and processes as well as courses of action for management to make prompt decisions. The plan is reviewed and tested regularly to ensure its effectiveness and robustness in handling liquidity crisis events, and to meet its obligations in a timely manner and at a reasonable cost.

Strengthening Market Integrity, Enabling Inclusive Growth

Aligned with the Bank's 2025 theme, "Banking for All" (#UntukSEMUA), the Treasury Middle Office (TMOF) continues to play a pivotal role in ensuring that financial resilience, market integrity, and prudent risk-taking are not confined to internal safeguards alone but ultimately support inclusive and sustainable financial access for all stakeholders. In an increasingly complex and volatile market environment, TMOF serves as the independent control function that balances business growth with disciplined risk governance—ensuring that the Bank's treasury activities remain robust, transparent, and aligned with its broader developmental mandate.

Throughout the year, Risk Management has further strengthened its market risk management framework, with a focus on enhancing the quality, granularity, and forward-looking nature of risk analytics. The function continues to monitor key risk dimensions including interest rate risk, foreign exchange exposure, equity positions, and liquidity risk through integrated dashboards and near real-time reporting capabilities. This enables timely identification of emerging risk concentrations and supports proactive management actions, ensuring that financial resources are deployed responsibly and equitably.

Leveraging refined surveillance parameters and expanded keyword libraries, the Group has strengthened its ability to detect anomalous trading behaviors and potential misconduct risks. This initiative is aligned with regulatory expectations under Bank Negara Malaysia's Wholesale Market Conduct framework and underscores the Group's commitment to maintaining a fair, transparent, and inclusive financial marketplace.

TMOF remains steadfast in its role as a custodian of financial discipline and market integrity. By upholding rigorous risk management standards and fostering a culture of accountability, the function supports the Group's overarching mission of inclusive banking ensuring that growth is not only achieved but shared responsibly. As we move forward, TMOF will continue to enhance its capabilities, embracing innovation while maintaining prudent oversight, to support the Group's vision of delivering sustainable value.

Comprehensive and Robust Operational Risk Management in Support of "Banking for All"

Operational Risk (OR) remains committed to strengthening the operational risk management framework in support of the "Banking for All" initiative through robust governance, proactive risk monitoring, and the continuous promotion of risk awareness and culture across the Group. This commitment is reinforced through the implementation of Risk Control Self-Assessment (RCSA), Key Risk Indicator (KRI) monitoring, Loss Event Data (LED) management, as well as ongoing training and awareness programme.

In 2025, the RCSA continued to strengthen risk identification and supported Business Units in providing effective recommendations to mitigate emerging risks and prevent the recurrence of incidents, including Shariah non-compliance (SNC) risks. Additionally, focus group engagements with Risk Agents during the RCSA validation has facilitated the identification of new and emerging risks, including risk related third-party service provider and employment practices and workplace safety.

The Post Monitoring Operational Risk Function (PMORF) has also been further strengthened within Operational Risk in supporting early detection and conducting preliminary assessments of potential incidents from various sources across the Group, while also promoting awareness among Business Units on proper incident reporting procedures and ensuring submissions are made within the stipulated timelines. Additionally, the introduction of PMORF has enhanced the timeliness and quality of incident reporting and updates, further reinforcing risk accountability and ownership across the Group.

CORPORATE GOVERNANCE

RISK MANAGEMENT COMMITTEE

In 2025, Operational Risk continued to monitor operational risk exposures by ensuring that KRIs remained within established threshold limits. The KRI monitoring was further strengthened through the development of a new KRI to capture operational risk exposures arising from IT disruption incidents, including tracking instances of critical service downtime.

To further instil risk culture and awareness within the First Line of Defense, Operational Risk continued to conduct several Operational Risk Awareness training sessions across all branches and head office. These initiatives included Operational Risk Reporting (ORR) Awareness sessions, the Branch Development Programme, and RCSA focus group engagements with Risk Agent. With the strengthened implementation of the operational risk management framework, Operational Risk has been able to manage risk profiles across all Business Units more effectively, reducing the recurrence of operational risk incidents in 2025 while ensuring that overall risk exposure remains within the acceptable thresholds of Operational Risk Management Action Trigger (MAT).

CORPORATE GOVERNANCE

STATEMENT OF INTERNAL CONTROL

RESPONSIBILITY

In line with BNM's Policy Document on Corporate Governance, the Board acknowledges its responsibility to oversee the implementation of the Bank's internal control framework. In fulfilling its fiduciary obligation, the Board is aware that it is imperative that the right tone is set at the top and the Board has consistently emphasised that control responsibilities must be taken seriously.

Apart from ensuring the establishment of a sound internal control system, an essential part of the Board's responsibilities include reviewing the effectiveness and appropriateness of the internal control framework in light of material changes to the size, nature and complexity of the Bank's operations. In order to form its view on the effectiveness of the internal control system, the Board would obtain the necessary assurance from the Management that appropriate policies have been implemented and that the controls in place are adequate and functioning effectively.

While the 'tone at the top' is set by the Board, it is the role of Management to implement the established policies and procedures. The Management is also responsible in identifying and evaluating the risks faced by the Bank and subsequently to design, operate and monitor an appropriate system of internal control.

In view of the inherent limitations in any risk management and internal control system, the Board takes cognisance that such a system can only provide reasonable, rather than absolute assurance to realise the Bank's objectives and against any material financial misstatement, fraud or losses.

KEY INTERNAL CONTROL SYSTEM

The key elements of the internal control system established by the Board that provides effective governance and oversight of internal controls include, amongst others, the following:

- **Organisation Structure**

  The Board has established an organisation structure with clearly defined lines of responsibility, authority limits and accountabilities, aligned with business and operations requirements to support the maintenance of a strong control environment. In order to fulfil its responsibilities effectively, the Board has delegated authority to various Board committees such as the Board Audit and Examination Committee, Board Risk Committee, Board Nomination and Remuneration Committee, Board Procurement Committee (formerly known as Board Tender Committee), Board Financing and Investment Committee and Board IT Committee to oversee specific responsibilities based on the approved terms of reference. Any change to the terms of reference for any Board committee requires the Board's approval. As a full-fledged Islamic financial institution incorporated in Malaysia, Bank Rakyat has also established a Shariah Committee to ensure that all activities, products, transactions, operations and zakat management of Bank Rakyat and all of its subsidiaries are Shariah compliant at all times.

- **Oversight by Audit and Examination Committee**

  The Audit and Examination Committee ("AEC"), comprising solely independent non-executive directors, is established by the Board to support its governance and oversight responsibilities. The AEC provides independent assurance to the Board that risk management, internal control systems, and governance processes are operating effectively through its oversight of the Internal Audit ("IA") function. It actively monitors the work and performance of IA, meeting periodically to review key audit reports, including those on internal controls, risk management, statutory compliance, and governance practices.

  The AEC ensures that Management takes timely and appropriate corrective actions to address control weaknesses, non-compliance with laws and regulatory requirements, policy breaches, and other issues identified by IA and other control functions.

CORPORATE GOVERNANCE

STATEMENT OF INTERNAL CONTROL

- **Management Committees**

  Various Management Committees (Executive-level) are established by the Management to assist and support the various Board Committees to oversee the core areas of business operations. These Committees include the Management Committee (MANCO), Management Risk Committee, Asset and Liability Committee, Management Procurement Committee, Digital Information Technology Steering Committee, Financing Committee A, Management Audit, Fraud and Integrity Committee, Financing Recovery Committee, Strategic Asset Committee, Share Approval Committee, Crisis Management Team, Liquidity Management Committee and Human Resource Management Committee.

- **Annual Business Plan and Budget**

  The Board deliberates and approves the annual business plan and budget for the year which are developed in line with the Bank's strategic objectives. The performance achievements are reviewed periodically against the targeted results, allowing time for the appropriate responses and required remedial actions to be taken.

- **Second Line of Defence Functions**

  The second line of defense assists the Bank to ensure business and operations in accordance with applicable laws, guidelines and rules issued by regulators by providing guidance and oversight to the first line of defense.

- **Risk Management Sector**

  Risk Management Sector performs independent assessment and monitoring of risk-taking activities and ensures the risk profile and policies remains accommodative for business growth without transgressing the Bank's Risk Appetite Statement.

  In promoting sound implementation of risk management, the Bank has established relevant frameworks and policies in managing the risk-taking activities, for example, Group Risk Management Framework and dedicated policy for each type of risk. Risk Management remains committed to upholding the highest standards of corporate governance and risk management practices to safeguard the interest of our stakeholders as well as to uphold the trust and confidence in our operations.

  The framework and policies have been established in tandem with the relevant regulatory requirements issued by BNM.

- **Compliance**

  Compliance is committed to upholding good governance principles and regulatory requirements by ensuring the Bank operates with comprehensive integrity and adheres to applicable laws, regulations and internal policies. Compliance provides oversight, coordination and compliance practices towards regulatory requirements, inclusive of Shariah and AML/CFT.

  These objectives are achieved through periodic reviews and monitoring to assess the overall effectiveness of the Bank's compliance practices. This commitment is demonstrated by the establishment and strengthening of policies and controls to prevent, detect, and monitor non-compliance events, while ensuring that the Bank's responsibilities to stakeholders and its business objectives are met. Additionally, Compliance actively engages in inculcating compliance culture through continuous awareness programmes for employees.

- **Corporate Integrity (CI) Function**

  CI is established and reports directly to the Board of Directors (BOD).

  Corporate Integrity governs the Anti-Bribery and Corruption objectives, strategies and control measures via implementation of four (4) core functions namely:

  - Integrity Governance
  - Integrity Enhancement
  - Integrity Detection and Verification
  - Integrity Complaint Management

  In addition, CI promotes and embrace Zero Tolerance towards Bribery and Corruption through awareness among stakeholders having business relationship with Bank Rakyat as well as recommendation of value added proposition in the fulfillment of the business partner role.

  CI also provide consultancy and advisory to the Board of Directors and Management in meeting ISO:37001 Anti-Bribery Management Systems (ABMS) standard.

- **Internal Audit Function**

  The Internal Audit Sector ("IAS"), as the Bank's third line of defence, operates as an independent assurance and consulting function dedicated to adding value and enhancing Bank Rakyat's operations. Guided by a systematic and disciplined approach, IAS evaluates and strengthens the effectiveness of governance, risk management, and internal control. The function is led by the Group Chief Internal Audit, who reports functionally to the AEC and administratively to the Group Chief Executive Officer. IAS activities are conducted in accordance with regulatory requirements, the Bank's Code of Ethics, and established professional standards.

  Note: More detailed description of IAS's function is highlighted in the Audit and Examination Committee Report.

- **Policies and Procedures**

  The Bank established a set clearly defined policies, guidelines and procedures to ensure compliance with internal controls and the prescribed laws and regulations. These policies, guidelines and procedures will be updated from time to time to cater any changes in the business environment or regulatory guidelines. These documents are published and accessible by all employees in the Bank's portal.

- **Code of Business Conducts and Ethics**

  This Code sets the values and minimum standards for ethical business conduct aimed to inculcate ethical behaviour among the Bank's employees. The Code complies with the laws of Malaysia as well as all internal policies and procedures of the Bank. All employees of the Bank are expected to perform business activities and represent the Bank with the highest ethical, legal and professional standards.

CORPORATE GOVERNANCE

STATEMENT OF INTERNAL CONTROL

- **Retail Compliance and Governance**

  Bank Rakyat handles large volumes of customer transactions and applications across various channels. As such, the Bank faces compliance and governance risks in many forms across its banking products and services, channels and digital platforms. Establishing effective lines of defence against various risks and challenges, while at the same time integrating Environmental, Social and Governance (ESG) factors, is essential for building Bank Rakyat's robust resilience.

  As an independent line of defence, Retail Compliance and Governance (RCG) is tasked to assist the first line of defence in promoting and instilling compliance culture at all times. This includes inculcating a strong compliance culture while managing supervisory highlights under Retail Banking sector operations, as well as preventing and mitigating the risk of non-compliance within branch operations.

  Branch Compliance and Governance (BCG), a division under RCG will assists the first line of defence in monitoring, advising, reviewing, and ensuring that branch operations are conducted within the stipulated policies, procedures, regulations and applicable laws.

  The role of BCG is also essential in strengthening end-to-end internal processes through the Embedded Risk Function (ERF) to ensure comprehensive management of operational risk at the business level, thereby maximising the Bank's performance with minimal unexpected operational setbacks.

  BCG Officers (BCGO) are assigned to every region and entrusted to perform oversight reviews on branches to ensure adherence to all internal controls, policies and procedures, and work processes. The BCGO shall also have independent oversight of day-to-day functions involving compliance with internal policies and procedures, while minimising potential Regulatory, Laws, Audit, Compliance and Shariah findings.

SHARIAH COMMITTEE TERMS OF REFERENCE

1.0 INTRODUCTION

Establishment of Shariah Committee of Bank Rakyat is a requirement by Bank Negara Malaysia ("BNM") pursuant to the Development Financial Act 2002 ("DFIA 2002"), (read together with the Islamic Financial Services Act 2013 ("IFSA 2013")) and Suruhanjaya Koperasi Malaysia ("SKM") pursuant to Section 5 of GP28 Garis Panduan Tadbir Urus Syariah. The purpose is to ensure all activities, products, transactions, operations and zakat management of Bank Rakyat and all of its subsidiaries are Shariah compliant at all times as a full-fledged Islamic financial institution incorporated in Malaysia.

2.0 REPORTING LINE

2.1 The Shariah Committee shall report directly to the Board of Directors ("Board") and shall be recognised as an independent committee.

3.0 FORMATION/COMPOSITION OF SHARIAH COMMITTEE

3.1 Board shall ensure that Shariah Committee must be of a sufficient size that:

a) reflects the business needs of the Bank or the financial group; and

b) enables a conducive environment for sound deliberation of Shariah matters.

3.2 The Bank must ensure that:

a) majority of its Shariah Committee members are Shariah qualified persons with at least bachelor's degree in Shariah, which includes study in usul fiqh or fiqh muamalat from a recognised university.

b) the chairman of the Shariah Committee must be a Shariah qualified person.

3.3 The appointment of the Shariah Committee members must obtain prior written approval from BNM and Board upon recommendation by the Nomination Committee.

3.4 The Shariah Committee may comprise experts with diverse qualification, experience and knowledge to support the depth and breadth of the Shariah deliberations.

3.5 The Shariah Committee shall comprise of at least five (5) members as required by SGPD/BNM.

3.6 Majority members of Shariah Committee should be able to demonstrate strong proficiency and knowledge in written and verbal Arabic and have good understanding in Bahasa Malaysia and English.

3.7 The Shariah Committee member is not considered a Shariah Committee member and disallowed to perform the roles of Shariah Committee upon expiry of the appointment term until fresh approval is obtained from BNM.

4.0 APPOINTMENT, CESSATION AND DISQUALIFICATION

4.1 Subject to Section 33 G of DFIA (read together with Section 31 of IFSA), the Bank shall only appoint or reappoint a person to be its Shariah Committee member if the following are fulfilled:

a) the person is a Muslim individual.

b) the person has been assessed to have met the requirements specified in the policy document on "Fit and Proper Criteria" on a continuous basis; and

c) the person is either:

i. a Shariah qualified person; or

ii. an expert who possesses skills, knowledge, and experience relevant to support the roles and responsibilities of the Shariah Committee.

In determining whether a person possesses the requisite Shariah qualifications, the Shariah Committee shall ensure that the following criteria are duly satisfied:

a) Holds, at minimum, a bachelor's degree in Shariah, which includes study in Usul Fiqh (principles of Islamic jurisprudence) or Fiqh Muamalat (Islamic transaction/commercial law);

b) Possesses solid knowledge in Shariah with reasonable Islamic finance knowledge and experience of the relevant industry; and

c) Demonstrates strong proficiency and knowledge in written and verbal Arabic, with good command in the preferred language of the Bank, either Bahasa Malaysia or English language.

4.2 Pursuant to Section 33 I of DFIA (read together with Section 33 (1) (c) of IFSA), a person is disqualified from being appointed or reappointed, accepting any appointment or reappointment or holding office as a Shariah Committee member of the bank if:

a) he is an undischarged bankrupt, has suspended payments or has compounded by his creditors whether in or outside Malaysia;

b) a charge for criminal offence relating to dishonesty or fraud under any written law or the law of any country, territory or place outside Malaysia, has been proven against him; or

c) under any law relating to prevention of crime, drug trafficking or immigration:

i. an order for detention, supervision or deportation has been made against him; or

ii. any forms of restriction or supervision by bond or otherwise, has been imposed on him.

Where any criminal proceeding is pending in any court for any offence referred to in paragraph 4.2 (b) against a Shariah Committee member of the bank, such person shall not:

a) act in such capacity, hold any other office or act in any other capacity, in the bank; or

b) be concerned with, take part or engage in, any manner, whether directly or indirectly, in any activity, affairs or business of, or in relation to, the bank.

Except as may be permitted by the Board subject to such conditions as may be specified by the bank.

For the purpose of this paragraph, "criminal proceedings" shall be deemed to be pending from the date that the accused person is first charged in court for the offence until the date of the final conclusion of the proceedings, whether in the court of original jurisdiction or, in the event of any appeal by any party, in the court of final appellate jurisdiction.

4.3 Shariah Committee member or his immediate family member must not:

a) be an executive of the bank during the tenure of his appointment or within the last two (2) years of his proposed appointment as a Shariah Committee member;

b) be a substantial shareholder, executive director or senior management* of the bank or any of its affiliates; or

c) have a significant business or other contractual relationship with the bank or any of its affiliates within the last two (2) years.

"Senior Management" refers to the GCEO and senior officers of the bank;

"Senior Officers" refer to a person, other than the Group Chief Executive Officer (GCEO) or a director, having authority and responsibility for planning, directing or controlling the activities of an authorised person or a financial holding company including the Chief Operations Officer, members of decision-making committees and other persons performing key functions such as Risk Management, Compliance, Internal Audit or other functions as may be specified by the Bank under section 57 of the IFSA, but shall not include a member of a Shariah Committee.

4.4 Shariah Committee member must not serve the bank for more than nine (9) years.

4.5 Shariah Committee member must not have competing time commitments that may impair his ability to discharge his duties effectively. In respect of multiple appointments, a Shariah Committee member is required to manage his commitments effectively, observe professional objectivity and confidentiality in carrying out his duties.

4.6 Shariah Committee member must not accept any appointment in more than one licensed Islamic bank, one licensed takaful operator and one prescribed institution.

4.7 Shariah Committee member must not be an active politician.

4.8 Shariah Committee member must immediately disclose to the Board any circumstances that may affect his ability to meet the minimum requirements under paragraph's 4.1 to 4.7.

4.9 The Board must establish and regularly review succession plans for the Shariah Committee members. Such process must involve assessment of candidates against the minimum requirements set out in paragraphs 4.1 to 4.7.

4.10 The Board must establish a rigorous process for the appointment, reappointment and cessation of Shariah Committee members. Such process must involve assessment of candidates against the minimum requirements set out in paragraphs 4.1 to 4.7.

4.11 Secretariat of Shariah Committee must submit an application in writing to the BNM and SKM for the purpose of appointment and reappointment of Shariah Committee members and chairman of the Shariah Committee at least three (3) months before it expects a proposed candidate to assume his responsibilities. In the case of reappointment, the application must be submitted three (3) months prior to the expiry of the Shariah Committee member's tenure. All applications must be submitted to the BNM using the form provided in the FI@KijangNet portal, and to SKM using the forms specified in *Lampiran 1 of GP28: Garis Panduan Tadbir Urus Syariah.*

4.12 The Bank must not make an application to the BNM to appoint or reappoint a Shariah Committee member or chairman of the Shariah Committee unless the Bank is fully satisfied, based on its objective assessment, that the candidate meets the minimum requirements set out in paragraphs 4.1 to 4.7, can perform his expected roles and responsibilities and will be able to meaningfully contribute to the Shariah Committee.

4.13 For the purpose of the application for reappointment and termination of the Shariah Committee members and chairman of the Shariah Committee, Secretariat of Shariah Committee must provide justifications for the application, as well as assessment on the performance of such member to the BNM.

4.14 A Shariah Committee member whose tenure has expired and is being proposed for reappointment must immediately cease to hold office and act in such capacity, including by participating in any Shariah Committee meetings or holding himself out as a Shariah Committee member of the Bank.

4.15 Where a Shariah Committee member resigns or is disqualified, sections 33 I (2) (a) and 33 J (1) of DFIA (read together with Sections 33 (2) (a) and 34 (1) of IFSA) impose obligations on the Bank and the Shariah Committee member to notify the BNM of that fact and its reason immediately or in any cases no later than fourteen (14) days of such circumstance. The same obligation shall be communicated to SKM by the Bank.

4.16 Section 33 I (3) of DFIA (read together with Section 33 (3) of IFSA) imposes an obligation on the Bank to obtain the prior written approval of the BNM before the Bank terminates a Shariah Committee member.

5.0 ROLES AND RESPONSIBILITIES OF SHARIAH COMMITTEE

In line with the Shariah Governance Policy Document issued by Bank Negara Malaysia (BNM), the Shariah Committee during the discharge of its duties shall:

5.1 Responsible and accountable to provide objective and sound Shariah decisions, views and opinions issued on Shariah matters to ensure the operations, business, affairs and activities of the Bank are in compliance with Shariah.

5.2 Advice, provide input and necessary assistance on Shariah matters to Board, Bank's stakeholders and parties associated with Bank's business operations and activities including the activities of its subsidiary and cooperatives regulated by *Suruhanjaya Koperasi Malaysia* (SKM) which consult or refer to the Bank on case-by-case basis to ensure compliance with Shariah requirements at all time.

5.3 To adopt the Shariah standards and resolutions of Shariah Advisory Council of Bank Negara Malaysia (SAC/BNM) and Shariah Advisory Council of Securities Commission (SAC/SC) upon publishment in deriving Shariah decisions and to highlight to Senior Management and Board in the event Shariah Committee invokes its right to adopt stringent decisions as permissible by BNM.

5.4 Providing a decision or advice on the operations, business, affairs and activities of the Bank which may trigger a Shariah non-compliance event.

5.5 Deliberate, validate, and endorse all matters related to Shariah Non-Compliance (SNC) event, rectification measures and purification process including the list of beneficiaries of tainted income for further reporting to Board.

5.6 Endorse and approve works which include Shariah research, *takyif fiqhi* (adaptation of Shariah ruling), report and finding carried out by all Shariah functions inclusive of Shariah Secretariat & Advisory, Shariah Review, Shariah Risk, and Shariah Audit in order to ensure Shariah compliance.

5.7 Approve and provide written confirmation on Shariah compliance of Bank's product proposal based on proper support of *takyif fiqhi* and confirmation whereby no contradiction against SAC/BNM ruling is identified in the product proposal for the purpose of new product approval submission to BNM.

5.8 Endorse and approve all frameworks, policies, procedures and any other applicable documents relating to Shariah and ensure the contents do not contain any elements which are not in line with Shariah.

5.9 Endorse and validate all relevant documentations relating to products, business and operations including, but not limited to, legal documents, product policies and procedures, product manual and marketing collaterals to ensure compliance with Shariah requirements with exception to certain specific tasks empowered to a specific internal Shariah function by recorded decision of Shariah Committee in consensus.

5.10 Accountable for the quality, accuracy and soundness of its own decision or advice.

5.11 Where the Shariah Committee has reason to believe that any Shariah issues or matter may affect the safety and soundness of the Bank, the Shariah Committee must immediately update the Board on such matter.

5.12 In cases where the SAC/BNM has not made any rulings on a particular matter or the Shariah Committee is not able to arrive at a decision or advice, including but not limited to the event of hardship if there are no preceding rulings that call for the application of *Hajah* and *Darurah*, the bank shall refer to the SAC/BNM for a ruling in accordance with *Manual Rujukan Institusi Kewangan Islam kepada Majlis Penasihat Syariah*. Any requests for a ruling or advice shall be communicated through the Secretariat of the SAC/BNM as described in paragraph 10.6 of the Shariah Governance Policy Document.

5.13 In the event where the Shariah Committee decides or advises to place additional restrictions on the operations, business, affairs and activities of the Bank in applying the SAC/BNM rulings, the Bank must:

a) document the deliberations and justifications of the Shariah Committee decision or advice;

b) ascertain the Board's views on the decision or advice made by the Shariah Committee with regards to the SAC/BNM ruling; and

c) ensure immediate notification to the BNM of such decision or advice.

5.14 Secretariat of Shariah Committee shall ensure that any records of Shariah Committee's decision or advice to be submitted to the BNM, including a rectification plan to address a Shariah non-compliance event is supported with key deliberations, rationale and any significant concerns or dissenting views to the decision or advice.

5.15 In the event that the Shariah Committee delegates any of its responsibilities to any persons or functions:

a) Secretariat of Shariah Committee must ensure that the mandate, areas of delegated authority and operating procedures are set out clearly in the Shariah Committee's charter and bank's internal policies;

b) Secretariat of Shariah Committee must establish reporting arrangements to keep the Shariah Committee informed of the work, key deliberations and decisions on the delegated matters; and

c) The Shariah Committee must remain fully accountable for the decisions and any ensuing implications arising from the delegated responsibility.

CORPORATE GOVERNANCE

SHARIAH COMMITTEE
TERMS OF REFERENCE

5.16 Advice the Bank on the calculation, allocation and distribution of zakat and validate the list of zakat recipients' post-decision of JZPBA.

5.17 Abstain from making decision which is not in line with the ruling of SAC/BNM which may violate the Central Bank of Malaysia Act 2009.

5.18 Retreat of Shariah decision issued by Shariah Committee in the event of issuance of new and/or revised Shariah resolutions and decisions made by SAC/BNM and SAC/SC.

5.19 Harmonise the conflict between Shariah and legal approaches to gradually lead Bank's practices towards the best globally accepted Shariah practices.

5.20 Inform BNM on SNC activities in the event they are not effectively or adequately addressed, or no rectification measures are made by the Bank.

5.21 Regularly inform the Board on relevant Shariah matters.

5.22 Disclose sufficient information relating to Shariah as required by BNM in the Annual Shariah Committee Report which is embedded in Bank's annual report and endorse the annual report prior to publishment.

5.23 Act as Shariah spokesperson to respond on Shariah related inquiries during Bank's annual general meeting or any public events which involve Bank Rakyat.

5.24 Observe the principle of confidentiality in relation to the Bank's business, operations and affairs at all times whereby all information obtained shall not be used in the manner that could be detrimental to Bank Rakyat.

5.25 Other responsibilities being assigned by Board from time to time or any Shariah matters that require Shariah Committee's immediate attention.

5.26 Exercise objectivity in his judgments, free from association or circumstances that may impair the exercise of Shariah Committee's professional objectivity and ensure his judgment is not affected by other professional commitments in arriving a Shariah decision or advice.

5.27 Devote sufficient time to prepare for and attend Shariah Committee meetings.

5.28 Ensure consistency in providing his views and must not act in a manner that would undermine the rulings of the SAC/BNM or any decisions of the Shariah Committee that they represent.

5.29 Disclose the nature and extent of his interest that constitutes or gives rise to a conflict or potential conflict of interest upon the appointment, reappointment or as soon as there are any changes in his circumstances that may affect his status.

5.30 Continuously develop a reasonable understanding of the business and operations of the bank and keep abreast of relevant market and regulatory developments. The chairman of the Shariah Committee must lead efforts to manage the Shariah Committee's developmental plans.

5.31 In the occurrence of hardship, the Shariah Committee has the responsibility to provide objective and sound decisions or advice to the Business Unit on the application of *Hajah* type 2 and *Darurah*, including:

a) ensure that assessment of the proposed application of *Hajah* type 2 and *Darurah* by the Business Unit complies with the requirements as specified in the Bank's Parameter and Procedure of Hajah and Darurah;

b) ensure rigour in deliberating *Hajah* type 2 and *Darurah* application, highlight any significant concerns and dissenting views, and provide proper justifications for any decision or advice; and

c) satisfy that all possible efforts which have been demonstrated by the Business Unit prior to applying Hajah type 2 and Darurah could not address the particular hardship as described in the Parameter and Procedure of *Hajah* and *Darurah*.

6.0 SHARIAH COMMITTEE MEETING

6.1 The Chairman of the Shariah Committee, in leading the Shariah Committee is responsible for the effective functioning of the Shariah Committee. In fulfilling this role, the chairman of the Shariah Committee must:

a) ensure appropriate procedures are in place to govern the Shariah Committee's deliberations and proceedings;

b) act as a direct liaison between the Board and Shariah Committee to foster greater understanding between both organs;

c) ensure that Shariah decisions or advice are made on a sound and well-informed basis, including based on a robust decision-making methodology which ensures that all business, operations and risk implications are considered by the Shariah Committee.

d) encourage healthy discussion, participation and contribution, and ensure that dissenting views can be freely expressed and discussed; and

e) ensure sufficient records of the discussion leading to formulation of the Shariah Committee's decision or advice are maintained.

6.2 Shariah Committee meeting can be facilitated by means of video or telephone conference as an alternative.

6.3 Secretariat of Shariah Committee must provide the Shariah Committee with access to all information required and ensure that the information provided is timely, accurate, comprehensive and clear.

6.4 Secretariat of Shariah Committee shall facilitate the Shariah Committee with access to seek advice from third-party experts on any matters deliberated by the Shariah Committee as and when required, including when the Shariah Committee is unable to finalise its decision or has reasonable doubt on the robustness of *Hajah* type 2 and *Darurah* assessment performed by the Business Unit and the cost of such advice shall be borne by the bank subject to the approval of the relevant authority.

6.5 In relation to paragraphs 6.3 and 6.4, any party with the knowledge or awareness of a Shariah Committee's access to any relevant information or request for third party expert advice being declined, denied or withheld by any officers or employees of the bank, the Shariah Committee must inform the Board of the situation. The Board shall take appropriate action to rectify the situation.

6.6 For avoidance of doubt, reference to "any party" in this paragraph shall include a Shariah Committee member.

CORPORATE GOVERNANCE

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6.7 While the Board or Senior Management may provide useful insights on any business, technical or operational matters discussed during a Shariah Committee meeting, the Board and Senior Management must not exercise undue influence that could hinder the Shariah Committee in exercising objective judgment in its deliberations and decision-making.

6.8 Following paragraph 5.31, the Shariah Committee shall ensure the deliberations, considerations, and justifications with regard to the advice or decision on the application of Hajah Type 2 and Darurah are accurately and comprehensively documented in the minutes of the meetings, including significant concerns and dissenting views by the members, and also the assessment on the proposed applications following the Bank's Parameter and Procedure of Hajah and Darurah.

6.9 Group Chief Executive Officer (GCEO), Group Chief Risk Officer (GCRO), Group Chief Internal Audit (GCIA), Group Chief Compliance Officer (GCCO) and other members of Senior Management may be invited on per meeting invitation basis to provide explanation to Shariah Committee on matters arising and/or papers presented.

6.10 Bank Rakyat shall ensure potential Shariah non-compliance events must be tabled at Shariah Committee meeting within the regulatory timeline. Shariah Committee shall be called for ad-hoc/special meeting to ensure compliance with regulatory requirement on the confirmation of SNC events.

6.11 Shariah Committee must confirm on the potential SNC events presented as to whether it is SNC or non-SNC and endorse the rectification plan. This decision must be clearly reflected in the Shariah Committee's meeting and minutes.

7.0 SECRETARY AND SECRETARIAT TO SHARIAH COMMITTEE

7.1 Executive Vice President, Group Shariah who is qualified Shariah personnel shall be appointed by Shariah Committee as the Secretary to Shariah Committee. Secretary to Shariah Committee has no voting power in decision making by the Shariah Committee.

7.2 Secretary to Shariah Committee, or an alternate secretary appointed by the Secretary to Shariah Committee in his/her absence with apology, should attend all Shariah Committee meetings and should maintain accurate and adequate records of any action deliberated during the meetings. All records regarding Shariah Committee meeting shall be reviewed by the Secretary prior to escalation.

7.3 The function of Shariah Secretariat to Shariah Committee is assigned to Shariah Committee Secretariat under the Shariah Secretariat and Advisory Department.

7.4 The Secretariat of Shariah Committee has the responsibility to provide operational support for the effective functioning of the Shariah Committee, which includes:

a) coordinating communications and disseminating information among the Shariah Committee, the Board, and Senior Management;

b) performing in-depth research and studies on Shariah issues;

c) providing day-to-day advice to relevant parties within the Bank on Shariah matters based on the SAC's rulings and the Shariah Committee's decisions or advice;

d) ensuring proper dissemination of decisions or advice of the Shariah Committee within the Bank; and

e) undertaking administrative and secretarial functions to support the Shariah Committee.

7.5 Secretariat of Shariah Committee must give the Shariah Committee adequate time to deliberate all Shariah matters. In this regard, the secretariat has the responsibility to plan and coordinate Shariah Committee meetings in a manner that promotes sound decision-making by the Board of Shariah Committee.

7.6 Secretariat of Shariah Committee must ensure that attendance of members at a Shariah Committee meeting, by way other than physical presence, remains the exception rather than the norm, and is subject to appropriate safeguards to preserve confidentiality of the deliberations.

7.7 Secretariat of Shariah Committee shall ensure that any decision of the Shariah Committee must be made at least on the basis of simple majority.

7.8 In pursuant to paragraph 7.7, the Secretariat of Shariah Committee shall ensure that the views of the Shariah Committee members who are not in attendance are obtained in writing.

7.9 The Bank shall ensure that all Shariah Committee members shall deliberate the proposed application of *Hajah* type 2 and *Darurah* and must ascertain views and insights on such matters, except under exceptional circumstances.

8.0 FREQUENCY OF SHARIAH COMMITTEE MEETING

8.1 The Shariah Committee meeting shall be held at minimum, at least once in every two (2) months.

9.0 NOTICE OF MEETING

9.1 The notice for each meeting confirming the venue, date and time together with the agenda of the meetings shall be forwarded to each member of the Shariah Committee at least five (5) days prior to the date of the meeting.

10.0 QUORUM FOR MEETING

10.1 Minimum quorum for Shariah Committee meetings shall be 2/3 with majority attending are Shariah qualified members to be present at each meeting.

The definition of Shariah Qualified person is as follows:

a) Holds, at minimum, a bachelor's degree in Shariah, which includes study in Usul Fiqh (principles of Islamic jurisprudence) or Fiqh Muamalat (Islamic transaction/commercial law);

b) Possesses solid knowledge in Shariah with reasonable Islamic finance knowledge and experience of the relevant industry; and

c) Demonstrates strong proficiency and knowledge in written and verbal Arabic, with good command in the preferred language of the Bank, either Bahasa Malaysia or English language.

10.2 In the event Chairman of Shariah Committee is unable to attend the Shariah Committee meeting, the members shall elect one (1) member among themselves to become the alternate Chairman with qualified Shariah background to preside over the meeting.

10.3 Any member who participates in the meeting via tele-conferencing device shall be counted for the purpose of determining a quorum.

11.0 ATTENDANCE

11.1 The Shariah Committee members must attend at least 75% of the Shariah Committee meetings held in each financial year, except with reasonable excuse, at official venue in Bank Rakyat's headquarters or other venue determined by Shariah Secretariat to the Shariah Committee in or outside Malaysia. The Shariah Committee must not appoint another person to attend or participate in Shariah Committee meetings on his behalf.

12.0 DECISION OF MEETING

12.1 Any decisions during the Shariah Committee meeting shall be made on the basis of simple majority. Majority of the 2/3 votes shall come from Shariah qualified members.

12.2 If a matter to be brought before the Shariah Committee gives rise to a conflict of interest to any Shariah Committee members, the Shariah Committee must excuse himself from the discussion and abstain from voting on that particular matter.

12.3 Any dissenting view by member of Shariah Committee shall be properly recorded with justification and he/she reserves the right to abstain from voting in decision making.

12.4 In reaching to the decision on matters referred to the Shariah Committee, the Shariah Committee must always observe the methodology of Shariah decision making process as detailed out in **Part I Shariah Decision, Shariah Governance Framework of Bank Rakyat**.

13.0 CIRCULAR RESOLUTION

13.1 Decision by the Shariah Committee may be made via circular resolution where the mode of communication can be via telephone, email, mobile meeting apps, facsimile etc.

13.2 Decisions made via circular resolutions are deemed effective after being executed by two-third (2/3) of the members with majority of the votes shall be members with qualified Shariah background.

13.3 All decisions made via circular resolution shall be presented at the subsequent Shariah Committee meeting for notification.

14.0 MINUTES OF MEETING

14.1 Secretariat of Shariah Committee shall ensure that clear and accurate minutes of Shariah Committee meetings are maintained to record the decisions or advice of the Shariah Committee, including the key deliberations, rationale for each decision or advice made, and any significant concerns and dissenting views.

14.2 All Shariah decisions made by the Shariah Committee must be documented in the form of meeting minutes or resolution by circulation including views and opinions from all of the Shariah Committee members.

14.3 The Shariah decisions should be written precisely, concisely and free from any confusing details that may lead to blights and preachy expressions that have nothing to do with serving the purpose.

14.4 Any dissenting views by the Shariah Committee members shall be clearly recorded in the meeting minutes.

14.5 The meeting minutes shall be signed by all Shariah Committee members attended the meeting while the resolution by circulation is valid upon signing by at least 2/3 of the Shariah Committee members.

14.6 Shariah Committee Secretariat is responsible and accountable for management of documentations relating to Shariah decision issued by the Shariah Committee.

14.7 Formal decision of Shariah Committee shall be submitted to Senior Management and Board at least on quarterly basis for notification and circulation to respective division / department shall be done on post-meeting basis upon review by the Secretary of Shariah Committee and validation by the Chairman of Shariah Committee.

15.0 DELEGATION OF AUTHORITY

15.1 The Shariah Committee may be delegated any of its responsibilities to Shariah functions or related Business Units to expedite the approval process base on case-to-case basis. The detail of delegation of authority from the Shariah Committee to Shariah functions or related Business Units can be referred to Shariah Secretariat & Advisory's Department Manual.

15.2 The Shariah Committee must remain fully accountable for the decisions and any ensuing implications arising from the delegated responsibility.

16.0 REPRESENTATIVE OF BOARD OF DIRECTORS' MEETING

16.1 In relation to paragraph 12.10, Shariah Governance Policy Document issued by BNM, one (1) of Shariah Committee members may be appointed as Board member to serve as a bridge between Shariah Committee and Board in matters pertaining to Shariah and expected to foster closer integration of Shariah governance consideration within the business and risk strategy of the bank.

16.2 The Shariah Committee may appoint a permanent representative while another one (1) as an alternate representative in the event the permanent representative is unavailable to attend the meeting.

16.3 The appointed Shariah Committee as Board member or the Shariah Committee representative shall provide advice on Shariah related matters only without intervening into other than the coverage of roles and responsibilities of the Shariah Committee.

16.4 Seating fee paid to the appointed Shariah Committee as Board member or the Shariah Committee representative who attends the meeting is subjected to Board's approval and/or review from time to time upon recommendation by the Remuneration Committee.

17.0 ADVISOR TO JAWATANKUASA ZAKAT PERNIAGAAN BANK RAKYAT DI BAWAH ASNAF

17.1 Two (2) of the Shariah Committee members are appointed as an advisor to JZPBA to ensure the management of zakat is compliant with Shariah.

17.2 JZPBA meeting can only be conducted with the present of at least one (1) of the appointed advisors.

17.3 The Shariah Committee representative or zakat advisors shall provide advice on zakat matters which cover the zakat calculation, allocation, distribution, issue of had kifayah (sufficient amount) and asnaf qualification related matters to be in line with Shariah principles and requirements.

17.4 Seating fee paid to the advisors is subjected to Board's approval and/or review from time to time upon recommendation by the Remuneration Committee.

CORPORATE GOVERNANCE
SHARIAH COMMITTEE TERMS OF REFERENCE

18.0 SHARIAH COMMITTEE'S ANNUAL REPORT

18.1 The Shariah Committee's Annual Report shall disclose:

a) responsibilities of the Shariah Committee relating to Shariah governance; and

b) opinion on the state of the bank's compliance with Shariah.

18.2 Shariah Committee is required to report all approved and launched products for the year, disclose sufficient information relating to Shariah, which is embedded in Bank Rakyat's annual report, confirm the management of Zakat is compliant to Shariah and endorse the annual report prior to publishment.

18.3 The Shariah Committee's Annual Report must also address all information required by BNM.

18.4 Secretariat of Shariah Committee shall disclose the number of Shariah Committee and the attendance of every Shariah Committee member in the bank's annual report.

18.5 Shariah Committee shall not disclose any information in the bank's annual report, which is false, misleading, inaccurate or incomplete.

18.6 The Shariah Committee's opinion on the state of the bank compliance with Shariah shall be expressed as follows:

a) nothing has come to the Shariah Committee's attention that causes the Shariah Committee to believe that the operations, business, affairs and activities of the bank involve any material Shariah non-compliances; or

b) the overall operations, business, affairs and activities of the bank are in compliance with Shariah but it has come to the Shariah Committee's attention that a material Shariah non-compliance event(s) has occurred and has been or in the process of being rectified.

18.7 The Shariah Committee's Annual Report must include the nature, status and measures undertaken to address the material Shariah non-compliance events reported.

18.8 The report shall be signed by all Shariah Committee members.

19.0 REMUNERATION OF SHARIAH COMMITTEE

19.1 Shariah Committee member is remunerated with fixed monthly allowance and seating allowance which are paid based on meeting attendance.

19.2 Seating allowance includes Shariah Committee meeting and all other meetings that require the Shariah Committee member to be present.

19.3 Whenever Shariah Committee member is invited to attend formal or informal bank's event, attending formal event on bank's behalf, invited as a trainer to bank's internal or external programme or any other event in the name of Bank Rakyat, the respective Shariah Committee member is entitled to a fixed allowance and mileage claim.

19.4 Upon reappointment of Shariah Committee member, an increment to the respective Shariah Committee member may be considered.

19.5 Remuneration amount is subjected to Board's approval and/or review from time to time upon recommendation by the Remuneration Committee and it shall be commensurate with the roles and responsibilities of the Shariah Committee member.

CORPORATE GOVERNANCE

SHARIAH COMMITTEE TERMS OF REFERENCE

20.0 ASSESSMENT OF SHARIAH COMMITTEE

20.1 The annual assessment of Shariah Committee is to ensure that the Shariah Committee meet the criteria of 'fit and proper' as outlined in the Shariah Governance Policy Document issued by BNM.

20.2 Assessment of each Shariah Committee members must be conducted at least once in a year. The assessment process may be prepared by the Secretariat of Shariah Committee based on the criteria required i.e. commitment and diligence, integrity and reputation, quality of input, interpersonal skills, knowledge and contribution of each Shariah Committee member to the overall functioning of the Shariah Committee.

20.3 The analysis of the Shariah Committee assessment methods will be considered by the Secretariat of Shariah Committee to produce the overall assessment of each Shariah Committee.

20.4 The assessment process and results are to be presented to the Nomination Committee for recommendation to the Board for approval.

20.5 Shariah Committee Secretariat shall keep all documents involve in the process for easy reference.

21.0 REVIEW OF TERMS OF REFERENCE

21.1 These Terms of Reference may be reviewed as and when is necessary.

CORPORATE GOVERNANCE

NOTICE OF ANNUAL GENERAL MEETING

Date : 13 April 2026

All Delegates of Bank Rakyat Individuals and Cooperative Society Members for the Year 2025 and 2026

NOTICE OF BANK RAKYAT ANNUAL GENERAL MEETING 2026

NOTICE IS HEREBY GIVEN THAT the Bank Rakyat Annual General Meeting 2026 will be held as follows:

Date : 9 May 2026 (Saturday)

Venue : Dewan Tun Abdul Razak
Level 2, Tower 1
Menara Kembar Bank Rakyat
No. 33, Jalan Rakyat, KL Sentral
50470 Kuala Lumpur.

Time : 10.30 a.m.

Registration Time : 8.00 a.m. - 10.00 a.m.

MEETING AGENDA

1. Confirmation of the minutes of the Annual General Meeting held on 10 May 2025;

2. To appoint a Committee consisting of six (6) delegates and four (4) members of the Board including the Chairman, to confirm the draft minutes of the Annual General Meeting;

3. To present the Audited Financial Statements for the year ended 31 December 2025, together with the Reports of the Directors, Auditor General and Observations of the Malaysia Cooperative Societies Commission; and

4. To deliberate on motions from members, received by the Board not less than seven (7) days before the date of Annual General Meeting (if available).

By Order of the Board

MOHAMAD KHAIRIL ABIDIN
Executive Vice President, Bank Secretary,
Legal and Members

Where
Futures Begin

Dedication to shaping the next generation by creating opportunities that inspire lifelong growth, confidence and success.

CERTIFICATE OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF
BANK KERJASAMA RAKYAT MALAYSIA BERHAD
FOR THE YEAR ENDED 31 DECEMBER 2025

Certificate on the Audit of the Financial Statements

Opinion

I have authorised a private audit firm pursuant to subsection 7(3) of the Audit Act 1957 [*Act 62*] to undertake an audit of the Financial Statements of the Bank Kerjasama Rakyat Malaysia Berhad. The financial statements comprise the Statements of Financial Position as at 31 December 2025 of the Group and of the Bank Kerjasama Rakyat Malaysia Berhad and the Statements of Profit or Loss and Other Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows of the Group and of the Bank Kerjasama Rakyat Malaysia Berhad for the year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 4 to 215.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Bank Kerjasama Rakyat Malaysia Berhad as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with the Malaysian Financial Reporting Standards (MFRS) and the Financial Reporting for Development Financial Institutions policy issued by Bank Negara Malaysia, Bank Kerjasama Rakyat Malaysia Berhad (Special Provisions) Act 1978 [*Act 202*], the Co-operative Societies Act 1993 [*Act 502*] and the Development Financial Institutions Act 2002 [*Act 618*] requirements.

Basis for Opinion

The audit was conducted in accordance with the Audit Act 1957 and the International Standards of Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my certificate. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Independence and Other Ethical Responsibilities

I am independent of the Group and of the Bank Kerjasama Rakyat Malaysia Berhad and I have fulfilled my other ethical responsibilities in accordance with the International Standards of Supreme Audit Institutions.

Information Other than the Financial Statements and Auditor's Certificate Thereon

The Board of Directors of the Bank Kerjasama Rakyat Malaysia Berhad is responsible for the other information in the Annual Report. My opinion on the Financial Statements of the Group and of the Bank Kerjasama Rakyat Malaysia Berhad does not cover the other information than the financial statements and Auditor's Certificate thereon and I do not express any form of assurance conclusion thereon.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of Financial Statements of the Group and of the Bank Kerjasama Rakyat Malaysia Berhad that give a true and fair view in accordance with the Malaysian Financial Reporting Standards (MFRS) and the Financial Reporting for Development Financial Institutions policy issued by Bank Negara Malaysia, Bank Kerjasama Rakyat Malaysia Berhad (Special Provisions) Act 1978 [*Act 202*], the Co-operative Societies Act 1993 [*Act 502*] and the Development Financial Institutions Act 2002 [*Act 618*] requirements. The Board of Directors is also responsible for such internal control as the Board of Directors determines is necessary to enable the preparation of the Financial Statements of the Group and of the Bank Kerjasama Rakyat Malaysia Berhad that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements of the Group and of the Bank Kerjasama Rakyat Malaysia Berhad, the Board of Directors is responsible for assessing the Group's and the Bank Kerjasama Rakyat Malaysia Berhad's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the Financial Statements of the Group and of the Bank Kerjasama Rakyat Malaysia Berhad as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards of Supreme Audit Institutions will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards of Supreme Audit Institutions, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

a. identify and assess the risks of material misstatement of the Financial Statements of the Group and of the Bank Kerjasama Rakyat Malaysia Berhad, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

b. obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Bank Kerjasama Rakyat Malaysia Berhad's internal control;

c. evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

d. conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Bank Kerjasama Rakyat Malaysia Berhad's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my Auditor's Certificate to the related disclosures in the Financial Statements of the Group and of the Bank Kerjasama Rakyat Malaysia Berhad or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of Auditor's Certificate. However, future events or conditions may cause the Group or the Bank Kerjasama Rakyat Malaysia Berhad to cease to continue as a going concern;

e. evaluate the overall presentation, structure and content of the Financial Statements of the Group and of the Bank Kerjasama Rakyat Malaysia Berhad, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

f. obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the Financial Statements of the Group. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

The Board of Directors has been informed regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I have identify during the audit.

I have also disclosed to the Board of Directors that I have complied with the ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on my independence, and if applicable, actions taken to eliminate threats or safeguards applied.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Financial Reporting for Development Financial Institutions policy issued by Bank Negara Malaysia, Bank Kerjasama Rakyat Malaysia Berhad (Special Provisions) Act 1978 [*Act 202*], the Co-operative Societies Act 1993 [*Act 502*] and the Development Financial Institutions Act 2002 [*Act 618*], I report that the subsidiaries, of which I have not acted as auditor, are disclosed in Note 15 to the financial statements.

Other Matters

Bank Kerjasama Rakyat Malaysia Berhad should take note of the following:

a. Enhance monitoring of system stability to ensure that the recurrence of system disruptions is prevented in the future, as such incidents can compromise data integrity and subsequently increase the risk of inaccuracies in the Financial Statements.

b. Bank Kerjasama Rakyat Malaysia Berhad has undertaken the closure of two subsidiary companies following the audit of the prior year's Financial Statements. However, the strategic direction for three other subsidiary companies, which are also inactive, has changed and remains unresolved. Furthermore, the reassessment of the status of a sub-subsidiary company has yet to be finalised, as recommended by Bank Negara Malaysia.

This certificate is made solely to the Board of Directors of the Bank Kerjasama Rakyat Malaysia Berhad in accordance with the Financial Reporting for Development Financial Institutions policy issued by Bank Negara Malaysia, Bank Kerjasama Rakyat Malaysia Berhad (Special Provisions) Act 1978 [*Act 202*], the Co-operative Societies Act 1993 [*Act 502*] and the Development Financial Institutions Act 2002 [*Act 618*] requirements, and for no other purpose. I do not assume responsibility to any other person for the content of this certificate.





(DATO' SERI WAN SURAYA WAN MOHD RADZI)
AUDITOR GENERAL
MALAYSIA

PUTRAJAYA
16 MARCH 2026

FINANCIAL STATEMENTS

STATEMENT BY DIRECTORS

We, **DATUK MOHD IRWAN MOHD MUBARAK** dan **TUNKU DATO' AHMAD BURHANUDDIN TUNKU DATUK SERI ADNAN**, being two of the Directors of Bank Kerjasama Rakyat Malaysia Berhad, do hereby state that:

(i) The financial statements of the Bank have been prepared in accordance with the provisions of Bank Kerjasama Rakyat Malaysia Berhad (Special Provisions) Act 1978 (Act 202), the Co-operative Societies Act 1993 (Act 502), Development Financial Institutions Act 2002 (Act 618), MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and in compliance with the principles of Shariah.

(ii) The financial statements of the subsidiaries of the Bank have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the provisions of the Companies Act, 2016 in Malaysia.

In the opinion of the Directors, the financial statements are drawn up so as to give true and fair view of state of affairs as at 31 December 2025 and of the results of the operations and cash flows for the year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.



DATUK MOHD IRWAN MOHD MUBARAK
Chairman



TUNKU DATO' AHMAD BURHANUDDIN TUNKU DATUK SERI ADNAN
Director

Kuala Lumpur
Date: 9 MAR 2026

ANNUAL REPORT OF THE SHARIAH COMMITTEE OF BANK RAKYAT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

In carrying out the roles and responsibilities of the Shariah Committee (SC) of Bank Rakyat, we hereby submit the following report on Shariah compliance of Bank Rakyat's and its subsidiaries' business activities and operations for the financial year ended 31 December 2025.

The Management of Bank Rakyat is responsible for ensuring Bank Rakyat and its subsidiaries conduct their business in accordance with Shariah principles and it is our responsibility to form an independent opinion based on our review of Bank Rakyat's and its subsidiaries' operations and to report to the Board of Directors of Bank Rakyat. We are responsible for assisting the Board of Directors in ensuring that the operations, business, affairs, and activities of the Bank and its subsidiaries are in compliance with Shariah at all times.

We have provided the Shariah advisory services on various aspects to the Bank and its subsidiaries in order to ensure compliance with applicable Shariah principles as well as the relevant resolutions and rulings made locally and globally by the Shariah Advisory Council of the regulatory bodies.

During the financial year ended 31 December 2025, the Shariah Committee convened twelve regular monthly (12) meetings, four (4) special meetings and approved two (2) Shariah resolutions via circulation to cater for urgent proposals and notifications. All Shariah Committee members have satisfied the attendance requirement under Bank Negara Malaysia's (BNM)'s Shariah Governance Policy Document (SGPD) and GP28 Garis Panduan Tadbir Urus Syariah issued by Suruhanjaya Koperasi Malaysia (SKM).

The Shariah Committee and the Board of Directors place strong and consistent emphasis on the effective implementation of Shariah governance, as well as its seamless integration with the highest standards of corporate governance practices. In this regard, one (1) official engagement session was convened between the Shariah Committee and the Board of Directors. In addition, two (2) joint in-house training sessions involving members of the Board of Directors and the Management Committee were conducted as part of the Bank's continuous engagement initiatives.

Shariah Committee Meetings were attended by a representative of the Board of Directors as a permanent invitee serving as a key communication link between Shariah Committee and the Board. This arrangement facilitates the timely communication of the Board's concerns and strategic priorities, thereby strengthening alignment between the Bank's management, Shariah oversight and overall governance framework.

A. REPRESENTATION OF SHARIAH FUNCTION IN BANK RAKYAT'S INTERNAL COMMITTEES

To ensure the smoothness of banking operations, we empowered and delegated the approval authority to the Shariah Secretariat & Advisory Department to approve generic Shariah-related matters. Nonetheless, all approval requests that have been approved by the Shariah Secretariat & Advisory Department are duly reported to us on quarterly basis for review and confirmation. Executive Vice President, Shariah (EVPS) or his representative is also sitting as a member in the following committees to advise the Bank on matters relating to Shariah requirements and principles:

1. Management, Audit, Fraud & Integrity Committee
2. Management Risk Committee
3. Sustainability Committee
4. Liquidity Management Committee
5. Operational Risk Management Committee
6. Financing Committee B
7. Product Committee
8. Investment Account Prizing Committee
9. Zakat Management Committee
10. Surau Al-Barakah Committee
11. Joint Management Committee Jãriah Al-Barakah
12. Iqrad Zakat Committee.

We planned and performed our review to obtain all information and explanations deemed necessary to provide sufficient and appropriate evidence enabling us to form reasonable assurance that Bank Rakyat has complied the Shariah principles.

B. SHARIAH APPROVAL PROCESS

We have endorsed and approved the operations, business, affairs, and activities undertaken by Bank Rakyat through the following processes:

1. Shariah advisory and review on the development of the Bank's products including relevant policies, operational guidelines, and procedures.
2. Shariah advisory and review on legal and banking documentation, Product Disclosure Sheets (PDS), notices, and marketing materials.
3. Shariah advisory and review on the Shariah compliance status of customers' business activities in the commercial banking segment prior to the approval of financing.
4. Shariah advisory and review on banking operations at branch level, related departments, and the Bank's subsidiaries, including the review of legal documentation and *'aqad* sequences.
5. Shariah advisory and review on system applications related to banking products.
6. Shariah advisory and review on banking operations, asset rental activities conducted by the Bank and its subsidiaries with third parties as well as sponsorship programmes.
7. Shariah advisory and review on Rakyat Management Services (RMS).
8. Shariah review assessment covering product structures, legal documentation, business activities, and end-to-end operational processes to ensure adherence to Shariah principles, internal policies, and relevant regulatory requirements.
9. Shariah risk assessment on new products or enhancement to existing products, processes and procedures, business activities, and operations.
10. Shariah audit assessments on the quality and effectiveness of the internal control, risk management systems, and governance processes of the Bank and its subsidiaries, as well as the overall Shariah compliance of the Bank's operations, business, affairs and activities.

Functions of the Shariah Secretariat & Advisory Department, Shariah Review Department, Shariah Audit Department, and Shariah Risk Unit (Operational Risk Department)

We have assessed the functions performed by the Shariah Secretariat & Advisory Department, Shariah Review Department, Shariah Audit Department, and the Shariah Risk Unit under the Operational Risk Department. This assessment included the review on a sample basis for each type of transactions, relevant documentations and the procedures adopted by Bank Rakyat.

B1. Shariah Secretariat & Advisory Department

The Shariah Secretariat & Advisory Department provides advisory on product development and day-to-day business operations, which includes:

1. issuance of Shariah Compliance Review Certificate
2. establishment of Shariah parameters
3. vetting of legal documentation
4. screening of business banking financing applications
5. approval of marketing materials and the appointment of card merchants; and preparation of *Takyif Fiqhi* on the current Shariah issues related to banking products and services as a support for the Bank's business proposals.

B2. Shariah Research, Governance & Training Department

We also approved the proposal papers presented by the Shariah Research, Governance & Training Department concerning the latest issuance of Bank Negara Malaysia policy documents, guidelines, and Shariah resolutions, particularly in response to feedback from the Bank on the Shariah Contract Framework Discussion Paper.

ANNUAL REPORT OF THE SHARIAH COMMITTEE OF BANK RAKYAT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

We have also endorsed the research entitled "Enhancing Shariah Decision Making in the Determination of Shariah Non-Compliance Events" where the concept was thoroughly discussed during the workshop held on 14 August 2025. The research papers that have been internally developed will be presented in January 2026. This research initiatives are designed to strengthen and enhance current practices within Shariah banking operations.

We have been notified of the six (6) training modules that have been developed by Shariah Research, Governance, & Training (SRGT) department, which are used for internal Shariah training and initiatives within the Bank for Shariah compliance purposes. We have also been notified of the 15 training slide presentations submitted by Business Units for internal non-banking operation training and reviewed by the SRGT department.

B3. Shariah Review Department and Shariah Audit Department

The Shariah Review Department has performed their review based on the annual review plan as advised and approved by us and Shariah Audit Department have performed their audit assessment based on annual audit plan as approved by the Board of Audit Committee and notified to us. Occasionally, the Shariah Review and Shariah Audit Departments also performed reviews and audit assessments on ad-hoc basis, as advised by us should any new requirements or issue arise.

The Shariah Review and Shariah Audit reports were presented and deliberated in our meetings. It was confirmed that the Bank and its subsidiaries have complied with the rulings issued by the Shariah Advisory Council of Bank Negara Malaysia, Securities Commission and Suruhanjaya Koperasi Malaysia (SKM), as well as the Syariah resolutions made by the Shariah Committee.

During the financial year of 2025, Shariah Review Department and Shariah Audit Department presented the following reports to us:

(a) Shariah Review Reports

1. Shariah Review Report on 98 Bank Rakyat's branches in Malaysia
2. Shariah Review Report on 6 Auto Finance Centre (AFC)
3. Shariah Review Report on Personal Financing
4. Shariah Review Report on Mortgage Financing
5. Shariah Review Report on Mortgage Processing & Control
6. Shariah Review Report on Vehicle Financing
7. Shariah Review Report on Ar-Rahnu Business
8. Shariah Review Report on Wealth Management Business
9. Shariah Review Report on Wealth Management Operations
10. Shariah Review Report on RAKYAT Xclusive
11. Shariah Review Report on Unit Trust & Estate Management
12. Shariah Review Report on 15 premises of Cooperative (Credit and Ar-Rahnu) including Company
13. Shariah Review Report on Corporate & Commercial Banking
14. Shariah Review Report on MSME & Cooperatives
15. Shariah Review Report on MSME (Business Support)
16. Shariah Review Report on Government Agencies & Client Coverage
17. Shariah Review Report on Business Banking Account Review & Support
18. Shariah Review Report on Retail Collection
19. Shariah Review Report on Acquiring Business
20. Shariah Review Report on Card Business Development & Sales
21. Shariah Review Report on Card Compliance & Governance
22. Shariah Review Report on Card Financing Processing
23. Shariah Review Report on Card Operations
24. Shariah Review Report on Commercial Vehicle Financing
25. Shariah Review Report on Foreign Exchange
26. Shariah Review Report on Money Market
27. Shariah Review Report on Equity Investment
28. Shariah Review Report on Fixed Income
29. Shariah Review Report on Correspondent Banking
30. Shariah Review Report on Treasury Sales
31. Shariah Review Report on Operations Processing (Financing)
32. Shariah Review Report on Operations Processing (Non-Financing)
33. Shariah Review Report on Trade Finance
34. Shariah Review Report on Business Collection & Recovery Administration
35. Shariah Review Report on Retail Collection & Recovery Administration
36. Shariah Review Report on Retail Charge Off Recovery
37. Shariah Review Report on Retail Recovery
38. Shariah Review Report on Retail Debt Management
39. Shariah Review Report on Members Services
40. Shariah Review Report on Rakyat Management Services
41. Shariah Review Report on Retail Performance Management
42. Shariah Review Report on Retail Strategy & Analytics
43. Shariah Review Report on ATM Operations
44. Shariah Review Report on Network & Distributions
45. Shariah Review Report on Digital Retail Platform
46. Shariah Review Report on Shariah Secretariat & Advisory
47. Shariah Review Report on Shariah Research Governance & Training
48. Shariah Review Report on Waqf, Umrah & Qurban
49. Shariah Review Report on Core Banking Solutions
50. Shariah Review Report on Enterprise Solutions
51. Shariah Review Report on IT Delivery Channel & Payment Services
52. Shariah Review Report on DEVSECOPS
53. Shariah Review Report on IT Project Management Office
54. Shariah Review Report on Business Analyst
55. Shariah Review Report on IT Service Delivery
56. Shariah Review Report on Testing Center of Excellence
57. Shariah Review Report on IT GRC, Resilience Management
58. Shariah Review Report on IT Shared Services
59. Shariah Review Report on Data Centre & Configuration Management
60. Shariah Review Report on Data Management (Regulatory & Operations)
61. Shariah Review Report on IT Infrastructure Support
62. Shariah Review Report on IT Technical & Server Administrator
63. Shariah Review Report on IT Enterprise Architecture
64. Shariah Review Report on IT Strategy Planning & BRM
65. Shariah Review Report on Corporate Performance
66. Shariah Review Report on Strategic Planning
67. Shariah Review Report on Programme Management Office
68. Shariah Review Report on Process Excellence and Transformation
69. Shariah Review Report on Banking Economics & Analytics
70. Shariah Review Report on Product Development
71. Shariah Review Report on Product Research & Analysis
72. Shariah Review Report on Sustainability
73. Shariah Review Report on Digital Data
74. Shariah Review Report on Digital Programme and Innovation
75. Shariah Review Report on Fintech Partnership
76. Shariah Review Report on Digital Change Management.

FINANCIAL STATEMENTS

ANNUAL REPORT OF THE SHARIAH COMMITTEE OF BANK RAKYAT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(b) Shariah Audit Reports

1. Shariah Audit Report: Waqf, Umrah & Qurban
2. Shariah Audit Report: Members Services
3. Shariah Audit Report: Trade Finance
4. Shariah Audit Report: Foreign Exchange
5. Shariah Audit Report: Money Market
6. Shariah Audit Report: Fixed Income
7. Shariah Audit Report: Shariah Research, Governance & Training
8. Shariah Audit Report: Rakyat Management Services
9. Shariah Audit Report: Debit Card-i
10. Shariah Audit Report: Pawn Broking-i
11. Shariah Audit Report: Personal Financing-i
12. Shariah Audit Report: Home Financing-i
13. Audit Report: Follow-Up on Unresolved Audit Findingsand Value-Added Recommendations Highlighted by Shariah Audit Department for Quarter 4, 2024
14. Audit Report: Follow-Up on Unresolved Audit Findings and Value-Added Recommendations Highlighted by Shariah Audit Department for Quarter 1, 2025
15. Audit Report: Follow-Up on Unresolved Audit Findings and Value-Added Recommendations Highlighted by Shariah Audit Department for Quarter 2, 2025
16. Audit Report: Follow-Up on Unresolved Audit Findings and Value-Added Recommendations Highlighted by Shariah Audit Department for Quarter 3, 2025.

B4. Shariah Risk Unit in Operational Risk Department

The Shariah Risk Unit plays a central role in identifying, assessing, monitoring, and managing Shariah Non-Compliance Risks (SNCR). To minimise potential Shariah non-compliance (SNC) events in 2025, the Unit consistently implement a range of preventive and corrective measures, including the development of comprehensive policies, procedures, and guidelines designed to safeguard against Shariah breaches and ensure alignment with Shariah standards.

Shariah risk management applies the same Operational Risk Management (ORM) principles, processes, and tools, with enhancements to meet Shariah governance requirements. The Shariah Risk Management Unit leads the identification, assessment, and management of SNCR and ensuring a robust and consistent approach. ORM tools including Loss Event Data (LED), Risk-Control Self-Assessment (RCSA), Key Risk Indicators (KRI), Control Self-Assessment (CSA), Scenario Analysis (SA), and Stress Testing (ST) are utilised to conduct comprehensive risk evaluations, strengthen internal controls, and support proactive detection and mitigation of potential Shariah non-compliance incidents.

In managing SNCR, the appointed Embedded Risk Function (ERF) and Risk Agents (RAs) play an active role in the ongoing identification and assessment of SNC exposures. ERF and RAs are responsible for establishing and implementing appropriate controls to identify, assess, mitigate, monitor, and report potential SNC events without compromising their respective business units' objectives or exposing the Bank to unacceptable levels of risk.

All potential and actual SNC events were reported to BNM within the timeframe. The LED procedure further strengthens the management and reporting of Shariah non-compliance (SNC) events to ensure full adherence to Shariah principles and regulatory requirements. The guideline aligns with Bank Negara Malaysia's Operational Risk Reporting (ORR) Policy Document (effective 1 November 2023) and complies with section 28(3) of the IFSA 2013, which mandates immediate reporting of any SNC incident to BNM.

All reports related to SNCR have also been tabled to the Operational Risk Management Committee (ORMC), Management Risk Committee (MRC) and Board Risk Committee (BRC) for monitoring and oversight purposes as follows:

1. Shariah Non-Compliance Risk (SNCR) Report
2. Shariah Risk Profiling
3. Risk Control Self-Assessment (RCSA) Profiling.

C. SHARIAH TRAINING AND AWARENESS PROGRAMME

In 2025, the **Shariah Sector** implemented a series of strategic initiatives to inculcate a Shariah compliance culture across the organisation. These efforts included comprehensive training and awareness campaigns designed to engage stakeholders at all levels, ensuring that Shariah principles are integrated into the bank's operations.

Bank Rakyat placed significant emphasis on enhancing the knowledge and understanding of Islamic finance principles among the top management. In line with this, the **Shariah Research Governance and Training Department** organised exclusive In-House Shariah Training sessions for the Board of Directors, Shariah Committee, and Management Committee, which were held twice in 2025.

These sessions were conducted by a distinguished local Shariah scholar and focused on addressing key developments in the industry as well as contemporary practices in Islamic finance. Committed to fostering a strong Shariah compliance culture in line with the Shariah Governance Policy Document 2019, Bank Rakyat organised a two-month internal campaign, Shariah Compliance Culture Month 2025.

This initiative engaged employees across headquarters and branches through interactive activities and awareness programmes to enhance understanding of Shariah principles and their practical application in daily operations. By involving all stakeholders, from top management to frontline staff, the campaign reinforced collective responsibility in upholding Islamic values and ethical standards, embedding Shariah compliance as a core element of the Bank's organisational culture.

With the objective of recognising the importance of deepening the understanding of Shariah principles and their practical application in Islamic finance, Bank Rakyat has strategically partnered with the IIUM Institute of Islamic Banking and Finance (IIiBF). For the **fourth** consecutive time, this collaboration facilitated the implementation of the Executive Certificate in Islamic Banking and Finance (E-CIBF) programme (Cohort 4), with 35 bank employees enrolling to enhance their knowledge and expertise in their respective roles.

In promoting a strong culture of Shariah compliance across the Bank, the Shariah Sector served as trainers in several internal training sessions for Bank Rakyat employees, delivering guidance on Shariah principles, concepts and contracts applicable to banking operations. The training programmes included:

1. Briefing Syariah Knowledge - Debt Collection Agencies
2. Pawn Broking-i (Ar-Rahnu) Training
3. Pre-Retirement Programme
4. Control Awareness Tours (CATS) for the Retail Banking Sector
5. Get Ready to Operation at Work (Grow)
6. Deposit and Branch Management Training
7. Training on Financing Products and Work Processes for Branch Auditors
8. BR Junior Sales Talent Programme (BR JSTAR).

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

These training programmes aimed to provide the Business & Support Unit (BSU) with valuable insights on preventing the occurrence of SNC and updating them on the latest Shariah-related guidelines issued by Bank Rakyat and regulators.

As part of bank's initiative to support Food & Beverage-based customers, the **Shariah Sector**, in collaboration with SERUNAI Halal Centre of Excellence, have worked together to equip relevant bank employees with the necessary skills through an in-house training titled "Capacity Building - Halal Industry Empowerment Programme".

This two-day programme aims to provide internal employees, who directly interact with customers, with the essential competencies and knowledge needed to manage Halal-related activities and certification in the aspect of business financing approval screening. Begin in 2024, these two days training programme is extended to another two sessions in 2025 involving 60 employees.

The **Shariah Sector**, in collaboration with the **Centre of Excellence**, established a strategic partnership with SERUNAI Halal Centre of Excellence to strengthen expertise in Shariah compliance standards for Halal certification. In line with this initiative, the Professional Certification in Halal Executive Programme (PCHEP) was implemented throughout 2025, comprising four cohorts and involving 71 employees.

To date, 27 participants have successfully obtained certification, while the remaining candidates are undergoing review and awaiting final results from JAKIM. This programme is expected to deliver significant benefits to both the Bank and its prospective business banking customers in the food and beverage industry who seek financing but have yet to obtain Halal certification. By equipping Bank officers with specialised knowledge, the Bank can provide advisory support and guidance to the customers, facilitating their compliance with Halal standards and strengthening their business potential.

Building on this foundation, the Bank subsequently advanced its Halal competency agenda through the Professional Certification in Halal Auditor Programme (PCIHA). This nine-day programme was conducted involving 19 employees who had previously completed the Halal Awareness Training and obtained the PCHEP certification in 2025. This advanced qualification marks a key milestone in strengthening the Bank's internal Shariah governance capabilities and enhancing its readiness to meet industry demands related to Halal compliance and certification.

To ensure Shariah officers remain equipped with the latest industry advancements and are well-prepared to address emerging Shariah issues, the Shariah Sector conducted three specialised training programmes in 2025 for the Bank's Shariah fraternity. These programmes were:

1. Workshop on Understanding *Fiqh Muwazanah* for the Implementation of *Hajah* and *Darurah*
2. Intensive Course on *Fiqh Muamalat* from the View of Shafi'i Schools 2025
3. Islamic Finance & Investment School.

These initiatives reflect the Bank's commitment to continuous professional development, strengthening technical expertise, and promoting thought leadership in Shariah governance and Islamic finance. These training programmes, while primarily designed for the Bank's Shariah employees, also involved other relevant business units and members of the Shariah Committee. The collaborative approach ensured comprehensive knowledge sharing and alignment across key stakeholders, reinforcing the Bank's commitment to holistic Shariah governance.

In addition, the Shariah sector has enhanced and revitalised its Shariah e-learning modules. Completion of these modules is mandatory for all Bank Rakyat employees, ensuring consistent knowledge and compliance across the organisation. The programme employs a dual-learning approach, incorporating interactive e-learning slides to deliver structured content and comprehensive assessments to evaluate employees' understanding and application of key concepts. The modules encompass the full spectrum of Shariah banking operations, including fundamentals of Islamic banking, Shariah contracts, Shariah governance frameworks, and identification and rectification of Shariah non-compliance events.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

This initiative strengthens employees' competencies, reinforces the organisation's adherence to Shariah principles, and supports Bank Rakyat's commitment to maintaining robust Shariah governance practices.

The **Shariah Review Department** also supported the implementation of 209 Shariah awareness training sessions by providing guidance on the implementation and operation of Shariah compliant banking products. The following training programmes were conducted in 2025:

1. Shariah Awareness Training on Branches, Rakyat Xcess (RXC) & Ar-Rahnu X'Change (ARX) dan Auto Finance Centre (AFC)
2. Shariah Awareness Training on Business Banking Centre (BBC)
3. Shariah Awareness Training on Rakyat Management Services (RMS)
4. Shariah Awareness Training for selected departments at the Headquarters for the year 2025
5. Shariah Compliance Briefing on the Cooperatives and entities or premises that have been financed by Bank Rakyat
6. Ar-Rahnu Briefing
7. Control Awareness Tour (CAT)
8. Leadership Excellence and Development (LEAD) Programme
9. Training of Shariah Awareness Programmes

Awareness trainings on the Shariah risk management process were also conducted by the **Operational Risk Department** to instil Shariah risk compliance culture and to guide Business Units in identifying Shariah risk and its control measures within their daily operations. A total of 21 training sessions were held in 2025, with an average of 30 participants per session. The following is the list of the trainings that were completed for the year 2025:

1. Risk Agent (RA) Branches and Branch Compliance and Governance (BCG);
2. Risk Agent (RA) Headquarters; and
3. Branch Development Programme: Get Ready for Operation at Work (GROW) & Leadership Excellence and Development Programme (LEAD).

The year 2025 marked a key milestone in Bank Rakyat's efforts to strengthen its Shariah compliance culture. The training and awareness initiatives established a foundation for continuous learning, while the Bank remains committed to promoting ethical conduct and Shariah-compliant practices to ensure the long-term success and sustainability of its Shariah-compliant banking operations.

D. FINDINGS OF SHARIAH NON-COMPLIANCE (SNC) ISSUES

For the financial year ended 31 December 2025, a total of nine (9) SNC incidents arising from six (6) identified issues, as detailed below:

1. Charging of Late Payment Charges (LPC) to customers of Pembiayaan Mikro-i Penjaja dan Peniaga Kecil (MPPK) 1.0 & 2.0 without customers' knowledge
   These findings were confirmed as Shariah non-compliance with financial implications amounting to RM1,964.45, which was refunded to the customers through the reduction of its latest outstanding balance.

2. Sale of *marhun* by mistake and loss of *marhun* due to branch negligence
   These findings were confirmed as Shariah non-compliance with financial implications amounting to RM29,323.50, which was refunded to the respective customers.

3. Sale of *marhun* while bypassing the second or third highest bidder
   These findings were confirmed as Shariah non-compliance with financial implications amounting to RM31,170.55, which were compensated to the customers based on the difference between the sale price to RMS and the second highest bid price offered.

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4. Sale of *marhun* by redundancy through bulk bidding
   These findings were confirmed as Shariah non-compliance with financial implications amounting to RM1,250.00, which were compensated to the customers based on the difference between the sale price to the third highest bidder and the bid price offered by the first highest bidder.

5. Conventional Insurance coverage financed under Vehicle Financing-i (An-Naqlu 2)
   This finding was confirmed as Shariah non-compliance with financial implications amounting to RM506.32, which has been transferred to the GL Shariah Non-Compliant Fund for income purification

6. Execution of *akad Tawarruq* without appointment of an agent by CASA-i Customers
   This finding was confirmed as Shariah non-compliance without financial implications involving 142 accounts. This issue was rectified by recognising Wakalah *Fudhuli* based on *Qarinah* (circumstantial evidence) of indirect customer appointment through continuous utilisation of the account.

All potential Shariah Non-Compliant events are initially assessed by the Shariah Officers within Control Functions (SOWCF). All confirmed Shariah non-compliance events together with the proposed rectification plans were presented to us for confirmation and endorsement prior to obtaining approval by the Board of Directors for submission to Bank Negara Malaysia in accordance with the Shariah non-compliance reporting process within the required timeframe.

Shariah non-compliance events experienced by the Bank were mostly due to the non-compliance with the operational guidelines based on the result of assessments presented by Shariah Review and Shariah Audit. We verified that the Bank has implemented both corrective and preventive measures and is actively developing a comprehensive mitigation plan to prevent future occurrences of Shariah non-compliance events. This includes the provision of Shariah training for all employees to ensure ongoing adherence to Shariah principles.

E. JĀRIAH AL-BARAKAH (CASH WAQF BANK RAKYAT)

The Jāriah Al-Barakah Initiative (Cash Waqf Bank Rakyat) is a strategic effort to support the socio-economic development of the ummah through sustainable social investment and continuous charity. Bank Rakyat was appointed as *Mutawalli* (trustee) by the Federal Territories Islamic Religious Council (MAIWP) on 21 August 2024, formalised through a five-year *Mutawalli* Appointment Agreement signed on 30 December 2024. The initiative officially commenced on 1 June 2025, with a Document Exchange Ceremony held on 30 June 2025.

From 1 June to 31 December 2025, total collections amounted to **RM991,914.74** of which **RM966,052.34** was invested to generate sustainable returns. Profits will be allocated as follows: 70% to beneficiaries in healthcare, education, welfare, economic empowerment, and other priority sectors; 20% reinvested to enhance future returns; and 10% allocated to MAIWP as the trustee of Waqf assets.

This initiative reinforces Bank Rakyat's commitment to effective Waqf fund management, delivering sustainable social impact, and promoting community well-being and inclusive economic growth.

FINANCIAL STATEMENTS

ANNUAL REPORT OF THE SHARIAH COMMITTEE OF BANK RAKYAT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

F. BUSINESS ZAKAT

We confirmed that the Bank has fulfilled its obligation to pay business Zakat for the financial year ended 2024 to Majlis Agama Islam Negeri-Negeri amounting to **RM20,581,794.00** calculated using the capital growth method and in compliance with the *Manual Pengurusan Zakat Perbankan* issued by Jabatan Wakaf, Zakat dan Haji (JAWHAR). Meanwhile, the distribution of business Zakat for Asnaf (own distribution) to eligible Asnaf amounting to **RM21,556,007.00** was guided by the Policy and Procedure for Business Zakat Management of Bank Rakyat as approved by us.

The distribution of Zakat is fully compliant with Shariah principles, aligning with Sustainable Development Goals (SDGs) and Environmental, Social, and Governance (ESG) criteria. It supports basic needs, education, religious activities, healthcare, housing, asnaf entrepreneurs, and mualaf.

In summary, we endorsed that Bank Rakyat successfully paid and distributed a total of **RM42,137,801.00** in business Zakat for the year 2024.

G. INDEPENDENT OPINION OF SHARIAH COMMITTEE

Based on the report, **we independently, opined that**:

a) The products and services offered by the Bank are in compliance with the Shariah principles and Shariah resolutions issued by the Shariah Advisory Council of Bank Negara Malaysia, as well as Shariah decisions made by us.

b) The operations, business, affairs, and activities entered into by the Bank that we have reviewed, are in compliance with the Shariah principles and Shariah resolutions issued by the Shariah Advisory Council of Bank Negara Malaysia as well as Shariah decisions made by us, excluding the Shariah Non-compliance events as verified and mentioned above.

c) Rectification plans have been executed on all confirmed Shariah Non-Compliant events.

d) The operations, business, affairs, and activities that are subjected to further investigation and rectification have been monitored on an on-going basis.

e) All income derived from non-Shariah-compliant activities was either refunded, compensated to customers, or transferred to the Shariah Non-Compliant Fund (GL) and subsequently disbursed to charitable organisations, in line with Bank Rakyat's internal policies and Shariah Governance Framework, as outlined in Section D of this report.

f) The distribution of Zakat on Banking Businesses for the year of 2024 is complied with Shariah principles.

g) The collection and management of Waqf funds under Bank Rakyat Waqf Initiative for the year of 2025 is complied with Shariah principles.

We, the members of the Shariah Committee of Bank Rakyat, to the best of our knowledge, do hereby confirm that the operations of Bank Rakyat, for the year ended 31 December 2025 have been conducted in conformity with the Shariah principles.

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ANNUAL REPORT OF THE SHARIAH COMMITTEE OF BANK RAKYAT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

ATTENDANCE OF SHARIAH COMMITTEE AND BOARD REPRESENTATIVE FOR THE YEAR 2025

The attendance record of the Shariah Committee Members and the Board's representative is presented below:

	Attendance	
	Total	**Percentage (%)**
Shariah Committee		
Dr. Mohammad Zaini Yahaya (Chairman)	16/16	100%
Professor Emeritus Dato' Dr. Mohd Azmi Omar	16/16	100%
Dr. Tuan Badrul Hisyam Tuan Soh	16/16	100%
Assoc. Professor Dr. Abdul Manan Ismail	16/16	100%
Assoc. Professor Dr. Nurazmallail Marni	16/16	100%
Assoc. Professor Dr. Yasmin Hanani Mohd Safian	16/16	100%
Board's Representative		
Idris Abd Hamid	16/16	100%

DR. MOHAMMAD ZAINI YAHAYA
Chairman of Shariah Committee

PROFESSOR EMERITUS DATO' DR. MOHD AZMI OMAR
Shariah Committee Member

DR. TUAN BADRUL HISYAM TUAN SOH
Shariah Committee Member

ASSOC. PROFESSOR DR. ABDUL MANAN ISMAIL
Shariah Committee Member

ASSOC. PROFESSOR DR. YASMIN HANANI MOHD SAFIAN
Shariah Committee Member

ASSOC. PROFESSOR DR. NURAZMALLAIL MARNI
Shariah Committee Member

FINANCIAL STATEMENTS

STATUTORY DECLARATION

I, **NOR HAIMEE ZAKARIA**, being the officer primarily responsible for the financial management of Bank Kerjasama Rakyat Malaysia Berhad, do solemnly and sincerely declare that the financial statements are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 9 MAR 2026

NOR HAIMEE ZAKARIA

Before me:

PESURUHJAYA SUMPAH
No. W 574
Ashmadi Bin Othman
BC/A/690
1/1/2025- 31/12/2027
MALAYSIA

ZULPADLI & EDHAM
NO. 24, JALAN PERUMAHAN GURNEY
54000 KUALA LUMPUR

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors of Bank Kerjasama Rakyat Malaysia Berhad ("the Bank") have pleasure in submitting their report and the audited financial statements of the Group and of the Bank for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Bank are those of a co-operative that carries out banking activities based on Shariah principles through accepting deposits and providing financial services for retail and commercial needs.

The principal activities of the subsidiaries are disclosed in Note 15 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Group and the Bank other than as disclosed in Note 15 to the financial statements.

RESULTS OF OPERATIONS

	Group RM'000	Bank RM'000
Profit before taxation and zakat	1,892,042	1,900,243
Taxation	(70,435)	(61,000)
Zakat	(43,974)	(42,188)
Profit after taxation and zakat	1,777,633	1,797,055
Statutory appropriations	(546,677)	(546,677)
Profit for the year	1,230,956	1,250,378
Other comprehensive income	163,113	163,113
Total comprehensive income for the year	1,394,069	1,413,491
Total comprehensive income for the year attributable to:		
Equity holders of the Bank	1,394,069	1,413,491

In the opinion of the Directors, the results of operations of the Group and of the Bank during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

RESERVES AND PROVISION

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

DIVIDENDS

During the financial year ended 31 December 2025, the Bank paid a cash dividend of 17% amounting to RM486 million in regard to the previous financial year ended 31 December 2024.

In respect of the current financial year, the Board of Directors has proposed a cash dividend of up to 18% amounting to approximately RM540 million. The proposed dividend will be recognised in the subsequent financial year upon approval by the relevant external authorities.

OTHER STATUTORY INFORMATION

In the opinion of the Directors, the financial statements set out on pages 209 to 363 have been drawn up so as to give a true and fair view of the state of affairs of the Group and of the Bank as of 31 December 2025 and of the results of their operations and cash flows for the year ended on that date.

The Directors are satisfied that before the statements of financial position and the statements of profit or loss and other comprehensive income of the Group and of the Bank were made out, reasonable steps have been taken on the following matters:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of impairment provisions and allowance for doubtful debts and had satisfied themselves that all known bad financing and bad debts had been written off and that adequate impairment provisions and allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

At the date of this report, within the knowledge of the Directors, they are not aware of any circumstances that would cause the following:

(i) the amount written off for bad financing and bad debts or the amount of the impairment provisions and allowance for doubtful debts in the financial statements of the Group and of the Bank inadequate to any substantial extent; or

(ii) the values attributed to the current assets in the financial statements of the Group and of the Bank misleading; or

(iii) the amount reported in the financial statements of the Group and of the Bank misleading; and

(iv) any adherence to the existing method of valuation of assets or liabilities of the Group and of the Bank misleading or inappropriate.

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Bank which has arisen since the end of the financial year which secures the liability of any other person; or

(ii) any contingent liability of the Group and of the Bank which has arisen since the end of the financial year other than those arising from the ordinary course of business of the Group and of the Bank.

No contingent or other liability which has not been discharged has been undertaken by the Group and the Bank, except as disclosed in Note 41 to the financial statements. No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Bank to meet their obligations as and when they fall due.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONTINUED)

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Bank for the current financial year.

The Directors do solemnly and sincerely declare that there were no other matters, within their knowledge, that are not disclosed in accordance with Section 59, Co-operative Societies Act 1993.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

Datuk Mohd Irwan Mohd Mubarak

Tunku Dato' Ahmad Burhanuddin
Tunku Datuk Seri Adnan

Kuala Lumpur, Malaysia
9 MAR 2026

FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Assets					
Cash and short-term funds	5	**1,495,812**	1,677,256	**1,490,164**	1,677,217
Deposits and placements with financial institutions	6	**606,718**	590,242	**606,718**	590,242
Financial investments at fair value through other comprehensive income	7	**21,635,531**	20,777,346	**21,635,523**	20,777,338
Financial investments at amortised cost	8	**11,654,255**	11,863,734	**11,654,255**	11,863,734
Financing and advances	10	**91,419,589**	83,790,814	**91,746,277**	84,156,265
Trade receivables	11	**1,905**	1,455	**-**	-
Other assets	12	**1,005,305**	964,049	**995,337**	954,651
Right-of-use assets	13	**77,941**	43,699	**122,329**	62,528
Inventories	14	**31,285**	29,975	**-**	-
Investments in subsidiaries	15	**-**	-	**93,644**	93,644
Property and equipment	16	**870,329**	798,616	**752,259**	679,020
Intangible assets	17	**537,483**	541,850	**524,298**	528,665
Investment properties	18	**1,559,064**	1,516,475	**979,588**	936,277
Assets classified as held for sale	19 (i)	**1,780**	7,850	**-**	-
Assets classified as held for distribution	19 (ii)	**-**	12,077	**-**	5,100
Prepaid lease payments	20	**42,112**	48,489	**42,112**	48,489
Tax recoverable		**60,233**	156,182	**57,436**	152,115
Deferred tax assets	21	**39,333**	100,249	**38,000**	99,000
Total assets		**131,038,675**	122,920,358	**130,737,940**	122,624,285
Liabilities					
Deposits from customers	22	**87,550,734**	84,093,212	**87,550,734**	84,093,212
Investment accounts of customers	23	**939,686**	469,901	**939,686**	469,901
Deposits and placements from banks and financial institutions	24	**2,707,030**	2,369,175	**2,707,030**	2,369,175
Obligation on financial assets sold under repurchase agreements	9	**1,302,386**	1,005,142	**1,302,386**	1,005,142
Trade payables		**2,884**	2,046	**-**	-
Recourse obligations on financing sold to Cagamas	25	**3,327,278**	1,875,007	**3,327,278**	1,875,007
Debt securities issued	26	**6,542,467**	5,537,728	**6,542,467**	5,537,728
Cashline facility	27	**1,001,556**	1,204,046	**1,001,556**	1,204,046
Other liabilities	28	**1,637,143**	1,711,886	**1,753,996**	1,849,380
Liabilities classified as held for distribution	19 (ii)	**-**	70	**-**	-
Provision for tax		**-**	1	**-**	-
Deferred tax liabilities	21	**11,175**	8,499	**-**	-
Total liabilities		**105,022,339**	98,276,713	**105,125,133**	98,403,591

FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025 (CONTINUED)

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Shareholders' fund					
Share capital	29	**2,986,030**	2,986,030	**2,986,030**	2,986,030
Share redemption fund		**50,000**	50,000	**50,000**	50,000
Reserves	30	**22,980,306**	21,607,615	**22,576,777**	21,184,664
Total shareholders' fund		**26,016,336**	24,643,645	**25,612,807**	24,220,694
Total liabilities and shareholders' fund		**131,038,675**	122,920,358	**130,737,940**	122,624,285
Commitments and contingencies	41	**3,809,316**	3,146,474	**3,809,316**	3,146,474

The accompanying notes form an integral part of the financial statements.

FINANCIAL STATEMENTS

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Income	31	**6,820,522**	6,689,821	**6,713,032**	6,569,289
Expenditure	32	**(3,611,895)**	(3,549,394)	**(3,522,565)**	(3,435,050)
Net income		**3,208,627**	3,140,427	**3,190,467**	3,134,239
Allowances for impairment	33	**(172,148)**	(142,085)	**(171,980)**	(140,911)
Other operating income	34	**938,388**	717,393	**961,270**	718,151
Operating expenses	35	**(2,082,825)**	(1,899,522)	**(2,079,514)**	(1,889,791)
Profit before taxation and zakat		**1,892,042**	1,816,213	**1,900,243**	1,821,688
Taxation	36	**(70,435)**	(76,647)	**(61,000)**	(78,000)
Zakat	37	**(43,974)**	(44,202)	**(42,188)**	(42,048)
Profit after taxation and zakat		**1,777,633**	1,695,364	**1,797,055**	1,701,640
Statutory appropriations	38				
Transfer to statutory reserve: 25% (2024: 25%)		**(459,810)**	(435,922)	**(459,810)**	(435,922)
Contribution to the Co-operative Education Trust Fund: 2% (2024: 2%)		**(38,005)**	(36,434)	**(38,005)**	(36,434)
Contribution to the Co-operative Development Provident Fund: 1% (2024: 1%)		**(19,002)**	(18,217)	**(19,002)**	(18,217)
Contribution to Bank Rakyat Foundation		**(29,860)**	(29,860)	**(29,860)**	(29,860)
		(546,677)	(520,433)	**(546,677)**	(520,433)
Profit for the year		**1,230,956**	1,174,931	**1,250,378**	1,181,207
Other comprehensive income/(loss)					
Items that will not be reclassified to profit or loss:					
Change in fair value reserve (equity instruments)		**-**	13,610	**-**	13,610
Items that may be reclassified subsequently to profit or loss:					
Fair value reserve (debt instruments)					
- Change in fair value		**319,981**	15,951	**319,981**	15,951
- Amount transferred to profit or loss		**(157,258)**	(62,643)	**(157,258)**	(62,643)
Change in expected credit loss ("ECL") reserve on debt instruments at FVOCI		**390**	491	**390**	491
Other comprehensive income/(loss) for the year		**163,113**	(32,591)	**163,113**	(32,591)
Total comprehensive income for the year		**1,394,069**	1,142,340	**1,413,491**	1,148,616
Earnings per share (RM)					
Basic	39	**0.60**	0.57	**0.61**	0.58

The accompanying notes form an integral part of the financial statements.

FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	← Non-distributable →			Distributable	
	Share capital RM'000	Share redemption fund RM'000	Other reserves RM'000	Retained profits RM'000	Total equity RM'000
Group					
At 1 January 2024	2,986,030	50,000	8,681,191	11,776,143	23,493,364
Profit after taxation and zakat	-	-	-	1,695,364	1,695,364
Transfer to statutory reserve	-	-	-	(435,922)	(435,922)
Contribution to the Co-operative Education Trust Fund	-	-	-	(36,434)	(36,434)
Contribution to the Co-operative Development Provident Fund	-	-	-	(18,217)	(18,217)
Contribution to Bank Rakyat Foundation	-	-	-	(29,860)	(29,860)
Profit for the year	-	-	-	1,174,931	1,174,931
Other comprehensive loss	-	-	(32,591)	-	(32,591)
Total comprehensive (loss)/ income for the year	-	-	(32,591)	1,174,931	1,142,340
Transfer from retained profits	-	-	435,922	-	435,922
Issuance to new members	87,423	-	-	-	87,423
Share withdrawal	(34,999)	-	-	-	(34,999)
Transfer from share capital	(52,424)	52,424	-	-	-
Transfer from share redemption fund	-	(52,424)	-	52,424	-
Dividends (Note 40)	-	-	-	(481,193)	(481,193)
Overprovision in contribution to Bank Rakyat Foundation	-	-	-	788	788
At 31 December 2024	2,986,030	50,000	9,084,522	12,523,093	24,643,645
	Note 29		Note 30	Note 30	

	← Non-distributable →			Distributable	
	Share capital RM'000	Share redemption fund RM'000	Other reserves RM'000	Retained profits RM'000	Total equity RM'000
Group					
At 1 January 2025	**2,986,030**	**50,000**	**9,084,522**	**12,523,093**	**24,643,645**
Profit after taxation and zakat	**-**	**-**	**-**	**1,777,633**	**1,777,633**
Transfer to statutory reserve	**-**	**-**	**-**	**(459,810)**	**(459,810)**
Contribution to the Co-operative Education Trust Fund	**-**	**-**	**-**	**(38,005)**	**(38,005)**
Contribution to the Co-operative Development Provident Fund	**-**	**-**	**-**	**(19,002)**	**(19,002)**
Contribution to Bank Rakyat Foundation	**-**	**-**	**-**	**(29,860)**	**(29,860)**
Profit for the year	**-**	**-**	**-**	**1,230,956**	**1,230,956**
Other comprehensive income	**-**	**-**	**163,113**	**-**	**163,113**
Total comprehensive income for the year	**-**	**-**	**163,113**	**1,230,956**	**1,394,069**
Transfer from retained profits	**-**	**-**	**459,810**	**-**	**459,810**
Issuance to new members	**31,184**	**-**	**-**	**-**	**31,184**
Share withdrawal	**(27,426)**	**-**	**-**	**-**	**(27,426)**
Transfer from share capital	**(3,758)**	**3,758**	**-**	**-**	**-**
Transfer from share redemption fund	**-**	**(3,758)**	**-**	**3,758**	**-**
Dividends (Note 40)	**-**	**-**	**-**	**(486,236)**	**(486,236)**
Overprovision in contribution to Bank Rakyat Foundation	**-**	**-**	**-**	**1,290**	**1,290**
At 31 December 2025	**2,986,030**	**50,000**	**9,707,445**	**13,272,861**	**26,016,336**
	Note 29		Note 30	Note 30	

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	← Non-distributable →			Distributable	
	Share capital RM'000	Share redemption fund RM'000	Other reserves RM'000	Retained profits RM'000	Total equity RM'000
Bank					
At 1 January 2024	2,986,030	50,000	8,681,932	11,346,175	23,064,137
Profit after taxation and zakat	-	-	-	1,701,640	1,701,640
Transfer to statutory reserve	-	-	-	(435,922)	(435,922)
Contribution to the Co-operative Education Trust Fund	-	-	-	(36,434)	(36,434)
Contribution to the Co-operative Development Provident Fund	-	-	-	(18,217)	(18,217)
Contribution to Bank Rakyat Foundation	-	-	-	(29,860)	(29,860)
Profit for the year	-	-	-	1,181,207	1,181,207
Other comprehensive loss	-	-	(32,591)	-	(32,591)
Total comprehensive (loss)/ income for the year	-	-	(32,591)	1,181,207	1,148,616
Transfer from retained profits	-	-	435,922	-	435,922
Issuance to new members	87,423	-	-	-	87,423
Share withdrawal	(34,999)	-	-	-	(34,999)
Transfer from share capital	(52,424)	52,424	-	-	-
Transfer from share redemption fund	-	(52,424)	-	52,424	-
Dividends (Note 40)	-	-	-	(481,193)	(481,193)
Overprovision in contribution to Bank Rakyat Foundation	-	-	-	788	788
At 31 December 2024	2,986,030	50,000	9,085,263	12,099,401	24,220,694
	Note 29		Note 30	Note 30	

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	← Non-distributable →			Distributable	
	Share capital RM'000	Share redemption fund RM'000	Other reserves RM'000	Retained profits RM'000	Total equity RM'000
Bank					
At 1 January 2025	**2,986,030**	**50,000**	**9,085,263**	**12,099,401**	**24,220,694**
Profit after taxation and zakat	**-**	**-**	**-**	**1,797,055**	**1,797,055**
Transfer to statutory reserve	**-**	**-**	**-**	**(459,810)**	**(459,810)**
Contribution to the Co-operative Education Trust Fund	**-**	**-**	**-**	**(38,005)**	**(38,005)**
Contribution to the Co-operative Development Provident Fund	**-**	**-**	**-**	**(19,002)**	**(19,002)**
Contribution to Bank Rakyat Foundation	**-**	**-**	**-**	**(29,860)**	**(29,860)**
Profit for the year	**-**	**-**	**-**	**1,250,378**	**1,250,378**
Other comprehensive income	**-**	**-**	**163,113**	**-**	**163,113**
Total comprehensive income for the year	**-**	**-**	**163,113**	**1,250,378**	**1,413,491**
Transfer from retained profits	**-**	**-**	**459,810**	**-**	**459,810**
Issuance to new members	**31,184**	**-**	**-**	**-**	**31,184**
Share withdrawal	**(27,426)**	**-**	**-**	**-**	**(27,426)**
Transfer from share capital	**(3,758)**	**3,758**	**-**	**-**	**-**
Transfer from share redemption fund	**-**	**(3,758)**	**-**	**3,758**	**-**
Dividends (Note 40)	**-**	**-**	**-**	**(486,236)**	**(486,236)**
Overprovision in contribution to Bank Rakyat Foundation	**-**	**-**	**-**	**1,290**	**1,290**
At 31 December 2025	**2,986,030**	**50,000**	**9,708,186**	**12,868,591**	**25,612,807**
	Note 29		Note 30	Note 30	

The accompanying notes form an integral part of the financial statements.

FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Cash flows from operating activities				
Profit before taxation and zakat	**1,892,042**	1,816,213	**1,900,243**	1,821,688
Adjustment for:				
Profit expense on debt securities issued (Note 32)	**249,976**	209,664	**249,976**	209,664
Allowance for impairment on financing and advances (Note 33)	**171,703**	141,572	**171,535**	140,398
Allowance for impairment on financial investments at fair value through other comprehensive income (Note 33)	**390**	493	**390**	493
Allowance for impairment on financial investments at amortised cost (Note 33)	**55**	20	**55**	20
Depreciation of property and equipment (Note 35(ii))	**66,139**	52,431	**63,630**	50,048
Depreciation of right-of-use assets (Note 35(ii))	**34,787**	20,860	**28,788**	23,831
Amortisation of prepaid lease payment (Note 35(ii))	**1,319**	1,413	**1,319**	1,413
Amortisation of intangible assets (Note 35(ii))	**62,127**	61,479	**62,127**	61,479
Finance cost on lease liabilities (Note 35(ii))	**2,446**	1,704	**3,840**	2,498
Property and equipment written off (Note 35(ii))	**100**	47	**100**	47
Intangible assets written off (Note 35(ii))	**-**	15	**-**	15
Gain on disposal of property and equipment (Note 34(ii))	**(2)**	(1,212)	**(2)**	(1,242)
Loss on financing written off (Note 35(ii))	**9,665**	9,339	**9,665**	9,339
Impairment losses of trade and other receivables (Note 35(ii))	**1,491**	208	**-**	27
Gain on revaluation of investment properties (Note 34(ii))	**(33,295)**	(73,701)	**(32,575)**	(59,584)
Writeback for impairment on trade receivables (Note 34(ii))	**(497)**	-	**-**	-
Net gain on disposal of financial investments at fair value through profit or loss (Note 34(ii))	**(351)**	(729)	**(351)**	(729)
Net gain on disposal of financial investments at fair value through other comprehensive income (Note 34(ii))	**(157,258)**	(62,643)	**(157,258)**	(62,643)
Net gain on redemption of financial investments at amortised cost (Note 34(ii))	**-**	(62)	**-**	(62)
Profit expense on financing sold with recourse to Cagamas (Note 32)	**97,239**	63,003	**97,239**	63,003
Profit expense on cashline facility (Note 32)	**7,300**	9,712	**7,300**	9,712
Dividend from subsidiaries	**-**	-	**(15,000)**	(15,000)
Dividend from financial investments at fair value through profit or loss (Note 34(ii))	**-**	(10,170)	**-**	(10,170)
Operating profit before working capital changes	**2,405,376**	2,239,656	**2,391,021**	2,244,245
(Increase)/decrease in assets:				
Deposits and placements with financial institutions	**(16,476)**	(211,524)	**(16,476)**	(211,526)
Financing and advances	**(7,810,143)**	(2,840,507)	**(7,771,212)**	(2,880,712)
Trade receivables	**(905)**	859	**-**	-
Other assets	**(57,691)**	(27,396)	**(89,105)**	(30,514)
Inventories	**(1,310)**	8,936	**-**	-

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Cash flows from operating activities (continued)				
Increase/(Decrease) in liabilities:				
Deposits from customers	**3,457,522**	535,306	**3,457,522**	535,306
Investment accounts of customers	**469,785**	266,934	**469,785**	266,934
Deposits and placements from banks and financial institutions	**635,099**	618,812	**635,099**	618,812
Trade payables	**838**	351	**-**	-
Recourse obligations on financing sold to Cagamas	**1,355,032**	811,999	**1,355,032**	811,999
Other liabilities	**(167,803)**	(341,551)	**(170,161)**	(347,006)
Cash generated from operating activities	**269,324**	1,061,875	**261,505**	1,007,538
Income tax refunded	**89,105**	28,773	**94,679**	33,377
Zakat paid	**(37,135)**	(50,552)	**(34,649)**	(48,093)
Net cash generated from operating activities	**321,294**	1,040,096	**321,535**	992,822
Cash flows from investing activities				
Purchases of financial investments at fair value through profit or loss	**(521,380)**	(270,000)	**(521,380)**	(270,000)
Proceed from disposal and/or maturity of financial investments at fair value through profit or loss	**521,731**	270,729	**521,731**	270,791
Purchases of financial investments at fair value through other comprehensive income	**(10,620,000)**	(6,855,000)	**(10,620,000)**	(6,855,000)
Proceed from disposal and/or maturity of financial investments at fair value through other comprehensive income	**10,081,796**	5,501,810	**10,081,796**	5,501,810
Purchases of financial investments at amortised cost	**(2,640,000)**	(1,580,000)	**(2,640,000)**	(1,580,000)
Proceeds from disposal and/or maturity of financial investments at amortised cost	**2,849,424**	2,238,632	**2,849,424**	2,238,570
Purchase of investment properties	**-**	(40,402)	**-**	(196)
Proceeds from disposal of investment properties	**-**	890	**-**	-
Purchase of property and equipment	**(143,969)**	(71,405)	**(142,648)**	(70,927)
Purchase of intangible assets	**(57,760)**	(52,919)	**(57,760)**	(52,919)
Proceeds from disposal of property and equipment	**3**	1,472	**3**	1,258
Proceeds from disposal of assets classified as held for sale	**7,850**	-	**-**	-
Dividend from financial investments at fair value through profit or loss (Note 34(ii))	**-**	10,170	**-**	10,170
Dividend from subsidiaries	**-**	-	**15,000**	15,000
Capital reduction	**-**	-	**5,100**	2,000
Net cash used in investing activities	**(522,305)**	(846,023)	**(508,734)**	(789,443)

FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Cash flows from financing activities				
Proceeds from re-issuance of shares to members	**31,184**	87,423	**31,184**	87,423
Dividend paid	**(486,236)**	(481,193)	**(486,236)**	(481,193)
Fund received from BNM	**34,393**	4,608	**34,393**	4,608
Fund refunded to government	**(92,444)**	-	**(92,444)**	-
Proceeds from debt securities issued	**1,600,000**	500,000	**1,600,000**	500,000
Payment of profit expenses on debt securities issued	**(245,237)**	(205,473)	**(245,237)**	(205,473)
Payment of debt securities issued	**(600,000)**	-	**(600,000)**	-
Payment of lease liabilities	**(12,303)**	(17,147)	**(31,724)**	(25,897)
Payment of cashline facility	**(1,211,346)**	(711,180)	**(1,211,346)**	(711,180)
Receipt of cashline facility	**1,001,556**	1,204,046	**1,001,556**	1,204,046
Net cash (used in)/generated from financing activities	**19,567**	381,084	**146**	372,334
Net (decrease)/increase in cash and cash equivalents	**(181,444)**	575,157	**(187,053)**	575,713
Cash and cash equivalents at beginning of the year	**1,677,256**	1,102,099	**1,677,217**	1,101,504
Cash and cash equivalents at end of the year	**1,495,812**	1,677,256	**1,490,164**	1,677,217
Cash and cash equivalents comprises:				
Cash and short-term funds (Note 5)	**1,495,812**	1,677,256	**1,490,164**	1,677,217
Deposits and placements with financial institutions (Note 6)	**606,718**	590,242	**606,718**	590,242
	2,102,530	2,267,498	**2,096,882**	2,267,459
Less:				
Cash and short-term funds and deposits and placements with original maturity of more than three months	**(606,718)**	(590,242)	**(606,718)**	(590,242)
	1,495,812	1,677,256	**1,490,164**	1,677,217

FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

An analysis of changes in liabilities arising from financing activities is as follows:

	Debt securities RM'000	Lease liabilities RM'000	Cashline facility RM'000	Government fund RM'000	BNM fund RM'000	Total RM'000
Group						
At 1 January 2025	**5,537,728**	**51,072**	**1,204,046**	**115,291**	**203,431**	**7,111,568**
Profit expense during the year	**249,976**	**2,446**	**7,300**	**-**	**-**	**259,722**
Additions	**1,600,000**	**69,029**	**1,001,556**	**-**	**34,393**	**2,704,978**
Payment	**(845,237)**	**(12,303)**	**(1,211,346)**	**(90,594)**	**-**	**(2,159,480)**
Non-cash movement	**-**	**-**	**-**	**-**	**2,173**	**2,173**
At 31 December 2025	**6,542,467**	**110,244**	**1,001,556**	**24,697**	**239,997**	**7,918,961**
At 1 January 2024	5,033,537	45,873	701,468	118,252	195,138	6,094,268
Profit expense during the year	209,664	1,704	9,712	-	-	221,080
Additions	500,000	20,642	1,204,046	-	4,608	1,729,296
Payment	(205,473)	(17,147)	(711,180)	-	-	(933,800)
Non-cash movement	-	-	-	(2,961)	3,685	724
At 31 December 2024	5,537,728	51,072	1,204,046	115,291	203,431	7,111,568
Bank						
At 1 January 2025	**5,537,728**	**65,540**	**1,204,046**	**115,291**	**203,431**	**7,126,036**
Profit expense during the year	**249,976**	**3,840**	**7,300**	**-**	**-**	**261,116**
Additions	**1,600,000**	**88,589**	**1,001,556**	**-**	**34,393**	**2,724,538**
Payment	**(845,237)**	**(31,724)**	**(1,211,346)**	**(90,594)**	**-**	**(2,178,901)**
Non-cash movement	**-**	**-**	**-**	**-**	**2,173**	**2,173**
At 31 December 2025	**6,542,467**	**126,245**	**1,001,556**	**24,697**	**239,997**	**7,934,962**
At 1 January 2024	5,033,537	59,966	701,468	118,252	195,138	6,108,361
Profit expense during the year	209,664	2,498	9,712	-	-	221,874
Additions	500,000	28,973	1,204,046	-	4,608	1,737,627
Payment	(205,473)	(25,897)	(711,180)	-	-	(942,550)
Non-cash movement	-	-	-	(2,961)	3,685	724
At 31 December 2024	5,537,728	65,540	1,204,046	115,291	203,431	7,126,036

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

The Bank was established under the Co-operative Societies Act 1993 with the registered office address at 35th Floor, Menara 1, Menara Kembar Bank Rakyat, No. 33, Jalan Rakyat, 50470 Kuala Lumpur.

The principal activities of the Bank are those of a co-operative that carries out banking activities based on Shariah principles through accepting deposits and providing financial services for retail and commercial needs.

The principal activities of the subsidiaries are disclosed in Note 15.

There have been no significant changes in the nature of these principal activities of the Group and the Bank other than as disclosed in Note 15.

The Bank has a total of 148 branches as of 31 December 2025 (2024: 148).

These financial statements have been approved and authorised for issue by the Board of Directors on 9 March 2026.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Bank have been prepared in accordance with the provisions of Bank Kerjasama Rakyat Malaysia Berhad (Special Provisions) Act 1978 (Act 202), the Co-operative Societies Act 1993 (Act 502), Development Financial Institutions Act 2002 (Act 618), MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and in compliance with the principles of Shariah.

The financial statements of the subsidiaries of the Bank have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM") and are rounded to the nearest thousand ("000"), unless otherwise stated.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued but have not been adopted by the Group and the Bank.

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements - Volume 11:
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 10, *Consolidated Financial Statements*
  - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Bank plan to apply the abovementioned accounting standards, amendments or interpretations, where applicable:

- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026
- from the annual period beginning on 1 January 2027 for the accounting standards and amendments that are effective for annual periods beginning on or after 1 January 2027

The initial application of the accounting standards, amendments and interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Bank.

3. MATERIAL ACCOUNTING POLICIES

3.1 Basis of preparation

The financial statements of the Group and of the Bank have been prepared on the historical cost basis, except for certain assets and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the material accounting policies below.

3.2 Subsidiaries and basis of consolidation

The consolidated financial statements incorporate the financial statements of the Bank and entities (including structured entities) controlled by the Bank and its subsidiaries.

Investments in subsidiaries are measured in the Bank's statement of financial position at cost less any impairment losses.

3.3 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition-related costs are recognised in profit or loss as incurred.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Business combinations (continued)

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112, *Income Taxes* and MFRS 119, *Employee Benefits respectively;*

- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2, *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified and measured as held-for-sale in accordance with MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations.*

3.4 Goodwill on consolidation

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see 3.3 above) less accumulated impairment losses, if any.

3.5 Financial instruments

Financial assets and financial liabilities are recognised when, and only when the Group and the Bank become a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value.

3.5.1 Financial assets

3.5.1.1 Initial recognition and subsequent measurement

All financial assets are measured initially at their fair value plus directly attributable transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

The Group and the Bank classify all of its financial assets based on the business model for managing the assets and the asset's contractual cash flow characteristics, measured at either:

- Amortised cost
- Fair value through other comprehensive income ("FVOCI")
- Fair value through profit or loss ("FVTPL")

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (continued

3.5.1 Financial assets (continued)

3.5.1.1 Initial recognition and subsequent measurement (continued)

Included in financial assets are the following:

(i) Financial assets at amortised cost

The Group and the Bank measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit ("SPPP") on the principal amount outstanding.

The details of these conditions are outlined below:

(a) Business model assessment

The Group and the Bank determine its business model at the level that best reflects how groups of financial assets are managed to achieve its business objective.

The Group and the Bank's business model is not assessed on an instrument-by-instrument basis, but a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the key management personnel;

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;

- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); or

- The expected frequency, value and timing of sales are also important aspects of the Group and the Bank's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group and the Bank's original expectations, the Group and the Bank do not change the classification of the remaining financial assets held in that business model, but incorporate such information when assessing newly originated or newly purchased financial assets going forward.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (continued)

3.5.1 Financial assets (continued)

3.5.1.1 Initial recognition and subsequent measurement (continued)

(i) Financial assets at amortised cost (continued)

(b) The SPPP test

As a second step of its classification process, the Group and the Bank assess the contractual terms of financial assets to identify whether they meet the SPPP test.

"Principal" for the purpose of this test is defined as their fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are payments of principal or amortisation of the premium/discount).

The most significant elements of profit within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPP assessment, the Group and the Bank apply judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the profit rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and profit on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

(ii) Fair value through other comprehensive income ("FVOCI")

The Group and the Bank apply the new category under MFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial assets meet the SPPP test.

Financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in Other Comprehensive Income ("OCI"). Profit income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

Equity instruments are normally measured at FVTPL. However, for unquoted equity instruments, with an irrevocable option at inception, the Group and the Bank measure the changes through FVOCI (without recycling profit or loss upon derecognition).

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (continued)

3.5.1 Financial assets (continued)

3.5.1.1 Initial recognition and subsequent measurement (continued)

(iii) Fair value through other comprehensive income ("FVTPL")

Financial assets at FVTPL include financial assets held-for-trading and financial asset designated at FVTPL upon initial recognition. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held-for-trading.

Financial assets at FVTPL are those that are not held-for-trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under MFRS 9. Management designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The assets and liabilities are part of a group of financial assets, financial liabilities or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

Subsequent to initial recognition, financial assets held-for-trading and financial assets designated at FVTPL are recorded in the statements of financial position at fair value. Changes in fair value are recognised in profit or loss under the heading of 'other operating income'.

(iv) Financing and receivables

Financing and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financing and receivables are initially recognised at fair value, including direct and incremental transaction costs, and subsequently measured at amortised cost using the effective profit method, less any impairment.

Profit on financing is recognised in profit or loss by applying the effective profit rate.

(v) Effective profit method

The effective profit method is a method of calculating the amortised cost of a financial asset or liability and of allocating profit income or expense over the relevant period. The effective profit rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (continued)

3.5.1 Financial assets (continued)

3.5.1.2 Impairment of financial assets

The MFRS 9 impairment requirements are based on an Expected Credit Loss ("ECL") model. The ECL model applies to financial assets measured at amortised cost or at FVOCI, irrevocable financing commitments and financial guarantee contracts; which include financing and advances, as well as financial instruments held by the Group and the Bank. The ECL model also applies to contract assets under MFRS 15, *Revenue from Contracts with Customers.*

The measurement of ECL involves increased complexity and judgement that include:

(i) Determining a significant increase in credit risk since initial recognition

The assessment of significant deterioration since initial recognition is the key to determine the point of switching between measuring an allowance based on 12-month ECL, or an allowance based on lifetime ECL. A number of both qualitative and quantitative assessments are used in determining whether there is a significant increase in credit risk as at reporting date when compared with the date of initial recognition.

The Group and the Bank apply a three-stage approach based on the change in credit quality since initial recognition:

3-Stage approach	Stage 1	Stage 2	Stage 3
	Performing	Under-performing	Non-performing
Description	No significant increase in credit risk	Credit risk increased significantly	Credit impaired assets
ECL Approach	12-month	ECL Sepanjang hayat	ECL Sepanjang hayat
Recognition of profit income	On gross carrying amount	On gross carrying amount	On net carrying amount

(ii) ECL Measurement

There are three main components to measure ECL which are probability of default ("PD") model, a loss given default ("LGD") model, and the exposure at default model ("EAD").

a) Probability of default

PD provides an estimate of the likelihood that a customer will be unable to meet its debt obligation or default over a particular time horizon.

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FOR THE YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (continued)

3.5.1 Financial assets (continued)

3.5.1.2 Impairment of financial assets (continued)

(ii) ECL Measurement (continued)

b) Loss Given Default

LGD is defined as the percentage of exposure the Bank might lose in case the customer defaults. These losses are usually shown as a percentage of EAD, and depend, amongst others, on the type and amount of collateral as well as the type of customer and the expected proceeds from the work-out of the assets.

c) Exposure at Default

EAD is an estimate of the Bank's exposure to its counterparty at the time of default. For defaulted accounts, EAD is simply the amount outstanding at the point of default.

MFRS 9 does not distinguish between individual assessment and collective assessment. Therefore, the Group and the Bank have continued to measure impairment on individual assessment basis for financial assets that are deemed to be individually significant. All other remaining financial assets are collectively assessed as per the Group's policy.

(iii) Expected life

Lifetime expected credit losses must be measured over the expected life. This is defined to be the maximum contractual life, including any expected prepayment, extension, call and similar options.

(iv) Financial investments at FVOCI

The ECLs of financial investments measured at FVOCI do not reduce the carrying amount of these financial assets, which remains at fair value. Rather, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to profit or loss upon derecognition of the assets.

(v) Forward-looking information

Expected credit losses are the unbiased probability-weighted credit losses, determined by evaluating a range of possible outcomes and considering future economic conditions. The reasonable and supportable forward-looking forward is based on the Group's and the Bank's Economic Research Division.

Where applicable, the Group and the Bank incorporate forward-looking adjustments in credit risk factors of PD and LGD used in ECL calculation, taking into account the impact of multiple probability-weighted future forecast economic scenarios.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (continued)

3.5.1 Financial assets (continued)

3.5.1.2 Impairment of financial assets (continued)

(v) Forward-looking information (continued)

Embedded in ECL is a broad range of forward-looking information as economic inputs, such as:

- Private Final Consumption ("PFC");
- Gross Domestic Product ("GDP");
- Consumer Sentiment Index ("CSI");
- Unemployment Rate ("Unemployment");
- Overnight Pricing Rate ("OPR");
- Passenger Cars ("Passenger Cars");
- Consumer Price Indices ("CPI");
- House Price Indices ("HPI"); or
- FTSE Bursa Malaysia Small Cap Index ("FTSE").

The Group and Bank apply the following three alternative macro-economic scenarios to reflect an unbiased probability-weighted range of possible future outcomes in estimating ECL:

- *Base scenario:* This scenario reflects the current macro-economic conditions continue to prevail.
- *Best and Worst scenarios:* These scenarios are set relative to the base scenario; reflecting the best and worst case macro-economic conditions respectively, based on subject matter expert's best judgement from current economic conditions.

(vi) Valuation for Stage 3 ECL

The Group and the Bank's accounting policy for collateral assigned to it through its lending arrangements under MFRS 9 is the same as it was under MFRS 139.

3.5.1.3 Rescheduled and restructured financing

Where a financing shows evidence of credit weaknesses, the Group and the Bank may seek to renegotiate the financing rather than to take possession of collateral. This may involve an extension of the payment arrangements via rescheduling or the renegotiation of new financing terms and conditions via restructuring. Management monitors the renegotiated financing to ensure that all the revised terms are met and that the payments are made promptly for a continuous period. Where an impaired financing is renegotiated, the customer must adhere to the revised and/or restructured payment terms for a continuous period of six months before the financing is classified as non-impaired. This financing continues to be subjected to ECL individually or collectively assessed.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (continued)

3.5.1 Financial assets (continued)

3.5.1.4 Modification of financing

The Group and the Bank sometimes renegotiate or otherwise modify the contractual cash flows of financing to customers. When this happens, the Group and the Bank assess whether or not the new terms are substantially different to the original terms. The Group and the Bank do this by considering, among others, the following factors:

- If the customer is in financial difficulty, whether the modification merely reduces the contractual cash flows to amount the customer is expected to be able to pay;
- Whether any substantial new terms are introduced, such as profit share/equity-based return that substantially affects the risk profile of the financing;
- Significant extension of the financing term when the customer is not in financial difficulty; or
- Significant change in profit rate.

If the terms are substantially different, the Group and the Bank derecognise the original financial asset and recognise a 'new' asset at fair value and recalculate a new effective profit rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for both impairment calculation purposes and in determining whether a significant increase in credit risk has occurred.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition. The Group and the Bank recalculate the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in the income statements. The new gross carrying amount is recalculated by discounting the modified cashflows at the original effective profit rate.

3.5.1.5 Reclassification of financial assets

Reclassification of financial assets is permissible when and only when there is change in business model for managing financial assets.

Subsequent to initial recognition, the Group and the Bank do not reclassify its financial assets.

3.5.2 Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the assets expire, or when the Group and the Bank transfer the financial assets and substantially all the risks and rewards of ownership of the assets to another entity. If the Group and the Bank neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the financial asset, the Group and the Bank recognise their retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Bank retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Bank continue to recognise the financial asset and also recognise a collateralised financing for the proceeds received.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (continued)

3.5.2 Derecognition of financial assets (continued)

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated under the heading of other reserves is recognised in profit or loss.

3.5.3 Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

3.5.4 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's and of the Bank's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's and of the Bank's own equity instruments.

3.5.5 Financial liabilities

Financial liabilities are initially recognised at the fair value of consideration received less directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective profit method. The Group and the Bank do not have any non-derivative financial liabilities designated at fair value through profit or loss. Financial liabilities at amortised cost include deposits from customers, deposits and placements from banks and financial institutions, trade and other payables, recourse obligations on financing sold to Cagamas, debt securities issued and other fund placements.

The effective profit method is a method of calculating the amortised cost of a financial liability and of allocating profit expense over the relevant period. The effective profit rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period to the net carrying amount on initial recognition.

3.5.5.1 Investment accounts

Investment accounts are based on the concept of profit sharing. Under this concept, the customer provides capital for the Group and the Bank to invest. The profit earned from the investment will be shared as dividend between the customer and the Group and the Bank according to the predetermined mutually agreed Profit Sharing Ratio ("PSR").

An unrestricted investment account ("UA") refers to a type of investment account where the investor provides the Group and the Bank with the mandate to make the ultimate decision without specifying any particular restrictions or conditions. The UA is structured under Mudarabah contracts.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Financial instruments (continued)

3.5.5 Financial liabilitie (continued)

3.5.5.1 Investment accounts (continued)

The financial losses associated with the investment are to be borne by the customer whilst the Group and the Bank may suffer losses in term of costs and time.

3.5.6 Derecognition of financial liabilities

The Group and the Bank derecognise financial liabilities when, and only when, the Group's and the Bank's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid or payable is recognised in profit or loss.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices. This includes listed equity securities and quoted debt instruments on Bursa Malaysia and broker quotes from Bond Pricing Agency.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. Under these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, and using inputs existing at the end of the reporting period.

The fair value for financing and advances as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs.

3.6 Cash and cash equivalents

Cash and short term funds in the statements of financial position comprise of cash and bank balances with bank and other financial institutions and short-term deposits maturing within one month. For purpose of the statements of cash flows, cash and cash equivalents consist of cash and short term funds with original maturity of less than three months.

3.7 Leases

At inception of a contract, the Group and the Bank assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Bank use the definition of a lease in MFRS 16.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Leases (continued)

(a) Group as lessor

The Group and the Bank enter into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group and the Bank is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group or the Bank is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group or the Bank applies the exemption described above, then it classifies the sub-lease as an operating lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease as part of 'Other operating income' (Note 34). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's and the Bank's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's and the Bank's net investment outstanding in respect of the leases.

(b) Group as lessee

The Group and the Bank apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Bank recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liabilities, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liabilities.

Whenever the Group and the Bank incur an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Leases (continued)

(b) Group as lessee (continued)

(i) Right-of-use assets (continued)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and the Bank expect to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease:

Buildings	1 - 10 years
Other equipment	1 - 2 years

The right-of-use assets are presented as a separate line in the statements of financial position.

The Group and the Bank apply MFRS 136, *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3.20 Impairment of non-financial assets.

If ownership of the leased asset transfers to the Group and the Bank at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

As a practical expedient, MFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group and the Bank has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group and the Bank allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Bank recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Bank and payments of compensation for terminating the lease, if the lease term reflects the Group and the Bank exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs and are included in 'Operating expenses' in profit or loss.

The Group and the Bank present lease liabilities in 'Other liabilities' (Note 28) in the statements of financial position.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Leases (continued)

(b) Group as lessee (continued)

(ii) Lease liabilities (continued)

In calculating the present value of lease payments, the Group and the Bank use finance rate implicit in the lease. If this rate cannot be readily determined, the lessees uses its incremental financing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of finance cost and reduced for the lease payments made. In addition, the carrying amount of lease liabilities are remeasured (and makes a corresponding adjustment to the related right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero) if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group and the Bank do not make any such adjustments during the periods presented.

(iii) Short-term leases and leases of low-value assets

The Group and the Bank apply the short-term lease recognition exemption to its short-term leases of parking space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain an extension option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

3.8 Financing costs

Financing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other financing costs are expensed in the period in which they occur. Financing costs consist of profit expense and other costs that an entity incurs in connection with the financing of funds.

3.9 Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the entities in the Group and the Bank, are classified as investment properties. Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the end of the reporting period.

Fair values are determined based on annual valuation performed by accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

In determining the amount of consideration from the derecognition of investment property the Group and the Bank consider the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Investment properties (continued)

If owner-occupied property becomes an investment property, the Group and the Bank account for such property in accordance with the policy stated under property and equipment up to the date of change in use. Rental income from investment property is recognised as other income on a straight-line basis over the term of the lease.

3.10 Property and equipment

Land and buildings comprise mainly branches and offices. All property and equipment used by the Group and the Bank are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Construction work-in-progress are not depreciated until the assets are ready for their intended use.

Depreciation of other property and equipment are calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Buildings	50 years
Leasehold land and buildings	50 years
Renovation	5 - 50 years
Furniture, fittings and office equipment	5 years
Motor vehicles	5 years

3.11 Intangible assets

In addition to goodwill, intangible assets also include computer software and software-in-development.

Intangible assets acquired separately are measured at cost on initial recognition. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Subsequent to initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses, except software-in-development which is not subject to amortisation until the development is completed and the asset is available for use.

Amortisation of intangible assets are calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Computer software	5 - 15 years

3.12 Prepaid lease payments

Leasehold land that has an indefinite economic life which title is not expected to pass to the Group by end of the lease period is classified as operating lease.

The upfront payments for right to use the leasehold land over a predetermined period are accounted for as prepaid lease payments and are stated at cost less amount amortised. The prepaid lease payments are amortised on a straight-line basis over the remaining lease terms, ranging from 1 to 856 years (2024: 1 to 857 years).

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Provisions

Provisions are recognised when the Group and the Bank have a present obligation (legal or constructive) as a result of past events, when it is probable that the Group and the Bank will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of time value of money is material).

3.14 Inventories

Inventories are valued at the lower of cost (determined using the first-in, first out method) and net realisable value.

Completed property units for sale are valued at the lower of cost and net realisable value. Cost is determined using the 'specific identification' method.

3.15 Profit income and expense

For all financial instruments measured at amortised cost and profit-bearing financial assets classified as fair value through profit or loss and fair value through other comprehensive income, income and expense are recognised under "Income" and "Expenditure" respectively using the effective profit method.

The effective profit method is a method of calculating the amortised cost of a financial asset or liability and of allocating the profit income or expense over the relevant period. The effective profit rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

The calculation takes into account all contractual terms of the financial instruments (for example, prepayment options) but does not consider future credit losses. Significant fees and transaction costs integral to the effective profit rate, as well as premiums or discounts are also considered.

For impaired assets where the value of the financial assets has been written down as a result of an impairment loss, profit income continues to be recognised using the profit rate used to discount the future cash flows for the purpose of measuring the impairment loss.

3.16 Fee and commission income

Financing arrangement fees are recognised as income based on contractual arrangements. Guarantee fee is recognised as income upon issuance of the guarantee. Fees from advisory and corporate finance activities are recognised net of sales and service tax and discounts on completion of each stage of the assignment.

Fees and commissions are generally recognised on an accrual basis when the service has been provided.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.17 Dividend income

Dividends are recognised in profit or loss as 'dividend income' when the Group's right to receive payment is established.

3.18 Income tax

3.18.1 Current income tax

Current income tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

3.18.2 Deferred income tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Bank expect, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

3.19 Employee benefits

3.19.1 Defined contribution plan

For defined contribution plan, the Group and the Bank pay contributions to Employees Provident Fund ("EPF") on a mandatory basis. The Group and the Bank have no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

3.19.2 Short-term employee benefits

Wages, salaries, paid annual leaves, bonuses and social contributions are recognised in the year in which the associated services are rendered by employees of the Group and of the Bank. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by the employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

3.20 Impairment of non-financial assets

At the end of each reporting period, the Group and the Bank review the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Bank estimate the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.21 Zakat

In computing for zakat, the Group and the Bank have been applying the growth capital method based on the rate of 2.5%. This method applies the rate on owners' equity, long term liability, net of fixed assets and non-current assets, and subjected to allowable adjustments.

It is an obligatory amount payable on the business on behalf of the shareholders and/or business entity depending on the ownership characteristics.

Zakat is distributed according to Shariah principle and being extended through Islamic Religious Council of the respective states and other rightful beneficiaries or asnaf.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group's and the Bank's financial statements and financial results are influenced by accounting policies, assumptions, estimates and management judgements, which necessarily have to be made in the course of preparation of the financial statements.

The Group and the Bank make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with MFRS are best estimates undertaken in accordance with the applicable standards.

Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. Accounting policies and management's judgements for certain items are especially critical for the Group's and the Bank's results and financial situation due to their materiality.

4.1 Impairment losses on financing and advances

The Group and the Bank review their financing and advances portfolio to determine whether impairment losses should be recognised in profit or loss.

Financing is considered as impaired when there is objective evidence of impairment as a result of loss event that has affected future estimated cash flows of the financing subsequent to its initial recognition.

Components of impairment allowance are as follows:

(i) ECL individually assessed

Where an account has exceeded certain number of arrears or when the account has fulfilled certain criteria that indicates credit weaknesses, the account is individually assessed for impairment.

Individual allowance is measured as the difference between carrying amount of the financing and present value of estimated future cash flows that are discounted at the effective profit rate.

Expectation on future cash flows is established by applying the best estimate formed on reliable and objective evidence. This process involves significant and reasonable judgement.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.1 Impairment losses on financing and advances (continued)

(ii) ECL collectively assessed

The Group and the Bank's ECL calculations under MFRS 9 are outputs of complex models with several underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- Criteria for assessing if there has been a significant increase in credit risk, which includes qualitative assessment, to determine whether financial assets should be measures on lifetime ECL basis rather than 12-month ECL basis;
- The segmentation of financial assets, when their ECL is assessed on a collective basis;
- Development of ECL models, including various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios, and economic inputs, such as unemployment levels and overnight pricing rate, and their effect on PDs, EADs, and LGDs; and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

4.2 Impairment of financial assets portfolio

The Group and the Bank review their financial investments at FVOCI and financial investments at amortised cost under MFRS 9 to recognise the ECL at each reporting date to reflect changes in credit risk of the financial investments not measured through FVTPL. MFRS 9 incorporates forward-looking and historical, current and forecasted information into ECL estimation.

In carrying out the impairment review, the following management's judgements are required:

(i) Determination whether the investment is impaired based on certain indicators such as, among others, difficulties of the issuers or obligors, deterioration of the credit quality of the issuers or obligors; and

(ii) Determination of ECL that reflect:

(a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

(b) The time value of money; and

(c) Reasonable and supportable information, that is available without undue cost or effort, as at the reporting date about past events, current conditions, and forecasts of future economic conditions.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.3 Fair value estimation of financial investments at FVOCI

When the fair value of financial assets recorded in the statements of financial position cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques. Valuation techniques include the discounted cashflow methods, option pricing models, and other relevant valuation models.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

4.4 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profit together with future tax planning strategies.

4.5 Determine the lease term of contracts with renewal and termination options - Group as lessee

The Group and the Bank determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Bank have several lease contracts that include extension and termination options. The Group and the Bank apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Bank reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group and the Bank include the renewal period as part of the lease term for leases of buildings and other equipment with shorter non-cancellable period (i.e., one to three years). The Group and the Bank typically exercise its option to renew for these leases because there will be a significant negative effect on operation if a replacement asset is not readily available. The renewal periods for leases of buildings with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to Note 13 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

5. CASH AND SHORT-TERM FUNDS

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
At amortised cost				
Cash and balances with banks and other financial institutions	**1,075,246**	1,007,504	**1,069,598**	1,007,4659
Money at call and deposit placements maturing within one month	**420,566**	669,752	**420,566**	669,752
	1,495,812	1,677,256	**1,490,164**	1,677,217

Included in the cash and balances with banks and other financial institutions are RM581.78 million (2024: RM563.55 million) pledged as the collateral for the cashline facility (Note 27).

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Cash and short-term funds	**1,495,812**	1,677,256	**1,490,164**	1,677,217

6. DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
At amortised cost				
Licensed banks	**606,718**	590,242	**606,718**	590,242

Included in the deposits and placements with financial institutions are RM606.72 million (2024: RM590.24 million) pledged as the collateral for the cashline facility (Note 27).

The maturity structure of the deposits and placements with financial institutions is as follows:

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
More than three months	**606,718**	590,242	**606,718**	590,242

7. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Debt instruments at fair value through other comprehensive income:				
Islamic debt securities	**7,143,359**	6,216,763	**7,143,359**	6,216,763
Government investment issues	**5,218,022**	5,614,196	**5,218,022**	5,614,196
Government sukuk	**7,553,884**	8,255,257	**7,553,884**	8,255,257
Cagamas sukuk	**1,605,077**	575,941	**1,605,077**	575,941
	21,520,342	20,662,157	**21,520,342**	20,662,157
Equity securities at fair value through other comprehensive income:				
Unquoted shares:				
In Malaysia *	**115,189**	115,189	**115,181**	115,181
Total financial investments at fair value through other comprehensive income	**21,635,531**	20,777,346	**21,635,523**	20,777,338

* The Group and the Bank have elected to recognise these equity investments at fair value through other comprehensive income, these investments are held as long term strategic investments that are not expected to be sold in the short term to medium term. Gains or losses on the derecognition of these equity investments are not transferred to profit or loss.

Movement of allowance for ECL by stage for debt instruments at fair value through other comprehensive income is as follows:

	12-month ECL Stage 1 RM'000
Group and Bank	
At 1 January 2024	120
Changes in credit risk (Note 33(ii))	493
At 31 December 2024/1 January 2025	**613**
Changes in credit risk (Note 33(ii))	**390**
At 31 December 2025	**1,003**

7. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

The maturity structure of the debt instruments is as follows:

	Group and Bank	
	2025 RM'000	**2024 RM'000**
Maturity within one year	**1,854,484**	1,665,767
More than one year to five years	**7,370,608**	8,137,389
More than five years	**12,295,250**	10,859,001
	21,520,342	20,662,157

8. FINANCIAL INVESTMENTS AT AMORTISED COST

	Group and Bank	
	2025 RM'000	**2024 RM'000**
At amortised cost		
Islamic debt securities	**972,498**	1,143,752
Government investment issues *	**7,975,633**	7,827,210
Government sukuk	**2,458,601**	2,514,494
Cagamas sukuk	**197,946**	228,939
Negotiable Islamic debt certificates	**-**	99,758
Islamic commercial papers	**49,688**	49,637
	11,654,366	11,863,790
Less: Allowance for ECL		
Negotiable Islamic debt certificates	**-**	(2)
Sekuriti hutang Islam	**(111)**	(54)
	11,654,255	11,863,734

* Included in financial investments at amortised cost are financial assets sold under repurchase agreement as disclosed in Note 9 (i).

8. FINANCIAL INVESTMENTS AT AMORTISED COST (CONTINUED)

Movement of allowance for ECL by stage is as follows:

Group and Bank	12-month ECL Stage 1 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
At 1 January 2024	36	10,605	10,641
Changes in credit risk (Note 33(ii))	20	-	20
Amount written off	-	(10,605)	(10,605)
At 31 December 2024/1 January 2025	**56**	**-**	**56**
Changes in credit risk (Note 33(ii))	**55**	**-**	**55**
At 31 December 2025	**111**	**-**	**111**

The maturity structure of the instruments is as follows:

	Group and Bank	
	2025 RM'000	2024 RM'000
Maturity within one year	**535,987**	498,968
More than one year to five years	**4,964,768**	5,096,599
More than five years	**6,153,611**	6,268,223
	11,654,366	11,863,790

9. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

(i) Included in financial investments at amortised cost are financial assets sold under repurchase agreements as follows:

	Group and Bank	
	2025 RM'000	2024 RM'000
Financial investments at amortised cost		
Government investment issues	**1,302,386**	1,005,142

9. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS (CONTINUED)

(ii) The obligations on financial assets sold under repurchase agreements are as follows:

	Group and Bank	
	2025 RM'000	2024 RM'000
Financial investments at amortised cost		
Government investment issues	**1,302,386**	1,005,142

10. FINANCING AND ADVANCES

(i) Financing and advances analysed by type and concept

Group 2025	Bai` `Inah RM'000	Bai` Bithaman Ajil RM'000	Qard RM'000	Murabahah RM'000	Ijarah Thumma Al-Bai` RM'000	Tawarruq RM'000	Total RM'000
At amortised cost							
Term financing							
- Personal financing	**7,415,227**	**-**	**-**	**-**	**-**	**52,644,553**	**60,059,780**
- House financing	**-**	**401,257**	**-**	**-**	**-**	**12,050,032**	**12,451,289**
- Hire-purchase receivables	**-**	**-**	**-**	**-**	**4,011,472**	**-**	**4,011,472**
- Syndicated financing	**-**	**-**	**-**	**-**	**-**	**594,297**	**594,297**
- Bridging financing	**-**	**-**	**-**	**-**	**-**	**25,924**	**25,924**
- Other term financing	**38,560**	**1,899**	**4**	**107,331**	**-**	**7,790,895**	**7,938,689**
Pawn broking	**-**	**-**	**-**	**-**	**-**	**5,897,685**	**5,897,685**
Cashline	**-**	**-**	**-**	**-**	**-**	**1,074,399**	**1,074,399**
Revolving credit	**-**	**-**	**-**	**-**	**-**	**311,416**	**311,416**
Credit card	**-**	**-**	**-**	**-**	**-**	**451,403**	**451,403**
Staff financing	**-**	**-**	**-**	**-**	**-**	**520,212**	**520,212**
	7,453,787	**403,156**	**4**	**107,331**	**4,011,472**	**81,360,816**	**93,336,566**
Allowance for ECL on financing and advances:							
Stage 1 - 12-month ECL							**(364,694)**
Stage 2 - lifetime ECL not credit impaired							**(557,652)**
Stage 3 - lifetime ECL credit impaired							**(994,631)**
Net financing and advances							**91,419,589**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

10. FINANCING AND ADVANCES (CONTINUED)

(i) Financing and advances analysed by type and concept (continued)

Group 2024	Bai` `Inah RM'000	Bai` Bithaman Ajil RM'000	Qard RM'000	Murabahah RM'000	Ijarah Thumma Al-Bai` RM'000	Tawarruq RM'000	Total RM'000
At amortised cost							
Term financing							
- Personal financing	9,705,214	-	-	-	-	48,273,296	57,978,510
- House financing	-	469,505	-	-	-	11,014,263	11,483,768
- Hire-purchase receivables	-	-	-	-	3,468,722	-	3,468,722
- Syndicated financing	-	-	-	-	-	397,091	397,091
- Bridging financing	-	-	-	-	-	46,106	46,106
- Other term financing	26,665	2,045	5	74,132	-	6,737,755	6,840,602
Pawn broking	-	-	-	-	-	3,667,646	3,667,646
Cashline	-	-	-	-	-	845,895	845,895
Revolving credit	-	-	-	-	-	277,632	277,632
Credit card	-	-	-	-	-	433,541	433,541
Staff financing	-	-	-	-	-	522,699	522,699
	9,731,879	471,550	5	74,132	3,468,722	72,215,924	85,962,212
Allowance for ECL on financing and advances:							
Stage 1 - 12-month ECL							(386,211)
Stage 2 - lifetime ECL not credit impaired							(715,797)
Stage 3 - lifetime ECL credit impaired							(1,069,390)
Net financing and advances							83,790,814

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

10. FINANCING AND ADVANCES (CONTINUED)

(i) Financing and advances analysed by type and concept (continued)

Bank 2025	Bai` `Inah RM'000	Bai` Bithaman Ajil RM'000	Qard RM'000	Murabahah RM'000	Ijarah Thumma Al-Bai` RM'000	Tawarruq RM'000	Total RM'000
At amortised cost							
Term financing							
- Personal financing	**7,415,227**	**-**	**-**	**-**	**-**	**52,644,553**	**60,059,780**
- House financing	**-**	**401,257**	**-**	**-**	**-**	**12,421,253**	**12,822,510**
- Hire-purchase receivables	**-**	**-**	**-**	**-**	**4,011,472**	**-**	**4,011,472**
- Syndicated financing	**-**	**-**	**-**	**-**	**-**	**594,297**	**594,297**
- Bridging financing	**-**	**-**	**-**	**-**	**-**	**25,924**	**25,924**
- Other term financing	**38,560**	**1,899**	**4**	**107,331**	**-**	**7,790,895**	**7,938,689**
Pawn broking	**-**	**-**	**-**	**-**	**-**	**5,837,971**	**5,837,971**
Cashline	**-**	**-**	**-**	**-**	**-**	**1,094,138**	**1,094,138**
Revolving credit	**-**	**-**	**-**	**-**	**-**	**311,416**	**311,416**
Credit card	**-**	**-**	**-**	**-**	**-**	**451,403**	**451,403**
Staff financing	**-**	**-**	**-**	**-**	**-**	**520,212**	**520,212**
	7,453,787	**403,156**	**4**	**107,331**	**4,011,472**	**81,692,062**	**93,667,812**
Allowance for ECL on financing and advances:							
Stage 1 - 12-month ECL							**(369,252)**
Stage 2 - lifetime ECL not credit impaired							**(557,652)**
Stage 3 - lifetime ECL credit impaired							**(994,631)**
Net financing and advances							**91,746,277**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

10. FINANCING AND ADVANCES (CONTINUED)

(i) Financing and advances analysed by type and concept (continued)

Bank 2024	Bai` `Inah RM'000	Bai` Bithaman Ajil RM'000	Qard RM'000	Murabahah RM'000	Ijarah Thumma Al-Bai` RM'000	Tawarruq RM'000	Total RM'000
At amortised cost							
Term financing							
- Personal financing	9,705,214	-	-	-	-	48,273,296	57,978,510
- House financing	-	469,505	-	-	-	11,384,440	11,853,945
- Hire-purchase receivables	-	-	-	-	3,468,722	-	3,468,722
- Syndicated financing	-	-	-	-	-	397,091	397,091
- Bridging financing	-	-	-	-	-	46,106	46,106
- Other term financing	26,665	2,045	5	74,132	-	6,737,755	6,840,602
Pawn broking	-	-	-	-	-	3,667,646	3,667,646
Cashline	-	-	-	-	-	845,895	845,895
Revolving credit	-	-	-	-	-	277,632	277,632
Credit card	-	-	-	-	-	433,541	433,541
Staff financing	-	-	-	-	-	522,699	522,699
	9,731,879	471,550	5	74,132	3,468,722	72,586,101	86,332,389
Allowance for ECL on financing and advances:							
Stage 1 - 12-month ECL							(390,937)
Stage 2 - lifetime ECL not credit impaired							(715,797)
Stage 3 - lifetime ECL credit impaired							(1,069,390)
Net financing and advances							84,156,265

Assets funded under *Ijarah* financing are owned by the Bank throughout the tenure of the *Ijarah* financing and ownership of the assets will be transferred to customer at the end of financing tenure for a token consideration or other amount as specified in the *Ijarah* financing contract.

Included in the Bank's financing and advances is financing granted to Rakyat Holdings Sdn Bhd, a subsidiary of the Bank, amounting to RM367.60 million (2024: RM365.45 million) net of expected credit losses of RM3.62 million (2024: RM4.73 million), subject to profit rate of 4.24% (2024: 5.23%) per annum.

Included in the Bank's financing and advances is cashline facility granted to Rakyat Management Services Sdn Bhd, a subsidiary of the Bank, amounting to RM18.80 million (2024: Nil) net of expected credit losses of RM0.94 million (2024: Nil), subject to profit rate of 5.10% (2024: Nil) per annum.

Included in the Group's and the Bank's financing and advances as at 31 December 2025 is BNM financing scheme as part of the government support measures for the purpose of SME financing amounting to RM98.54 million (2024: RM135.54 million) (Note 28(iv)).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

10. FINANCING AND ADVANCES (CONTINUED)

(ii) Financing and advances analysed by geographical distribution

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Central Region	**37,677,371**	34,472,116	**38,008,617**	34,842,293
Southern Region	**14,558,563**	13,226,188	**14,558,563**	13,226,188
Eastern Region	**14,281,869**	13,125,922	**14,281,869**	13,125,922
Northern Region	**10,816,816**	9,975,927	**10,816,816**	9,975,927
East Malaysia Region	**16,001,947**	15,162,059	**16,001,947**	15,162,059
	93,336,566	85,962,212	**93,667,812**	86,332,389

(iii) Financing and advances analysed by economic sector

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Household	**84,865,685**	78,513,414	**84,805,971**	78,513,414
Agriculture	**154,922**	119,283	**154,922**	119,283
Mining and quarrying	**48,705**	62,409	**48,705**	62,409
Manufacturing	**254,050**	232,363	**254,050**	232,363
Electricity, gas and water	**140,129**	121,316	**140,129**	121,316
Construction	**1,050,815**	1,151,678	**1,050,815**	1,151,678
Wholesale and retail trade	**1,138,030**	1,145,080	**1,138,030**	1,145,080
Transportation and communication	**1,397,907**	1,050,510	**1,397,907**	1,050,510
Financial, takaful and business services	**4,173,804**	3,319,255	**4,564,764**	3,689,432
Community, social and personal services	**112,519**	246,904	**112,519**	246,904
	93,336,566	85,962,212	**93,667,812**	86,332,389

(iv) Financing and advances analysed by remaining contractual maturity

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Maturity within one year	**2,832,123**	2,729,087	**2,823,121**	2,729,087
More than one year to three years	**7,856,198**	5,536,328	**7,805,486**	5,536,328
More than three years to five years	**8,137,546**	6,436,503	**8,137,546**	6,436,503
More than five years	**74,510,699**	71,260,294	**74,901,659**	71,630,471
	93,336,566	85,962,212	**93,667,812**	86,332,389

10. FINANCING AND ADVANCES (CONTINUED)

(v) Financing and advances analysed by customer type

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Individuals	**84,865,687**	78,509,601	**84,805,972**	78,509,601
Business enterprises	**5,282,010**	4,561,532	**5,672,971**	4,931,709
Non-bank financial institutions				
- Co-operatives	**3,061,013**	2,746,099	**3,061,013**	2,746,099
Foreign entities	**-**	3,763	**-**	3,763
Other entities	**127,856**	141,217	**127,856**	141,217
	93,336,566	85,962,212	**93,667,812**	86,332,389

(vi) Financing and advances analysed by profit rate sensitivity

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Fixed rate				
Personal financing	**8,020,242**	10,626,876	**8,020,242**	10,626,876
House financing	**1,082,017**	1,294,589	**1,082,017**	1,294,589
Others	**12,372,503**	9,594,271	**12,372,503**	9,594,271
Floating rate				
Personal financing	**52,039,538**	47,351,634	**52,039,538**	47,351,634
House financing	**11,369,273**	10,189,180	**11,740,494**	10,559,357
Others	**8,452,993**	6,905,662	**8,413,018**	6,905,662
	93,336,566	85,962,212	**93,667,812**	86,332,389

(vii) Impaired financing and advances analysed by geographical distribution

	Group and Bank	
	2025 RM'000	**2024 RM'000**
Central Region	**1,360,093**	1,272,150
Southern Region	**84,074**	83,442
Eastern Region	**84,045**	98,533
Northern Region	**74,359**	80,032
East Malaysia Region	**123,648**	136,261
	1,726,219	1,670,418

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10. FINANCING AND ADVANCES (CONTINUED)

(viii) Impaired financing and advances analysed by economic sector

	Group and Bank	
	2025 RM'000	**2024 RM'000**
Household	**682,487**	745,595
Agriculture	**12,377**	6,488
Mining and quarrying	**1,477**	20,681
Manufacturing	**33,905**	23,389
Electricity, gas and water	**86,635**	13,323
Construction	**77,402**	104,174
Wholesale and retail trade	**206,103**	165,297
Transportation and communication	**157,961**	135,557
Financial, takaful and business services	**457,772**	451,595
Community, social and personal services	**10,100**	4,319
	1,726,219	1,670,418

(ix) Movements in impaired financing and advances are as follows:

	Group and Bank	
	2025 RM'000	**2024 RM'000**
As of 1 January	**1,670,418**	1,695,987
Classified as impaired during the year	**1,643,621**	1,755,498
Amount written back in respect of recoveries	**(1,161,696)**	(1,401,380)
Amount written off during the year	**(426,124)**	(379,687)
	55,801	(25,569)
At 31 December	**1,726,219**	1,670,418

	Group		Bank	
	2025	**2024**	**2025**	**2024**
Gross impaired financing and advances as a percentage of gross financing and advances	**1.85%**	1.94%	**1.84%**	1.93%

10. FINANCING AND ADVANCES (CONTINUED)

(x) Movements in allowance for ECL on financing and advances are as follows:

Group 2025	12-month ECL Stage 1 RM'000	Lifetime ECL Not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
ECL allowance				
As of 1 January 2025	**386,211**	**715,797**	**1,069,390**	**2,171,398**
Changes due to financing and advances movements:				
- Transfer to 12-month ECL (Stage 1)	**122,936**	**(101,375)**	**(21,561)**	**-**
- Transfer to lifetime ECL not credit impaired (Stage 2)	**(22,880)**	**127,171**	**(104,291)**	**-**
- Transfer to lifetime ECL credit impaired (Stage 3)	**(4,584)**	**(72,032)**	**76,616**	**-**
New financial assets originated *	**127,096**	**34,558**	**32,057**	**193,711**
Changes in credit risk	**(195,083)**	**(107,248)**	**403,115**	**100,784**
Financial assets derecognised	**(49,002)**	**(39,219)**	**(34,571)**	**(122,792)**
Amount written off	**-**	**-**	**(426,124)**	**(426,124)**
At 31 December 2025	**364,694**	**557,652**	**994,631**	**1,916,977**

Group 2024	12-month ECL Stage 1 RM'000	Lifetime ECL Not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
ECL allowance				
As of 1 January 2024	653,488	677,545	1,078,480	2,409,513
Changes due to financing and advances movements:				
- Transfer to 12-month ECL (Stage 1)	129,632	(99,759)	(29,873)	-
- Transfer to lifetime ECL not credit impaired (Stage 2)	(28,869)	159,409	(130,540)	-
- Transfer to lifetime ECL credit impaired (Stage 3)	(6,728)	(61,064)	67,792	-
New financial assets originated *	110,636	29,447	18,091	158,174
Changes in credit risk	(421,566)	34,546	481,273	94,253
Financial assets derecognised	(50,382)	(24,327)	(36,146)	(110,855)
Amount written off	-	-	(379,687)	(379,687)
At 31 December 2024	386,211	715,797	1,069,390	2,171,398

10. FINANCING AND ADVANCES (CONTINUED)

(x) Movements in allowance for ECL on financing and advances are as follows (continued):

Bank 2025	12-month ECL Stage 1 RM'000	Lifetime ECL Not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
ECL allowance				
As of 1 January 2025	**390,937**	**715,797**	**1,069,390**	**2,176,124**
Changes due to financing and advances movements:				
- Transfer to 12-month ECL (Stage 1)	**122,936**	**(101,375)**	**(21,561)**	**-**
- Transfer to lifetime ECL not credit impaired (Stage 2)	**(22,880)**	**127,171**	**(104,291)**	**-**
- Transfer to lifetime ECL credit impaired (Stage 3)	**(4,584)**	**(72,032)**	**76,616**	**-**
New financial assets originated *	**127,096**	**34,558**	**32,057**	**193,711**
Changes in credit risk	**(195,251)**	**(107,248)**	**403,115**	**100,616**
Financial assets derecognised	**(49,002)**	**(39,219)**	**(34,571)**	**(122,792)**
Amount written off	**-**	**-**	**(426,124)**	**(426,124)**
At 31 December 2025	**369,252**	**557,652**	**994,631**	**1,921,535**

Bank 2024	12-month ECL Stage 1 RM'000	Lifetime ECL Not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
ECL allowance				
As of 1 January 2024	659,388	677,545	1,078,480	2,415,413
Changes due to financing and advances movements:				
- Transfer to 12-month ECL (Stage 1)	129,632	(99,759)	(29,873)	-
- Transfer to lifetime ECL not credit impaired (Stage 2)	(28,869)	159,409	(130,540)	-
- Transfer to lifetime ECL credit impaired (Stage 3)	(6,728)	(61,064)	67,792	-
New financial assets originated *	110,636	29,447	18,091	158,174
Changes in credit risk	(422,740)	34,546	481,273	93,079
Financial assets derecognised	(50,382)	(24,327)	(36,146)	(110,855)
Amount written off	-	-	(379,687)	(379,687)
At 31 December 2024	390,937	715,797	1,069,390	2,176,124

* New financing and advances originated during the year which were not credit impaired at origination but subsequently the credit quality has deteriorated.

10. FINANCING AND ADVANCES (CONTINUED)

(x) Movements in allowance for ECL on financing and advances are as follows (continued):

The following explains how significant changes in the gross carrying amount of financing and advances during the financial year have contributed to the change in the allowance for ECL on financing and advances.

Overall, the total allowance for impairment on financing and advances has decreased due to the following:

a) 12-month ECL (Stage 1) - The decrease by RM21.52 million for the Group and RM21.69 million for the Bank was mainly attributable to the reversal of management overlays and model refinement carried out during the year to integrate cure rates when estimating the ECL.

b) Lifetime ECL (Stage 2) - The decrease by RM158.15 million for the Group and the Bank was mainly due to the upgrade of financing customers to Stage 1, following prompt repayments received, as well as effect of the model refinement as mentioned above.

c) Lifetime ECL (Stage 3) - The decrease by RM74.76 million for the Group and the Bank was mainly attributable to the written-off impaired financing during the year, offset by deterioration in credit quality.

11. TRADE RECEIVABLES

	Group	
	2025 RM'000	**2024 RM'000**
At amortised cost		
Trade receivables	**2,982**	2,616
Less: Allowance for ECL	**(1,077)**	(1,161)
	1,905	1,455

The credit period granted for sale of goods is 30 days (2024: 30 days). No profit rate is charged on trade receivables.

11. TRADE RECEIVABLES (CONTINUED)

The table below is an analysis of trade receivables at the end of the reporting period:

	Group	
	2025 RM'000	**2024 RM'000**
Neither past due nor impaired		
1 day to less than 1 month	**1,495**	1,054
Past due but not impaired		
1 month to less than 2 months	**227**	194
2 months to less than 3 months	**83**	55
4 months and above	**223**	247
	533	496
Past due and impaired	**954**	1,066
	2,982	2,616

Movements in the allowance for ECL (credit-impaired) are as follows:

	Group	
	2025 RM'000	**2024 RM'000**
At 1 January	**1,161**	980
Impairment losses recognised during the year (Note 35(ii))	**952**	181
Amount recovered during the year (Note 34(ii))	**(497)**	-
Amount written off during the year	**(539)**	-
At 31 December	**1,077**	1,161

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date of which credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

12. OTHER ASSETS

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Amount due from subsidiaries (i)	**-**	-	**22,184**	22,929
Other receivables, deposits and prepayments (ii)	**1,005,305**	964,049	**973,153**	931,722
	1,005,305	964,049	**995,337**	954,651

The Group's and Bank's other assets include financial assets of RM941.30 million (2024: RM877.53 million) and RM932.32 million (2024: RM868.22 million) that are classified as amortised cost.

(i) Amount due from subsidiaries

The amount due from subsidiaries is non-trade in nature, not subject to financing charges and has no fixed terms of payment.

	Bank	
	2025 RM'000	**2024 RM'000**
Outstanding balances	**23,695**	24,440
Less: Allowance for ECL (12-month ECL Stage 1)	**(1,511)**	(1,511)
	22,184	22,929

(ii) Other receivables, deposits and prepayments

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Other receivables	**705,573**	646,592	**707,419**	645,782
Allowance for ECL	**(10,415)**	(14,905)	**(9,886)**	(14,376)
	695,158	631,687	**697,533**	631,406
Refundable deposits	**46,143**	45,844	**12,599**	13,888
Prepayments	**64,004**	86,518	**63,021**	86,428
Contribution to Central Liquidity Fund *	**200,000**	200,000	**200,000**	200,000
	1,005,305	964,049	**973,153**	931,722

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12. OTHER ASSETS (CONTINUED)

(ii) Other receivables, deposits and prepayments (continued)

Movements in the allowance for ECL (12-month ECL Stage 1) of other receivables that are neither past due nor impaired are as follows:

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
At 1 January	**14,905**	17,645	**14,376**	17,116
Impairment losses recognised during the year (Note 35(ii))	**539**	27	**-**	27
Amount written off during the year	**(5,029)**	(2,767)	**(4,490)**	(2,767)
At 31 December	**10,415**	14,905	**9,886**	14,376

* This contribution is required under sub-section 42(i) of Malaysia Co-operative Societies Commission Act 2007 (Act 665) either at a rate of 3% on the qualifying liability or RM200 million, whichever is lower, commencing in the financial period beginning on or after 1 January 2012.

13. RIGHT-OF-USE ASSETS

(i) Group as a lessee

The Group and the Bank have lease contracts for buildings and other equipment used in its operations. Leases of buildings generally have lease terms between 1 to 10 years, with the option to extend for another 1 to 3 years, while other equipment generally have lease terms between 1 to 2 years. The Group's and the Bank's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group and the Bank are restricted from assigning and subleasing the leased assets and some contracts require the Group and the Bank to maintain certain financial ratios. There are several lease contracts that include extension and variable lease payments, which are further discussed below.

The Group and the Bank also have certain leases of motor vehicle with lease terms of 12 months or less and lease of office equipment with low value. The Group and the Bank apply the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

13. RIGHT-OF-USE ASSETS (CONTINUED)

(i) Group as a lessee (continued)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Buildings RM'000	Other equipment RM'000	Total RM'000
Group			
At 1 January 2024	38,437	5,480	43,917
Additions	9,746	-	9,746
Termination	(201)	-	(201)
Remeasurement	10,690	407	11,097
Depreciation (Note 35(ii))	(20,229)	(631)	(20,860)
At 31 December 2024/1 January 2025	**38,443**	**5,256**	**43,699**
Additions	**41,056**	**-**	**41,056**
Termination	**(4,418)**	**-**	**(4,418)**
Penilaian semula	**31,478**	**913**	**32,391**
Depreciation (Note 35(ii))	**(34,142)**	**(645)**	**(34,787)**
At 31 December 2025	**72,417**	**5,524**	**77,941**
Bank			
At 1 January 2024	51,906	5,480	57,386
Additions	9,746	-	9,746
Termination	(201)	-	(201)
Penilaian semula	19,021	407	19,428
Susut nilai (Nota 35(ii))	(23,200)	(631)	(23,831)
At 31 December 2024/1 January 2025	**57,272**	**5,256**	**62,528**
Additions	**40,170**	**-**	**40,170**
Termination	**(4,418)**	**-**	**(4,418)**
Penilaian semula	**51,924**	**913**	**52,837**
Depreciation (Note 35(ii))	**(28,143)**	**(645)**	**(28,788)**
At 31 December 2025	**116,805**	**5,524**	**122,329**

The Group's total cash outflow for leases is RM12,303,000 (2024: RM17,147,000) and for the Bank is RM31,724,000 (2024: RM25,897,000). The future cash outflows relating to leases are disclosed in Note 28.

13. RIGHT-OF-USE ASSETS (CONTINUED)

(i) Group as a lessee (continued)

Some property leases contain extension options exercisable by the Group and the Bank up to three years before the end of the non-cancellable contract period. Where practicable, the Group and the Bank seek to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group and the Bank assess at lease commencement date whether it is reasonably certain to exercise the extension options. The Group and the Bank reassess whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The following are the amounts recognised in profit or loss:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Depreciation expense of right-of-use assets (Note 35(ii))	**34,787**	20,860	**28,788**	23,831
Finance cost on lease liabilities (Note 35(ii))	**2,446**	1,704	**3,840**	2,498
Total amount recognised in profit or loss	**37,233**	22,564	**32,628**	26,329

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and to align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

(ii) Group as a lessor

The Group and the Bank have entered into operating leases on its investment property portfolio consisting of certain office buildings (Note 18). These leases have terms of between 1 to 4 years. Rental income recognised by the Group and the Bank during the year is RM24,496,692 (2024: RM23,299,997) and RM25,108,009 (2024: RM23,910,309), respectively.

13. RIGHT-OF-USE ASSETS (CONTINUED)

(ii) Group as a lessor (continued)

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Future rental income within:				
- 1 year	**13,845**	18,038	**13,845**	17,078
- 2 years	**8,484**	10,066	**8,484**	9,073
- 3 years	**3,547**	4,229	**3,547**	2,079
	25,876	32,333	**25,876**	28,230

14. INVENTORIES

Inventories consist of the following:

	Group	
	2025 RM'000	**2024 RM'000**
Trading inventories, at cost	**31,285**	29,975
Recognised in profit or loss:		
Inventories recognised as cost of sales (Note 32)	**92,058**	118,880

15. INVESTMENTS IN SUBSIDIARIES

	Bank	
	2025 RM'000	**2024 RM'000**
Unquoted shares, at cost	**93,644**	93,644

15. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries, all incorporated in Malaysia, are as follows:

Name	Proportion of ownership interest and voting power held by the Group		Principal activities
	2025 %	**2024 %**	
Directly owned			
Rakyat Holdings Sdn Bhd *	**100**	100	Investment and property management
Rakyat Management Services Sdn Bhd *	**100**	100	Management of Ar-Rahnu business and franchise and provision of Ar-Rahnu financing
Rakyat Nominees Sdn Bhd *	**100**	100	Dormant
Rakyat Hartanah Sdn Bhd *	**100**	100	Dormant
Rakyat Asset Management Sdn Bhd *	**100**	100	Dormant
Indirectly owned through Rakyat Holdings Sdn Bhd			
Rakyat Travel Sdn Bhd *	**100**	100	Dormant

* The financial statements of these subsidiaries were not audited by the Auditor General of Malaysia.

Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activities	Place of Incorporation and Operation	Number of directly owned subsidiaries		Number of indirectly owned subsidiaries	
		2025	**2024**	**2025**	**2024**
Investment and property management	Malaysia	**1**	1	**-**	-
Pengurusan perniagaan dan francais Ar-Rahnu	Malaysia	**1**	1	**-**	-
Dormant	Malaysia	**3**	3	**1**	1
		5	5	**1**	1

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16. PROPERTY AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Long-term leasehold land and buildings RM'000	Short-term leasehold land and buildings RM'000	Work-in-progress RM'000	Renovation RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Group 2025									
At cost									
At 1 January	**44,000**	**634,212**	**116,171**	**928**	**10,074**	**337,024**	**508,569**	**9,011**	**1,659,989**
Additions	**-**	**832**	**-**	**-**	**28,856**	**18,366**	**95,607**	**308**	**143,969**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**(34)**	**-**	**(34)**
Write-offs	**-**	**-**	**-**	**-**	**(11)**	**(67)**	**(7,966)**	**-**	**(8,044)**
Reclassifications	**-**	**-**	**-**	**-**	**(10,095)**	**10,095**	**-**	**-**	**-**
Transfer to investment properties (Note 18)	**(501)**	**(4,635)**	**(735)**	**-**	**-**	**-**	**-**	**-**	**(5,871)**
At 31 December	**43,499**	**630,409**	**115,436**	**928**	**28,824**	**365,418**	**596,176**	**9,319**	**1,790,009**
Accumulated depreciation									
At 1 January	**-**	**98,174**	**34,327**	**928**	**-**	**306,867**	**414,530**	**6,547**	**861,373**
Charge for the year	**-**	**11,868**	**2,390**	**-**	**-**	**13,916**	**37,048**	**917**	**66,139**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**(33)**	**-**	**(33)**
Write-offs	**-**	**-**	**-**	**-**	**-**	**(67)**	**(7,877)**	**-**	**(7,944)**
Transfer to investment properties (Note 18)	**-**	**(355)**	**(397)**	**-**	**-**	**-**	**-**	**-**	**(752)**
Transfer from prepaid lease payments (Note 20)	**-**	**-**	**897**	**-**	**-**	**-**	**-**	**-**	**897**
At 31 December	**-**	**109,687**	**37,217**	**928**	**-**	**320,716**	**443,668**	**7,464**	**919,680**
Net book value									
At 31 December	**43,499**	**520,722**	**78,219**	**-**	**28,824**	**44,702**	**152,508**	**1,855**	**870,329**

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16. PROPERTY AND EQUIPMENT (CONTINUED)

	Freehold land RM'000	Buildings RM'000	Long-term leasehold land and buildings RM'000	Short-term leasehold land and buildings RM'000	Work-in-progress RM'000	Renovation RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Group (continued) 2024									
At cost									
At 1 January	46,110	488,965	119,060	928	7,530	321,351	482,010	8,461	1,474,415
Additions	-	1,039	-	-	14,876	9,644	45,123	723	71,405
Disposals	-	-	-	-	-	-	(696)	(405)	(1,101)
Write-offs	-	-	-	-	-	(96)	(17,855)	(15)	(17,966)
Reclassifications	-	5,960	-	-	(12,332)	6,125	-	247	-
Transfer to investment properties (Note 18)	(2,110)	-	(2,889)	-	-	-	-	-	(4,999)
Transfer from investment properties (Note 18)	-	138,248	-	-	-	-	-	-	138,248
Transfer to intangible assets (Note 17)	-	-	-	-	-	-	(13)	-	(13)
At 31 December	44,000	634,212	116,171	928	10,074	337,024	508,569	9,011	1,659,989
Accumulated depreciation									
At 1 January	-	89,683	32,856	928	-	295,412	405,759	5,643	830,281
Charge for the year	-	10,367	2,174	-	-	11,551	27,258	1,081	52,4319
Disposals	-	-	-	-	-	-	(679)	(162)	(841)
Write-offs	-	-	-	-	-	(96)	(17,808)	(15)	(17,919)
Transfer to investment properties (Note 18)	-	(1,876)	(703)	-	-	-	-	-	(2,579)
At 31 December	-	98,174	34,327	928	-	306,867	414,530	6,547	861,373
Net book value									
At 31 December	44,000	536,038	81,844	-	10,074	30,157	94,039	2,464	798,616

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16. PROPERTY AND EQUIPMENT (CONTINUED)

	Freehold land RM'000	Buildings RM'000	Long-term leasehold land and buildings RM'000	Short-term leasehold land and buildings RM'000	Work-in-progress RM'000	Renovation RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Bank									
2025									
At cost									
At 1 January	**42,612**	**536,202**	**78,359**	**928**	**10,074**	**334,877**	**505,790**	**8,869**	**1,517,711**
Additions	**-**	**832**	**-**	**-**	**28,856**	**17,915**	**94,737**	**308**	**142,648**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**(34)**	**-**	**(34)**
Write-offs	**-**	**-**	**-**	**-**	**(11)**	**(67)**	**(7,966)**	**-**	**(8,044)**
Reclassifications	**-**	**-**	**-**	**-**	**(10,095)**	**10,095**	**-**	**-**	**-**
Transfer to investment properties (Note 18)	**(501)**	**(4,635)**	**-**	**-**	**-**	**-**	**-**	**-**	**(5,136)**
At 31 December	**42,111**	**532,399**	**78,359**	**928**	**28,824**	**362,820**	**592,527**	**9,177**	**1,647,145**
Accumulated depreciation									
At 1 January	**-**	**87,399**	**26,738**	**928**	**-**	**304,920**	**412,300**	**6,406**	**838,691**
Charge for the year	**-**	**10,553**	**1,553**	**-**	**-**	**13,799**	**36,808**	**917**	**63,630**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**(33)**	**-**	**(33)**
Write-offs	**-**	**-**	**-**	**-**	**-**	**(67)**	**(7,877)**	**-**	**(7,944)**
Transfer to investment properties (Note 18)	**-**	**(355)**	**-**	**-**	**-**	**-**	**-**	**-**	**(355)**
Transfer from prepaid lease payments (Note 20)	**-**	**-**	**897**	**-**	**-**	**-**	**-**	**-**	**897**
At 31 Decemberr	**-**	**97,597**	**29,188**	**928**	**-**	**318,652**	**441,198**	**7,323**	**894,886**
Net book value									
At 31 December	**42,111**	**434,802**	**49,171**	**-**	**28,824**	**44,168**	**151,329**	**1,854**	**752,259**

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16. PROPERTY AND EQUIPMENT (CONTINUED)

	Freehold land RM'000	Buildings RM'000	Long-term leasehold land and buildings RM'000	Short-term leasehold land and buildings RM'000	Work-in-progress RM'000	Renovation RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
Bank (continued)									
2024									
At cost									
At 1 January	44,722	418,020	80,325	928	7,530	319,377	479,536	7,914	1,358,352
Additions	-	1,039	-	-	14,876	9,471	44,818	723	70,927
Disposals	-	-	-	-	-	-	(696)	-	(696)
Write-offs	-	-	-	-	-	(96)	(17,855)	(15)	(17,966)
Reclassifications	-	5,960	-	-	(12,332)	6,125	-	247	-
Transfer to investment properties (Note 18)	(2,110)	(5,437)	(1,966)	-	-	-	-	-	(9,513)
Transfer from investment properties (Note 18)	-	116,620	-	-	-	-	-	-	116,620
Transfer to intangible assets (Note 17)	-	-	-	-	-	-	(13)	-	(13)
At 31 December	42,612	536,202	78,359	928	10,074	334,877	505,790	8,869	1,517,711
Accumulated depreciation									
At 1 January	-	80,222	25,638	928	-	293,501	403,677	5,374	809,340
Charge for the year	-	9,052	1,323	-	-	11,515	27,111	1,047	50,048
Disposals	-	-	-	-	-	-	(680)	-	(680)
Write-offs	-	-	-	-	-	(96)	(17,808)	(15)	(17,919)
Transfer to investment properties (Note 18)	-	(1,875)	(223)	-	-	-	-	-	(2,098)
At 31 December	-	87,399	26,738	928	-	304,920	412,300	6,406	838,691
Net book value									
At 31 December	42,612	448,803	51,621	-	10,074	29,957	93,490	2,463	679,020

Land titles of certain freehold land of the Group and the Bank with carrying amount of RM17,329,771 (2024: RM22,045,972) have not yet been issued by the relevant authorities.

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17. INTANGIBLE ASSETS

	Goodwill RM'000	Computer software RM'000	Total RM'000
Group			
2025			
At cost			
At 1 January	**13,185**	**1,020,841**	**1,034,026**
Additions	**-**	**57,760**	**57,760**
Write-offs	**-**	**(9)**	**(9)**
At 31 December	**13,185**	**1,078,592**	**1,091,777**
Accumulated amortisation			
At 1 January	**-**	**492,176**	**492,176**
Charge for the year	**-**	**62,127**	**62,127**
Write-offs	**-**	**(9)**	**(9)**
At 31 December	**-**	**554,294**	**554,294**
Net book value			
At 31 December	**13,185**	**524,298**	**537,483**
2024			
At cost			
At 1 January	13,185	968,140	981,325
Additions	-	52,919	52,919
Write-offs	-	(231)	(231)
Transfer from property and equipment (Note 16)	-	13	13
At 31 December	13,185	1,020,841	1,034,026
Accumulated amortisation			
At 1 January	-	430,913	430,913
Charge for the year	-	61,479	61,479
Write-offs	-	(216)	(216)
At 31 December	-	492,176	492,176
Net book value			
At 31 December	13,185	528,665	541,850

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

17. INTANGIBLE ASSETS (CONTINUED)

	Computer software RM'000
Bank	
2025	
At cost	
At 1 January	**1,020,841**
Additions	**57,760**
Write-offs	**(9)**
At 31 December	**1,078,592**
Accumulated amortisation	
At 1 January	**492,176**
Charge for the year	**62,127**
Write-offs	**(9)**
At 31 December	**554,294**
Net book value	
At 31 December	**524,298**
2024	
At cost	
At 1 January	968,140
Additions	52,919
Write-offs	(231)
Transfer from property and equipment (Note 16)	13
At 31 December	1,020,841
Accumulated amortisation	
At 1 January	430,913
Charge for the year	61,479
Write-offs	(216)
At 31 December	492,176
Net book value	
At 31 December	528,665

18. INVESTMENT PROPERTIES

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
At fair value				
At 1 January	**1,516,475**	1,543,123	**936,277**	981,885
Additions	**-**	40,402	**-**	196
Gain on revaluation (Note 34(ii))	**33,295**	73,701	**32,575**	59,584
Disposal	**-**	(890)	**-**	-
Transfer to property and equipment (Note 16)	**-**	(138,248)	**-**	(116,620)
Transfer from property and equipment (Note 16)	**5,119**	2,420	**4,781**	7,415
Transfer to assets classified as held for sale (Note 19)	**(1,780)**	(7,850)	**-**	-
Transfer from prepaid lease (Note 20)	**5,955**	3,817	**5,955**	3,817
At 31 December	**1,559,064**	1,516,475	**979,588**	936,277

Investment properties include the following:

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Freehold land	**164,804**	159,225	**167,842**	162,263
Buildings	**994,732**	973,138	**451,103**	429,247
Long-term leasehold land	**399,528**	384,112	**360,643**	344,767
	1,559,064	1,516,475	**979,588**	936,277

Investment properties of the Group and of the Bank are stated at fair value and are situated in Malaysia.

The fair values of the Group's and of the Bank's investment properties as at 31 December 2025 and 31 December 2024 have been arrived at on the basis of valuation carried out by independent valuers who have appropriate qualification and recent experience in the valuation of properties in the relevant locations. The fair value at level 3 was arrived at by using a variety of approaches such as sales comparison and investment method.

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18. INVESTMENT PROPERTIES (CONTINUED)

Level 3 Fair Value (Group)

The following table shows the valuation techniques used in the determination of fair values within Level 3 for one of the significant properties in the Group, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
The income approach by investment method considers income and expense data relating to the property being valued and estimates value through a capitalisation process. Capitalisation converts income (usually net income) into a value estimate using capitalisation rates, yield or discount rates, or both, reflecting the return on investment. Generally, under the principle of substitution, the income stream producing the highest return for a given level of risk indicates the most probable value.	▪ Risk-adjusted term capitalisation rates of 5.50% (2024: 5.50%) ▪ Risk-adjusted reversion capitalisation rate of 5.75% (2024: 5.75%)	The estimated fair value would increase (decrease) if: ▪ Risk-adjusted term capitalisation rates were lower (higher) ▪ Risk-adjusted reversion capitalisation rates were lower (higher)

Level 3 Fair Value (Bank)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Comparison method is an approach which uses the value of recently sold comparable assets to determine the value of a property. In real term, this will mean looking at similar properties within the area and using the transacted sales price to guide a valuation decision for the subject property.	Price per square foot.	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).

The Group and the Bank have assessed that the highest and best use of its properties do not differ from their existing use.

No investment properties were pledged as security for banking facilities at the reporting date.

18. INVESTMENT PROPERTIES (CONTINUED)

Details of the Group's and the Bank's investment properties and information about the fair value hierarchy are as follows:

	Carrying amount RM'000	Fair value RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group					
At 31 December 2025	**1,559,064**	**1,559,064**	**-**	**-**	**1,559,064**
At 31 December 2024	1,516,475	1,516,475	-	-	1,516,475
Bank					
At 31 December 2025	**979,588**	**979,588**	**-**	**-**	**979,588**
At 31 December 2024	936,277	936,277	-	-	936,277

Reconciliation of fair value:

Group	Freehold land RM'000	Buildings RM'000	Long-term leasehold land RM'000	Total RM'000
At 1 January 2024	144,215	1,076,600	322,308	1,543,123
Additions	196	40,206	-	40,402
Remeasurement recognised in profit or loss (Note 34(ii))	15,804	(2,220)	60,117	73,701
Disposal	-	-	(890)	(890)
Transfer from property and equipment (Note 16)	2,110	-	310	2,420
Transfer to property and equipment (Note 16)	-	(138,248)	-	(138,248)
Transfer from prepaid lease (Note 20)	-	-	3,817	3,817
Transfer to assets classifed as held for sale (Note 19)	(3,100)	(3,200)	(1,550)	(7,850)
At 31 December 2024/1 January 2025	**159,225**	**973,138**	**384,112**	**1,516,475**
Remeasurement recognised in profit or loss (Note 34(ii))	**5,078**	**17,314**	**10,903**	**33,295**
Transfer from property and equipment (Note 16)	**501**	**4,280**	**338**	**5,119**
Transfer from prepaid lease (Note 20)	**-**	**-**	**5,955**	**5,955**
Transfer to assets classifed as held for sale (Note 19)	**-**	**-**	**(1,780)**	**(1,780)**
At 31 December 2025	**164,804**	**994,732**	**399,528**	**1,559,064**

18. INVESTMENT PROPERTIES (CONTINUED)

Reconciliation of fair value (continued):

Bank	Freehold land RM'000	Buildings RM'000	Long-term leasehold land RM'000	Total RM'000
At 1 January 2024	144,153	545,425	292,307	981,885
Additions	196	-	-	196
Remeasurement recognised in profit or loss (Note 34(ii))	15,804	(3,120)	46,900	59,584
Transfer from property and equipment (Note 16)	2,110	3,562	1,743	7,415
Transfer to property and equipment (Note 16)	-	(116,620)	-	(116,620)
Transfer from prepaid lease (Note 20)	-	-	3,817	3,817
At 31 December 2024/1 January 2025	**162,263**	**429,247**	**344,767**	**936,277**
Remeasurement recognised in profit or loss (Note 34(ii))	**5,078**	**17,576**	**9,921**	**32,575**
Transfer from property and equipment (Note 16)	**501**	**4,280**	**-**	**4,781**
Transfer from prepaid lease (Note 20)	**-**	**-**	**35,955**	**5,955**
At 31 December 2025	**167,842**	**451,103**	**360,643**	**979,588**

Land titles for certain freehold land and leasehold land of the Group and the Bank with fair value amounting to RM4,950,000 (2024: Nil) have not been issued to the Group and the Bank by the relevant authorities.

The investment properties held by the Group and the Bank are let under operating leases to third parties, from which rental income of RM24,496,692 (2024: RM23,299,997) and RM25,108,009 (2024: RM23,910,309) has been earned during the year.

19. ASSETS CLASSIFIED AS HELD FOR SALE AND ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR DISTRIBUTION

(i) Assets classified as held for sale

	2025 RM'000	2024 RM'000
Group		
Assets classified as held for sale		
Commercial properties	**1,780**	7,850

During financial year 2024, letters of offers were issued to prospective buyers of commercial properties of the Group for a total consideration of RM7,850,000. Accordingly, the commercial properties have been reclassifed as assets held for sale.

On 4 March 2025, 6 May 2025, and 13 May 2025, sale and purchase agreement was entered into for the disposal of the aforementioned commercial properties. These transactions were completed on 7 August 2025, 6 May 2025 and 4 July 2025 respectively.

19. ASSETS CLASSIFIED AS HELD FOR SALE AND ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR DISTRIBUTION (CONTINUED)

(i) Assets classified as held for sale (continued)

On 5 August 2025 and 21 February 2025, the Group issued letter of offers to prospective buyers for purposed disposal of commercial properties for a total consideration of RM1,780,000. Accordingly, these commercial properties have been classified as asset held for sale. The transactions are expected to be completed in 2026.

(ii) Assets and liabilities classified as held for distribution

Rakyat Facility Management Sdn Bhd and Rakyat Niaga Sdn Bhd, wholly-owned subsidiaries of the Group, were placed under members' voluntary liquidation on 11 November 2024. The liquidation has since been completed, and the subsidiaries have been liquidated with excess capital returned to the shareholder.

As at the end of the reporting period, there were no assets or liabilities classified as held for distribution.

	2025 RM'000	2024 RM'000
Group		
Assets classified as held for distribution		
Cash and bank balances	-	11,963
Tax recoverable	-	114
	-	12,077
Liabilities classified as held for distribution		
Other payables	-	(70)
Bank		
Assets classified as held for distribution		
Investment in subsidiaries	-	5,100

20. PREPAID LEASE PAYMENTS

	Group and Bank	
	2025 RM'000	2024 RM'000
Cost		
At 1 January	**73,253**	79,853
Transfer to investment properties (Note 18)	**(6,983)**	(6,600)
At 31 December	**66,270**	73,253

20. PREPAID LEASE PAYMENTS (CONTINUED)

	Group and Bank	
	2025 RM'000	2024 RM'000
Accumulated amortisation		
At 1 January	**24,764**	26,134
Charge for the year (Note 35(ii))	**1,319**	1,413
Transfer to property and equipment (Note 16)	**(897)**	-
Transfer to investment properties (Note 18)	**(1,028)**	(2,783)
At 31 December	**24,158**	24,764
	42,112	48,489
Prepaid lease payments include:		
Long-term leasehold land	**37,257**	43,483
Short-term leasehold land	**4,855**	5,006
	42,112	48,489

The remaining period of the leasehold land of the Group and of the Bank ranges from 7 to 855 years (2024: 1 to 857 years).

The land titles of certain leasehold land of the Group and of the Bank amounting to RM3,136,242 (2024: RM5,336,911) have not yet been issued to the Group and the Bank by the relevant authorities.

21. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	**91,750**	164,328	**99,000**	177,000
Recognised in profit or loss (net) (Note 36)				
- relating to origination and reversal of temporary differences	**(59,613)**	(75,952)	**(61,000)**	(78,000)
- (under)/overprovision of net deferred tax liabilities	**(3,979)**	3,374	**-**	-
As of 31 December	**28,158**	91,750	**38,000**	99,000

21. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities in respect of each entity and when the deferred income taxes relate to the same tax authority. The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Deferred tax assets, net	**39,333**	100,249	**38,000**	99,000
Deferred tax liabilities, net	**(11,175)**	(8,499)	**-**	-
	28,158	91,750	**38,000**	99,000

Deferred tax assets and liabilities prior to offsetting are summarised as follows:

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Deferred tax assets	**290,835**	283,240	**281,000**	275,000
Deferred tax liabilities	**(262,677)**	(191,490)	**(243,000)**	(176,000)
	28,158	91,750	**38,000**	99,000

The components and movement of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Group	**Financing allowances for ECL RM'000**	**Provision of liabilities RM'000**	**Other temporary differences * RM'000**	**Total RM'000**
Deferred tax assets				
At 1 January 2024	239,000	95,489	23,409	357,898
Recognised in profit or loss				
- relating to origination and reversal of temporary differences	(59,000)	(18,645)	(475)	(78,120)
- underprovision	-	-	3,462	3,462
At 31 December 2024/1 January 2025	**180,000**	**76,844**	**26,396**	**283,240**
Recognised in profit or loss				
- relating to origination and reversal of temporary differences	**(24,000)**	**15,088**	**20,486**	**11,574**
- overprovision	**-**	**-**	**(3,979)**	**(3,979)**
At 31 December 2025	**156,000**	**91,932**	**42,903**	**290,835**

* Mainly consist of temporary differences in respect of allowance for ECL of other receivables and lease liabilities.

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21. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Group	**FVOCI reserve and impairment losses on financial investments RM'000**	**Other temporary differences ^ RM'000**	**Total RM'000**
Deferred tax liabilities			
At 1 January 2024	4,000	189,570	193,570
Recognised in profit or loss			
- relating to origination and reversal of temporary differences	11,000	(13,168)	(2,168)
- overprovision	-	88	88
At 31 December 2024/1 January 2025	**15,000**	**176,490**	**191,490**
Recognised in profit or loss			
- relating to origination and reversal of temporary differences	**39,000**	**32,187**	**71,187**
At 31 December 2025	**54,000**	**208,677**	**262,677**

^ Mainly consist of temporary differences in respect of property and equipment, investment in properties and right-of-use assets.

Bank	**Financing allowances for ECL RM'000**	**Provision of liabilities RM'000**	**Other temporary differences * RM'000**	**Total RM'000**
Deferred tax assets				
At 1 January 2024	239,000	94,000	20,000	353,000
Recognised in profit or loss				
- relating to origination and reversal of temporary differences	(59,000)	(19,000)	-	(78,000)
At 31 December 2024/1 January 2025	**180,000**	**75,000**	**20,000**	**275,000**
Recognised in profit or loss				
- relating to origination and reversal of temporary differences	**(24,000)**	**15,000**	**15,000**	**6,000**
At 31 December 2025	**156,000**	**90,000**	**35,000**	**281,000**

* Mainly consist of temporary differences in respect of allowance for ECL of other receivables and lease liabilities.

21. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The components and movement of deferred tax assets and liabilities during the financial year prior to offsetting are as follows (continued):

Bank	FVOCI reserve and impairment losses on financial investments RM'000	Other temporary differences ^ RM'000	Total RM'000
Deferred tax liabilities			
At 1 January 2024	4,000	172,000	176,000
Recognised in profit or loss			
- relating to origination and reversal of temporary differences	11,000	11,000)	-
At 31 December 2024/1 January 2025	**15,000**	**161,000**	**176,000**
Recognised in profit or loss			
- relating to origination and reversal of temporary differences	**39,000**	**28,000**	**67,000**
At 31 December 2025	**54,000**	**189,000**	**243,000**

^ Mainly consist of temporary differences in respect of property and equipment, investment in properties and right-of-use assets.

22. DEPOSITS FROM CUSTOMERS

	Group and Bank	
	2025 RM'000	2024 RM'000
Savings deposits		
Savings deposits		
Qard	**6,126,472**	6,402,596
Tawarruq	**178,694**	149,525
	6,305,166	6,552,121
Demand deposits		
Qard	**3,753,924**	3,271,155
Tawarruq	**1,333,525**	438,860
	5,087,449	3,710,015

22. DEPOSITS FROM CUSTOMERS (CONTINUED)

	Group and Bank	
	2025 RM'000	2024 RM'000
Term deposits		
Tawarruq	**73,853,119**	71,456,076
Negotiable Islamic debt certificates	**2,305,000**	2,375,000
	87,550,734	84,093,212

Deposits from customers are sourced from the following type of customers:

	Group and Bank	
	2025 RM'000	2024 RM'000
Government	**39,895,636**	39,625,132
Business enterprises	**26,034,116**	22,245,134
Co-operatives	**2,464,990**	2,124,594
Individuals	**16,408,582**	18,073,018
Others	**2,747,410**	2,025,334
	87,550,734	84,093,212

Maturity structure of deposits from customers are as follows:

	Group and Bank	
	2025 RM'000	2024 RM'000
Maturity within six months	**70,341,771**	64,851,529
More than six months to one year	**12,373,184**	13,184,970
More than one year to five years	**4,835,779**	6,056,713
	87,550,734	84,093,212

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23. INVESTMENT ACCOUNTS OF CUSTOMERS

a) By type and Shariah contract

	Group and Bank	
	2025 RM'000	**2024 RM'000**
At amortised cost		
Unrestricted investment accounts		
Without maturity:		
Mudarabah	**939,686**	469,901

b) By type of customers

	Group and Bank	
	2025 RM'000	**2024 RM'000**
Individuals	**939,478**	469,901
Non Individuals	**208**	-
	939,686	469,901

c) Movement of unrestricted investment accounts of customers

	Group and Bank	
	2025 RM'000	**2024 RM'000**
As at 1 January	**469,901**	202,967
Funding inflows/outflows:		
Net movement	**436,591**	251,401
Bank's share of profit:		
Profit distributed to Mudharib	**33,194**	15,533
As at 31 December	**939,686**	469,901

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23. INVESTMENT ACCOUNTS OF CUSTOMERS (CONTINUED)

c) Movement of unrestricted investment accounts of customers (continued)

	Group and Bank	
	2025 RM'000	**2024 RM'000**
Investment portfolio:		
Personal financing	**657,634**	328,931
Islamic debt securities	**281,906**	140,970
Retail Banking ESG Eligible Assets (Affordable Homes)	**146**	-
	939,686	469,901

d) By maturity structures, profit sharing ratio and rate of return

	Investment account holders		
Group and Bank	**Total amount RM'000**	**Average profit sharing ratio (%)**	**Average rate of return (%)**
2025			
Unrestricted investment accounts:			
Individuals			
Less than 3 months			
Mudarabah	**939,478**	**6.57**	**0.25**
Non Individuals			
Less than 3 months			
Mudarabah	**208**	**7.71**	**0.10**
2024			
Unrestricted investment accounts:			
Individuals			
Less than 3 months			
Mudarabah	469,901	7.97	0.29

24. DEPOSITS AND PLACEMENTS FROM BANKS AND FINANCIAL INSTITUTIONS

	Group and Bank	
	2025 RM'000	**2024 RM'000**
At amortised cost		
Cash and short-term funds	**2,707,030**	2,369,175

25. RECOURSE OBLIGATIONS ON FINANCING SOLD TO CAGAMAS

This represents proceeds received from financing sold directly to Cagamas Berhad with recourse to the Bank. Types of financing involved are personal financing and house financing. Under these agreements, the Bank undertakes to administer the financing on behalf of Cagamas Berhad and to replace any financing which are regarded as defective based on prudential criteria set by Cagamas Berhad.

Recourse obligations on financing sold to Cagamas are stated at amortised cost.

26. DEBT SECURITIES ISSUED

		Group and Bank	
	Note	2025 RM'000	2024 RM'000
At amortised cost			
Issued under the RM10.0 billion Senior Sukuk Wakalah Programme:			
RM400 million IMTN due in 2025	(i)(a)	**-**	402,671
RM300 million IMTN due in 2027	(i)(a)	**302,117**	302,055
RM300 million IMTN due in 2026	(i)(b)	**302,050**	302,022
RM700 million IMTN due in 2028	(i)(b)	**705,187**	705,139
RM700 million IMTN due in 2027	(i)(c)	**704,003**	703,930
RM800 million IMTN due in 2029	(i)(c)	**804,945**	804,870
RM200 million IMTN due in 2025	(i)(d)	**-**	201,310
RM200 million IMTN due in 2027	(i)(d)	**201,424**	201,373
RM100 million IMTN due in 2029	(i)(d)	**100,711**	100,687
RM300 million IMTN due in 2026	(i)(e)	**302,949**	302,897
RM700 million IMTN due in 2028	(i)(e)	**706,965**	706,880
RM150 million IMTN due in 2029	(i)(f)	**151,141**	151,123
RM350 million IMTN due in 2031	(i)(f)	**352,755**	352,726
RM120 million IMTN due in 2030	(i)(g)	**120,610**	-
RM880 million IMTN due in 2032	(i)(g)	**885,109**	-
RM400 million IMTN due in 2028	(i)(h)	**401,617**	-
RM200 million IMTN due in 2030	(i)(h)	**200,819**	-
Issued under the RM5.0 billion Tier II Subordinated Programme:			
RM300 million Tier II due in 2031	(ii)	**300,065**	300,045
		6,542,467	5,537,728

(i) On 10 July 2020, the Bank established a RM10 billion Senior IMTNs Programme to issue Sukuk Wakalah via a Special Purpose Vehicle (SPV), Imtiaz Sukuk II Berhad with a programme tenor of 30 years.

(a) On 7 October 2020, the Bank issued the first and second tranches of RM400 million and RM300 million, respectively. The first tranche bears a profit distribution rate of 2.97% maturing on 7 October 2025. The second tranche bears a profit distribution rate of 3.20% maturing on 7 October 2027. The profit is payable semi-annually each year, commencing on 7 April 2021.

26. DEBT SECURITIES ISSUED (CONTINUED)

(i) On 10 July 2020, the Bank established a RM10 billion Senior IMTNs Programme to issue Sukuk Wakalah via SPV, Imtiaz Sukuk II Berhad with a programme tenor of 30 years. (continued)

(b) On 19 April 2021, the Bank issued the third and fourth tranches of RM300 million and RM700 million. The third tranche bears a profit distribution rate of 3.54% maturing on 17 April 2026. The fourth tranche bears a profit distribution rate of 3.90% maturing on 19 April 2028. The profit is payable semi-annually each year, commencing on 20 October 2021.

(c) On 12 May 2022, the Bank issued the fifth and sixth tranches of RM700 million and RM800 million, respectively. The fifth tranche bears a profit distribution rate of 4.38% maturing on 12 May 2027. The sixth tranche bears a profit distribution rate of 4.77% maturing on 11 May 2029. The profit is payable semi-annually each year, commencing on 14 November 2022.

(d) On 8 November 2022, the Bank issued the seventh, eighth and ninth tranches of RM200 million, RM200 million and RM100 million, respectively. The seventh tranche bears a profit distribution rate of 4.63% maturing on 7 November 2025. The eighth tranche bears a profit distribution rate of 4.97% maturing on 8 November 2027. The ninth tranche bears a profit distribution rate of 5.00% maturing on 8 November 2029. The profit is payable semi-annually each year, commencing on 8 May 2023.

(e) On 2 October 2023, the Bank issued the tenth and eleventh tranches of RM300 million and RM700 million, respectively. The tenth tranche bears a profit distribution rate of 4.05% maturing on 2 October 2026. The eleventh tranche bears a profit distribution rate of 4.15% maturing on 2 October 2028. The profit is payable semi-annually each year, commencing on 2 April 2024.

(f) On 16 October 2024, the Bank issued the first Sustainability Sukuk amounting to RM500 million under its existing RM10 billion Senior Sukuk Wakalah Programme, which comprises the twelfth and thirteenth tranches of RM150 million and RM350 million, respectively. The Bank Rakyat Sustainability Sukuk Framework was rated 'Gold' Impact Assessment by MARC Ratings Berhad. The twelfth tranche bears a profit distribution rate of 3.85% maturing on 16 October 2029. The thirteenth tranche bears a profit distribution rate of 4.00% maturing on 16 October 2031. The profit is payable semi-annually each year, commencing on 16 April 2025. Proceeds from the issuance will be allocated to finance and refinance eligible projects that contribute to eight (8) of the seventeen (17) United Nations Sustainable Development Goals (UN SDGs) as outlined in the Bank Rakyat Sustainability Sukuk Framework.

(g) On 5 May 2025, the Bank issued the fourteenth and fifteenth tranches of RM120 million and RM880 million, respectively. The fourteenth tranche bears a profit distribution rate of 3.85% maturing on 3 May 2030. The fifteenth tranche bears a profit distribution rate of 3.98% maturing on 5 May 2032. The profit is payable semi-annually each year, commencing on 5 November 2025.

(h) On 17 November 2025, the Bank issued the sixteenth and seventeenth tranches of RM400 million and RM200 million, respectively. The sixteenth tranche bears a profit distribution rate of 3.68% maturing on 17 November 2028. The seventeenth tranche bears a profit distribution rate of 3.73% maturing on 15 November 2030. The profit is payable semi-annually each year, commencing on 18 May 2026.

The Sukuk Wakalah constitutes direct, unconditional and unsecured obligations of the Issuer and shall at all times rank pari passu without discrimination, preference or priority among themselves and at least pari passu with all other unsecured and unsubordinated obligations of the Issuer, subject to the previous of the Transaction Documents and those preferred by law.

26. DEBT SECURITIES ISSUED (CONTINUED)

(ii) On 19 April 2016, the Bank established a Subordinated Sukuk Programme to issue a Basel III compliant Tier II Subordinated Sukuk Murabahah of up to RM5.0 billion in nominal value. The issuance was made via a SPV, Mumtaz Rakyat Sukuk Berhad. The Subordinated Sukuk Programme has a tenor of up to 20 years from the date of the first issuance and shall be issued with a maturity for at least 5 years and up to 20 years.

On 25 June 2021, the Bank issued the second tranche of RM300 million on nominal value of the Tier II Subordinated Sukuk for a tenor of 10 years on a 10 non-callable 5 basis with profit distribution rate at 3.78% and maturing on 25 June 2031. The profit is payable semi-annually each year commencing 27 December 2021.

The Subordinated Sukuk Murabahah will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer ranking pari passu without any preference among themselves and at least pari passu with all other present and future unsecured and subordinated obligations of the Issuer, except those preferred by law and the Transaction Documents.

The proceeds from the issuances were utilised by the Bank for Shariah-compliant working capital and general corporate purposes.

27. CASHLINE FACILITY

The cashline facility is a committed line provided by local banks. It is an interbank arrangement where the facility is collateralised on agreed terms and alternative source of funds.

Cashline facility is stated at amortised cost.

As at the end of the reporting period, the following are the assets that are pledged as the collateral for the cashline facility:

	Group and Bank	
	2025 RM'000	**2024 RM'000**
Cash and short-term funds (Note 5)	**581,780**	563,552
Deposits and placements with financial institutions (Note 6)	**606,718**	590,242
	1,188,498	1,153,794

FINANCIAL STATEMENTS

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28. OTHER LIABILITIES

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Amount due to subsidiaries (i)	**-**	-	**104,855**	136,529
Sundry creditors	**158,352**	268,040	**137,176**	263,039
Income payable	**520,502**	537,661	**520,502**	537,661
Other liabilities and accruals	**522,058**	481,938	**540,856**	475,760
Lease liabilities (ii)	**110,244**	51,072	**126,245**	65,540
Government funds (iii)	**24,697**	115,291	**24,697**	115,291
Amount due to BNM (iv)	**239,997**	203,431	**239,997**	203,431
Zakat payable	**61,293**	54,453	**59,668**	52,129
	1,637,143	1,711,886	**1,753,996**	1,849,380

Included in the Group's and Bank's other liabilities are financial liabilities of RM1.47 billion (2024: RM1.61 billion) and RM1.57 billion (2024: RM1.73 billion) that are classified as amortised cost.

(i) Amount due to subsidiaries

	Bank	
	2025 RM'000	**2024 RM'000**
Term deposits	**52,302**	118,618
Savings deposits	**52,553**	17,911
	104,855	136,529

The amount due to subsidiaries represents deposits placed with the Bank at profit rate paid/payable ranging from 2.60% to 3.45% (2024: 2.40% to 3.45%) per annum and have maturity period ranging from 30 days to 365 days (2024: 30 days to 365 days).

28. OTHER LIABILITIES (CONTINUED)

(ii) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
At 1 January	**51,072**	45,873	**65,540**	59,966
Additions	**41,056**	9,746	**40,170**	8,211
Termination	**(4,418)**	(201)	**(4,418)**	(201)
Remeasurement	**32,391**	11,097	**52,837**	20,963
Lease payments	**(12,303)**	(17,147)	**(31,724)**	(25,897)
Finance cost on lease liabilities (Note 35(ii))	**2,446**	1,704	**3,840**	2,498
At 31 December	**110,244**	51,072	**126,245**	65,540

Future minimum rentals commitment under non-cancellable operating leases as at 31 December are as follows:

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Future rental commitment within :				
- 1 year	**26,592**	14,819	**32,290**	22,371
- 2 years	**24,904**	10,855	**29,781**	17,357
- 3 years	**22,288**	9,102	**26,323**	14,368
- 4 years	**19,296**	6,824	**21,702**	10,388
- 5 years	**15,507**	3,425	**17,117**	4,704
- 6 years onwards	**11,193**	1,425	**10,403**	1,516
	119,780	46,450	**137,616**	70,704

The Group and the Bank do not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's and the Bank's treasury function.

All lease obligations are denominated in Ringgit Malaysia.

(iii) Government funds

The Bank has been enrolled as custodian by the Government of Malaysia to channel the funds to the recipients based on the approval granted by respective Government agencies.

As of 31 December 2025, the Bank has channeled a total of 11 (2024: 12) Government-led financing schemes from various Government agencies to over 24,386 (2024: 48,525) individuals and businesses.

28. OTHER LIABILITIES (CONTINUED)

(iii) Government funds (continued)

The financing channeled out of those funds are categorised as an off-balance sheet item and as of 31 December 2025, the off-balance sheet outstanding financing amounted to RM309.37 million (2024: RM334.13 million).

(iv) Amount due to BNM

Amount due to BNM is amount received by the Group and the Bank under various financing facilities established by the BNM to provide relief and support recovery for SME/micro enterprises at below market rate with a maturity period ranging between 5 to 7 years.

The financing disbursed are categorised as an on-balance sheet item (Note 10(i)).

29. SHARE CAPITAL

	Group and Bank	
	2025 RM'000	**2024 RM'000**
Issued and fully paid - Ordinary shares		
At 1 January	**2,986,030**	2,986,030
Net issuance during the year	**31,184**	87,423
Share withdrawal	**(27,426)**	(34,999)
Transfer from share redemption fund *	**(3,758)**	(52,424)
At 31 December	**2,986,030**	2,986,030

Membership as of 31 December is as follows:

	Group and Bank	
	2025	**2024**
Individual	**781,069**	789,932
Co-operative	**2,255**	2,259
	783,324	792,191

* The share redemption fund is maintained under Paragraph 19(i) of Undang-undang Kecil Bank Kerjasama Rakyat Malaysia Berhad for redemption of shares by members.

NOTES TO THE FINANCIAL STATEMENTS
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30. RESERVES

	← Non-distributable →						Distributable →	
	Capital reserve RM'000	Statutory reserve RM'000	ECL reserve RM'000	Fair value reserve RM'000	Regulatory reserve RM'000	Total other reserve RM'000	Retained profits RM'000	Total RM'000
Group								
At 1 January 2025	**14,617**	**8,662,695**	**613**	**76,925**	**329,672**	**9,084,522**	**12,523,093**	**21,607,615**
Profit after taxation and zakat	**-**	**-**	**-**	**-**	**-**	**-**	**1,777,633**	**1,777,633**
Transfer from retained profits	**-**	**459,810**	**-**	**-**	**-**	**459,810**	**(459,810)**	**-**
Transfer from share redemption fund	**-**	**-**	**-**	**-**	**-**	**-**	**3,758**	**3,758**
Contribution to the Co-operative Education Trust Fund	**-**	**-**	**-**	**-**	**-**	**-**	**(38,005)**	**(38,005)**
Contribution to the Co-operative Development Provident Fund	**-**	**-**	**-**	**-**	**-**	**-**	**(19,002)**	**(19,002)**
Contribution to Bank Rakyat Foundation	**-**	**-**	**-**	**-**	**-**	**-**	**(28,570)**	**(28,570)**
Fair value reserve								
- Change in fair value	**-**	**-**	**-**	**319,981**	**-**	**319,981**	**-**	**319,981**
- Transferred to profit or loss	**-**	**-**	**-**	**(157,258)**	**-**	**(157,258)**	**-**	**(157,258)**
Change in ECL reserve	**-**	**-**	**390**	**-**	**-**	**390**	**-**	**390**
Dividends (Note 40)	**-**	**-**	**-**	**-**	**-**	**-**	**(486,236)**	**(486,236)**
At 31 December 2025	**14,617**	**9,122,505**	**1,003**	**239,648**	**329,672**	**9,707,445**	**13,272,861**	**22,980,306**
At 1 January 2024	14,617	8,226,773	122	110,007	329,672	8,681,191	11,776,143	20,457,334
Profit after taxation and zakat	-	-	-	-	-	-	1,695,364	1,695,364
Transfer from retained profits	-	435,922	-	-	-	435,922	(435,922)	-
Transfer from share redemption fund	-	-	-	-	-	-	52,424	52,424
Contribution to the Co-operative Education Trust Fund	-	-	-	-	-	-	(36,434)	(36,434)
Contribution to the Co-operative Development Provident Fund	-	-	-	-	-	-	(18,217)	(18,217)
Contribution to Bank Rakyat Foundation	-	-	-	-	-	-	(29,072)	(29,072)
Fair value reserve								
- Change in fair value	-	-	-	29,561	-	29,561	-	29,561
- Transferred to profit or loss	-	-	-	(62,643)	-	(62,643)	-	(62,643)
Change in ECL reserve	-	-	491	-	-	491	-	491
Dividends (Note 40)	-	-	-	-	-	-	(481,193)	(481,193)
At 31 December 2024	14,617	8,662,695	613	76,925	329,672	9,084,522	12,523,093	21,607,615

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

30. RESERVES (CONTINUED)

	← Non-distributable →						Distributable →	
	Capital reserve RM'000	Statutory reserve RM'000	ECL reserve RM'000	Fair value reserve RM'000	Regulatory reserve RM'000	Total other reserve RM'000	Retained profits RM'000	Total RM'000
Bank								
At 1 January 2025	**15,358**	**8,662,695**	**613**	**76,925**	**329,672**	**9,085,263**	**12,099,401**	**21,184,664**
Profit after taxation and zakat	**-**	**-**	**-**	**-**	**-**	**-**	**1,797,055**	**1,797,055**
Transfer from retained profits	**-**	**459,810**	**-**	**-**	**-**	**459,810**	**(459,810)**	**-**
Transfer from share redemption fund	**-**	**-**	**-**	**-**	**-**	**-**	**3,758**	**3,758**
Contribution to the Co-operative Education Trust Fund	**-**	**-**	**-**	**-**	**-**	**-**	**(38,005)**	**(38,005)**
Contribution to the Co-operative Development Provident Fund	**-**	**-**	**-**	**-**	**-**	**-**	**(19,002)**	**(19,002)**
Contribution to Bank Rakyat Foundation	**-**	**-**	**-**	**-**	**-**	**-**	**(28,570)**	**(28,570)**
Fair value reserve								
- Change in fair value	**-**	**-**	**-**	**319,981**	**-**	**319,981**	**-**	**319,981**
- Transferred to profit or loss	**-**	**-**	**-**	**(157,258)**	**-**	**(157,258)**	**-**	**(157,258)**
Change in ECL reserve	**-**	**-**	**390**	**-**	**-**	**390**	**-**	**390**
Dividends (Note 40)	**-**	**-**	**-**	**-**	**-**	**-**	**(486,236)**	**(486,236)**
At 31 December 2025	**15,358**	**9,122,505**	**1,003**	**239,648**	**329,672**	**9,708,186**	**12,868,591**	**22,576,777**
At 1 January 2024	15,358	8,226,773	122	110,007	329,672	8,681,932	11,346,175	20,028,107
Profit after taxation and zakat	-	-	-	-	-	-	1,701,640	1,701,640
Transfer from retained profits	-	435,922	-	-	-	435,922	(435,922)	-
Transfer from share redemption fund	-	-	-	-	-	-	52,424	52,424
Contribution to the Co-operative Education Trust Fund	-	-	-	-	-	-	(36,434)	(36,434)
Contribution to the Co-operative Development Provident Fund	-	-	-	-	-	-	(18,217)	(18,217)
Contribution to Bank Rakyat Foundation	-	-	-	-	-	-	(29,072)	(29,072)
Fair value reserve								
- Change in fair value	-	-	-	29,561	-	29,561	-	29,561
- Transferred to profit or loss	-	-	-	(62,643)	-	(62,643)	-	(62,643)
Change in ECL reserve	-	-	491	-	-	491	-	491
Dividends (Note 40)	-	-	-	-	-	-	(481,193)	(481,193)
At 31 December 2024	15,358	8,662,695	613	76,925	329,672	9,085,263	12,099,401	21,184,664

30. RESERVES (CONTINUED)

(i) Statutory reserve

The statutory reserve is maintained in compliance with Development Financial Institutions Act 2002 (Act 618) and Co-operative Societies Act 1993 (Act 502). This reserve is not distributable as dividend and is held in accordance with regulatory requirements.

(ii) Capital reserve

This is a reserve required to be maintained under Co-operative Societies Act 1993 (Act 502) and consists of capital gain from disposal of land or building, or both, under non-current assets.

(iii) ECL reserve

This ECL reserve comprises ECL allowance for financial investments at FVOCI. The ECL allowance will be reversed to profit or loss upon disposal or derecognition of the financial instruments.

(iv) Fair value reserve of financial investments at FVOCI

This reserve relates to unrealised fair value gains and losses on financial investments at fair value through other comprehensive income.

(v) Regulatory reserve

The regulatory reserve is maintained as an additional credit risk buffer to ensure the robustness of the financing impairment assessment methodology. The regulatory reserve is maintained in accordance with Bank Negara Malaysia's policy on Financial Reporting to maintain, in aggregate, loss allowance for non-credit impaired exposures and regulatory reserve of no less than 1% (2024: no less than 1%) of total credit exposures, net of loss allowance for credit-impaired exposures.

31. INCOME

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Income derived from investment of depositors' fund (i)	**4,717,025**	4,737,673	**4,727,945**	4,750,839
Income derived from investment account funds (ii)	**36,354**	17,403	**36,354**	17,403
Income derived from investment of shareholders' fund (iii)	**1,944,232**	1,796,055	**1,948,733**	1,801,047
Income generated by subsidiaries (iv)	**122,911**	138,690	**-**	-
	6,820,522	6,689,821	**6,713,032**	6,569,289

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31. INCOME (CONTINUED)

(i) Income derived from investment of depositors' fund

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Income from financing and advances *	**3,795,307**	3,804,924	**3,806,227**	3,818,091
Income from deposits and placements with banks and financial institutions	**25,492**	19,770	**25,492**	19,770
Income from financial investments	**896,226**	912,979	**896,226**	912,978
	4,717,025	4,737,673	**4,727,945**	4,750,839

(ii) Income derived from investment account funds

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Income from financing and advances *	**28,499**	13,821	**28,499**	13,821
Income from financial investments	**7,855**	3,582	**7,855**	3,582
	36,354	17,403	**36,354**	17,403

(iii) Income derived from investment of shareholders' fund

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Income from financing and advances *	**1,564,324**	1,442,450	**1,568,825**	1,447,442
Income from deposits and placements with banks and financial institutions	**10,507**	7,495	**10,507**	7,495
Income from financial investments	**369,401**	346,110	**369,401**	346,110
	1,944,232	1,796,055	**1,948,733**	1,801,047

* Included in income from financing and advances for the current year is profit accrued on impaired financing of RM68,271,592 (2024: RM71,892,460).

Included the net effect under government support measures to provide relief and support recovery for SME/micro enterprises in order to sustain their business operations amounting to RM6,055,631 (2024: RM6,331,103) for the Group and the Bank.

Included the net effect of modification loss under financial assistance measures to provide relief and support recovery for financing customers amounting to RM64,753,955 (2024: RM74,902,655) for the Group and the Bank.

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31. INCOME (CONTINUED)

(iv) Income generated by subsidiaries

	Group	
	2025 RM'000	**2024 RM'000**
Pawn income	**108,738**	127,769
Rental income	**1,024**	1,012
Management fee	**13,149**	9,909
	122,911	138,690

32. EXPENDITURE

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Income attributable to depositors (i)	**3,162,987**	3,146,791	**3,165,715**	3,151,327
Income attributable to investment account holders (ii)	**2,335**	1,344	**2,335**	1,344
Profit expense on financing sold with recourse to Cagamas	**97,239**	63,003	**97,239**	63,003
Profit expense on debt securities issued	**249,976**	209,664	**249,976**	209,664
Profit expense on cashline facility	**7,300**	9,712	**7,300**	9,712
Cost of sales	**92,058**	118,880	**-**	-
	3,611,895	3,549,394	**3,522,565**	3,435,050

(i) Income attributable to depositors

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Deposits from customers				
Non-Mudarabah	**3,033,862**	3,055,238	**3,036,590**	3,059,774
Deposits and placements from banks and other financial institutions				
Non-Mudarabah	**129,125**	91,553	**129,125**	91,553
	3,162,987	3,146,791	**3,165,715**	3,151,327

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

32. EXPENDITURE (CONTINUED)

(ii) Income attributable to investment account holders

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Unrestricted investment accounts				
Mudarabah	**2,335**	1,344	**2,335**	1,344

33. ALLOWANCES FOR IMPAIRMENT

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Allowance for impairment on financing and advances (i)	**171,703**	141,572	**171,535**	140,398
Allowance for impairment on financial investments (ii)	**445**	513	**445**	513
	172,148	142,085	**171,980**	140,911

(i) Allowance for impairment on financing and advances

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Stage 1 - 12-month ECL	**(21,517)**	(267,277)	**(21,685)**	(268,451)
Stage 2 - lifetime ECL not credit impaired	**(158,145)**	38,252	**(158,145)**	38,252
Stage 3 - lifetime ECL credit impaired	**351,365**	370,597	**351,365**	370,597
	171,703	141,572	**171,535**	140,398

(ii) Allowance for impairment on financial investments

	Group and Bank	
	2025 RM'000	**2024 RM'000**
Financial investments at fair value through other comprehensive income (Note 7)	**390**	493
Financial investments at amortised cost (Note 8)	**55**	20
	445	513

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

34. OTHER OPERATING INCOME

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Fees and commission (i)	**323,979**	260,407	**323,979**	260,407
Other income (ii)	**614,409**	456,986	**637,291**	457,744
	938,388	717,393	**961,270**	718,151

(i) Fees and commission

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Takaful commission	**275,315**	218,592	**275,315**	218,592
ATM service fees	**17**	12	**17**	12
Wasiat commission	**16,648**	16,919	**16,648**	16,919
Other commission	**12,292**	6,559	**12,292**	6,559
Processing fees	**1,426**	93	**1,426**	93
MEPS fees	**11,425**	13,996	**11,425**	13,996
Other fees	**6,856**	4,236	**6,856**	4,236
	323,979	260,407	**323,979**	260,407

(ii) Other income

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Net other income from financial instruments				
Dividend from financial investments at fair value through profit or loss	**-**	10,170	**-**	10,170
Net gain on disposal of financial investments at fair value through profit or loss	**351**	729	**351**	729
Net gain on disposal of financial investments at fair value through other comprehensive income	**157,258**	62,643	**157,258**	62,643
Net gain on redemption of financial investments at amortised cost	**-**	62	**-**	62
	157,609	73,604	**157,609**	73,604

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

34. OTHER OPERATING INCOME (CONTINUED)

(ii) Other income (continued)

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Others				
Rental income	**24,497**	23,300	**25,108**	23,910
Compensation for late payment	**10,619**	8,203	**10,619**	8,203
Charges from credit card services	**6,136**	5,618	**6,136**	5,618
Other service charges	**13,357**	12,913	**13,357**	12,913
Recoveries from financing written off	**296,564**	193,376	**296,564**	193,376
Writeback for impairment on trade receivables (Note 11)	**497**	-	**-**	-
Gain on disposal of property and equipment	**2**	1,212	**2**	1,242
Other income	**71,833**	65,059	**80,321**	64,294
Gain on revaluation of investment properties (Note 18)	**33,295**	73,701	**32,575**	59,584
Dividend income from subsidiaries	**-**	-	**15,000**	15,000
	456,800	383,382	**479,682**	384,140
	614,409	456,986	**637,291**	457,744

35. OPERATING EXPENSES

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Personnel expenses (i)	**1,277,196**	1,219,406	**1,275,564**	1,210,484
Other overheads and expenditure (ii)	**805,629**	680,116	**803,950**	679,307
	2,082,825	1,899,522	**2,079,514**	1,889,791

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

35. OPERATING EXPENSES (CONTINUED)

(i) Personnel expenses

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Salaries and wages	**622,769**	586,571	**617,745**	582,272
Allowances and bonuses	**354,025**	347,690	**360,037**	344,106
Defined contribution plan - EPF	**183,981**	174,981	**183,400**	174,457
Social security contributions - SOCSO	**8,020**	7,002	**7,959**	6,957
Other staff related costs	**108,401**	103,162	**106,423**	102,692
	1,277,196	1,219,406	**1,275,564**	1,210,484

Total number of staff (excluding the Board of Directors) for the Group is 6,252 (2024: 6,191) and for the Bank is 6,193 (2024: 6,132).

(ii) Other overheads and expenditures

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Establishment				
Rental	**967**	625	**941**	612
Depreciation of property and equipment (Note 16)	**66,139**	52,431	**63,630**	50,048
Depreciation of right-of-use assets (Note 13)	**34,787**	20,860	**28,788**	23,831
Amortisation of prepaid lease payments (Note 20)	**1,319**	1,413	**1,319**	1,413
Amortisation of intangible assets (Note 17)	**62,127**	61,479	**62,127**	61,479
Finance cost on lease liabilities (Note 28(ii))	**2,446**	1,704	**3,840**	2,498
Repair and maintenance	**167,531**	121,965	**164,522**	120,627
Takaful	**11,986**	8,032	**11,984**	7,984
	347,302	268,509	**337,151**	268,492

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

35. OPERATING EXPENSES (CONTINUED)

(ii) Other overheads and expenditures (continued)

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Promotion				
Advertisement and publicity	**41,880**	35,508	**41,776**	35,415
General expenses				
Legal and professional fees	**35,509**	16,498	**34,587**	15,823
Auditors' remuneration	**1,800**	1,430	**1,613**	1,260
Communication expenses	**46,311**	28,903	**39,242**	28,838
Utilities expenses	**27,963**	28,773	**27,925**	28,585
Printing and stationery	**23,755**	24,303	**23,667**	24,217
Postage and courier	**18,484**	18,489	**18,435**	18,433
Security expenses	**21,891**	27,200	**21,891**	27,200
Service charges	**3,635**	2,987	**7,507**	6,713
Loss on financing written off	**9,665**	9,339	**9,665**	9,339
Property and equipment written off	**100**	47	**100**	47
Intangible assets written off	**-**	15	**-**	15
Commission expenses	**172,492**	150,066	**172,492**	150,066
Travelling and transportation	**25,960**	24,235	**25,906**	24,199
Others	**28,882**	43,814	**41,993**	40,665
	416,447	376,099	**425,023**	375,400
	805,629	680,116	**803,950**	679,307

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

35. OPERATING EXPENSES (CONTINUED)

(ii) Other overheads and expenditure (continued)

The above expenditure includes the following statutory disclosures:

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Impairment losses on:				
Trade receivables (Note 11)	**952**	181	**-**	-
Other receivables, deposits and prepayments (Note 12(ii))	**539**	27	**-**	27
Auditors' remuneration:				
Current year:				
Statutory audit fees	**1,800**	1,430	**1,613**	1,260
Amortisation of prepaid lease payment (Note 20)	**1,319**	1,413	**1,319**	1,413
Depreciation of property and equipment (Note 16)	**66,139**	52,431	**63,630**	50,048
Amortisation of intangible assets (Note 17)	**62,127**	61,479	**62,127**	61,479
Depreciation of right-of-use assets (Note 13)	**34,787**	20,860	**28,788**	23,831
Finance cost on lease liabilities (Note 28(ii))	**2,446**	1,704	**3,840**	2,498
HProperty and equipment written off	**100**	47	**100**	47
Intangible assets written off	**-**	15	**-**	15
Rental of premises *	**965**	618	**941**	612
Rental of equipment *	**2**	7	**-**	-

* These are short-term leases of which the Group and the Bank have elected not to recognise the right-of-use assets and lease liabilities for these leases. Instead, they are recognised as expense on straight-line basis over the lease term.

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35. OPERATING EXPENSES (CONTINUED)

(ii) Other overheads and expenditure (continued)

Included in general expenses are the following Group Chief Executive Officer, Directors and Shariah Committee members' remuneration:

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Group Chief Executive Officer				
Salary and other remuneration	**1,090**	948	**979**	838
Bonus	**812**	765	**812**	765
EPF contributions	**338**	300	**338**	300
Other emoluments	**7**	7	**7**	7
	2,247	2,020	**2,136**	1,910
Former Chief Executive Officer				
Salary and other remuneration	**-**	1,149	**-**	1,051
Bonus	**-**	6,876	**-**	6,876
EPF contributions	**-**	955	**-**	955
Other emoluments	**-**	7	**-**	7
	-	8,987	**-**	8,889
Non-Executive Directors				
Fees	**2,441**	2,527	**2,216**	2,329
	2,441	2,527	**2,216**	2,329
	4,688	13,534	**4,352**	13,128
Shariah Committee				
Fees	**762**	651	**762**	651
	5,450	14,185	**5,114**	13,779

35. OPERATING EXPENSES (CONTINUED)

(ii) Other overheads and expenditure (continued)

Total remuneration of the Group Chief Executive Officer and Directors is as follows:

	Bank				Group		
	Remuneration received from the Bank			Bank	Remuneration received from Subsidiary Companies		
	Salary and bonus RM'000	Fees RM'000	Other emoluments RM'000	Total RM'000	Fees RM'000	Total RM'000	Total RM'000
2025							
Group Chief Executive Officer							
Ahmad Shahril Mohd Shariff	**2,129**	**-**	**7**	**2,136**	**111**	**111**	**2,247**
Non-Executive Directors							
Datuk Mohd Irwan Mohd Mubarak	**-**	**392**	**-**	**392**	**-**	**-**	**392**
Dato' Sri Khairul Dzaimee Daud	**-**	**164**	**-**	**164**	**-**	**-**	**164**
Dato' Dr. Amiruddin Muhamed	**-**	**201**	**-**	**201**	**-**	**-**	**201**
Tunku Dato' Ahmad Burhanuddin Tunku Datuk Seri Adnan	**-**	**284**	**-**	**284**	**53**	**53**	**337**
Haji Mohd Jafri Kudus	**-**	**319**	**-**	**319**	**69**	**69**	**388**
Dato' Seri Dr. Vaseehar Hassan Abdul Razack	**-**	**246**	**-**	**246**	**79**	**79**	**325**
Professor Dr. Raduwan Idar	**-**	**262**	**-**	**262**	**24**	**24**	**286**
Idris Abd Hamid	**-**	**328**	**-**	**328**	**-**	**-**	**328**
	-	**2,196**	**-**	**2,196**	**225**	**225**	**2,421**
Former Non-Executive Directors							
Dato' Haji Amirudin Haji Abdul Halim	**-**	**20**	**-**	**20**	**-**	**-**	**20**
	-	**20**	**-**	**20**	**-**	**-**	**20**
	2,129	**2,216**	**7**	**4,352**	**336**	**336**	**4,688**

35. OPERATING EXPENSES (CONTINUED)

(ii) Other overheads and expenditure (continued)

Total remuneration of the Group Chief Executive Officer and Directors is as follows (continued):

	Bank				Group		
	Remuneration received from the Bank			Bank	Remuneration received from Subsidiary Companies		
	Salary and bonus RM'000	Fees RM'000	Other emoluments RM'000	Total RM'000	Fees RM'000	Total RM'000	Total RM'000
2024							
Acting Chief Executive Officer							
Ahmad Shahril Mohd Shariff	1,903	-	7	1,910	110	110	2,020
Non-Executive Directors							
Datuk Mohd Irwan Mohd Mubarak	-	398	-	398	11	11	409
Dato' Dr. Amiruddin Muhamed	-	209	-	209	-	-	209
Tunku Dato' Ahmad Burhanuddin Tunku Datuk Seri Adnan	-	275	-	275	33	33	308
Haji Mohd Jafri Kudus	-	306	-	306	66	66	372
Dato' Seri Dr. Vaseehar Hassan Abdul Razack	-	272	-	272	77	77	349
Professor Dr. Raduwan Idar	-	256	-	256	11	11	267
Idris Abd Hamid	-	240	-	240	-	-	240
	-	2,008	-	2,008	198	198	2,206
Former Chief Executive Officer							
Dato' Dr. Mohammad Hanis Osman	8,882	-	7	8,889	98	98	8,987
Former Non-Executive Directors							
Dato' Sri Suriani Dato' Ahmad	-	133	-	133	-	-	133
Dato' Haji Amirudin Haji Abdul Halim	-	188	-	188	-	-	188
	-	321	-	321	-	-	321
	10,785	2,329	14	13,128	406	406	13,534

35. OPERATING EXPENSES (CONTINUED)

(ii) Other overheads and expenditure (continued)

Total remuneration of the Shariah Committee is as follows:

	Group and Bank		
	Remuneration received from the Bank		
	Fees RM'000	Other emoluments RM'000	Total RM'000
2025			
Shariah Committees			
Dr. Mohammad Zaini Yahaya	**196**	**-**	**196**
Professor Emeritus Dato' Dr. Mohd Azmi Omar	**110**	**-**	**110**
Dr. Tuan Badrul Hisyam Tuan Soh	**112**	**-**	**112**
Assoc. Professor Dr. Abdul Manan Ismail	**118**	**-**	**118**
Assoc. Professor Dr. Nurazmallail Marni	**112**	**-**	**112**
Assoc. Professor Dr. Yasmin Hanani Mohd Safian	**114**	**-**	**114**
	762	**-**	**762**
2024			
Shariah Committees			
Professor Dr. Azman Mohd Noor	188	-	188
Dr. Mohammad Zaini Yahaya	134	-	134
Professor Emeritus Dato' Dr. Mohd Azmi Omar	106	-	106
Dr. Tuan Badrul Hisyam Tuan Soh	107	-	107
Assoc. Professor Dr. Abdul Manan Ismail	92	-	92
	627	-	627
Former Shariah Committee			
Asst. Professor Dr. Akhtarzaite Abdul Aziz	8	-	8
SS Dato' Dr. Mohamad Sabri Haron	16	-	16
	651	-	651

The above disclosure on total remuneration of the Shariah Committee is presented in accordance with paragraph 12.16 as per BNM's policy on Financial Reporting for Development Financial Institutions, which became effective on or after 1 January 2020.

36. TAXATION

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysian income tax				
Current year	**6,930**	4,296	**-**	-
Overprovision in prior years	**(87)**	(227)	**-**	-
	6,843	4,069	**-**	-
Deferred tax (Note 21)				
Current year	**59,613**	75,952	**61,000**	78,000
Under/(Over) provision in prior years	**3,979**	(3,374)	**-**	-
	63,592	72,578	**61,000**	78,000
Total	**70,435**	76,647	**61,000**	78,000

A reconciliation of income tax expense applicable to profit before taxation and zakat at the statutory income tax rate at the effective income tax rate of the Group and of the Bank are as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before taxation and zakat	**1,892,042**	1,816,213	**1,900,243**	1,821,688
Tax expense at statutory tax rate of 24% (2024: 24%) *	**454,090**	435,891	**456,058**	437,205
Non-taxable income	**(189,103)**	(275,667)	**(203,720)**	(285,441)
Non-deductible expenses	**217,306**	252,900	**224,411**	259,112
Tax exempt under Section 65(A) of the Income Tax Act 1967	**(415,750)**	(332,876)	**(415,749)**	(332,876)
(Over)/Under provision in prior years:				
Income tax	**(87)**	(227)	**-**	-
Deferred tax	**3,979**	(3,374)	**-**	-
	70,435	76,647	**61,000**	78,000

36. TAXATION (CONTINUED)

The Bank, being a co-operative society uses the tax rates under Part IV, Schedule 1 of the Income Tax Act, 1967 as follows:

- On the first RM30,000 of chargeable income: 0% (2024: 0%)
- On the next RM30,000 of chargeable income: 5% (2024: 5%)
- On the next RM40,000 of chargeable income: 10% (2024: 10%)
- On the next RM50,000 of chargeable income: 15% (2024: 15%)
- On the next RM100,000 of chargeable income: 18% (2024: 18%)
- On the next RM250,000 of chargeable income: 21% (2024: 21%)
- On the next RM250,000 of chargeable income: 23% (2024: 23%)
- In excess of RM750,000 of chargeable income: 24% (2024: 24%)

37. ZAKAT

The Group's and the Bank's zakat have been computed by applying the growth capital method based on the rate of 2.5%. This method applies the rate on owners' equity, long term liability, net of fixed assets and non-current assets, and is subject to allowable adjustments.

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Provision for current year	**44,532**	45,154	**43,050**	43,000
Overprovision in prior years	**(558)**	(952)	**(862)**	(952)
	43,974	44,202	**42,188**	42,048

38. STATUTORY APPROPRIATIONS

Maintenance of statutory reserve fund is required under the Development Financial Institutions Act 2002 (Act 618), whereas contributions to Co-operative Education Trust Fund and Co-operative Development Provident Fund are made in compliance with the Co-operative Societies Act 1993 (Act 502).

Contribution to Bank Rakyat Foundation is made under paragraph 65(ii) of Undang-Undang Kecil Bank Kerjasama Rakyat Malaysia Berhad, which states that net profit for the year can be utilised towards a fund meant for welfare and benefits of members.

39. EARNINGS PER SHARE

Basic earnings per ordinary share have been calculated based on the Group's and the Bank's profit after taxation and zakat of RM1,777,633,000 (2024: RM1,695,364,000) and RM1,797,055,000 (2024: RM1,701,640,000) divided by the weighted average number of ordinary shares of 2,977,906,000 (2024: 2,949,300,000) of RM1 each in issue during the financial year.

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40. DIVIDENDS

	Group and Bank	
	2025 RM'000	**2024 RM'000**
Cash dividend of 17% for the year ended 31 December 2025 (2024: 17%)	**486,236**	481,193

During the financial year ended 31 December 2025, the Bank paid a cash dividend of 17% amounting to RM486 million in regard to the previous financial year ended 31 December 2024.

In respect of the current financial year, the Board of Directors has proposed a cash dividend of up to 18% amounting to approximately RM540 million. The proposed dividend will be recognised in the subsequent financial year upon approval by the relevant external authorities.

41. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

	Group and Bank	
	2025 RM'000	**2024 RM'000**
Contingent liabilities		
Non-financial bank guarantee given in respect of banking facilities granted to customers	**327,644**	227,430
Claims for damages from litigation taken against the Bank	**14,070**	111,017
Commitments		
Undrawn financing	**3,467,602**	2,808,027
	3,809,316	3,146,474

A summary of the status of material litigations against the Bank is as follows:

Case 1
Between 27 September 1997 and 27 October 1997, the Bank issued seven Investment Certificates (Pelaburan Am Al-Mudharabah) to the Plaintiff with an aggregate value of RM4.50 million. In September 2019, the Plaintiff's representative contacted the Bank to inquire about the status of the investments and was informed that the relevant investment account no longer existed in the Bank's system.

Asserting that no withdrawal had ever been made, that the original certificates remained in the Plaintiff's possession, and that the Bank had breached fiduciary and constructive trust obligations by failing to safeguard the investment funds, the Plaintiff commenced proceedings against the Bank by filing a Writ and Statement of Claim on 9 April 2021, seeking recovery of the principal sum together with alleged accrued returns.

41. COMMITMENTS AND CONTINGENCIES (CONTINUED)

A summary of the status of material litigations against the Bank is as follows (continued):

Case 1 (continued)
The matter proceeded before the Kuala Lumpur High Court, including interlocutory proceedings for discovery, and on 17 April 2025 the High Court dismissed the Plaintiff's claim in its entirety, finding that the Plaintiff failed to establish wrongful dealing with the investment funds, breach of trust, or breach of fiduciary duty, and that the Bank's records did not demonstrate any continuing liability. Costs of RM45,000 were awarded in favour of the Bank.

On 16 May 2025, the Plaintiff filed a Notice of Appeal, and the matter is currently pending before the Court of Appeal, where the Plaintiff challenges, among others, whether the investment funds were withdrawn, whether the certificates remained valid or automatically renewed, whether the Bank acted as a trustee, and whether any funds should have been transferred to the Registrar of Unclaimed Moneys. As at January 2026, no appellate decision has been issued, and the Bank continues to recognise contingent liability of RM4,503,025.68, representing the original investment amount, pending the outcome of the appeal.

Case 2
Between 2013 and 2021, a customer obtained financing facilities from the Bank and entered into several settlement agreements, all of which were unsuccessful. Two individuals associated with the registered proprietor of a Kuala Lumpur property acted as guarantors for the customer's liabilities, which ultimately led to the issuance of Notices of Demand by the Bank in 2022 and 2023.

On 22 February 2021, the registered proprietor (the Plaintiff) of the property consented to the registration of a lien holder's caveat over the property in favour of the Bank as security for the customer's indebtedness, which caveat was registered on 14 April 2021. A Settlement Agreement dated 7 May 2021 was subsequently executed between the Bank, the customer, the guarantors and the Plaintiff, requiring full settlement of the outstanding sums by 31 December 2021, subject to several extensions, including to allow time for a proposed sale of the property.

The customer, the guarantors and the Plaintiff failed to comply with the settlement terms and to discharge the outstanding indebtedness. As a result of continued non-payment, the Bank commenced foreclosure proceedings against the property. The Plaintiff alleges that the foreclosure prevented completion of a proposed sale of the property at RM11 million and caused financial losses.

The Plaintiff commenced this action seeking general damages of RM4 million, together with aggravated and exemplary damages and costs. The Bank disputes the claim on the basis that any proceeds from a sale of the property were contractually required to be applied towards the customer's liabilities, that no actual loss has crystallised, and that the alleged damages are speculative. The matter remains pending before the High Court, with interlocutory applications fixed for hearing on 3 April 2026 and trial scheduled for August and September 2026.

Subsequent to the end of financial year, the case was withdrawn by the Plaintiff without liberty to file afresh and with no order as to costs on 4 March 2026.

42. CAPITAL COMMITMENTS

Capital expenditure approved but not provided for in the financial statements are as follows:

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Capital expenditure				
Approved and contracted for	**372,427**	373,812	**372,427**	373,812

43. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial or operational decisions, or if one other party controls both.

The related parties of the Group and of the Bank are:

43.1 Subsidiaries

Details of the subsidiaries are shown in Note 15.

43.2 Key Management Personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Bank either directly or indirectly. The key management personnel of the Group and of the Bank includes Executive Director and Non-Executive Directors of the Bank and certain members of senior management of the Bank and heads of major subsidiaries of the Group.

Remuneration of Directors and other members of key management are as follows:

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Short-term employee benefits				
Fees	**2,552**	2,735	**2,216**	2,329
Salary	**8,288**	9,579	**8,288**	9,579
Allowances	**1,242**	1,227	**1,242**	1,227
EPF contribution	**3,176**	4,216	**3,176**	4,216
Bonuses	**7,300**	14,675	**7,300**	14,675
Other emoluments	**7**	14	**7**	14
	22,565	32,446	**22,229**	32,040

43. RELATED PARTY TRANSACTIONS (CONTINUED)

43.2 Key Management Personnel (continued)

Included in the total compensation for key management personnel are the following items:

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Directors' remuneration				
From the Bank	**2,216**	2,329	**2,216**	2,329
From subsidiaries	**225**	198	**-**	-
	2,441	2,527	**2,216**	2,329

43.3 Transactions with subsidiaries

All related party transactions within the Bank Rakyat group are conducted on normal commercial terms which are not more favourable than those generally available to the public.

	Bank	
	2025 RM'000	**2024 RM'000**
Income earned		
Income from financing and advances	**(15,161)**	(18,159)
Rental income	**(627)**	(627)
Expenditure incurred		
Profit expenses	**2,876**	4,535
Management fee expenses	**4,118**	3,845
Rental expenses	**12,300**	7,421
Allowance for impairment on financing	**(166)**	(1,174)
	3,340	(4,159)

43. RELATED PARTY TRANSACTIONS (CONTINUED)

43.3 Transactions with subsidiaries (continued)

Movement of allowance for impairment on financing is as follows:

Bank	12-month ECL Stage 1 RM'000
At 1 January 2024	5,900
Changes in credit risk	(1,174)
At 31 December 2024/1 January 2025	**4,726**
Changes in credit risk	**(166)**
At 31 December 2025	**4,560**

44. FINANCING FACILITIES WITH CONNECTED PARTIES

	Group and Bank	
	2025 RM'000	**2024 RM'000**
Outstanding exposures with connected parties	**4,014,965**	3,685,253
% of outstanding exposures to connected parties as a proportion of total exposure	**3.15%**	3.10%
% of outstanding exposures financing exposures with connected parties which is non-performing or in default	**0.00%**	0.01%

The above disclosure on Financing Facilities with Connected Parties is presented in accordance with para 14.1 as per BNM's policy on Financing Facilities with Connected Parties, which became effective on 13 July 2016.

45. FINANCIAL INSTRUMENTS

45.1 Net gains and losses arising from financial instruments

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Net gains/(losses) arising on:				
Financial assets measured at fair value through profit or loss				
Income ^	**432**	635	**432**	635
Dividend	**-**	10,170	**-**	10,170
Disposal	**351**	729	**351**	729
	783	11,534	**783**	11,534
Financial assets measured at fair value through other comprehensive income				
Income ^	**809,059**	801,547	**809,059**	801,547
Disposal	**157,258**	62,643	**157,258**	62,643
Revaluation on:				
Equity instruments	**-**	13,610	**-**	13,610
Debt instruments	**319,981**	15,951	**319,981**	15,951
	1,286,298	893,751	**1,286,298**	893,751
Financial assets measured at amortised cost: ^				
Income from:				
Financing and advances	**5,388,130**	5,261,195	**5,403,551**	5,279,353
Deposits and placements with banks and financial institutions	**35,999**	27,265	**35,999**	27,265
Financial investments at amortised cost	**463,991**	460,490	**463,991**	460,490
	5,888,120	5,748,950	**5,903,541**	5,767,108

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45. FINANCIAL INSTRUMENTS (CONTINUED)

45.1 Net gains and losses arising from financial instruments (continued)

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Financial liabilities measured at amortised cost: ^				
Income attributable to depositors	**(3,162,987)**	(3,146,791)	**(3,036,590)**	(3,059,774)
Income attributable to investment account holders	**(2,335)**	(1,344)	**(2,335)**	(1,344)
Income attributable to deposits and placements from banks and other financial institutions	**(129,125)**	(91,553)	**(129,125)**	(91,553)
Profit expense on financing sold with recourse to Cagamas	**(97,239)**	(63,003)	**(97,239)**	(63,003)
Profit expense on debt securities issued	**(249,976)**	(209,664)	**(249,976)**	(209,664)
Profit expense on cashline facility	**(7,300)**	(9,712)	**(7,300)**	(9,712)
	(3,648,962)	(3,522,067)	**(3,522,565)**	(3,435,050)
	3,526,239	3,132,168	**3,668,057**	3,237,343
Net losses on impairment of financial instruments:				
Financial assets at:				
Amortised cost	**(171,758)**	(141,592)	**(171,590)**	(140,418)
Fair value through other comprehensive income	**(390)**	(493)	**(390)**	(493)
	(172,148)	(142,085)	**(171,980)**	(140,911)

^ Profit income and expenses for these financial instruments are calculated using the effective profit rate method.

46. FINANCIAL RISK MANAGEMENT

46.1 Overview

The Bank's business activities involve the use of financial instruments that expose the Bank to a variety of financial risks with the following as the primary risks:

(i) Credit risk
(ii) Liquidity risk
(iii) Market risk
(iv) Operational risk

46.2 Risk Management Framework

Risk Management Framework articulates the objectives, guiding principles and governance structure for risk management processes in the Bank. This enables the identification, assessment and measurement control and continuous monitoring of all material risks on a group-and bank-wide basis, supported by robust management information system that facilitates timely and reliable reporting of risks and the integration of information across the Bank.

Risk Management within the Bank is guided by the following principles:

- Alignment of risk taking activities with the Bank's risk appetite;
- Risk aware decision making with clear understanding of risks and their impacts on profitability and sustainability;
- Accountability through ownership of risks, controls, and profitability inherent in the Bank's business and support functions; and
- Integration of risk management, compliance and ethical business practices into the culture of the Bank.

The Bank's Risk Appetite Statement is as follows:

The Bank's business strategy and risk-taking activities should always be within the capacity of the Bank. This is achieved by strengthening the following seven dimensions - Robust Risk and Compliance Culture; Guarding Reputational as an Islamic Financial Institution; Maintaining Adequate Capital; Quality Assets; Funding Certainty and Adequate Liquidity Cover; Ensuring Operational Resilience; Managing Risk in Technology and Safeguarding Sustainability-Related Risks and Model Risk.

46.2.1 Risk governance

The Bank manages its risks in accordance with the "Three Lines of Defence Model", which places accountability and ownership to the source of risk, whilst ensuring sufficient level of independent oversight.

The "Three Lines of Defence" consists of the following components:

(i) First Line of Defence - Informed Decision Making by Business Units

The business units and embedded risk functions are responsible to identify, manage and report their own risks. At this stage risk awareness is instilled starting at risk taking units so that Risk Management is incorporated into every aspect of work conducted.

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46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.2 Risk Management Framework (continued)

46.2.1 Risk governance (continued)

(ii) Second Line of Defence - Oversight by Risk Management and Compliance

Risk Management and Compliance supports business units, as well as review business and operations within approved risk appetite and in compliance to regulations and report key risks to the Management and Board of Directors. In doing so, Risk Management and Compliance provides support to Management and Board of Directors in fulfilling their oversight functions.

(iii) Third Line of Defence - Independent Assurance by Internal Audit

Internal Audit conducts quality assurance review, to ensure that the risk-taking activities are in line with established standards. Internal Audit provides recommendations for improvement where necessary. Its functions complement the support extended to the Management and Board Audit Committee in the risk oversight functions.

Roles and responsibilities of the oversight committee:

Roles and responsibilities of the Board Risk Committee ("BRC"):

(a) Review and recommend risk appetite, strategies, risk management framework and policies as well as any subsequent revision for the Board's approval;

(b) Ensure the capital adequacy of the Bank commensurates with the various types of risks;

(c) Review and appraise the Board on risk exposure, risk portfolio composition, and risk management activities;

(d) Ensure the adequency of infrastructure and resources to manage various types of risks;

(e) Appraise the performance of the Group Chief Risk Officer; and

(f) Periodically meet with Audit and Examination Committee ("AEC") to ensure effective exchange of information to enable effective coverage of all risks, including emerging risk issues.

Roles and responsibilities of Management Risk Committee ("MRC"):

(a) Establish clear guidance and recommend business and risk strategy, including risk limits, for business units to ensure that risk-taking activities remain within the risk appetite;

(b) Evaluate the sensitivities and reasonableness of key assumptions used in the process of assessing material risks and capital;

(c) Ensure establishment, implementation, communication and enforcement of risk management framework and policies;

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.2 Risk Management Framework (continued)

46.2.1 Risk governance (continued)

Roles and responsibilities of the oversight committee (continued):

Roles and responsibilities of the Board Risk Committee ("BRC") (continued):

(d) Ensure adequate and effective risk monitoring, reporting, controls and tolerable risk limits while managing risk exposure; and

(e) The role of MRC is supported by dedicated risk committees as follows:

- Credit Risk Committee;
- Operational Risk Management Committee;
- Any other committees that will be established for risk management purposes.

Roles and responsibilities of Credit Risk Committee:

(a) Collectively responsible to oversee management of credit risk through the following;

Based on periodic reports submitted by Risk Management and Business Units, to monitor on:

- Overall asset quality of the Bank's credit portfolio; and
- Credit concentration risk including but not limited to customers' segmentation, industry sectors limit, Single Counterparty Exposure Limit (SCEL) and large exposure customers.

(b) According to governance set by the Bank, to deliberate/review on;

- Development/review of credit related policies/strategy. Where relevant, oversee implementation of credit related policies/ strategy; and
- Credit-related tools/models such as development or back testing of credit scorecard.

(c) Review and recommend appropriate measures on effective management of problem credits and adequacy of the Bank's credit practices;

(d) Ensure adequate infrastructure, resources and system are in place for management of credit risk; and

(e) Where relevant, to deliberate material regulatory requirements and/ or highlights of the regulators on credit risk related issues concerning the Bank.

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.2 Risk Management Framework (continued)

46.2.1 Risk governance (continued)

Roles and responsibilities of the oversight committee (continued):

Roles and responsibilities of Operational Risk Management Committee:

(a) Review and recommend operational risk management strategies, policies, guidelines and procedures;

(b) Review and assess the adequacy of operational risk management framework, policies, guidelines and procedures in identifying, assessing, controlling and monitoring of operational risk and the extent to which these are operating effectively;

(c) Ensure that infrastructure, resources and systems are in place to effectively manage operational risks;

(d) Review operational risk profiles and periodic reports, including progress and follow-up actions; and

(e) Monitor the identified operational risks, key risk indicators and loss incidents in the business and functional units' operations.

Roles and responsibilities of Financing Review Committee:

(a) Direct, monitor, review and consider such issues as may materially impact on the present and future quality of the Bank's financing book;

(b) Conduct post-mortem on impaired financing and to learn weaknesses in existing credit policies and processes;

(c) Ensure the procedures and resources are effective to identify and manage irregular and problem credits, minimise credit loss and maximise recoveries; and

(d) Review and recommend any enhancement of credit related policies, processes and procedures.

46.3 Credit risk

Credit risk is the risk of a counterparty failing to perform its conctractual obligations through the Bank's financing, hedging, trading and investing activities.

The Bank's retail and corporate credit exposures are governed by underwriting criteria outlined in credit policies and product guidelines. The Bank's credit processes are in line with industry best practices which emphasises on individual accountability with clear lines of responsibility and segregation of duties where credit administration, early monitoring and recovery are independent from business units.

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.3 Credit risk (continued)

46.3.1 Management of credit risk

The Bank's credit risk management includes establishment of comprehensive credit risk policies, guidelines and procedures that document financing standards, credit risk rating, acceptable collateral and valuation, and compliance with regulatory and statutory requirements. The policies are periodically reviewed to ensure their continuous relevance.

Risk Management is responsible to formulate and review the credit risk policies, guidelines and procedures as well as credit risk monitoring. This is to ensure that risk management arrangements are operating effectively and remain commensurate with the Bank's size, nature, complexity and risk profile.

In ensuring effective monitoring of credit, Credit Risk Portfolio Analysis Report which provides insights on overall credit risk is presented to the Senior Management and Board periodically. With this information, Board and Senior Management are able to effectively identify adverse credit risk trends, take corrective actions and formulate business strategies accordingly.

46.3.2 Financing to retail customers

Financing granted to retail customers is individually underwritten by assessing historical payment track record and payment capacity of the customer. This process is governed by Credit Policy (Retail), Operational Procedures and assessed using credit scorecard. Both Credit Policy (Retail) and credit scorecard are developed by Risk Management while Operational Procedures are developed by Product Division and Business Units within Retail Banking and are independently reviewed by control functions including Risk Management, Compliance and Shariah.

The credit approving authorities have the responsibility to ensure that credit risk is properly assessed and financings are only be granted according to suitability, affordability assessment and circumstances of the customers.

Risk Management is also responsible to assess new/variation of financing product or programme to ensure that the product/programme offered to customers is beneficial to both customers and Bank whilst mitigating the inherent risks.

46.3.3 Financing to corporate customers

Granting of credit to corporate customers is individually underwritten as guided by the Bank's risk appetite and policies. Under exceptional circumstances such as through financing programmes, approving authority is delegated to business units to reduce turnaround time of credit processes. This is guided through simplified Risk Assessment Template (RAT).

46.3.4 Purchase of investment securities

Credit qualities of financial instruments are assessed based on ratings from external credit ratings agencies.

Portfolio review and monitoring is conducted to ensure the exposure are effectively managed and within the Bank's risk appetite.

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.3 Credit risk (continued)

46.3.5 Impaired financing and investment securities

Individually impaired financing and investment securities are financing and advances and investment securities (other than those carried at fair value through profit or loss) for which the Bank determines that there is objective evidence of impairment and it does not expect to collect all principal and profits according to the contractual terms of the financing/investment security agreement(s).

46.3.6 Neither past due nor impaired financing and investment securities

These are financing and investment securities from which contractual payment of profit or principal have been performing and not defaulted since there is no objective evidence of past due nor impairment.

46.3.7 Past due but not impaired financing and investment securities

Past due but not impaired financing and investment securities, other than those carried at fair value through profit or loss, are those for which contractual profits or principal payments are past due, more than 1 day but less than three (3) months.

46.3.8 Financing with renegotiated terms

Financing with renegotiated terms are financing that have been restructured or rescheduled due to deterioration in the customer's financial position.

46.3.9 Allowances for impairment

The Bank establishes an allowance for impairment loss on assets carried at amortised cost and fair value through other comprehensive income, which represents an estimation of expected losses in the financing and investment security portfolio.

The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective financing loss allowance established for groups of homogenous assets. Both components of allowance incorporates historical, current, and forecasted information in estimating the expected losses.

Assets carried at fair value through profit or loss are not subject to impairment testing as the measure of fair value reflects the credit quality of each asset.

46.3.10 Write-off policy

The Bank writes-off a financing or an investment security, and any related allowances for impairment losses, when the Bank determines that the financing or investment security is uncollectible. This determination is made after exhaustive recovery exercise and considering information such as the occurrence of significant changes in the customer's/issuer's financial position such that the customer/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.3 Credit risk (continued)

46.3.11 Collateral on financing and advances

In mitigating credit risk on financing and advances granted to customers, collaterals are obtained as follows:

(i) House financing - charges over residential properties.

(ii) Commercial property financing - charges over the properties being financed.

(iii) Vehicle financing - ownership claims over the vehicles being financed.

(iv) Ar-Rahnu financing - charges over pledged gold or other valuables

(iv) Other financing and advances - charges over business assets such as premises, trade receivables or deposits.

46.3.12 Credit grading for investment securities

The credit qualities and classification of financial instruments are assessed based on ratings from external credit ratings agencies and independently assessed by Credit Assessment prior to approval by relevant approving authorities.

46.3.13 Maximum exposure to credit risk

The following table presents the Bank's credit exposure of on-balance sheet and off-balance sheet financial instruments.

For on-balance sheet assets, the exposure to credit risk equals the carrying amount.

For credit commitments, maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

	Group	
	2025 RM'000	**2024 RM'000**
Assets		
Cash and short-term funds	**1,495,812**	1,677,256
Deposits and placements with financial institutions	**606,718**	590,242
Financial investments at fair value through other comprehensive income	**21,520,342**	20,662,157
Financial investments at amortised cost	**11,654,255**	11,863,734
Financing and advances	**91,419,589**	83,790,8148
Trade receivables	**1,905**	1,455
Other receivables	**941,301**	877,531
	127,639,922	119,463,189

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.3 Credit risk (continued)

46.3.13 Maximum exposure to credit risk (continued)

	Group	
	2025 RM'000	**2024 RM'000**
Commitments		
Undrawn financing	**3,467,602**	2,808,027
Total maximum exposure to credit risk	**131,107,524**	122,271,216

	Bank	
	2025 RM'000	**2024 RM'000**
Assets		
Cash and short-term funds	**1,490,164**	1,677,217
Deposits and placements with financial institutions	**606,718**	590,242
Financial investments at fair value through other comprehensive income	**21,520,342**	20,662,157
Financial investments at amortised cost	**11,654,255**	11,863,734
Financing and advances	**91,746,277**	84,156,265
Other receivables	**932,316**	868,223
	127,950,072	119,817,838
Commitments		
Undrawn financing	**3,467,602**	2,808,027
Total maximum exposure to credit risk	**131,417,674**	122,625,865

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46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.3 Credit risk (continued)

46.3.14 Credit risk exposure on financing and advances

	Group	
	2025 RM'000	**2024 RM'000**
At amortised cost		
Neither past due nor impaired		
0 month	**88,950,915**	82,125,649
Past due but not impaired		
1 month	**1,760,924**	1,257,110
2 months	**897,999**	909,035
3 months	**509**	-
	2,659,432	2,166,145
Past due and impaired		
Less than 4 months	**353,979**	288,829
4 months to 6 months	**265,899**	276,383
7 months to 9 months	**168,850**	139,751
More than 9 months	**937,491**	965,455
	1,726,219	1,670,418
Gross financing and advances	**93,336,566**	85,962,212
Less:		
Stage 1 - 12-month ECL	**(364,694)**	(386,211)
Stage 2 - lifetime ECL not credit impaired	**(557,652)**	(715,797)
Stage 3 - lifetime ECL credit impaired	**(994,631)**	(1,069,390)
Net financing and advances	**91,419,589**	83,790,814

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46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.3 Credit risk (continued)

46.3.14 Credit risk exposure on financing and advances (continued)

	Bank	
	2025 RM'000	**2024 RM'000**
At amortised cost		
Neither past due nor impaired		
0 month	**89,283,279**	82,495,826
Past due but not impaired		
1 month	**1,760,924**	1,257,110
2 months	**896,881**	909,035
3 months	**509**	-
	2,658,314	2,166,145
Past due and impaired		
Less than 4 months	**353,979**	288,829
4 months to 6 months	**265,899**	276,383
7 months to 9 months	**168,850**	139,751
More than 9 months	**937,491**	965,455
	1,726,219	1,670,418
Gross financing and advances	**93,667,812**	86,332,389
Less:		
Stage 1 - 12-month ECL	**(369,252)**	(390,937)
Stage 2 - lifetime ECL not credit impaired	**(557,652)**	(715,797)
Stage 3 - lifetime ECL credit impaired	**(994,631)**	(1,069,390)
Net financing and advances	**91,746,277**	84,156,265

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.3 Credit risk (continued)

46.3.15 Credit risk exposure on investment securities

Group 2025	Financial investments at fair value through other comprehensive income RM'000	Financial investments at amortised cost RM'000	Total RM'000
Rated securities			
Islamic debt securities			
Grade AAA	**4,366,160**	**793,889**	**5,160,049**
Grade AA+	**231,676**	**-**	**231,676**
Grade AA	**411,092**	**25,034**	**436,126**
Grade AA-	**144,943**	**36,183**	**181,126**
Grade AA1	**939,279**	**20,187**	**959,466**
Grade AA2	**465,335**	**5,157**	**470,492**
Grade AA3	**384,346**	**15,515**	**399,861**
Grade A+	**50,083**	**51,200**	**101,283**
Grade A1	**-**	**25,222**	**25,222**
Grade A	**150,445**	**-**	**150,445**
	7,143,359	**972,387**	**8,115,746**
Cagamas sukuk			
Grade AAA	**1,605,077**	**197,946**	**1,803,023**
	8,748,436	**1,170,333**	**9,918,769**
Unrated securities			
Government investment issues	**5,218,022**	**7,975,633**	**13,193,655**
Government sukuk	**7,553,884**	**2,458,601**	**10,012,485**
Islamic commercial paper	**-**	**49,688**	**49,688**
	12,771,906	**10,483,922**	**23,255,828**
Shares			
Unquoted shares	**115,189**	**-**	**115,189**
	21,635,531	**11,654,255**	**33,289,786**

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.3 Credit risk (continued)

46.3.15 Credit risk exposure on investment securities (continued)

Bank 2025	Financial investments at fair value through other comprehensive income RM'000	Financial investments at amortised cost RM'000	Total RM'000
Rated securities			
Islamic debt securities			
Grade AAA	**4,366,160**	**793,889**	**5,160,049**
Grade AA+	**231,676**	**-**	**231,676**
Grade AA	**411,092**	**25,034**	**436,126**
Grade AA-	**144,943**	**36,183**	**181,126**
Grade AA1	**939,279**	**20,187**	**959,466**
Grade AA2	**465,335**	**5,157**	**470,492**
Grade AA3	**384,346**	**15,515**	**399,861**
Grade A+	**50,083**	**51,200**	**101,283**
Grade A1	**-**	**25,222**	**25,222**
Grade A	**150,445**	**-**	**150,445**
	7,143,359	**972,387**	**8,115,746**
Cagamas sukuk			
Grade AAA	**1,605,077**	**197,946**	**1,803,023**
	8,748,436	**1,170,333**	**9,918,769**
Unrated securities			
Government investment issues	**5,218,022**	**7,975,633**	**13,193,655**
Government sukuk	**7,553,884**	**2,458,601**	**10,012,485**
Islamic commercial paper	**-**	**49,688**	**49,688**
	12,771,906	**10,483,922**	**23,255,828**
Shares			
Unquoted shares	**115,181**	**-**	**115,181**
	21,635,523	**11,654,255**	**33,289,778**

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46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.3 Credit risk (continued)

46.3.15 Credit risk exposure on investment securities (continued)

Group 2024	Financial investments at fair value through other comprehensive income RM'000	Financial investments at amortised cost RM'000	Total RM'000
Rated securities			
Islamic debt securities			
Grade AAA	4,130,158	919,358	5,049,516
Grade AA+	195,349	-	195,349
Grade AA	439,448	24,991	464,439
Grade AA-	175,317	36,707	212,024
Grade AA1	646,394	106,375	752,769
Grade AA2	324,786	30,265	355,051
Grade AA3	289,979	26,002	315,981
Grade A+	15,332	-	15,332
	6,216,763	1,143,698	7,360,461
Cagamas sukuk			
Grade AAA	575,941	228,939	804,880
Negotiable Islamic debt certificates			
Grade AA1	-	99,756	99,756
	6,792,704	1,472,393	8,265,097
Unrated securities			
Government investment issues	5,614,196	7,827,210	13,441,406
Government sukuk	8,255,257	2,514,494	10,769,751
Islamic commercial paper	-	49,637	49,637
	13,869,453	10,391,341	24,260,794
Shares			
Unquoted shares	115,189	-	115,189
	20,777,346	11,863,734	32,641,080

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46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.3 Credit risk (continued)

46.3.15 Credit risk exposure on investment securities (continued)

Bank 2024	Financial investments at fair value through other comprehensive income RM'000	Financial investments at amortised cost RM'000	Total RM'000
Rated securities			
Islamic debt securities			
Grade AAA	4,130,158	919,358	5,049,516
Grade AA+	195,349	-	195,349
Grade AA	439,448	24,991	464,439
Grade AA-	175,317	36,707	212,024
Grade AA1	646,394	106,375	752,769
Grade AA2	324,786	30,265	355,051
Grade AA3	289,979	26,002	315,981
Grade A+	15,332	-	15,332
	6,216,763	1,143,698	7,360,461
Cagamas sukuk			
Grade AAA	575,941	228,939	804,880
Negotiable Islamic debt certificates			
Grade AA1	-	99,756	99,756
	6,792,704	1,472,393	8,265,097
Unrated securities			
Government investment issues	5,614,196	7,827,210	13,441,406
Government sukuk	8,255,257	2,514,494	10,769,751
Islamic commercial paper	-	49,637	49,637
	13,869,453	10,391,341	24,260,794
Shares			
Unquoted shares	115,181	-	115,181
	20,777,338	11,863,734	32,641,072

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.3 Credit risk (continued)

46.3.16 Maximum exposure to credit risk

The following analysis represents the Group's maximum exposure to credit risk of on-balance sheet financial assets and off-balance sheet exposure, excluding any collateral held or other credit enhancements. For on-balance sheet financial assets, the exposure to credit risk equals their carrying amount. For off-balance sheet exposure, the maximum exposure to credit risk is the maximum amount that the Group would have to pay if obligations of the instruments issued are called upon and/or the full amount of the undrawn credit facilities granted to customers.

	Group	
	2025 RM'000	**2024 RM'000**
Credit exposure for on-balance sheet financial assets		
Cash and short-term funds	**1,495,812**	1,677,256
Deposits and placements with financial institutions	**606,718**	590,242
Financial investments portfolio *	**33,174,598**	32,525,891
Financing and advances	**75,424,233**	70,751,197
Trade receivables	**1,905**	1,455
Other assets	**941,301**	877,531
Credit exposure for on-balance sheet financial assets		
Undrawn financing	**3,467,602**	2,808,027
Total maximum credit risk exposure	**115,112,169**	109,231,599

	Bank	
	2025 RM'000	**2024 RM'000**
Credit exposure for on-balance sheet financial assets		
Cash and short-term funds	**1,490,164**	1,677,217
Deposits and placements with financial institutions	**606,718**	590,242
Financial investments portfolio *	**33,174,598**	32,525,891
Financing and advances	**75,755,479**	71,121,374
Other assets	**932,316**	868,223
Credit exposure for on-balance sheet financial assets		
Undrawn financing	**3,467,602**	2,808,027
Total maximum credit risk exposure	**115,426,877**	109,590,974

* Financial investment portfolio consists of financial investments at fair value through other comprehensive income and financial investments at amortised costs, excluding equity investments.

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.4 Liquidity risk

Liquidity risk arises from mismatches in the timing of cash flows due to the inability to meet maturing or regulatory obligations and customers' demands for funds when required, which may adversely affect daily operations, Bank's reputation and incur unacceptable losses.

46.4.1 Management of liquidity risk

The Bank adopts various liquidity risk measurement tools in managing the cash flows for daily movement as well as medium and long-term positions to ensure sufficient funding sources to meet obligations.

It is important for the Bank to maintain diversification strategy of funding sources and providers to ensure stability of funding structure and adequate standby facilities while managing excessive concentration towards key depositors. The Bank maintains sufficient high-quality liquid assets to withstand against any unforeseen liquidity stress.

In addition, a liquidity stress testing is conducted based on sensitivity analysis for various stress scenarios covering the Bank's specific and market-wide crisis and combined scenario. The stress scenarios would provide valuable assessment on the impact from adverse liquidity environment and the Bank's vulnerable portfolios.

The Bank has established liquidity contingency funding plan which entails the early warning indicators as well as strategies and actions to be taken by the liquidity crisis management team arising from different liquidity crisis scenarios.

The Bank's liquidity risk management framework, policies and procedures are reviewed periodically in order to manage effective implementation of risk management policies and to ensure liquidity risk position are within the Bank's risk appetite and approved limits.

46.4.2 Exposure to liquidity risk

The key measure used by the Bank for managing liquidity risk is the ratio of net liquid assets to deposits from customers.

For this purpose, net liquid assets are considered as including cash and cash equivalents and investment grade securities for which there is an active and liquid market.

Details of the reported Bank ratio of net liquid assets to deposits from customers at the end of the reporting period and during the year were as follows:

	Bank	
	2025 RM'000	**2024 RM'000**
At 31 December	**40.29%**	32.62%
Average for the year	**41.57%**	32.33%
Maximum for the year	**43.23%**	33.20%
Minimum for the year	**40.29%**	31.61%

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46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.4 Liquidity risk (continued)

46.4.3 Liquidity risk of assets and liabilities

The main thrust of liquidity management is the projection of up to one year of the maturity profile of the Bank's assets, liabilities and off-balance sheet commitments from a given position.

The focus is on the ability of the Bank to match its short-term liquidity requirement arising from maturing obligations with maturing assets, followed by a medium-term assessment of liquidity up to one year.

The primary basis for determining the appropriate time bands is the contractual maturity, which is when the cash flows crystallise.

46.4.4 Liquidity risk of assets and liabilities by remaining contractual maturities

Group 2025	Up to 1 week RM'000	More than 1 week- 1 month RM'000	More than 1 month- 3 months RM'000	More than 3 months- 6 months RM'000	More than 6 months- 1 year RM'000	More than 1 year RM'000	No specific maturity RM'000	Total RM'000
Assets								
Cash, deposits and placements with financial institutions	1,075,246	420,566	-	-	606,718	-	-	2,102,530
Investment securities	-	138,031	558,178	499,438	1,194,910	30,784,040	115,189	33,289,786
Financing and advances	1,352,801	788,278	2,472,515	3,708,546	6,748,446	78,270,538	(1,921,535)	91,419,589
Trade receivables	1,487	1,495	-	-	-	-	(1,077)	1,905
Other assets	-	-	705,573	-	-	-	235,728	941,301
	2,429,534	1,348,370	3,736,266	4,207,984	8,550,074	109,054,578	(1,571,695)	127,755,111
Liabilities								
Deposits from customers	19,811,666	17,754,331	19,104,820	13,670,954	12,373,184	4,835,779	-	87,550,734
Investment accounts of customers	939,686	-	-	-	-	-	-	939,686
Deposits and placements from banks and financial institutions	1,977,030	480,000	100,000	150,000	-	-	-	2,707,030

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.4 Liquidity risk (continued)

46.4.4 Liquidity risk of assets and liabilities by remaining contractual maturities (continued)

Group (continued) 2025	Up to 1 week RM'000	More than 1 week- 1 month RM'000	More than 1 month- 3 months RM'000	More than 3 months- 6 months RM'000	More than 6 months- 1 year RM'000	More than 1 year RM'000	No specific maturity RM'000	Total RM'000
Liabilities (continued)								
Obligation on financial assets sold under repurchase agreements	401,669	-	900,717	-	-	-	-	1,302,386
Recourse obligations on financing sold to Cagamas	477,261	-	-	385,000	-	2,465,017	-	3,327,278
Debt securities issued	-	-	-	302,050	302,949	5,937,468	-	6,542,467
Cashline facility	-	1,001,556	-	-	-	-	-	1,001,556
Trade payables	-	-	2,884	-	-	-	-	2,884
Other liabilities	1,539	9,722	1,273,239	24,694	35,039	96,617	196,293	1,637,143
	23,608,851	19,245,609	21,381,660	14,532,698	12,711,172	13,334,881	196,293	105,011,164
Net maturity mismatch	(21,179,317)	(17,897,239)	(17,645,394)	(10,324,714)	(4,161,098)	95,719,697	(1,767,988)	22,743,947
Commitment and contingencies								
Bank guarantee given in respect of banking facilities granted to customers	327,644	-	-	-	-	-	-	327,644
Claims for damages from litigation taken against the Bank	-	-	-	-	-	14,070	-	14,070
Undrawn financing	3,467,602	-	-	-	-	-	-	3,467,602
	3,795,246	-	-	-	-	14,070	-	3,809,316

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.4 Liquidity risk (continued)

46.4.4 Liquidity risk of assets and liabilities by remaining contractual maturities (continued)

Group 2024	Up to 1 week RM'000	More than 1 week-1 month RM'000	More than 1 month-3 months RM'000	More than 3 months-6 months RM'000	More than 6 months-1 year RM'000	More than 1 year RM'000	No specific maturity RM'000	Total RM'000
Assets								
Cash, deposits and placements with financial institutions	1,007,504	669,752	-	590,242	-	-	-	2,267,498
Investment securities	5,137	161,089	253,141	635,734	1,110,097	30,360,693	115,189	32,641,080
Financing and advances	979,997	852,483	2,398,528	3,536,116	6,470,863	71,764,430	(2,211,603)	83,790,814
Trade receivables	1,562	1,054	-	-	-	-	(1,161)	1,455
Other assets	-	-	646,592	-	-	-	230,939	877,531
	1,994,200	1,684,378	3,298,261	4,762,092	7,580,960	102,125,123	(1,866,636)	119,578,378
Liabilities								
Deposits from customers	18,379,535	16,328,084	17,480,174	12,663,737	13,184,970	6,056,712	-	84,093,212
Investment accounts of customers	469,901	-	-	-	-	-	-	469,901
Deposits and placements from banks and financial institutions	1,669,175	200,000	300,000	200,000	-	-	-	2,369,175
Obligation on financial assets sold under repurchase agreements	301,896	401,968	301,278	-	-	-	-	1,005,142
Recourse obligations on financing sold to Cagamas	-	-	715,000	-	160,000	1,000,007	-	1,875,007
Debt securities issued	-	-	-	37,728	600,000	4,900,000	-	5,537,728
Cashline facility	-	1,204,046	-	-	-	-	-	1,204,046
Trade payables	-	-	2,046	-	-	-	-	2,046
Other liabilities	-	4,800	1,337,225	14,400	28,800	7,940	318,721	1,711,886
	20,820,507	18,138,898	20,135,723	12,915,865	13,973,770	11,964,659	318,721	98,268,143
Net maturity mismatch	(18,826,307)	(16,454,520)	(16,837,462)	(8,153,773)	(6,392,810)	90,160,464	(2,185,357)	21,310,235

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.4 Liquidity risk (continued)

46.4.4 Liquidity risk of assets and liabilities by remaining contractual maturities (continued)

Group (continued) 2024	Up to 1 week RM'000	More than 1 week-1 month RM'000	More than 1 month-3 months RM'000	More than 3 months-6 months RM'000	More than 6 months-1 year RM'000	More than 1 year RM'000	No specific maturity RM'000	Total RM'000
Commitment and contingencies								
Bank guarantee given in respect of banking facilities granted to customers	227,430	-	-	-	-	-	-	227,430
Claims for damages from litigation taken against the Bank	-	-	-	-	-	111,017	-	111,017
Undrawn financing	2,808,027	-	-	-	-	-	-	2,808,027
	3,035,457	-	-	-	-	111,017	-	3,146,474

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.4 Liquidity risk (continued)

46.4.4 Liquidity risk of assets and liabilities by remaining contractual maturities (continued)

Bank 2025	Up to 1 week RM'000	More than 1 week- 1 month RM'000	More than 1 month- 3 months RM'000	More than 3 months- 6 months RM'000	More than 6 months- 1 year RM'000	More than 1 year RM'000	No specific maturity RM'000	Total RM'000
Assets								
Cash, deposits and placements with financial institutions	1,069,598	420,566	-	-	606,718	-	-	2,096,882
Investment securities	-	138,031	558,178	499,438	1,194,910	30,784,040	115,181	33,289,778
Financing and advances	1,352,801	788,278	2,472,515	3,708,546	6,748,446	78,597,226	(1,921,535)	91,746,277
Other assets	-	-	-	-	-	-	932,316	932,316
	2,422,399	1,346,875	3,030,693	4,207,984	8,550,074	109,381,266	(874,038)	128,065,253
Liabilities								
Deposits from customers	19,811,666	17,754,331	19,104,820	13,670,954	12,373,184	4,835,779	-	87,550,734
Investment accounts of customers	939,686	-	-	-	-	-	-	939,686
Deposits and placements from banks and financial institutions	1,977,030	480,000	100,000	150,000	-	-	-	2,707,030
Obligation on financial assets sold under repurchase agreements	401,669	-	900,717	-	-	-	-	1,302,386
Recourse obligations on financing sold to Cagamas	477,261	-	-	385,000	-	2,465,017	-	3,327,278
Debt securities issued	-	-	-	302,050	302,949	5,937,468	-	6,542,467
Cashline facility	-	1,001,556	-	-	-	-	-	1,001,556
Other liabilities	1,539	9,722	1,273,239	24,694	35,039	96,617	313,146	1,753,996
	23,608,851	19,245,609	21,378,776	14,532,698	12,711,172	13,334,881	313,146	105,125,133
Net maturity mismatch	(21,186,452)	(17,898,734)	(18,348,083)	(10,324,714)	(4,161,098)	96,046,385	(1,187,184)	22,940,120

NOTES TO THE FINANCIAL STATEMENTS
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46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.4 Liquidity risk (continued)

46.4.4 Liquidity risk of assets and liabilities by remaining contractual maturities (continued)

Bank (continued) 2025	Up to 1 week RM'000	More than 1 week- 1 month RM'000	More than 1 month- 3 months RM'000	More than 3 months- 6 months RM'000	More than 6 months- 1 year RM'000	More than 1 year RM'000	No specific maturity RM'000	Total RM'000
Commitment and contingencies								
Bank guarantee given in respect of banking facilities granted to customers	327,644	-	-	-	-	-	-	327,644
Claims for damages from litigation taken against the Bank	-	-	-	-	-	14,070	-	14,070
Undrawn financing	3,467,602	-	-	-	-	-	-	3,467,602
	3,795,246	-	-	-	-	14,070	-	3,809,316

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46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.4 Liquidity risk (continued)

46.4.4 Liquidity risk of assets and liabilities by remaining contractual maturities (continued)

Bank 2024	Up to 1 week RM'000	More than 1 week-1 month RM'000	More than 1 month-3 months RM'000	More than 3 months-6 months RM'000	More than 6 months-1 year RM'000	More than 1 year RM'000	No specific maturity RM'000	Total RM'000
Assets								
Cash, deposits and placements with financial institutions	1,007,465	669,752	-	590,242	-	-	-	2,267,459
Investment securities	5,137	161,089	253,141	635,734	1,110,097	30,360,693	115,181	32,641,072
Financing and advances	979,997	852,483	2,398,528	3,536,116	6,470,863	72,094,402	(2,176,124)	84,156,265
Other assets	-	-	668,711	-	-	-	199,512	868,223
	1,992,599	1,683,324	3,320,380	4,762,092	7,580,960	102,455,095	(1,861,431)	119,933,019
Liabilities								
Deposits from customers	18,379,535	16,328,084	17,480,174	12,663,737	13,184,970	6,056,712	-	84,093,212
Investment accounts of customers	469,901	-	-	-	-	-	-	469,901
Deposits and placements from banks and financial institutions	1,669,175	200,000	300,000	200,000	-	-	-	2,369,175
Obligation on financial assets sold under repurchase agreements	301,896	401,968	301,278	-	-	-	-	1,005,142
Recourse obligations on financing sold to Cagamas	-	-	715,000	-	160,000	1,000,007	-	1,875,007
Debt securities issued	-	-	-	37,728	600,000	4,900,000	-	5,537,728
Cashline facility	-	1,204,046	-	-	-	-	-	1,204,046
Other liabilities	6,646	14,167	1,364,991	55,833	63,171	7,940	336,632	1,849,380
	20,827,153	18,148,265	20,161,443	12,957,298	14,008,141	11,964,659	336,632	98,403,591
Net maturity mismatch	(18,834,554)	(16,464,941)	(16,841,063)	(8,195,206)	(6,427,181)	90,490,436	(2,198,063)	21,529,428

NOTES TO THE FINANCIAL STATEMENTS
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46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.4 Liquidity risk (continued)

46.4.4 Liquidity risk of assets and liabilities by remaining contractual maturities (continued)

Bank (continued) 2024	Up to 1 week RM'000	More than 1 week-1 month RM'000	More than 1 month-3 months RM'000	More than 3 months-6 months RM'000	More than 6 months-1 year RM'000	More than 1 year RM'000	No specific maturity RM'000	Total RM'000
Commitment and contingencies								
Bank guarantee given in respect of banking facilities granted to customers	227,430	-	-	-	-	-	-	227,430
Claims for damages from litigation taken against the Bank	-	-	-	-	-	111,017	-	111,017
Undrawn financing	2,808,027	-	-	-	-	-	-	2,808,027
	3,035,457	-	-	-	-	111,017	-	3,146,474

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46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.4 Liquidity risk (continued)

46.4.5 Contractual maturity of financial liabilities on an undiscounted basis

The tables below present the cash flows payable by the Group and the Bank under financial liabilities by remaining contractual maturities as at 31 December 2025 and 31 December 2024. The amounts disclosed in the table will not agree to the carrying amounts reported in the statements of financial positions as the amounts incorporated all contractual cash flows, on an undiscounted basis, relating to both principal and profit analysis. The Group and the Bank manage profit liquidity risk based on discounted expected cash flows.

Group 2025	Up to 1 week RM'000	More than 1 week- 1 month RM'000	More than 1 month- 3 months RM'000	More than 3 months- 6 months RM'000	More than 6 months- 1 year RM'000	More than 1 year RM'000	No specific maturity RM'000	Total RM'000
Liabilities								
Deposits from customers	**19,810,864**	**17,784,769**	**19,219,242**	**15,028,762**	**11,549,483**	**5,818,058**	**-**	**89,211,178**
Investment accounts of customers	**939,686**	**-**	**-**	**-**	**-**	**-**	**-**	**939,686**
Deposits and placements from banks and financial institutions	**1,978,733**	**482,802**	**100,457**	**150,294**	**-**	**-**	**-**	**2,712,286**
Obligation on financial assets sold under repurchase agreements	**402,576**	**-**	**903,282**	**-**	**-**	**-**	**-**	**1,305,858**
Recourse obligations on financing sold to Cagamas	**477,261**	**-**	**-**	**385,000**	**-**	**2,465,017**	**-**	**3,327,278**
Debt securities issued	**-**	**-**	**-**	**302,050**	**302,949**	**5,937,468**	**-**	**6,542,467**
Trade payables	**-**	**-**	**2,884**	**-**	**-**	**-**	**-**	**2,884**
Cashline facility	**-**	**-**	**-**	**-**	**503,311**	**502,083**	**-**	**1,005,394**
Other liabilities	**1,539**	**8,875**	**1,296,178**	**22,154**	**29,959**	**66,280**	**290,894**	**1,715,879**
	23,610,659	**18,276,446**	**21,522,043**	**15,888,260**	**12,385,702**	**14,788,906**	**290,894**	**106,762,910**

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46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.4 Liquidity risk (continued)

46.4.5 Contractual maturity of financial liabilities on an undiscounted basis (continued)

Group 2024	Up to 1 week RM'000	More than 1 week- 1 month RM'000	More than 1 month- 3 months RM'000	More than 3 months- 6 months RM'000	More than 6 months- 1 year RM'000	More than 1 year RM'000	No specific maturity RM'000	Total RM'000
Liabilities								
Deposits from customers	18,403,465	18,689,848	15,317,229	14,427,443	12,003,238	7,360,760	-	86,201,983
Investment accounts of customers	469,901	-	-	-	-	-	-	469,901
Deposits and placements from banks and financial institutions	1,669,695	200,920	300,952	200,042	-	-	-	2,371,609
Obligation on financial assets sold under repurchase agreements	302,022	404,873	302,526	-	-	-	-	1,009,421
Recourse obligations on financing sold to Cagamas	-	5,682	13,916	13,019	26,039	1,816,351	-	1,875,007
Debt securities issued	-	-	-	111,774	712,791	5,480,711	-	6,305,276
Trade payables	-	-	2,046	-	-	-	-	2,046
Cashline facility	-	302,056	907,439	-	-	-	-	1,209,495
Other liabilities	-	1,864	1,332,318	5,593	11,186	48,333	318,722	1,718,016
	20,845,083	19,605,243	18,176,426	14,757,871	12,753,254	14,706,155	318,722	101,162,754

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46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.4 Liquidity risk (continued)

46.4.5 Contractual maturity of financial liabilities on an undiscounted basis (continued)

Bank 2025	Up to 1 week RM'000	More than 1 week- 1 month RM'000	More than 1 month- 3 months RM'000	More than 3 months- 6 months RM'000	More than 6 months- 1 year RM'000	More than 1 year RM'000	No specific maturity RM'000	Total RM'000
Liabilities								
Deposits from customers	**19,810,864**	**17,784,769**	**19,219,242**	**15,028,762**	**11,549,483**	**5,818,058**	**-**	**89,211,178**
Investment accounts of customers	**939,686**	**-**	**-**	**-**	**-**	**-**	**-**	**939,686**
Deposits and placements from banks and financial institutions	**1,978,733**	**482,802**	**100,457**	**150,294**	**-**	**-**	**-**	**2,712,286**
Obligation on financial assets sold under repurchase agreements	**402,576**	**-**	**903,282**	**-**	**-**	**-**	**-**	**1,305,858**
Recourse obligations on financing sold to Cagamas	**477,261**	**-**	**-**	**385,000**	**-**	**2,465,017**	**-**	**3,327,278**
Debt securities issued	**-**	**-**	**-**	**302,050**	**302,949**	**5,937,468**	**-**	**6,542,467**
Cashline facility	**-**	**-**	**-**	**-**	**503,311**	**502,083**	**-**	**1,005,394**
Other liabilities	**1,539**	**9,945**	**1,295,937**	**25,362**	**36,375**	**105,326**	**290,894**	**1,765,378**
	23,610,659	**18,277,516**	**21,518,918**	**15,891,468**	**12,392,118**	**14,827,952**	**290,894**	**106,809,525**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.4 Liquidity risk (continued)

46.4.5 Contractual maturity of financial liabilities on an undiscounted basis (continued)

Bank 2024	Up to 1 week RM'000	More than 1 week- 1 month RM'000	More than 1 month- 3 months RM'000	More than 3 months- 6 months RM'000	More than 6 months- 1 year RM'000	More than 1 year RM'000	No specific maturity RM'000	Total RM'000
Liabilities								
Deposits from customers	18,403,465	18,689,848	15,317,229	14,427,443	12,003,238	7,360,760	-	86,201,983
Investment accounts of customers	469,901	-	-	-	-	-	-	469,901
Deposits and placements from banks and financial institutions	1,669,695	200,920	300,952	200,042	-	-	-	2,371,609
Obligation on financial assets sold under repurchase agreements	302,022	404,873	302,526	-	-	-	-	1,009,421
Recourse obligations on financing sold to Cagamas	-	5,682	13,916	13,019	26,039	1,816,351	-	1,875,007
Debt securities issued	-	-	-	111,774	712,791	5,480,711	-	6,305,276
Cashline facility	-	302,056	907,439	-	-	-	-	1,209,495
Other liabilities	6,646	11,231	1,359,120	47,026	45,557	48,333	336,633	1,854,546
	20,851,729	19,614,610	18,201,182	14,799,304	12,787,625	14,706,155	336,633	101,297,238

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.5 Market risk

Market risk is defined as risk of losses in on and off-balance sheet positions arising from movements in market such as equity prices, benchmark rates, foreign-exchange rates, commodity prices, and other indicators whose values are set in a public market. Changes in market rates can affect the Bank's net earnings and also the economic value of the Bank's equity.

The Bank manages and controls market risk exposure in order to optimise return on risk while maintaining a market profile consistent with the Bank's strategic plan.

The Bank has established the market risk policy, strategy and processes which are periodically reviewed and updated to take into account changes in activities and market structure to ensure effective implementation of risk management policies.

46.5.1 Management of market risk

The Bank manages market risk by segregating exposure to market risk between trading and non-trading portfolios. Trading portfolios are held by the treasury department which consists of financial assets that are managed on a fair value basis.

The risk measurement techniques employed by the Bank to measure and quantify the market value changes and the level of market risk comprise of Value-at-Risk ("VaR"), Modified Duration and Present Value of One Basis Point ("PV01").

46.5.2 Profit rate risk

Investment in debt securities and financing are exposed to risk of change in profit rates that would result in changes in cash flows. On the other hand, investment in equity securities and other short-term receivables and payables are not significantly exposed to profit rate risk.

Among other efforts in mitigating this risk is by diversifying investment mainly in fixed-income securities with different durations.

The sensitivity of the Bank's financial assets and liabilities to the profit rate risk is measured and monitored proactively using multiple measurement techniques such as Economic Value Equity ("EVE"), Earnings at Risk ("EaR") and Repricing Gap Analysis.

Profit rate risk in the banking book portfolio is managed and controlled using the EaR and EVE.

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FOR THE YEAR ENDED 31 DECEMBER 2025

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.5 Market risk (continued)

46.5.2 Profit rate risk (continued)

The table below indicates the Bank's profit rate sensitivity to a 100 basis point parallel shift.

	Increase by 100 bp RM'000	Decrease by 100 bp RM'000
Group and Bank		
2025		
Impact on EaR	**70,491**	**(70,491)**
Impact on EVE	**(1,638,500)**	**1,638,500**
2024		
Impact on EaR	42,072	(42,072)
Impact on EVE	(1,585,791)	1,585,791

46.5.3 Exposure to profit rate

Among other controls to ensure that market risk exposures remain within tolerable levels include stress testing, new product approval procedures and listing of permissible instruments that can be traded.

Periodic stress testing and control assessment are conducted to address the plausible market events relating to the threat of market failure that could disrupt the Bank's profitability and capital adequacy in ensuring its resiliency.

46.5.4 Risk measurement approach

The tables in Note 46.5.5 indicate the effective profit rates at the reporting date and the Group's and the Bank's sensitivity to profit rates by time band based on maturity date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.5 Market risk (continued)

46.5.5 Exposure to profit rate risk on profit-bearing financial instruments

	Non-trading book							
Group 2025	Up to 1 month RM'000	More than 1 month-3 months RM'000	More than 3 months-1 year RM'000	More than 1 year-5 years RM'000	More than 5 years RM'000	Non-profit sensitive RM'000	Trading book RM'000	Total RM'000
Assets								
Cash, deposits and placements with financial institutions	**420,565**	**-**	**606,718**	**-**	**-**	**1,075,247**	**-**	**2,102,530**
Financial investments at fair value through other comprehensive income	**117,583**	**447,425**	**1,289,563**	**7,371,277**	**12,295,498**	**114,185**	**-**	**21,635,531**
Financial investments at amortised cost	**20,448**	**110,755**	**404,785**	**4,964,768**	**6,153,610**	**(111)**	**-**	**11,654,255**
Financing and advances								
- Non-impaired	**71,344,920**	**254,662**	**1,219,010**	**7,257,493**	**11,865,735**	**(275,672)**	**-**	**91,666,148**
- Impaired, net of allowances	**-**	**-**	**-**	**-**	**-**	**(190,758)**	**-**	**(190,758)**
Other non-profit sensitive balances	**-**	**-**	**-**	**-**	**-**	**4,170,968**	**-**	**4,170,968**
	71,903,516	**812,842**	**3,520,076**	**19,593,538**	**30,314,843**	**4,893,859**	**-**	**131,038,674**

NOTES TO THE FINANCIAL STATEMENTS
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46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.5 Market risk (continued)

46.5.5 Exposure to profit rate risk on profit-bearing financial instruments (continued)

	Non-trading book							
Group (continued) 2025	Up to 1 month RM'000	More than 1 month-3 months RM'000	More than 3 months-1 year RM'000	More than 1 year-5 years RM'000	More than 5 years RM'000	Non-profit sensitive RM'000	Trading book RM'000	Total RM'000
Liabilities								
Deposits from customers	**29,932,945**	**19,104,820**	**26,044,137**	**11,775,985**	**692,847**	**-**	**-**	**87,550,734**
Investment accounts of customers	**310,096**	**-**	**-**	**629,590**	**-**	**-**	**-**	**939,686**
Deposits and placements from banks and financial institutions	**2,457,030**	**100,000**	**150,000**	**-**	**-**	**-**	**-**	**2,707,030**
Obligation on financial assets sold under resale agreements	**401,669**	**900,717**	**-**	**-**	**-**	**-**	**-**	**1,302,386**
Recourse obligations on financing sold to Cagamas	**477,261**	**-**	**385,000**	**2,465,017**	**-**	**-**	**-**	**3,327,278**
Debt securities issued	**-**	**-**	**605,000**	**4,399,537**	**1,537,930**	**-**	**-**	**6,542,467**
Cashline facility	**300,288**	**701,268**	**-**	**-**	**-**	**-**	**-**	**1,001,556**
Other non-profit sensitive balances	**-**	**-**	**-**	**-**	**-**	**1,651,202**	**-**	**1,651,202**
	33,879,289	**20,806,805**	**27,184,137**	**19,270,129**	**2,230,777**	**1,651,202**	**-**	**105,022,339**
On-balance sheet profit sensitivity gap	**38,024,227**	**(19,993,963)**	**(23,664,061)**	**323,409**	**28,084,066**	**3,242,657**	**-**	**26,016,335**
Total profit sensitivity gap	**38,024,227**	**(19,993,963)**	**(23,664,061)**	**323,409**	**28,084,066**	**3,242,657**	**-**	**26,016,335**

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.5 Market risk (continued)

46.5.5 Exposure to profit rate risk on profit-bearing financial instruments (continued)

	Non-trading book							
Group (continued) 2024	Up to 1 month RM'000	More than 1 month-3 months RM'000	More than 3 months-1 year RM'000	More than 1 year-5 years RM'000	More than 5 years RM'000	Non-profit sensitive RM'000	Trading book RM'000	Total RM'000
Assets								
Cash, deposits and placements with financial institutions	669,752	-	590,242	-	-	1,007,504	-	2,267,498
Financial investments at fair value through other comprehensive income	35,801	198,409	1,432,114	8,137,073	10,858,761	115,180	8	20,777,346
Financial investments at amortised cost	130,421	54,733	313,801	5,096,557	6,268,222	-	-	11,863,734
Financing and advances								
- Non-impaired	64,215,726	97,865	115,832	2,818,594	13,396,837	3,646,940	-	84,291,794
- Impaired, net of allowances	-	-	-	-	-	(500,980)	-	(500,980)
Other non-profit sensitive balances	-	-	-	-	-	4,220,966	-	4,220,966
	65,051,700	351,007	2,451,989	16,052,224	30,523,820	8,489,610	8	122,920,358

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.5 Market risk (continued)

46.5.5 Exposure to profit rate risk on profit-bearing financial instruments (continued)

	Non-trading book							
Group (continued) 2024	Up to 1 month RM'000	More than 1 month-3 months RM'000	More than 3 months-1 year RM'000	More than 1 year-5 years RM'000	More than 5 years RM'000	Non-profit sensitive RM'000	Trading book RM'000	Total RM'000
Liabilities								
Deposits from customers	29,821,664	15,175,664	25,848,575	12,008,883	1,238,426	-	-	84,093,212
Investment accounts of customers	469,901	-	-	-	-	-	-	469,901
Deposits and placements from banks and financial institutions	1,869,175	300,000	200,000	-	-	-	-	2,369,175
Obligation on financial assets sold under resale agreements	703,864	301,278	-	-	-	-	-	1,005,142
Recourse obligations on financing sold to Cagamas	-	715,000	160,000	1,000,007	-	-	-	1,875,007
Debt securities issued	-	-	603,981	4,280,977	652,770	-	-	5,537,728
Cashline facility	502,165	701,881	-	-	-	-	-	1,204,046
Other non-profit sensitive balances	-	-	-	-	-	1,722,502	-	1,722,502
	33,366,769	17,193,823	26,812,556	17,289,867	1,891,196	1,722,502	-	98,276,713
On-balance sheet profit sensitivity gap	31,684,931	(16,842,816)	(24,360,567)	(1,237,643)	28,632,624	6,767,108	8	24,643,645
Total profit sensitivity gap	31,684,931	(16,842,816)	(24,360,567)	(1,237,643)	28,632,624	6,767,108	8	24,643,645

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46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.5 Market risk (continued)

46.5.5 Exposure to profit rate risk on profit-bearing financial instruments (continued)

	Non-trading book							
Bank 2025	Up to 1 month RM'000	More than 1 month-3 months RM'000	More than 3 months-1 year RM'000	More than 1 year-5 years RM'000	More than 5 years RM'000	Non-profit sensitive RM'000	Trading book RM'000	Total RM'000
Assets								
Cash, deposits and placements with financial institutions	**420,565**	**-**	**606,718**	**-**	**-**	**1,069,599**	**-**	**2,096,882**
Financial investments at fair value through other comprehensive income	**117,583**	**447,425**	**1,289,563**	**7,371,277**	**12,295,498**	**114,177**	**-**	**21,635,523**
Financial investments at amortised cost	**20,448**	**110,755**	**404,785**	**4,964,768**	**6,153,610**	**(111)**	**-**	**11,654,255**
Financing and advances								
- Non-impaired	**71,344,920**	**254,662**	**1,219,010**	**7,257,493**	**11,865,735**	**(227)**	**-**	**91,941,593**
- Impaired, net of allowances	**-**	**-**	**-**	**-**	**-**	**(195,316)**	**-**	**(195,316)**
Other non-profit sensitive balances	**-**	**-**	**-**	**-**	**-**	**3,605,003**	**-**	**3,605,003**
	71,903,516	**812,842**	**3,520,076**	**19,593,538**	**30,314,843**	**4,593,125**	**-**	**130,737,940**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.5 Market risk (continued)

46.5.5 Exposure to profit rate risk on profit-bearing financial instruments (continued)

	Non-trading book							
Bank (continued) 2025	Up to 1 month RM'000	More than 1 month-3 months RM'000	More than 3 months-1 year RM'000	More than 1 year-5 years RM'000	More than 5 years RM'000	Non-profit sensitive RM'000	Trading book RM'000	Total RM'000
Liabilities								
Deposits from customers	**29,932,945**	**19,104,820**	**26,044,137**	**11,775,985**	**692,847**	**-**	**-**	**87,550,734**
Investment accounts of customers	**310,096**	**-**	**-**	**629,590**	**-**	**-**	**-**	**939,686**
Deposits and placements from banks and financial institutions	**2,457,030**	**100,000**	**150,000**	**-**	**-**	**-**	**-**	**2,707,030**
Obligation on financial assets sold under resale agreements	**401,669**	**900,717**	**-**	**-**	**-**	**-**	**-**	**1,302,386**
Recourse obligations on financing sold to Cagamas	**477,261**	**-**	**385,000**	**2,465,017**	**-**	**-**	**-**	**3,327,278**
Debt securities issued	**-**	**-**	**605,000**	**4,399,537**	**1,537,930**	**-**	**-**	**6,542,467**
Cashline facility	**300,288**	**701,268**	**-**	**-**	**-**	**-**	**-**	**1,001,556**
Other non-profit sensitive balances	**-**	**-**	**-**	**-**	**-**	**1,753,996**	**-**	**1,753,996**
	33,879,289	**20,806,805**	**27,184,137**	**19,270,129**	**2,230,777**	**1,753,996**	**-**	**105,125,133**
On-balance sheet profit sensitivity gap	**38,024,227**	**(19,993,963)**	**(23,664,061)**	**323,409**	**28,084,066**	**2,839,129**	**-**	**25,612,807**
Total profit sensitivity gap	**38,024,227**	**(19,993,963)**	**(23,664,061)**	**323,409**	**28,084,066**	**2,839,129**	**-**	**25,612,807**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.5 Market risk (continued)

46.5.5 Exposure to profit rate risk on profit-bearing financial instruments (continued)

	Non-trading book							
Bank (continued) 2024	Up to 1 month RM'000	More than 1 month-3 months RM'000	More than 3 months-1 year RM'000	More than 1 year-5 years RM'000	More than 5 years RM'000	Non-profit sensitive RM'000	Trading book RM'000	Total RM'000
Assets								
Cash, deposits and placements with financial institutions	669,752	-	590,242	-	-	1,007,465	-	2,267,459
Financial investments at fair value through other comprehensive income	35,801	198,409	1,432,114	8,137,073	10,858,761	115,180	-	20,777,338
Financial investments at amortised cost	130,421	54,733	313,801	5,096,557	6,268,222	-	-	11,863,734
Financing and advances								
- Non-impaired	64,215,726	97,865	115,832	2,818,594	13,767,014	3,646,940	-	84,661,971
- Impaired, net of allowances	-	-	-	-	-	(505,706)	-	(505,706)
Other non-profit sensitive balances	-	-	-	-	-	3,559,489	-	3,559,489
	65,051,700	351,007	2,451,989	16,052,224	30,893,997	7,823,368	-	122,624,285

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46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.5 Market risk (continued)

46.5.5 Exposure to profit rate risk on profit-bearing financial instruments (continued))

	Non-trading book							
Bank (continued) 2024	Up to 1 month RM'000	More than 1 month-3 months RM'000	More than 3 months-1 year RM'000	More than 1 year-5 years RM'000	More than 5 years RM'000	Non-profit sensitive RM'000	Trading book RM'000	Total RM'000
Liabilities								
Deposits from customers	29,821,664	15,175,664	25,848,575	12,008,883	1,238,426	-	-	84,093,212
Investment accounts of customers	469,901	-	-	-	-	-	-	469,901
Deposits and placements from banks and financial institutions	1,869,175	300,000	200,000	-	-	-	-	2,369,175
Obligation on financial assets sold under resale agreements	703,864	301,278	-	-	-	-	-	1,005,142
Recourse obligations on financing sold to Cagamas	-	715,000	160,000	1,000,007	-	-	-	1,875,007
Debt securities issued	-	-	603,981	4,280,977	652,770	-	-	5,537,728
Cashline facility	502,165	701,881	-	-	-	-	-	1,204,046
Other non-profit sensitive balances	-	-	-	-	-	1,849,380	-	1,849,380
	33,366,769	17,193,823	26,812,556	17,289,867	1,891,196	1,849,380	-	98,403,591
On-balance sheet profit sensitivity gap	31,684,931	(16,842,816)	(24,360,567)	(1,237,643)	29,002,801	5,973,988	-	24,220,694
Total profit sensitivity gap	31,684,931	(16,842,816)	(24,360,567)	(1,237,643)	29,002,801	5,973,988	-	24,220,694

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.6 Operational risk

The Bank defines operational risk as the risk of loss or non-achievement of business objectives due to inadequate or failed internal processes, people and system, or from external events.

The Bank's Operational Risk Management ("ORM") Framework sets out the governance and oversight structure, roles and relationships of the three lines of defense mechanism as well as the high level principles and methodologies for operational risk identification, assessment, control and monitoring.

The framework recognises the relationships between operational risk and other risk types such as strategic, credit, market and reputation risks; and is cascaded to also govern the management of operational risk sub-types i.e. legal and compliance risk, Shariah non-compliance risk, information technology risk and outsourcing risk.

The Bank has no appetite for losses arising from inadequate internal controls, systems, and processes; which can be elaborated as zero appetite for:

- Failure to maintain a sound and proportionate system of internal controls to manage the expected operational risk losses and avoid the unexpected operational risk losses;
- Regulatory censures, fines or prosecution relating to the laws and regulations applicable to the Bank; and
- Failure to comply with Shariah rules and parameters as set out by the Shariah Committee ("SC") and/or the Shariah Advisory Council of Bank Negara Malaysia.

The Bank continuously monitors its operational risk exposure to ensure the level of ex-posure is within the acceptable tolerance. This is conducted by means of the estab-lished governance and oversight structure as well as through the day-to-day opera-tional risk management processes.

ORM processes are undertaken through the implementation of tools such as Risk and Control Self-Assessment ("RCSA"), Key Risk Indicator ("KRI"), Loss Event Data ("LED") collection and Scenario Analysis assessment.

RCSA is a tool used to identify and assess the risks in key business processes, eval-uate the effectiveness of internal controls and provide the basis for determining risk responses/strategies in pursuing business objectives. In ensuring effectivenesss of control implementation, control testing conducted on periodically basis as to provide assurance on adecuacy of control inplemented in mitigating the operational risk within bankwide.

KRI provides early warning signal of any increase in risk exposure and/or occurrence of control failures.

To support operational risk analytics, the Bank collects LED based on BNM's Opera-tional Risk Integrated Online Network ("ORION") requirements. Starting in November 2024, BNM has transitioned from the ORION platform to the Operating Risk Reporting ("ORR") platform. The ORR platform helps manage operational risk by offering robust tools for risk identification, assessment, monitoring and reporting. It enhances data accuracy and timeliness, allowing for more effective risk mitigation strategies.

ORM has established Management Action Trigger ("MAT") to monitor actual loss for LED reports submitted to BNM. The objective of MAT is to develop a thresholds that helps identify when ORM exceeds the acceptable operational loss limit. This thresh-olds will serve as a critical tool for monitoring operational performance and ensuring that risks are managed effectively, ultimately supporting the organisation's commitment to mitigating non-compliance.

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.6 Operational risk (continued)

ORM has also performed thematic review analysis where the analysis is conducted to review internal process and the identify gap in the process and enhanced control implementation in addressing the gaps. From the analysis, introduction of new process improvement for handling crisis incidents in internet banking transactions has been developed in 2024. Given that internet banking is particularly vulnerable to hacking due to the accessibility of sensitive information, ORM has enhanced the Bank's crisis management process to effectively address incidents associated with internet banking transactions. The objective is to refine and effectively manage any unplanned incidents that may arise in the future.

For forward-looking approach tool, scenario analysis/stress testing performed is to identify future potential operational risks through baseline scenario and measure the frequency and severity of impact within the Bank. The assessment also conducted to develop exceptional but plausible scenarios and worst-case scenarios and further assessment performed to translate the chosen scenarios into estimations of financial impact and non-financial operational impacts.

46.7 Capital management

The objective of capital management is to maintain a strong capital position to support business growth, to maintain investors, depositors, customers and market confidence and to provide cushion for any potential losses. In line with this objective, the Bank manages its capital actively and ensures that the capital adequacy ratios which take into account the risk profile of the Bank, are above the regulatory minimum requirement.

Capital adequacy and the use of regulatory capital are monitored monthly by the Bank's management, employing techniques based on the Capital Framework for Development Financial Institutions by Bank Negara Malaysia. The required information is filed with Bank Negara Malaysia on a monthly basis.

The Bank maintains a ratio of total regulatory capital to its risk-weighted assets above a minimum level agreed with Bank Negara Malaysia which takes into account the risk profile of the Bank. The regulatory capital requirements are strictly observed when managing economic capital.

The Bank's regulatory capital comprises two tiers:

(i) Tier 1 capital: share capital, statutory reserve, capital reserve and retained profits; and

(ii) Tier 2 capital: subordinated sukuk, collective impairment allowances on non-impaired financing and regulatory reserve.

Banking operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and exposures not recognised in the statements of financial position.

The Bank's policy is to maintain a strong capital base so as to ensure investors', creditors' and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.7 Capital management (continued)

46.7.1 Capital adequacy ratio

The Bank is required to comply with the core capital ratio and risk-weighted capital adequacy ratio prescribed by Bank Negara Malaysia. The capital adequacy ratios of the Bank are computed in accordance with BNM's Capital Framework for Development Financial Institutions (Capital Component & Risk-Weighted Asset).

	Bank	
	2025	**2024**
Before proposed dividend		
Core capital ratio	**24.159%**	24.906%
Risk-weighted capital adequacy ratio	**25.575%**	26.630%
After proposed dividend		
Core capital ratio	**23.636%**	24.369%
Risk-weighted capital adequacy ratio	**25.052%**	26.093%

The above ratios are derived by taking into account the core capital and capital base against the risk-weighted assets of the Bank. Components of the capital are as follows:

	Bank	
	2025 RM'000	**2024 RM'000**
Tier I capital		
Paid-up share capital	**2,986,030**	2,986,030
Retained profits	**12,868,591**	12,099,401
Other reserves	**9,137,863**	8,678,053
Less: Deferred tax assets	**(38,000)**	(99,000)
Total Tier I capital (core)	**24,954,484**	23,664,484

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46. FINANCIAL RISK MANAGEMENT (CONTINUED)

46.7 Capital management (continued)

46.7.1 Capital adequacy ratio (continued)

The above ratios are derived by taking into account the core capital and capital base against the risk-weighted assets of the Bank. Components of the capital are as follows (continued):

	Bank	
	2025 RM'000	**2024 RM'000**
Tier II capital		
Subordinated sukuk	**300,000**	300,000
Collective impairment *	**926,904**	1,106,734
Regulatory reserve	**329,672**	329,672
Total Tier II capital	**1,556,576**	1,736,406
Total capital	**26,511,060**	25,400,890
Less:		
Investment in subsidiaries	**(93,644)**	(93,644)
Assets classified as held for distribution	**-**	(5,100)
Total capital base	**26,417,416**	25,302,146

* This is a surplus amount allowable after taking into account the collective impairment allowance on impaired financing of the Bank.

Assets in various categories are risk-weighted as follows:

	Bank	
	2025 RM'000	**2024 RM'000**
Total assets assigned 20% risk-weighted	**566,061**	432,927
Total assets assigned 50% risk-weighted	**3,136,706**	2,638,704
Total assets assigned 100% risk-weighted	**97,917,853**	90,757,339
Off-Balance Sheet claims assigned 100% risk-weighted	**1,673,075**	1,184,838
	103,293,695	95,013,808

47. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets, financial liabilities and off-balance sheet financial instruments. Fair value is the amount at which the financial asset could be exchanged or a financial liability could be settled, between knowledgeable and willing parties in an arm's length transaction. The information presented herein represents the best estimates of fair values as at the end of the reporting period.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are esti-mated based on appropriate methodologies and assumptions on risk characteristics of vari-ous financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the uncertainties and assumptions could materially affect these estimates and the resulting fair value estimates.

Fair value information for non-financial assets and liabilities is excluded as they do not fall within the scope of MFRS 132, Financial Instruments: *Disclosure and Presentation* which requires the fair value information to be disclosed.

47.1 Valuation of financial instruments

The Group and the Bank measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

(i) Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

(ii) Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

(iii) Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices. For all other financial instruments, the Group and the Bank determine fair values using valuation techniques.

There were no financial liabilities of the Group and the Bank at the end of the reporting period that were measured at fair value.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

47.2 Valuation of financial instruments at fair value

Group 2025	Carrying amount RM'000	Fair value RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Financial investments at fair value through other comprehensive income					
Islamic debt securities	**7,143,359**	**7,143,359**	**-**	**7,143,359**	**-**
Government investment issues	**5,218,022**	**5,218,022**	**-**	**5,218,022**	**-**
Government sukuk	**7,553,884**	**7,553,884**	**-**	**7,553,884**	**-**
Cagamas sukuk	**1,605,077**	**1,605,077**	**-**	**1,605,077**	**-**
Unquoted shares	**115,189**	**115,189**	**-**	**-**	**115,189**
	21,635,531	**21,635,531**	**-**	**21,520,342**	**115,189**

Group 2024					
Financial investments at fair value through other comprehensive income					
Islamic debt securities	6,216,763	6,216,763	-	6,216,763	-
Government investment issues	5,614,196	5,614,196	-	5,614,196	-
Government sukuk	8,255,257	8,255,257	-	8,255,257	-
Cagamas sukuk	575,941	575,941	-	575,941	-
Unquoted shares	115,189	115,189	-	-	115,189
	20,777,346	20,777,346	-	20,662,157	115,189

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

47.2 Valuation of financial instruments at fair value (continued)

Bank 2025	Carrying amount RM'000	Fair value RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Financial investments at fair value through other comprehensive income					
Islamic debt securities	**7,143,359**	**7,143,359**	**-**	**7,143,359**	**-**
Government investment issues	**5,218,022**	**5,218,022**	**-**	**5,218,022**	**-**
Government sukuk	**7,553,884**	**7,553,884**	**-**	**7,553,884**	**-**
Cagamas sukuk	**1,605,077**	**1,605,077**	**-**	**1,605,077**	**-**
Unquoted shares	**115,181**	**115,181**	**-**	**-**	**115,181**
	21,635,523	**21,635,523**	**-**	**21,520,342**	**115,181**

Bank 2024					
Financial investments at fair value through other comprehensive income					
Islamic debt securities	6,216,763	6,216,763	-	6,216,763	-
Government investment issues	5,614,196	5,614,196	-	5,614,196	-
Government sukuk	8,255,257	8,255,257	-	8,255,257	-
Cagamas sukuk	575,941	575,941	-	575,941	-
Unquoted shares	115,181	115,181	-	-	115,181
	20,777,338	20,777,338	-	20,662,157	115,181

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

47.2 Valuation of financial instruments at fair value (continued)

The following table shows a reconciliation of the opening and closing amounts of Level 3 financial instruments which are recorded at fair value:

	Group	
	2025 RM'000	**2024 RM'000**
Financial investments at fair value through other comprehensive income		
Unquoted shares		
At 1 January	**115,189**	101,582
Unrealised gains recognised in other comprehensive income	**-**	13,607
At 31 December	**115,189**	115,189

	Bank	
	2025 RM'000	**2024 RM'000**
Financial investments at fair value through other comprehensive income		
Unquoted shares		
At 1 January	115,181	101,574
Unrealised gains recognised in other comprehensive income	**-**	13,607
At 31 December	**115,181**	115,181

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

47.3 Valuation of financial instruments not carried at fair value (but fair value disclosures are required)

Set out below is a comparison of the carrying amount and fair value of financial instruments that are not measured at fair value in the financial statements.

	Carrying amount 2025 RM'000	Fair value 2025 RM'000	Carrying amount 2024 RM'000	Fair value 2024 RM'000
Group				
Financial assets				
Cash and short-term funds	**1,495,812**	**1,495,812**	1,677,256	1,677,256
Deposits and placements with financial institutions	**606,718**	**606,718**	590,242	590,242
Financial investments at amortised cost	**11,654,255**	**11,654,255**	11,863,734	11,737,193
Financing and advances	**91,419,589**	**92,975,374**	83,790,814	86,225,685
Trade receivables	**1,905**	**1,905**	1,455	1,455
Other receivables and deposits	**941,301**	**941,301**	877,531	877,531
Financial liabilities				
Deposits from customers	**87,550,734**	**87,801,831**	84,093,212	84,474,898
Investment accounts of customers	**939,686**	**939,686**	469,901	469,901
Deposits and placements from banks and financial institutions	**2,707,030**	**2,707,030**	2,369,175	2,369,175
Obligation on financial assets sold under resale agreements	**1,302,386**	**1,302,386**	1,005,142	1,005,142
Recourse obligations on financing sold to Cagamas	**3,327,278**	**3,327,278**	1,875,007	1,836,645
Debt securities issued	**6,542,467**	**6,542,467**	5,537,728	5,048,389
Trade payables	**2,884**	**2,884**	2,046	2,046
Cashline facility	**1,001,556**	**1,001,556**	1,204,046	1,204,046
Other liabilities	**1,465,606**	**1,465,606**	1,606,361	1,606,361

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

47.3 Valuation of financial instruments not carried at fair value (but fair value disclosures are required) (continued)

	Carrying amount 2025 RM'000	Fair value 2025 RM'000	Carrying amount 2024 RM'000	Fair value 2024 RM'000
Bank				
Financial assets				
Cash and short-term funds	**1,490,164**	**1,490,164**	1,677,217	1,677,217
Deposits and placements with financial institutions	**606,718**	**606,718**	590,242	590,242
Financial investments at amortised cost	**11,654,255**	**11,654,255**	11,863,734	11,737,193
Financing and advances	**91,746,277**	**93,328,260**	84,156,265	86,225,685
Other receivables and deposits	**932,316**	**932,316**	868,223	868,223
Financial liabilities				
Deposits from customers	**87,550,734**	**87,801,831**	84,093,212	84,474,898
Investment accounts of customers	**939,686**	**939,686**	469,901	469,901
Deposits and placements from banks and financial institutions	**2,707,030**	**2,707,030**	2,369,175	2,369,175
Obligation on financial assets sold under resale agreements	**1,302,386**	**1,302,386**	1,005,142	1,005,142
Recourse obligations on financing sold to Cagamas	**3,327,278**	**3,327,278**	1,875,007	1,836,645
Debt securities issued	**6,542,467**	**6,542,467**	5,537,728	5,048,389
Cashline facility	**1,001,556**	**1,001,556**	1,204,046	1,204,046
Other liabilities	**1,568,083**	**1,568,083**	1,731,711	1,731,711

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

47.3 Valuation of financial instruments not carried at fair value (but fair value disclosures are required) (continued)

	Carrying amount RM'000	Fair value RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group 2025					
Financial assets					
Cash and short-term funds	**1,495,812**	**1,495,812**	**-**	**-**	**1,495,812**
Deposits and placements with financial institutions	**606,718**	**606,718**	**-**	**-**	**606,718**
Financial investments at amortised cost:					
Government sukuk	**2,458,601**	**2,463,809**	**-**	**2,463,809**	**-**
Government investment issues	**7,975,633**	**8,030,059**	**-**	**8,030,059**	**-**
Islamic debt securities	**972,387**	**978,873**	**-**	**978,873**	**-**
Cagamas sukuk	**197,946**	**198,897**	**-**	**198,897**	**-**
Islamic commercial paper	**49,688**	**49,688**	**-**	**49,688**	**-**
Financing and advances	**91,419,589**	**92,975,374**	**-**	**-**	**92,975,374**
Trade receivables	**1,905**	**1,905**	**-**	**-**	**1,905**
Other receivables and deposits	**941,301**	**941,301**	**-**	**-**	**941,301**
	106,119,580	**107,742,436**	**-**	**11,721,326**	**96,021,110**
Financial liabilities					
Deposits from customers	**87,550,734**	**87,801,831**	**-**	**-**	**87,801,831**
Investment accounts of customers	**939,686**	**939,686**	**-**	**-**	**939,686**
Deposits and placements from banks and financial Institutions	**2,707,030**	**2,707,030**	**-**	**-**	**2,707,030**
Obligation on financial assets sold under resale agreements	**1,302,386**	**1,302,386**	**-**	**-**	**1,302,386**
Recourse obligations on financing sold to Cagamas	**3,327,278**	**3,316,006**	**-**	**-**	**3,316,006**
Debt securities issued	**6,542,467**	**4,455,360**	**-**	**4,455,360**	**-**
Perdagangan belum bayar	**2,884**	**2,884**	**-**	**-**	**2,884**
Cashline facility	**1,001,556**	**1,001,556**	**-**	**-**	**1,001,556**
Other liabilities	**1,465,606**	**1,465,606**	**-**	**-**	**1,465,606**
	104,839,627	**102,992,345**	**-**	**4,455,360**	**98,536,985**

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

47.3 Valuation of financial instruments not carried at fair value (but fair value disclosures are required) (continued)

	Carrying amount RM'000	Fair value RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group (continued) 2024					
Financial assets					
Cash and short-term funds	1,677,256	1,677,256	-	-	1,677,256
Deposits and placements with financial institutions	590,242	590,242	-	-	590,242
Financial investments at amortised cost:					
Government sukuk	2,514,494	2,474,484	-	2,474,484	-
Government investment issues	7,827,210	7,739,042	-	7,739,042	-
Islamic debt securities	1,143,698	1,120,374	-	1,120,374	-
Cagamas sukuk	228,939	228,353	-	228,353	-
Negotiable Islamic debt certificates	99,756	99,756	-	-	99,756
Financing and advances	83,790,814	86,225,685	-	-	86,225,685
Trade receivables	1,455	1,455	-	-	1,455
Other receivables and deposits	877,531	877,531	-	-	877,531
	98,751,395	101,034,178	-	11,562,253	89,471,925
Financial liabilities					
Deposits from customers	84,093,212	84,474,898	-	-	84,474,898
Investment accounts of customers	469,901	469,901	-	-	469,901
Deposits and placements from banks and financial Institutions	2,369,175	2,369,175	-	-	2,369,175
Obligation on financial assets sold under resale agreements	1,005,142	1,005,142	-	-	1,005,142
Recourse obligations on financing sold to Cagamas	1,875,007	1,836,645	-	-	1,836,645
Debt securities issued	5,537,728	5,048,389	-	5,048,389	-
Perdagangan belum bayar	2,046	2,046	-	-	2,046
Cashline facility	1,204,046	1,204,046	-	-	1,204,046
Other liabilities	1,606,361	1,606,361	-	-	1,606,361
	98,162,618	98,016,603	-	5,048,389	92,968,214

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

47.3 Valuation of financial instruments not carried at fair value (but fair value disclosures are required) (continued)

	Carrying amount RM'000	Fair value RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Bank					
2025					
Financial assets					
Cash and short-term funds	**1,490,164**	**1,490,164**	**-**	**-**	**1,490,164**
Deposits and placements with financial institutions	**606,718**	**606,718**	**-**	**-**	**606,718**
Financial investments at amortised cost:					
Government sukuk	**2,458,601**	**2,463,809**	**-**	**2,463,809**	**-**
Government investment issues	**7,975,633**	**8,030,059**	**-**	**8,030,059**	**-**
Islamic debt securities	**972,387**	**978,873**	**-**	**978,873**	**-**
Cagamas sukuk	**197,946**	**198,897**	**-**	**198,897**	**--**
Islamic commercial paper	**49,688**	**49,688**	**-**	**49,688**	**-**
Financing and advances	**91,746,277**	**93,328,260**	**-**	**-**	**93,328,260**
Other receivables and deposits	**932,316**	**932,316**	**-**	**-**	**932,316**
	106,429,730	**108,078,784**	**-**	**11,721,326**	**96,357,458**
Financial liabilities					
Deposits from customers	**87,550,734**	**87,801,831**	**-**	**-**	**87,801,831**
Investment accounts of customers	**939,686**	**939,686**	**-**	**-**	**939,686**
Deposits and placements from banks and financial Institutions	**2,707,030**	**2,707,030**	**-**	**-**	**2,707,030**
Obligation on financial assets sold under resale agreements	**1,302,386**	**1,302,386**	**-**	**-**	**1,302,386**
Recourse obligations on financing sold to Cagamas	**3,327,278**	**3,316,006**	**-**	**-**	**3,316,006**
Debt securities issued	**6,542,467**	**4,455,360**	**-**	**4,455,360**	**-**
Cashline facility	**1,001,556**	**1,001,556**	**-**	**-**	**1,001,556**
Other liabilities	**1,568,083**	**1,568,083**	**-**	**-**	**1,568,083**
	104,939,220	**103,091,938**	**-**	**4,455,360**	**98,636,578**

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

47.3 Valuation of financial instruments not carried at fair value (but fair value disclosures are required) (continued)

	Carrying amount RM'000	Fair value RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Bank (continued)					
2024					
Financial assets					
Cash and short-term funds	1,677,217	1,677,217	-	-	1,677,217
Deposits and placements with financial institutions	590,242	590,242	-	-	590,242
Financial investments at amortised cost:					
Government sukuk	2,514,494	2,474,484	-	2,474,484	-
Government investment issues	7,827,210	7,739,042	-	7,739,042	-
Islamic debt securities	1,143,698	1,120,374	-	1,120,374	-
Cagamas sukuk	228,939	228,353	-	228,353	-
Negotiable Islamic debt certificates	99,756	99,756	-	-	99,756
Financing and advances	84,156,265	86,225,685	-	-	86,225,685
Other receivables and deposits	868,223	868,223	-	-	868,223
	99,106,044	101,023,376	-	11,562,253	89,461,123
Financial liabilities					
Deposits from customers	84,093,212	84,474,898	-	-	84,474,898
Investment accounts of customers	469,901	469,901	-	-	469,901
Deposits and placements from banks and financial Institutions	2,369,175	2,369,175	-	-	2,369,175
Obligation on financial assets sold under resale agreements	1,005,142	1,005,142	-	-	1,005,142
Recourse obligations on financing sold to Cagamas	1,875,007	1,836,645	-	-	1,836,645
Debt securities issued	5,537,728	5,048,389	-	5,048,389	-
Cashline facility	1,204,046	1,204,046	-	-	1,204,046
Other liabilities	1,731,711	1,731,711	-	-	1,731,711
	98,285,922	98,139,907	-	5,048,389	93,091,518

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

47.3 Valuation of financial instruments not carried at fair value (but fair value disclosures are required) (continued)

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

47.3.1 Cash and short-term funds

The carrying amounts of cash and short-term funds approximate fair values due to the relatively short maturity of the financial instruments. This is similar to deposits and placements with financial institutions maturing within one month that have a relatively short maturity period.

47.3.2 Deposits and placements with financial institutions

The fair values of deposits and placements with financial institutions are not materially sensitive to changes in market profit rate because of their limited term to maturity.

47.3.3 Financial investments at amortised cost

Financial investments at amortised cost, financial assets purchased under resale agreement and obligation on financial assets sold under resale agreements are carried at amortised cost at the end of the reporting period. Fair values for these financial instruments are estimated based on broker quotes from Bond Pricing Agency Malaysia.

47.3.4 Financing and advances

Financing and advances are carried at amortised cost at the end of the reporting period. Fair valuation of these financial instruments are estimated based on discounted payment to be received in the future using the effective profit rate offered for similar financing at the reporting date.

47.3.5 Trade and other receivables

The carrying amounts of trade and other receivables reported in the statements of financial position approximate their fair values due to the relatively short-term maturity of these instruments.

47.3.6 Deposits from customers

The fair values of deposits payable on demand (demand and savings deposits), or deposits with remaining maturity of less than one year are estimated to approximate their carrying amounts.

The fair values of deposits with remaining maturities of more than one year are estimated using discounted cash flows based on effective profit rates for similar deposits from customers at the reporting date.

However, since all deposits received can be classified as Islamic deposits, their fair values are deemed to approximate their carrying amounts as profit rates are determined at the end of the maturity period based on the sharing of profits generated from investments of the deposits.

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

47.3 Valuation of financial instruments not carried at fair value (but fair value disclosures are required) (continued)

47.3.7 Deposits and placements from banks and financial institutions

The fair values of these financial instruments with remaining maturity of less than one year approximate their carrying amounts due to the relatively short maturity of the financial instruments.

47.3.8 Recourse obligations on financing sold to Cagamas

The fair values for recourse obligations sold to Cagamas that have remaining maturity of less than one year are estimated to approximate their carrying amounts. For remaining maturity of more than one year, they are estimated using discounted cash flows based on prevailing Cagamas rates at the reporting date.

47.3.9 Debt securities issued

Debt securities issued are measured at amortised cost at the end of the reporting period. The fair value of the securities are derived by referring to the present value of the expected amount due in the future by applying the effective profit rate for the debt securities at the reporting date.

47.3.10 Trade and other liabilities

The carrying amounts of trade and other liabilities reported in the statements of financial position approximate their fair values due to the relatively short-term maturity of these instruments.

Where

Banking Reaches Further

Commitment to making banking more accessible by reaching beyond physical boundaries to serve communities wherever they are.

CORPORATE OFFICE AND BRANCHES

CORPORATE OFFICE

BANK RAKYAT
Tower 1, Bank Rakyat Twin Tower
No. 33, Jalan Rakyat, KL Sentral
50470 Kuala Lumpur
Tel: 03-2612 9600

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Tele-Rakyat: 1-300-80-5454
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iRakyat: www.irakyat.com.my
Facebook/X/Instagram: /myBankRakyat

BRANCHES

REGION OFFICE (PERLIS/ KEDAH/PULAU PINANG)
No. 66, Level 2, Jalan Langgar
05460 Alor Setar, Kedah

ARAU
No. 6, 8 and 10, Jalan Pauh
Taman Pauh Utama
02600 Arau, Perlis

KANGAR
No. 13, Jalan Hospital
01000 Kangar, Perlis

ALOR SETAR
No. 66, Jalan Langgar
05460 Alor Setar, Kedah

BALING
Ground Floor, Bangunan UMNO
Pekan Baru
09100 Baling, Kedah

GURUN
No. 19 C and 19 D, Jalan Sungai Petani
08300 Gurun, Kedah

JITRA
No. 247 and 248, Jalan PJ 2/2
Pekan Jitra 2
06000 Jitra, Kedah

KUALA NERANG
No. 32 and 33 Pekan Baru
Jalan Semeliang
06300 Kuala Nerang, Kedah

KULIM
No. 203 and 204, Jalan Lunas
Taman Seluang, Kelang Lama
09000 Kulim, Kedah

LANGKAWI
No. 28 and 29, Jalan Mahawangsa 1
Langkawi Blvd
07000 Langkawi, Kedah

MERGONG
No. 7 and 8, Susuran Tuanku Haminah
Pusat Perdagangan Tuanku Haminah
Mergong
05150 Alor Setar, Kedah

PENDANG
Lot 9-11, Pendang Square
06700 Pendang, Kedah

SUNGAI PETANI
No. 21 and 22, Jalan Jati 1/1
Pusat Perniagaan Amanjaya
08000 Sungai Petani, Kedah

BAYAN BARU
No. 49, 51 and 53, Block H
Persiaran Mahsuri 1/3
Sunway Avenue
11950 Bayan Baru, Pulau Pinang

BUKIT MERTAJAM
No. 22 and 24, Jalan Perda Selatan
Bandar Perda
14000 Bukit Mertajam, Pulau Pinang

GEORGETOWN
No. 137, Jalan Magazine
10300 Georgetown, Pulau Pinang

JAWI
No. 56 and 58, Jalan Jawi Jaya 1
Taman Jawi Jaya
Seberang Perai Selatan
14200 Sungai Jawi, Pulau Pinang

JELUTONG
No. 13 and 13A, Metro Avenue
Jelutong Express Way
11600 Pulau Pinang

KEPALA BATAS
No. 8, Jalan Dagangan 2
Pusat Bandar Bertam Perdana
13200 Kepala Batas, Pulau Pinang

SEBERANG JAYA
No. 1, Ground Floor and 1, Jalan Todak 1
Pusat Bandar Seberang Jaya
13700 Perai, Pulau Pinang

REGION OFFICE (PERAK)
No. 27, Jalan Meru Bestari A4/1
Medan Meru Bestari
30020 Ipoh, Perak

BAGAN SERAI
No. 132, Jalan Setia, Pusat Bandar
34300 Bagan Serai, Perak

GREENTOWN
No. 8 and 10, Jalan Greentown 5
Greentown Nova
30450 Ipoh, Perak

GERIK
No. 1, Jalan Indah 1
33300 Gerik, Perak

KUALA KANGSAR
No. 1 and 2, Bangunan Bank Rakyat
Jalan Daeng Selili
33000 Kuala Kangsar, Perak

MANJUNG
No. 41, 43 and 45, Persiaran PM 3/2
Seri Manjung City Centre, Section III
32040 Seri Manjung, Perak

MEDAN GOPENG
No. 37 and 39, Medan Gopeng 1
Jalan Raja Dr Nazrin Shah
Peti Surat 494
30750 Ipoh, Perak

CORPORATE OFFICE AND BRANCHES

MERU RAYA
No. 42 and 44, Jalan Meru, Impian A1
Meru Impian Business Centre
Bandar Meru Raya
30020 Ipoh, Perak

SERI ISKANDAR
No. 24 and 26, Jalan Maju Satu
Taman Maju, Bandar Sri Iskandar
32610 Bandar Seri Iskandar, Perak

TAIPING
Lot 2478 and 2482, Jalan Berek
34000 Taiping, Perak

TANJUNG MALIM
Lot 27 and 29, Jalan Permai 1
Taman Ketoyong Permai 2
35900 Tanjung Malim, Perak

TAPAH
No. 56 and 57, Jalan Besar
35000 Tapah, Perak

TELUK INTAN
No. 187, Jalan Intan 5, Bandar Baru
36000 Teluk Intan, Perak

REGION OFFICE (SELANGOR)
No. 9 and 11, Tingkat 3
Jalan Tuanku Ampuan Zabedah H/9H
Seksyen 9
40000 Shah Alam, Selangor

AMPANG
No. 2, Jalan Dagang 1/1A
Taman Dagang Jaya
68000 Ampang, Selangor

BANDAR BARU BANGI
No. 37 and 39
Jalan Medan Pusat 2D, Seksyen 9
43650 Bandar Baru Bangi, Selangor

BANDAR BARU KLANG
No. 2, Lorong Tiara 1B
Bandar Baru Klang
41150 Klang, Selangor

BANTING
No. 239, Jalan Sultan Abdul Samad
42700 Banting, Selangor

CYBERJAYA
Unit F03A, Fasa 1
Glomac Cyberjaya, Persiaran APEC
63000 Cyberjaya, Selangor

KAJANG
No. 18 and 19, Jalan Jelok 3
Off Jalan Bukit Kajang
43000 Kajang, Selangor

KELANA JAYA
Ground Floor, Wisma Sekatarakyat
Glomac Business Centre
Jalan SS 5/1, Kelana Jaya
47301 Petaling Jaya, Selangor

KUALA SELANGOR
No. 2, Jalan Bendahara 1/1
Taman Bendahara
45000 Kuala Selangor, Selangor

MELAWATI
No. G-2 and G-3
Melawati Corporate Centre
Taman Melawati
53100 Kuala Lumpur

SEKSYEN 14, PETALING JAYA
No. 1-1, Jalan 14/22
Wisma Federal Academy Ballet
46100 Petaling Jaya, Selangor

PJ STATE
No. 11 and 13
Jalan Yong Shook Lin, Seksyen 52
46200 Petaling Jaya, Selangor

PORT KLANG
No. 2 and 4, Harbour Point
Commercial Centre, Jalan Sungai Aur
42000 Port Klang, Selangor

PUCHONG
No. 28 and 30, Jalan Puteri 4/2
Bandar Puteri
47100 Puchong, Selangor

RAWANG
No. 73, Jalan Bandar Rawang 2
Pusat Bandar Rawang
48000 Rawang, Selangor

SEKSYEN 23, SHAH ALAM
No. 23 and 25, Jalan Pelabur B/23B
Seksyen 23
40300 Shah Alam, Selangor

SERDANG RAYA
No. C1-00-28, Seksyen 9, Jalan SR 1/9
Taman Serdang Raya
43300 Seri Kembangan, Selangor

SHAH ALAM
No. F30 and F31 Vista Alam
Jalan Ikhtisas 14/1
40000 Shah Alam, Selangor

SUBANG PERDANA
No. 39, Jalan Dinar GU 3/G
Seksyen U3, Taman Subang Perdana
40150 Shah Alam, Selangor

SUNGAI BESAR
No. A12 and A13, Jalan Menteri
45300 Sungai Besar, Selangor

SUNGAI BULOH
Lot 91 and 93, Pusat Commercial TSB
Jalan Nautika A U20/A
Seksyen U20, Sungai Buloh
40160 Shah Alam, Selangor

TANJONG KARANG
No.1 and 3, Jalan Makmur 1
Taman Makmur, Batu 7
45500, Tanjong Karang, Selangor

USJ, SUBANG JAYA
No. 22 and 24, Jalan USJ 9/5Q, UEP
47600 Subang Jaya, Selangor

DAMANSARA UTAMA
No. 1, Jalan SS 21B/56B
Damansara Utama
47400 Petaling Jaya, Selangor

CORPORATE OFFICE AND BRANCHES

REGION OFFICE (KUALA LUMPUR/PUTRAJAYA)
Tingkat 6, No. 140
Bangunan Bank Rakyat, Jalan Ipoh
51200 Kuala Lumpur

BANGSAR BARU
No. 60 and 62
Ground Floor 1 and 2
Jalan Maarof
59100 Bangsar Baru, Kuala Lumpur

BANDAR TUN RAZAK
No. G11, G12, 01-11 and 01-12
Wisma Zelan, Bandar Tun Razak
56000 Kuala Lumpur

DESA PANDAN
No. 33 and 35 Jalan 1/76
Desa Pandan
55100 Kuala Lumpur

DESA SRI HARTAMAS
Lot B-02 and B-03, Galeria Hartamas
Jalan 26/70A, Desa Seri Hartamas
50480 Kuala Lumpur

JALAN IPOH, KL
No. 140, Bangunan Bank Rakyat
Jalan Ipoh
51200 Kuala Lumpur

JALAN PINANG, KL
No. 19-1-1 Ground Floor and 19-1-1A
Mezzanine Floor, UOA Centre
No. 19 Jalan Pinang
50450 Kuala Lumpur

JALAN TANGSI, KL
Ground Floor, Bangunan Bank Rakyat
Jalan Tangsi
50732 Kuala Lumpur

KEPONG
No. 11 and 15, Jalan Rimbunan Raya 1
Laman Rimbunan Raya 1
Laman Rimbunan
52100 Kepong, Kuala Lumpur

PRESINT 15, PUTRAJAYA
No. 22 and 24, Jalan Diplomatik 3/1
Presint 15
62050 Putrajaya

PUTRAJAYA
Ayer @ 8, Lot 3 and 3A, Blok B8C1
Jalan P8G, Presint 8
62250 Putrajaya

SELAYANG
Ground Floor, Block B, KIP Tower
Jalan Kuching
68100 Kuala Lumpur

SETAPAK
No. 13, Plaza KLTS
Kuala Lumpur Traders Square
Block A, Jalan Gombak
53000 Kuala Lumpur

SHAMELIN
No. 68-1-1 and 68-1-2, Jalan 4/91
Dataran Shamelin
Taman Shamelin Perkasa
56100 Kuala Lumpur

UTAMA, MKBR
Ground Floor
Bank Rakyat Twin Tower
No. 33, Jalan Rakyat, KL Sentral
50470 Kuala Lumpur

REGION OFFICE (MELAKA/NEGERI SEMBILAN)
No. 4-5 and 6-5, Level 5, Jalan KC 1
Kota Cemerlang
75450 Ayer Keroh, Melaka

AYER KEROH
No. G-4 and G-6, Jalan KC 1
Kota Cemerlang
75450 Ayer Keroh, Melaka

JASIN
No. JA 9943 Bandar Baru Jasin III
77000 Jasin, Melaka

MASJID TANAH
MT 2893-2895
Jalan Taman Bandar Baru Utama
Taman Bandar Baru Masjid Tanah
78300 Masjid Tanah, Melaka

JALAN HANG TUAH
Bangunan Bank Rakyat
Jalan Hang Tuah, Peti Surat No. 354
75760 Melaka

BAHAU
No. 25 and 27, Jalan Ara 1
Pusat Perniagaan Ara
72100 Bahau, Negeri Sembilan

KUALA PILAH
Lot No. 3803 and 3804
Jalan Dato' Ulu Muar
72000 Kuala Pilah, Negeri Sembilan

LUKUT
No. 137 and 138, Jalan DS 1/11
Bandar Dataran Segar, Lukut
71010 Port Dickson, Negeri Sembilan

NILAI
PT 332, Jalan BBN 1/1A
Pusat Bandar Putra Point
71800 Nilai, Negeri Sembilan

SENAWANG
No. 156 and 157, Blok L
Senawang Commercial Park
70450 Seremban, Negeri Sembilan

SEREMBAN
Bangunan Bank Rakyat, Lot 5750
Jalan Tuanku Munawir, Peti Surat 70
70000 Seremban, Negeri Sembilan

TAMPIN
No. 1135 Taman Seri Intan
73000 Tampin, Negeri Sembilan

CORPORATE OFFICE AND BRANCHES

REGION OFFICE (JOHOR)
Level 11, Tower 2
Coronation Square
Jalan Abdullah Ibrahim
80888 Ibrahim International Business District, Johor

BATU PAHAT
No. 3 and 4, Jalan Maju Barat
Taman Maju, Bukit Pasir
83000 Batu Pahat, Johor

DAMANSARA ALIFF
No. 57 and 59, Jalan Aliff 4
Taman Damansara Aliff
81200 Johor Bahru, Johor

JOHOR BAHRU
Level 1, Tower 2
Coronation Square
Jalan Abdullah Ibrahim
80888 Ibrahim International Business District, Johor

KLUANG
No. 27 and 29, Jalan Md Lazim Saim
86000 Kluang, Johor

KOTA TINGGI
No. 24 and 26, Jalan Jaya 1
Taman Jaya
81900 Kota Tinggi, Johor

KULAI
No. 4 and 5, Jalan Anggerik Satu
Taman Kulai Utama
81000 Kulai, Johor

LABIS
No. 4A and 4B Jalan Segamat
85300 Labis, Johor

MASAI
No. 31, Jalan Suria 3
Bandar Seri Alam
81750 Masai, Johor

MERSING
No. 345 F and 345 G
Jalan Ismail
86800 Mersing, Johor

MUAR
No. 222, Jalan Abdullah
84000 Muar, Johor

NUSAJAYA
No. 21, Jalan Indah 15/2
Taman Bukit Indah
81200 Johor Bahru, Johor

PONTIAN
No. 11, Jalan Delima 2
Pusat Perdagangan Pontian
82000 Pontian, Johor

SEGAMAT
No. 123 and 124, Jalan Genuang
85000 Segamat, Johor

TAMAN UNIVERSITI, SKUDAI
No. 14 and 16, Jalan Pendidikan 8
Taman Universiti
81300 Skudai, Johor

YONG PENG
No. 5 and 6, Jalan Tropika Utama 4
Taman Bukit Tropika
83700 Yong Peng, Johor

REGION OFFICE (PAHANG)
B 160 and B 162, Level 1
IM 8/33, Bandar Indera Mahkota
25200 Kuantan, Pahang

BANDAR INDERA MAHKOTA
No. B 56 and B 58, Persiaran Sultan Abu Bakar, Bandar Indera Mahkota
25000 Kuantan, Pahang

BENTONG
No. P18 and P19
Jalan Prima 1, Bentong Prima
28700 Bentong, Pahang

BERA
No. 13, 15 and 17, Jalan Angsana 1
Taman Angsana, Bandar Bera
28200 Bera, Pahang

JENGKA
Lot 92, Jalan Zamrud Nadi Kota
26400 Bandar Jengka, Pahang

JERANTUT
No. 1, Jalan Pine 1, Taman Pine
27000 Jerantut, Pahang

KUALA LIPIS
Lot 2891, Lorong BBKL 2/3/1
Bandar Baru Kuala Lipis
27200 Kuala Lipis, Pahang

KUANTAN
No. G-15, Mahkota Square
Jalan Mahkota
25000 Kuantan, Pahang

MUADZAM SHAH
No. 117, 118 and 119
Jalan Medan Mewah 7, Medan Mewah
26700 Bandar Muadzam Shah, Pahang

PEKAN
No. G-1, Bangunan UMNO Pekan
Jalan Teng Quee
26600 Pekan, Pahang

RAUB
No. 25 and 26
Bandar Raub Perdana, Jalan Lipis
27600 Raub, Pahang

TEMERLOH
No. 5 and 7, Jalan Dagang 1
Bandar Sri Semantan
Dynaton Bukit Angin
28000 Temerloh, Pahang

REGION OFFICE (TERENGGANU/KELANTAN)
No. 25 and 26, Level 4
Bazar Maidam, Jalan Masjid Abidin
20100 Kuala Terengganu, Terengganu

DUNGUN
Lot PT 12447 and 12448
Taman Saujana, Sura Gate
23000 Dungun, Terengganu

GONG BADAK
No. 1, 2 and 3, Taman Tanjung Permata
Kampung Gong Badak
Jalan Batu Rakit
21300 Kuala Terengganu, Terengganu

CORPORATE OFFICE AND BRANCHES

JERTIH
Lot 4123 and 4124, Jalan Pasar
Bandar Jertih
22000 Jertih, Terengganu

KEMAMAN
Lot K12086 and K12087
Jalan Kubang Kurus
24000 Kemaman, Terengganu

KERTEH
Lot PT14507, 14508 and 14509
Kampung Baru, Mukim Kerteh
24300 Kerteh, Terengganu

KUALA BERANG
Lot PT 11282 and 11283, Batu 23
Jalan Kuala Berang
21700 Kuala Berang, Terangganu

KUALA TERENGGANU
No. 8 and 9
Pusat Niaga Paya Keladi
Jalan Paya Keladi
20000 Kuala Terengganu, Terengganu

MARANG
Lot 8996 and 8997
Kompleks Komersial Marang
21600 Marang, Terengganu

GUA MUSANG
Lot PT 7841 and PT 7842
Jalan Persiaran Raya, Taman Mesra
18300 Gua Musang, Kelantan

KOTA BHARU
Lot 206 and 207, Jalan Pengkalan Chepa
15400 Kota Bharu, Kelantan

KUALA KRAI
No. PT 5572 and PT 5573
KM 2, Jalan Kuala Krai - Gua Musang
18000 Kuala Krai, Kelantan

KUBANG KERIAN
Lot PT 1709 and 1710
Jalan Raja Perempuan Zainab 2
Bandar Baru Kubang Kerian
16150 Kubang Kerian, Kelantan

MACHANG
Lot 90-92
Bangunan Usahasama Sentosa Jaya
Dev. Sdn Bhd, Jalan Bakat
18500 Machang, Kelantan

PASIR MAS
Lot PT 315 and PT 316
Wisma Majlis Daerah Pasir Mas
Jalan Pasir Pekan
17000 Pasir Mas, Kelantan

TANAH MERAH
Lot PT 237 and PT 238
Bandar Tanah Merah
17500 Tanah Merah, Kelantan

WAKAF CHE YEH
No. J-105 and J-106
Zon Komersial Wakaf Che Yeh
15050 Kota Bharu, Kelantan

REGION OFFICE (SARAWAK)
Level 2
Blok E, Sentosa Parade
KCLD, Jalan Kucing-Serian
93250 Kuching, Sarawak

BINTULU
Lot 22 and 23
Parkcity Commercial Square
Jalan Tun Ahmad Zaidi
97000 Bintulu, Sarawak

KAPIT
Lot 542 and 543
Wisma Ngieng Ping Toh
Jalan Airport
96800 Kapit, Sarawak

KOTA SENTOSA
Ground Floor and 1
Block E, Sentosa Parade
KCLD, Jalan Kucing-Serian
93250 Kuching, Sarawak

KOTA SAMARAHAN
Lot 18 and 19
Uni Capital Commercial Centre
Kuching/Kota Samarahan Express Way
94300 Kota Samarahan, Sarawak

LIMBANG
Lot 11 and 12, Limbang Town District
Jalan Pandaruan
98700 Limbang, Sarawak

MATANG JAYA
No. 3 and 4, Taman Lee Ling
Commercial Centre, Jalan Matang
93050 Kuching, Sarawak

MIRI
Lot 1111 and 1112
Bangunan Tabung Baitulmal
Sarawak Pelita Commercial Central
98000 Miri, Sarawak

MUKAH
No. 1152 and 1153, Block C
Mukah Town Extension Phase II
96400 Mukah, Sarawak

PERMY JAYA
Lot 6131 and 6132
Pusat Bandar Fasa 6
Bandar Baru Permy Jaya
98000 Miri, Sarawak

SARIKEI
No. 22 and 22A, Lorong Tun Razak 1
96100 Sarikei, Sarawak

SATOK
A1-A3, Sego Precint 1
Jalan Kulas
93400 Kuching, Sarawak

SIBU
Lot 12 E and 12 F, Blok 4
Jalan Kampung Datu
96000 Sibu, Sarawak

SIMPANG TIGA
Ground Floor and Level 1, No. 9 and 10
Blok 16, KCLD, Jalan Tun Jugah
93350 Kuching, Sarawak

SRI AMAN
Lot 1467 and 1468
Seksyen 3 S.T.D, Jalan Hospital
95000 Sri Aman, Sarawak

CORPORATE OFFICE AND BRANCHES

REGION OFFICE (SABAH)
Level 5, Block B
Harbour City, Lot 20 and 21
Jalan Pantai Baru, Sembulan
88000 Kota Kinabalu, Sabah

KOTA BELUD
Lot 3 and 4, Block E
Yick Ming Commercial Centre
89157 Kota Belud, Sabah

KOTA MARUDU
No. 6 and 7, WTK Phase 2
89108 Kota Marudu, Sabah

LABUAN
Unit No. E001, Ground Floor
Financial Park Labuan Complex
Jalan Merdeka
87000 Wilayah Persekutuan, Labuan

LAHAD DATU
Lot 27 and 28, Block D, Airport Plaza
Fajar Centre, Jalan Segama
91100 Lahad Datu, Sabah

KENINGAU
Lot 7 and 8, Blok C
Keningau Plaza, Peti Surat 910
89008 Keningau, Sabah

LIKAS
No. 1, Block A, Plaza Juta
Jalan Tuaran
88400 Kota Kinabalu, Sabah

PENAMPANG
No. 49 and 50, Block H
Donggongan Square, Penampang
89500 Kota Kinabalu, Sabah

PUTATAN
Lot 5 and 6, Tapak Putatan Baru
Jalan Putatan
88300 Kota Kinabalu, Sabah

SANDAKAN
Lot 4 and 5, Fasa 2
Sandakan Square, Jalan Prayer
90000 Sandakan, Sabah

SEMPORNA
Lot D2 and A19, Jalan Bubul
Bandar Utama Semporna
91308 Semporna, Sabah

TAWAU
TB 4615-4617
Pusat Komersial Ba Zhong
Jalan Tawau Lama
91000 Tawau, Sabah

KOTA KINABALU
Lot 20 and 21, Block B, Harbour City
Jalan Pantai Baru, Sembulan
88000 Kota Kinabalu

BEAUFORT
Lot 21 and 22, Block C
At Commercial Lot New Beaufort Jaya
Near Beaufort Bridge
89800 Beaufort, Sabah

AR-RAHNU X'CHANGE

KEDAH

CHANGLUN
No. 61-B, Pekan Baru
Jalan Kodiang
06010 Changlun, Kedah

LANGKAWI
No. 140 and 142, Persiaran Bunga Raya
Langkawi Mall, Kuah
07000 Langkawi, Kedah

MERGONG
No. 19, Lorong Putih 9
Taman Rakyat Mergong
05150 Alor Setar, Kedah

PERAK

BATU GAJAH
No. 5, Ground Floor
Jalan Dewangsa
31000 Batu Gajah, Perak

SITIAWAN
No. 25, Ground Floor
Taman Sentosa, Jalan Lumut
32000 Sitiawan, Perak

TELUK INTAN
No. 61A, Jalan Selat
36000 Teluk Intan, Perak

TAIPING
No. 31, Ground Floor
Susur Simpang Jalan Kg. Dew
34700 Simpang, Perak

AR-RAHNU X'CHANGE

SELANGOR

AMPANG
No. 6-G, Ground Floor
Jalan Dagang 1/1A
Taman Dagang
68000 Ampang, Selangor

BALAKONG
No. 7G, Jalan Cheras Maju
Pusat Perniagaan Cheras Maju
43200 Balakong, Selangor

MELAWATI
No. G-1, Melawati Corporate Centre
Taman Melawati
53100 Kuala Lumpur

SHAH ALAM
No. 9 and 11
Jalan Tuanku Ampuan Zabedah H/9H
Seksyen 9
40000 Shah Alam, Selangor

BATANG KALI
No. 37, Jalan Mahogani 7/1, Seksyen 4
Bandar Utama Batang Kali
44300 Batang Kali, Selangor

WILAYAH PERSEKUTUAN

JALAN RAKYAT, MKBR
Level GB, Tower 1
Bank Rakyat Twin Tower
No. 33, Jalan Rakyat, KL Sentral
50470 Kuala Lumpur

SENTUL
No. 22, Jalan 14/48 A
Sentul Raya Boulevard
51000 Kuala Lumpur

NEGERI SEMBILAN

REMBAU
No. 990, Ground Floor, Jalan Terentang
71300 Rembau, Negeri Sembilan

MELAKA

MELAKA SENTRAL
No. 49, Ground Floor
Jalan PMS 1
Plaza Melaka Sentral
75400 Melaka

SUNGAI UDANG
No. 2, Ground Floor, Jalan Pahlawan 7
Taman Pahlawan
76300 Sungai Udang, Melaka

JOHOR

KLUANG
No. 22, Ground Floor, Jalan Pesona 2
Taman Pesona
86000 Kluang, Johor

MASAI
No. 16, Jalan Sejambak 14
Taman Bukit Dahlia
81700 Pasir Gudang, Johor

MUAR
No. 25-2, Jalan Majidi
84000 Muar, Johor

TANGKAK
No. 9, Ground Floor and Mezzanine
Jalan Muar
84900 Tangkak, Johor

ULU TIRAM
No. 1, Jalan Ledang 25
Taman Bukit Tiram
81800 Ulu Tiram, Johor

PAHANG

KUANTAN
No. 43A, Ground Floor,
Jalan Haji Abdul Aziz 25000
Kuantan, Pahang

TERENGGANU

KEMAMAN
No. K-712 and K-713, Ground Floor
Jalan Sulaimani, Chukai
24000 Kemaman, Terengganu

KELANTAN

JELAWAT
Lot 164, Pekan Jelawat
16070 Bachok, Kelantan

KOTA BHARU
Ground Floor, Lot PT 68
Bangunan Yamud
Jalan Kebun Sultan
15350 Kota Bharu, Kelantan

SARAWAK

SATOK
A1-A3, Sego Precint 1
Jalan Kulas
93400 Kuching, Sarawak

RAKYAT XCESS AND AR-RAHNU X'CHANGE

KEDAH

ALOR SETAR
No. 33 and 34, Jalan SPK 1
Pekan Simpang Kuala
05400 Alor Setar, Kedah

SIK
No. 1A and 1B, Susur Alamanda 2
Pusat Perniagaan Alamanda
08200 Sik, Kedah

SUNGAI PETANI
No. 21-F, Jalan Ibrahim
08000 Sungai Petani, Kedah

PERAK

KAMPAR
No. 7 and 8, Jalan Siswa 3
Taman Siswa
31900 Kampar, Perak

SUNGAI SIPUT
No. 15, Jalan Ipoh
31100 Sungai Siput (U), Perak

SELANGOR

BANDAR TASIK PUTERI
No. 69-G and 1, Jalan 7A/3
Bandar Tasik Puteri
48020 Rawang, Selangor

BANGI
Lot 1.01, Ground Floor
Wisma UNIKEB
43609 Bangi, Selangor

BERANANG
No. 27-G and 1, Jalan TPS 2/1
Taman Pelangi Semenyih 2
43700 Beranang, Selangor

SAUJANA UTAMA
No. 1-G-52 and 1-G-50, Jalan Bidara 6/3
Saujana Utama 3
47000 Sungai Buloh, Selangor

NEGERI SEMBILAN

ENSTEK
No. 78-1 and 78-2
Mercato Jalan Timur 6/1B, Bandar Enstek
71600 Bandar Enstek, Negeri Sembilan

GEMAS
Lot 4642, Ground Floor, Pekan Gemas
73400 Gemas, Negeri Sembilan

JOHOR

BENUT
No. 39 and 40, Ground Floor
Jalan Mutiara 4
Pusat Perniagaan Benut
82200 Pontian, Johor

PARIT RAJA
No. 52 and 53, Jalan Universiti 1
Taman Universiti, Parit Raja
86400 Batu Pahat, Johor

PARIT SULONG
No. 4, Jalan Simpang Lima
83500 Parit Sulong, Johor

PAHANG

MENTAKAB
No. 119 and 121, Ground Floor
Jalan Temerloh
28400 Mentakab, Pahang

KUALA ROMPIN
No. 70 and 71, Jalan Pasar
Bandar Baru Rompin
26800 Kuala Rompin, Pahang

TERENGGANU

CHABANG TIGA
No. 2 and 3, Ground Floor
Wisma KY, Kg. Chabang 3
Simpang Tok Ku
21000 Kuala Terengganu, Terengganu

KELANTAN

JELI
Lot 6491, Ground Floor and Level 1
Opposite of Fire and Rescue Station
Taman Haji Hamat
17600 Jeli, Kelantan

SARAWAK

BETONG
Ground Floor and Level 1, SL 8, Lot 1936
Bandar Baru Betong Phase 1
95700 Betong, Sarawak

LUNDU
No. 76, Ground Floor and Level 1
Lundu Bazaar
94500 Lundu, Sarawak

SEBUYAU
Lot 120
Pasar Sebuyau
94850 Sebuyau, Sarawak

SERIAN
Lot 1401 and 1402, Ground Floor
Blok 9, STLD, Jalan Serian By-Pass 1
Serian Jaya Commercial Centre
94700 Serian, Sarawak

SABAH

RANAU
Lot 9, Block C, Wisma Koisaan Ranau
Pekan Baru Ranau,
89308 Ranau, Sabah.

RAKYAT XCESS

NEGERI SEMBILAN

SEREMBAN 2
No. 115, Ground Floor
Jalan S2 F2, Garden Homes Seremban 2
70300 Seremban, Negeri Sembilan

JOHOR

BUKIT GAMBIR
No. 6, Jalan Gambir 5
Pusat Komersil Gambir
84800 Bukit Gambir, Johor

LARKIN PERDANA
No. 61, Susur Larkin Perdana 1
Persiaran Larkin Perdana
Taman Larkin Perdana
81100 Johor Bahru, Johor

PAHANG

CAMERON HIGHLANDS
No. 6-1, Marigold Square
Tanah Rata
39000 Cameron Highlands, Pahang

BUSINESS BANKING CENTRE

JOHOR
Level 2, Tower 2
Coronation Square
Jalan Abdullah Ibrahim
80888 Ibrahim International Business District, Johor
Tel: 07-207 2713

KEDAH/PERLIS/PULAU PINANG
No. 21 and 22, Level 2, Jalan Jati 1/1
Pusat Perniagaan Amanjaya
08000 Sungai Petani, Kedah
Tel: 04-441 2565

KELANTAN/TERENGGANU
Level 1 and 2, PT 1711
Jalan Raja Perempuan Zainab 2
Bandar Baru Kubang Kerian
16150 Kota Bharu, Kelantan
Tel: 09-697 3116

KUALA LUMPUR/PUTRAJAYA
Level 15, Tower 2
Bank Rakyat Twin Tower
No. 33, Jalan Rakyat, KL Sentral
50470 Kuala Lumpur
Tel: 03-2600 4751

MELAKA/NEGERI SEMBILAN
Unit 4-3, Level 3
Jalan KC 1, Kota Cemerlang
75450 Air Keroh, Melaka
Tel: 06-231 0498

PAHANG
No. 43A, Jalan Haji Abdul Aziz
25000 Kuantan, Pahang
Tel: 09-573 2037

PERAK
No. 61, Ground Floor and Level 1
Lengkok Kledang Raya
Taman Kledang Raya
30100 Ipoh, Perak
Tel: 05-526 3758

SABAH
Lot 5 and 6, Tapak Putatan Baru
Jalan Putatan
88300 Kota Kinabalu, Sabah
Tel: 088-487 623

SARAWAK
Block E Tower, Lot No. 1654 (SL46)
Sentosa Parade
Block 46 Kuching Central Land District
7th Mile, Jalan Penrissen
93250 Kuching, Sarawak
Tel: 082-237 159

SELANGOR
No. 9 and 11, Level 1
Jalan Tengku Ampuan Zabedah U9/9H
Seksyen 9
40000 Shah Alam, Selangor
Tel: 03-5519 8427

AUTO FINANCE CENTRE

JALAN IPOH
Level 4, Bangunan Bank Rakyat
Jalan Ipoh
51200 Kuala Lumpur

PUTRAJAYA
B2-LG-3A, Block B8C1
Jalan P8G, Presint 8
62250 Putrajaya, Wilayah Persekutuan

JOHOR BAHRU
Level 12, Tower 2
Coronation Square
Jalan Abdullah Ibrahim
80888 Ibrahim International Business District, Johor

KUCHING
Level 2, No. 9 and 10, Block 16
KCLD Jalan Tun Jugah
93350 Kuching, Sarawak

LIKAS
Level 2, No. 1, Block A
Plaza Juta, Jalan Tuaran
88400 Kota Kinabalu, Sabah

MERGONG
Level 2, Auto Finance Centre
Bangunan Bank Rakyat
No. 7 dan 8, Susur Tuanku Haminah
05150 Setar, Kedah

SEBERANG JAYA
Level 3, Auto Finance Centre
Bangunan Bank Rakyat
Jalan Todak 1
Pusat Bandar Seberang Jaya
13700 Prai, Pulau Pinang

SEREMBAN
Level 2, PT5750
Jalan Tunku Munawir
Peti Surat 70
70000 Seremban, Negeri Sembilan

SHAH ALAM
Level 2, No. F31-2 Vista Alam
Jalan Ikhtisas 14/1 Seksyen 14
40000 Shah Alam, Selangor

MERU RAYA
No. 42 and 44, Jalan Meru Impian A1
Pusat Perniagaan Meru Impian
Bandar Meru Raya
30200 Ipoh, Perak

MELAKA
No. G-4 and G-6
Jalan KC 1, Kota Cemerlang
75450 Ayer Keroh, Melaka

RAKYAT XCLUSIVE

RAKYAT XCLUSIVE UTAMA MKBR
Level 6, Tower 1
Bank Rakyat Twin Tower
No. 33, Jalan Rakyat, KL Sentral
50470 Kuala Lumpur

RAKYAT XCLUSIVE PUTRAJAYA
Ayer@8 , Ground Floor
Lot B2-G-5, Block B8C1
Jalan P8G, Presint 8
62250 Putrajaya

RAKYAT XCLUSIVE JOHOR BAHRU
Level 1, Tower 2
Coronation Square
Jalan Abdullah Ibrahim
80888 Ibrahim International Business District, Johor

ADDITIONAL INFORMATION AND DIRECTORY

MORTGAGE SALES CENTRE (MSC)

KUALA LUMPUR/PUTRAJAYA
Level 15, Tower 2
Bank Rakyat Twin Tower
No. 33, Jalan Rakyat, KL Sentral
50470 Kuala Lumpur

SELANGOR
No. 2, Level 2,
Lorong Tiara 1B, Bandar Baru Klang
41150 Klang, Selangor

NEGERI SEMBILAN/MELAKA
Level 2, PT. 7260
Jalan BBN 1/2A, Putra Point
71800 Bandar Baru Nilai, Negeri Sembilan

JOHOR BAHRU
Level 12, Tower 2
Coronation Square
Jalan Abdullah Ibrahim
80888 Ibrahim International Business
District, Johor

NORTHERN
No. 14, Level 1 and 2, Jalan Dagangan 8
Pusat Bandar Bertam Perdana
13200 Kepala Batas, Pulau Pinang

SABAH
C-3-5 and C-3-6
Aeropod Commercial Square
Jalan Aeropod Off Jalan Kepayan
88200 Kota Kinabalu, Sabah

REGIONAL PROCESSING CENTRE (RPC)

RPC KUALA LUMPUR/PUTRAJAYA
Level 15, Tower 2
Bank Rakyat Twin Tower
No. 33, Jalan Rakyat, KL Sentral
50470 Kuala Lumpur

RPC JOHOR
Level 11, Tower 2
Coronation Square
Jalan Abdullah Ibrahim
80888 Ibrahim International Business
District, Johor

RPC BORNEO
C-3A-06, Level 4, Block C
Aeropod Commercial Square
88200 Kota Kinabalu, Sabah

www.bankrakyat.com.my

BANK KERJASAMA RAKYAT MALAYSIA BERHAD (Reg No. 2192)

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