



kenanga

INTEGRATED ANNUAL REPORT 2025

COVER RATIONALE

The cover presents an aerial view of interconnected roots and dense greenery, symbolising resilience through strong foundations and connectivity. The visible root network beneath the surface reflects Kenanga’s deep-rooted strength—often unseen, yet critical in navigating complexity and volatility.

It serves as a reminder that true stability is built not on what is immediately visible, but on the enduring capabilities and principles that anchor the organisation through every market cycle.

OUR REPORTS

The Integrated Annual Report 2025, Corporate Governance Report 2025 and Sustainability Report 2025 are our primary reports.

Supplementary information is available on our website: <https://www.kenanga.com.my>



Integrated Annual Report

Provides an overview of Kenanga Group’s financial performance, as well as business highlights of the year.



Corporate Governance Report

Provides an overview of Kenanga Group’s corporate governance and how it facilitates effective management to deliver long-term value for the Company.



Sustainability Report

Provides an understanding of Kenanga Group’s sustainability ambitions, initiatives and progress, as well as how it is integrated across the business.



52ND ANNUAL GENERAL MEETING

Tuesday, 26 May 2026

11:00 a.m.

The Grand Ballroom, InterContinental Kuala Lumpur
165, Jalan Ampang, 50450 Kuala Lumpur
Wilayah Persekutuan, Malaysia

Reference to pagination

Reference to website



Kenanga is committed to making a difference in the environment. Play your part by opting to download a softcopy of our reports at <https://www.kenanga.com.my/investor-relations/agm2026> or by scanning the QR code above.

INSIDE THIS REPORT

1 WE ARE KENANGA

- 2 Kenanga at a Glance
- 4 Who We Are
- 5 Our Notable Recognitions in 2025
- 7 Corporate Structure
- 8 Corporate Information

2 LEADERSHIP STATEMENT

- 10 Chairman’s Message
- 14 Group Managing Director’s Management Discussion and Analysis

3 OUR VALUE CREATION APPROACH

- 23 Our Strategy
- 25 Economic Review
- 28 Key Risks, Mitigation and Opportunities
- 34 Value Creation Model
- 36 Stakeholder Engagement
- 37 Material Matters

4 OUR SUSTAINABILITY APPROACH

- 39 Sustainability Statement

5 HOW WE ARE GOVERNED

- 74 Founder Emeritus and Adviser’s Profile
- 76 Profiles of Directors
- 84 Group Managing Director’s Profile
- 85 Senior Management’s Profiles
- 94 Corporate Governance Overview Statement
- 130 Ethics and Compliance Statement
- 139 Statement on Risk Management and Internal Control
- 144 Audit Committee Report

6 FINANCIAL STATEMENTS

- 153 Five (5)-Year Group Financial Summary
- 153 Five (5)-Year Group Financial Highlights
- 154 Directors’ Report
- 161 Statement by Directors
- 161 Statutory Declaration
- 162 Independent Auditors’ Report
- 168 Shariah Committee’s Report
- 169 Consolidated Statement of Financial Position
- 170 Statement of Financial Position
- 171 Statements of Profit or Loss and Other Comprehensive Income
- 173 Consolidated Statements of Changes in Equity
- 175 Statements of Changes in Equity
- 177 Statements of Cash Flow
- 179 Notes to the Financial Statements

7 SHARIAH SCREENING DISCLOSURE

- 381 Disclosure of Financial Data for Shariah Screening

8 SHAREHOLDERS’ INFORMATION

- 383 Analysis of Shareholdings
- 384 List of Thirty (30) Largest Shareholders
- 385 Substantial Shareholders’, Directors’ and Group Managing Director’s Interest in Securities

9 ADDITIONAL INFORMATION

- 386 Notice of Annual General Meeting
- 394 Statement Accompanying Notice of 52nd Annual General Meeting
- 395 Corporate Directory
 - Proxy Form

KENANGA AT A GLANCE

Today, Kenanga Investment Bank Berhad ("KIBB" or "Kenanga") is the country's leading independent investment bank with a continuous commitment towards driving collaboration, innovation, digitalisation and sustainability in the marketplace.

Its ambitions include building a robust digital ecosystem that meets the needs of its clients and businesses. Its range of game-changing products encompasses Malaysia's fully online digital stockbroking platform, Rakuten Trade and a fully artificial intelligence ("AI") robo-advisor, Kenanga Digital Investing. The Group has also introduced KDi GO, an all-in-one financial SuperApp designed to transform the way individuals manage their finances.

Over **500,000** clients

Over **7,200** licensed representatives

RM**26.2** billion in assets under administration

► KENANGA'S DIGITAL JOURNEY

2016

Rakuten Securities

Rakuten Joint Venture
Kenanga entered into a joint venture with Japanese internet giant, Rakuten Securities, Inc.

2017

Rakuten Trade

Launch of Rakuten Trade
Kenanga and Rakuten Securities, Inc. jointly launched Rakuten Trade, Malaysia's first fully digital equity broker. In 2024, the joint venture partner of Kenanga has been changed from Rakuten Securities, Inc. to Rakuten Securities Holdings, Inc.

Back Office Digitalisation
Kenanga completed back office digitalisation to enhance efficiencies.

2019

Launch of Remisier Portal
Kenanga launched a new portal to enable remisiers to work remotely.

2020

MERCHANTRADE

e-Wallet Launch with Merchanttrade Asia Sdn Bhd ("Merchanttrade")
Kenanga launched Kenanga Money, Malaysia's first stockbroker e-wallet, with Merchanttrade and later acquired a stake in the company.

capbay

Partnership with Bay Group Holdings Sdn Bhd ("CapBay")
Kenanga entered into a partnership with CapBay to digitalise first-in-Malaysia factoring solution, unifying both private and public sector's receivables under one (1) platform.

2021

KDX

A Stake in Kinetic DAX Sdn Bhd (formerly known as Tokenize Technology (M) Sdn Bhd) ("KDX")
Kenanga received approval from the Securities Commission Malaysia to acquire a stake in Digital Asset Exchange Platform, KDX, which subsequently became a subsidiary of KIBB in 2026.

2022

kenanga digital investing

Launch of a Robo-Advisory Platform
Kenanga launched a fully AI-driven robo-advisory platform, Kenanga Digital Investing.

2023

ANT GROUP | Digital Technologies

Signed Memorandum of Understanding with Ant Group
Kenanga entered into a collaboration with Ant Group to develop Malaysia's first Wealth SuperApp, geared to revolutionise wealth generation and management.

2024

KDi GO

Launch of KDi GO
Kenanga launched KDi GO, an all-in-one Malaysia's first Wealth SuperApp, aimed at redefining how individuals manage their finances.

2025

Halogen

Strategic Investment in Halogen Capital Sdn Bhd ("Halogen Capital")
Kenanga expanded its footprint in digital asset innovation by becoming the largest institutional shareholder in Halogen Capital, Malaysia's first and only licensed digital asset fund manager.

2026

myrra

Launch of Myrra Token Platform
Kenanga, in collaboration with the Stellar Development Foundation, launched Myrra, a blockchain-based platform enabling real-world asset tokenisation.

WHO WE ARE

Established for over fifty (50) years, Kenanga is a financial group in Malaysia with extensive experience in equity broking, investment banking, treasury, Islamic banking, listed derivatives, asset and wealth management, money lending, as well as digital financial solutions.



OUR NOTABLE RECOGNITIONS IN 2025

KENANGA INVESTMENT BANK BERHAD

Bursa Excellence Awards 2024

- Best Retail Equities Participating Organisation (Investment Bank) (Champion)
- Best Structured Warrants Issuer (Equity Warrants) (Champion)
- Best Structured Warrants Issuer (Index Warrants) (Champion)
- Chu Yee Seng @ Chew Yee Seng – Best Remisier (Champion)

FinanceAsia Awards 2025

- Most Innovative Use of Technology – Banks

Global Banking & Finance Awards 2025

- Best Investment Bank Malaysia
- Best Equity Broker Malaysia
- Best Institutional Broker Malaysia
- Best Market Maker Malaysia
- Best Warrants Issuer Malaysia
- Best Research House Malaysia

SRP Asia Pacific Awards 2025

- Best Educational Initiative

Euromoney Awards for Excellence 2025

- Malaysia Best Bank for ESG
- Malaysia Best Bank for Diversity & Inclusion

ESGBusiness Awards 2025

- Carbon Disclosure Award – Malaysia
- Digital Inclusion Award – Malaysia

The Minority Shareholders Watch Group's National Corporate Governance and Sustainability Awards 2025

- Top 20 Overall Excellence Award
- Niche Cap Excellence Award

National Annual Corporate Report Awards 2025

- Gold (Excellence Awards – Companies with Less Than RM2 Billion in Market Capitalisation)

Asia Integrated Reporting Awards 2025

- Silver – Asia's Best Integrated Report (First Time)

The Edge Malaysia ESG Awards 2025

- Gold – Financial Services

United Nations Global Compact Network Malaysia & Brunei ESG Select List 2025

- ESG Breakthrough Innovation

United Nations Global Compact Network Malaysia & Brunei Forward Faster Sustainability Awards 2026

- Sustainability Governance & Strategy Award for Large Corporate (RM1B – RM5B)

The Star ESG Positive Impact Awards 2024

- Silver Award (Large Companies Category) for Governance, Reporting & Transparency

KENANGA FUTURES SDN BHD

Bursa Excellence Awards 2024

- Best Overall Derivatives Trading Participant (Champion)
- Best Institutional Derivatives Trading Participant (Champion)
- Best Trading Participant: Commodity Derivatives (Champion)
- Best Trading Participant: Equity & Financial Derivatives (Champion)

CME Group

CME Group Broker Program Key Partner 2025

OUR NOTABLE RECOGNITIONS IN 2025

 KENANGA INVESTORS BERHAD

Asia Asset Management's 2026 Best of the Best Awards

Best Impact Investing Manager in ASEAN
Kenanga Investors Group

Malaysia Best Impact Investing Manager
Kenanga Investors Group

Malaysia Best Equity Manager
Kenanga Investors Group

Malaysia Best Alternatives Manager
Kenanga Investors Group

Malaysia Best ESG Engagement Initiative
Kenanga Investors Group

Malaysia CEO of the Year
Datuk Wira Ismitz Matthew De Alwis
Chief Executive Officer/ Executive Director

Malaysia CIO of the Year
Lee Sook Yee
Chief Investment Officer

LSEG Lipper Fund Awards 2026

Best Equity Malaysia – Malaysia Provident Funds over 5 Years
Kenanga Growth Fund

Best Equity Malaysia Diversified – Malaysia Provident Funds over 3 Years
Kenanga Growth Fund Series 2 MYR Class

Best Equity Malaysia Diversified – Malaysia Provident Funds over 10 Years
Kenanga Malaysian Inc Fund

Best Mixed Asset MYR Balanced Malaysia – Malaysia Provident Funds over 10 Years
Kenanga Managed Growth Fund

FPAM Financial Planning Leadership Award 2025

Platinum Award - Charter Member Category
Kenanga Investors Berhad

Asia Asset Management ETF Awards 2026

Malaysia Leverage and Inverse ETF of the Year
Kenanga KLCI Daily 1x Inverse
Kenanga Investors Group

IFN Investor Awards 2025

IFN Investor Best Balanced Mixed Assets Fund in Malaysia – MYR 2025
Kenanga Islamic Balanced Fund
Kenanga Investors Berhad

IFN Investor Best Balanced Mixed Assets Fund in Asia Pacific 2025
Kenanga Islamic Balanced Fund
Kenanga Investors Berhad

IFN Investor Best Global Balanced Mixed Assets Fund 2025
Kenanga Islamic Balanced Fund
Kenanga Investors Berhad

 EQ8 CAPITAL SDN BHD

Asia Asset Management ETF Awards 2026

Malaysia ETF Rising Star
Umar Alhadad (CEO, Eq8 Capital)
Eq8 Capital Sdn Bhd

IFN Investor Awards 2025

IFN Investor Best ETF Fund in Malaysia 2025
Eq8 Dow Jones U.S. Titans 50 ETF
Eq8 Capital Sdn Bhd

IFN Investor Best ETF Fund in Asia Pacific 2025
Eq8 Dow Jones U.S. Titans 50 ETF
Eq8 Capital Sdn Bhd

CORPORATE STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

YAM TAN SRI DATO’ SERI SYED ZAINOL ANWAR IBNI SYED PUTRA JAMALULLAIL
(“YAM Tan Sri Dato’ Seri Syed Anwar Jamalullail”)
Chairman/ Independent Non-Executive Director

ISMAIL HARITH MERICAN
Non-Independent Non-Executive Director

JEREMY NASRULHAQ
Senior Independent Non-Executive Director

NORAZIAN AHMAD TAJUDDIN
Independent Non-Executive Director

KANAGARAJ LORENZ
Independent Non-Executive Director

CHOY KHAI CHOON
Non-Independent Non-Executive Director

CHIN SIEW SIEW
Independent Non-Executive Director

ANGELINE-ONG SU MING
Independent Non-Executive Director

AUDIT COMMITTEE

Chairman	Members
JEREMY NASRULHAQ	- Kanagaraj Lorenz - Norazian Ahmad Tajuddin

GROUP GOVERNANCE, NOMINATION & COMPENSATION COMMITTEE

Chairman	Members
CHIN SIEW SIEW	- Jeremy Nasrulhaq - Ismail Harith Merican - Norazian Ahmad Tajuddin - Choy Khai Choon

GROUP BOARD RISK COMMITTEE

Chairman	Members
NORAZIAN AHMAD TAJUDDIN	- Kanagaraj Lorenz - Choy Khai Choon - Angeline-Ong Su Ming

EMPLOYEES’ SHARE SCHEME COMMITTEE

Chairman	Members
CHIN SIEW SIEW	- Norazian Ahmad Tajuddin - Jeremy Nasrulhaq

GROUP BOARD DIGITAL INNOVATION & TECHNOLOGY COMMITTEE

Chairman	Members
KANAGARAJ LORENZ	- Jeremy Nasrulhaq - Choy Khai Choon - Chin Siew Siew

SHARIAH COMMITTEE

Chairman	Members
DR. GHAZALI JAAPAR	- Dr. Mohammad Firdaus Mohammad Hatta - Dr. Fadillah Mansor

GROUP EXECUTIVE COMMITTEE

DATUK CHAY WAI LEONG
Group Managing Director
Kenanga Investment Bank Berhad

CHAN TUCK KIONG
Executive Director, Head of Group Equity Business
Kenanga Investment Bank Berhad

DATUK ROSLAN HJ TIK
Executive Director, Head of Group Investment Banking and Islamic Banking
Kenanga Investment Bank Berhad

DATUK WIRA ISMITZ MATTHEW DE ALWIS
Chief Executive Officer/ Executive Director
Kenanga Investors Berhad

CYNTHIA WOON CHENG YEE
Head of Group Treasury
Kenanga Investment Bank Berhad

AZILA ABDUL AZIZ
Chief Executive Officer/ Executive Director and Head of Listed Derivatives
Kenanga Futures Sdn Bhd

CHEONG BOON KAK
Group Chief Financial and Operations Officer
Kenanga Investment Bank Berhad

CHOO SIEW FUN
Group Chief Compliance and Ethics Officer
Kenanga Investment Bank Berhad

NUZURUL AHMADY BIN SARIFUDIN
Group Chief Human Resource Officer
Kenanga Investment Bank Berhad

TAI YAN FEE
Group Chief Risk Officer
Kenanga Investment Bank Berhad

WOO KING HUAT
Chief Credit Officer
Kenanga Investment Bank Berhad

VAITHIYANATHAN MADAVAN
Chief Operations Officer
Kenanga Investment Bank Berhad

LOW JIA YEE
Chief Technology Officer
Kenanga Investment Bank Berhad

CORPORATE INFORMATION

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

JEREMY NASRULHAQ
Email : jeremyn@kenanga.com.my

GROUP COMPANY SECRETARY

NORLIZA ABD SAMAD
(CCM PC NO.: 201908002139)
(MAICSA 7011089)

REGISTERED OFFICE

KENANGA INVESTMENT BANK BERHAD
Registration Number: 197301002193 (15678-H)
Level 17, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel : +603-2172 2888
Fax : +603-2172 2999
URL : <https://www.kenanga.com.my>
E-mail : kenanga@kenanga.com.my

SHARE REGISTRAR

BOARDROOM SHARE REGISTRARS SDN BHD
Registration Number: 199601006647 (378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel: +603-7890 4700
Fax: +603-7890 4670
E-mail : BSR.Helpdesk@boardroomlimited.com
Website : <https://www.boardroomlimited.com>

AUDITORS

ERNST & YOUNG PLT
(202006000003 (LLP0022760-LCA) & AF 0039)
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Wilayah Persekutuan
Malaysia

PRINCIPAL BANKERS

AmBank (M) Berhad	Standard Chartered Bank
CIMB Bank Berhad	(Malaysia) Berhad
Malayan Banking Berhad	Public Bank Berhad
RHB Bank Berhad	Citibank Berhad

STOCK EXCHANGE LISTING

BURSA MALAYSIA SECURITIES BERHAD
Main Market: Financial Services
Stock Name: KENANGA
Stock Code: 6483
Listing Date: 2 November 2016

CHAIRMAN’S MESSAGE

CHAIRMAN'S MESSAGE



Dear Shareholders,

The year 2025 was characterised by continued uncertainties across global markets, shaped by geopolitical tension and shifting trade and tariff policies. Volatility persisted as rapid economic, technological and regulatory developments continued to redefine how financial institutions operate and compete.

YAM TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL
Chairman/ Independent Non-Executive Director

Within this context, the ASEAN region demonstrated relative resilience. Structural strengths—including favourable demographics, regional supply chain repositioning and emphasis on sustainability and digitalisation, provided momentum even as global headwinds endured. As Malaysia assumed the ASEAN Chairmanship in 2025, the region advanced several integration priorities, including steps towards the ASEAN Economic Community Strategic Plan 2026–2030, focused on strengthening economic cooperation, improving regulatory alignment and supporting a more interconnected regional marketplace. Underpinned by these dynamics, Malaysia saw steady domestic economic activity supported by policy continuity and targeted reforms, although market participants remained cautious in view of external risks.

Against this backdrop, Kenanga Investment Bank Berhad (“**Kenanga**” or “**KIBB**” or “**the Company**”) and its Group of Companies (“**Kenanga Group**” or “**the Group**”) navigated the year with a clear emphasis on resilient stewardship and sound governance. Our priorities remained anchored in safeguarding institutional integrity, maintaining strong oversight and ensuring that decision-making continues to be guided by discipline rather than short-term sentiment.

Overview

Amid a demanding operating environment, performance for the year reflected the realities faced by the Group. For the financial year ended 31 December 2025 (“**FY2025**”), the Group recorded Revenue of RM865.3 million, with a Profit Before Tax and Zakat of RM73.6 million and a Net Profit of RM50.0 million. These outcomes were shaped by softer market activity, more selective market participation and cumulative effects of prolonged volatility across capital markets.

Despite lower earnings, the Group continued to operate from a position of balance sheet strength. Capital adequacy and liquidity positions were maintained at prudent levels, providing stability through the cycle and flexibility for future opportunities.

In line with this performance, the Board is pleased to declare a dividend of 5.0 sen per share for FY2025.

Championing Trust and Integrity

The Group’s commitment to strong corporate governance remains fundamental to building long-term resilience and stakeholder confidence. Guided by a robust governance framework and a culture of accountability, the Group continues to uphold highest standards of transparency and ethical conduct. In 2025, Kenanga Group was once again recognised by the Minority Shareholders Watch Group, marking the second consecutive year in which it received top honours—Top 20 Overall Excellence and the Niche Cap Excellence at the prestigious National Corporate Governance and Sustainability Awards. These accolades reflect the outcome of a comprehensive evaluation encompassing governance quality, sustainability practices and Board effectiveness, benchmarked against globally recognised best-practice standards. While the awards stand as industry recognition, they also affirm the Board’s ongoing commitment to principled stewardship, disciplined governance and thoughtful oversight.

During the year, the Group continued to champion integrity and ethical behaviour through awareness and engagement. The annual Fraud Awareness Week and Compliance Awareness Week were rolled out to strengthen internal vigilance while fostering dialogues with industry leaders and practitioners. These programmes deepen organisational understanding of fraud risks, regulatory expectations and compliance responsibilities, further instilling a culture of principled conduct.

As the Group continued to elevate the quality and transparency of its corporate reporting, it was honoured with the Gold Award at the National Annual Corporate Report Awards, and the Silver Award for Asia’s Best Integrated Report at the Asia Integrated Reporting Awards. These distinctions affirm the commitment and emphasis we place on delivering clear and meaningful disclosures, with integrity in presenting both financial and sustainability performance.

Driving Sustainable Impact

In 2025, the Board continued to advance sustainability as a driver of strategic strength and long-term value creation. While sentiments on Environmental, Social and Governance (“**ESG**”) topics may have appeared polarised globally, ASEAN in particular, has continued to stay the course, resolute in blending scientific rigour with pragmatic transition pathways suited to the region’s diverse economies. The Group continues to maintain this same focus, recognising sustainability as the intersection of growth, inclusion, risk management and decarbonisation.

A key development during the year was the introduction of the Kenanga Group Sustainability Risk Management Framework, providing a structured approach to identifying and managing sustainability-related risks and opportunities. Complementing this, the Decarbonisation Roadmap outlines the Group’s strategy for reducing emissions and addressing transition risks while maintaining operational efficiency. During the year, we initiated installation of solar panels, electrification of company-owned vehicles and the transition of our headquarters, Kenanga Tower, to green electricity under the TNB Green Energy Scheme. Kenanga Tower now operates 90% on green energy, a significant milestone in lowering the Group’s operational carbon footprint.

At the same time, preparations also commenced for the forthcoming National Sustainability Reporting Framework alignment, ensuring disclosures evolve in line with national and global expectations. These efforts reflect the progress that will inevitably lead to higher standards of transparency, comparability and accountability, reinforcing the Group’s long-standing commitment to reporting excellence.

CHAIRMAN'S MESSAGE

Furthermore, 2025 marked the launch of ThinkIMPACT, a sustainability campaign themed “Leading with Purpose, Inspiring Sustainable Impact”. Through interactive panels and workshops, employees developed a deeper understanding of sustainability issues and skills to develop compelling narratives on the Group's sustainability initiatives and ambitions. Supplier and vendor workshops were also introduced to enhance understanding of supply chain expectations. The campaign further strengthened internal ownership, as well as ensured efforts that inspire action reach across all stakeholders.

These strides, which kept us on track, charted not just progress but also recognition for the Group. As in previous years, we frequently found ourselves among industry leaders across various sectors, receiving commendations for the work we continue to build on together. In 2025, we were awarded by esteemed bodies such as The Edge, The Star, the United Nations Global Compact Network Malaysia & Brunei, Euromoney, Asia Asset Management and ESG Business, affirming the Group's commitment and progress in sustainability.

Empowering People and Communities

During the year, investment in the Kenanga Emerging Leadership Programme, aimed at deepening management capability and reinforcing succession planning, remained central to our performance management priorities, supporting the organisation’s readiness for future growth.

Fostering an engaged and connected workforce also remained a priority. Throughout the year, a range of initiatives—including team-building, festival-themed engagements, wellness-focused programmes and professional development opportunities—supported collaboration, belonging, and a shared sense of purpose, cultivating a motivated workforce that plays an active role in shaping the Group's culture and performance.

This same commitment to empowerment extends to the communities we serve. The Group's approach to social impact is rooted in a long-standing philosophy of supporting social enterprises and marginalised communities through sustained partnerships. Over the past decade, Kenanga Group has delivered meaningful and measurable change, contributing over RM1 million to community-focused initiatives and positively impacting the lives of over 10,000 individuals through programmes that promote inclusion.

The Group continues to support Dialogue Includes All, a social enterprise which advocates for an inclusive society between the abled and disabled. Through this partnership, our employees gain exposure to the lived experiences of persons with disabilities, reinforcing the Group's commitment to accessibility.

Similarly, the Group's ongoing partnership with Silent Teddies Bakery, a social enterprise operated by hearing-impaired youth, supports economic participation within underrepresented communities. Our role in enabling the set-up of its expanded facilities, which now includes a learning centre, training workshop and bakery café, illustrate how sustained collaboration can help scale impact and broaden access to skills development and income-generating opportunities.

Employee volunteerism and employee-led contributions continued to shape the Group's social impact agenda in 2025. During the year, employees rallied together to support Pertubuhan Rahoma Darul Fakir Malaysia, an all-female orphanage housing girls aged seven (7) to seventeen (17), through a Back-to-School donation drive for essential school supplies and full-year sponsorship of school transportation. The Group also deepened its engagement with Pertiwi Soup Kitchen, where employees helped prepare and distribute meals to the homeless.

Together, these initiatives reflect a social responsibility philosophy centred on continuity, collaboration and the development of human potential.

Looking Ahead

For over five (5) decades, the Group has navigated both strong markets and challenging cycles, each reinforcing our resolve and deepening our understanding of the industry. In a year that tested confidence, our long-held principles of prudence, consistency and practicality have helped sustain trust and keep us committed to value creation over the long run.

The operating environment will continue to present both challenges and opportunities. Guided by prudent stewardship, strong governance, and strategic oversight, I am confident, that the Group is well-positioned to navigate evolving dynamics and make the most of emerging opportunities.

CHAIRMAN'S MESSAGE

As we shape the course ahead, Kenanga Group will continue to build on its core capabilities, advance digital initiatives, embed sustainability more deeply into the way we work, as well as invest in the development of our people to drive long-term performance. In doing so, the Group remains adaptable, forward-looking, and committed to delivering meaningful outcomes for shareholders and stakeholders alike.

Board Movement

In November 2025, Mr. Luk Wai Hong, William (“**William**”) retired from the Board as a Non-Independent Non-Executive Director, concluding more than a decade of dedicated service since his appointment in 2013. During his tenure, William played an integral role on the Group Board Risk Committee and the Group Board Digital Innovation & Technology Committee, providing guidance that strengthened governance and strategic direction.

His insights, experience and unwavering commitment have been invaluable in shaping the Group's approach to risk management, digital innovation, and sustainable growth. On behalf of the Board, we extend our sincere gratitude for his counsel, professionalism and significant contributions. We wish him continued success in his future endeavours.

Acknowledgements

On behalf of the Board, I extend my sincere appreciation to our Founder Emeritus and Adviser, YM Tan Sri Dato’ Paduka Tengku Noor Zakiah Tengku Ismail, whose vision continues to guide our journey. I also thank my fellow Board members for their guidance and dedication throughout the year.

To our Management team and employees, your commitment, professionalism and innovation have been central to the Group's performance. Your efforts in advancing initiatives that strengthen our foundations are truly appreciated.

To our valued clients, business partners, suppliers and shareholders, thank you for your continued trust and support. I also extend my gratitude to our regulators, including Bank Negara Malaysia, Bursa Malaysia Berhad and the Securities Commission Malaysia, for their steady guidance and collaboration.

Together, we will build on the foundations laid in 2025, advancing Kenanga Group’s mission of sustainable growth, responsible stewardship and long-term value creation.

YAM TAN SRI DATO’ SERI SYED ANWAR JAMALULLAIL
Chairman

GROUP MANAGING DIRECTOR'S MANAGEMENT DISCUSSION AND ANALYSIS

GROUP MANAGING DIRECTOR'S MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

Global financial markets experienced heightened volatility in 2025, driven largely by uncertainties surrounding the United States (“US”) trade tariffs and their potential implications for global growth. During the year, Malaysia’s role as ASEAN Chair reinforced its position as a stable and credible financial and investment hub amid elevated global uncertainty. This supported continued interest in Malaysia as a destination for longer-term capital, particularly in areas aligned with regional supply chain diversification and sustainability-linked investments.

These longer-term structural positives, however, did not immediately translate into higher levels of domestic equity trading. In Malaysia, equity market conditions stayed subdued for much of the year, although indications of stabilisation emerged in the later half. Total trading volumes on Bursa Malaysia declined by approximately 27% year-on-year, with retail investors particularly affected as estimated trading volumes contracted between 30% and 40%.

Against this landscape, Kenanga Investment Bank Berhad (“Kenanga” or “KIBB” or “the Company”) and its Group of Companies (“Kenanga Group” or “the Group”) remained focused on delivering resilient performance and navigating the evolving market environment with prudence and strategic focus.



DATUK CHAY WAI LEONG
Group Managing Director

Financial Highlights from 2025

Revenue
RM865.3 million

Profit Before Tax
RM73.6 million

Operating Profit
RM69.1 million

Dividend Declared
5.0 sen

SEGMENTAL REVIEW			
Stockbroking Page 17	Investment Banking Page 18	Asset and Wealth Management Page 19	Listed Derivatives Business Page 20

Overview

For the financial year ended 31 December 2025 (“FY2025”), the Group recorded total Revenue of RM865.3 million and Profit Before Tax and Zakat of RM73.6 million, with Net Profit amounting to RM50.0 million. These results reflect the realities of a challenging market environment, characterised by cautious investor sentiment that softened brokerage and management fee income. Nonetheless, improved trading and investment income, higher net interest income and the recovery of credit provisions supported a stable overall performance, reinforcing our commitment to disciplined execution.

Across the Group, key business segments delivered relatively strong operational performance in 2025, demonstrating management agility, market responsiveness and a strong capacity to capitalise on opportunities despite a complex operating landscape. The Investment Banking division achieved a robust performance during the year, underpinned by strong Treasury results and the recovery of credit provisions. The stronger Treasury business was supported by favourable interest rate conditions and active management of foreign exchange exposures within a stable domestic monetary policy environment, enabling the team to deliver risk-adjusted outcomes across trading and liquidity activities.

Notably, the Group’s Listed Derivatives business delivered another standout performance, recording its strongest profit in over a decade, driven by sustained market volatility and high participation in key contracts, particularly the Bursa Malaysia Derivatives Crude Palm Oil Futures. This outstanding result is attributable to the ongoing success in broadening market participation through client engagement and efforts to enhance product accessibility and market education, set against a Malaysian derivatives market that achieved a second consecutive year of record volumes, with total annual trading volumes reaching 22.3 million contracts.

Our focus on strategic execution is complemented by the ongoing integration of sustainability considerations across operations and decision-making. This approach continues to be recognised externally, with Kenanga Group remaining a constituent of the coveted FTSE4Good Bursa Malaysia Index with an ESG score of 4.3, which placed the Group as the highest scoring financial institution on the Index and in the 94th percentile among Malaysian public listed companies. Among the many accolades we received during the year, we were recognised at the Minority Shareholders Watch Group’s National Corporate Governance & Sustainability Awards, the National Annual Corporate Report Awards and The Edge Malaysia ESG Awards, underscoring our dedication to responsible value creation and building the Group’s long-term resilience.

Financial Position

As at 31 December 2025, the Group and Company maintained strong Total Capital Ratios of 21.8% and 24.3%, respectively, well above Bank Negara Malaysia (“BNM”)’s minimum regulatory requirement of 10.5%, which includes a capital conservation buffer of 2.5% if imposed. Our liquidity position remained robust, with a Liquidity Coverage Ratio of 201%, exceeding the 100% regulatory threshold, while our Net Stable Funding Ratio stood at 120%, also surpassing the mandatory minimum.

The Group sustained its A+ and MARC-1 ratings from the Malaysian Rating Corporation Berhad (“MARC”), with a positive long-term rating outlook, reflecting our ongoing efforts to strengthen financial resilience and maintain our standing in the market. Additionally, our subsidiaries, Kenanga Investors Berhad (“KIB”) and Kenanga Islamic Investors Berhad (“KIIB”), retained their MARC IMR-2 ratings, underscoring our disciplined investment processes and sound risk management practices.

GROUP MANAGING DIRECTOR’S MANAGEMENT DISCUSSION AND ANALYSIS

Strategic Collaborations and Asset Tokenisation

Innovation through collaboration remains a defining feature of how Kenanga Group strengthens its capabilities and delivers differentiated solutions to clients. By working closely with established financial institutions, fintech partners and technology providers such as Rakuten Trade, Merchantrade and Ant Group, the Group continues to extend its reach, enhance offerings and develop forward-looking solutions in digital finance.

In 2025, the Group helped shape industry thinking on digital assets through the publication of Project Juara: Malaysia’s Asset Tokenisation Opportunity, a white paper produced through its asset and wealth management arm, KIB, in collaboration with Saison Capital Pte Ltd, Helicap Labs Pte Ltd and Satori Research Ltd. The paper explored how asset tokenisation could reshape Malaysia’s capital markets by broadening access to previously less accessible investment opportunities, reducing minimum investment thresholds, and enhancing transparency, governance and investor protection. Its release garnered attention from industry participants, regulators, and investors alike, highlighting Kenanga Group’s role in shaping the national agenda and providing clients with more flexible, inclusive and transparent solutions that complement traditional investment channels.

Further strengthening its capabilities, the Group expanded its digital asset footprint through a strategic investment in Halogen Capital Sdn Bhd, a licensed digital asset management firm, via our private equity arm, Kenanga Private Equity Sdn Bhd. Through this investment, Kenanga Group became the largest institutional shareholder with a 14.9% stake, enhancing our understanding of digital asset structures and operational models while creating a pathway to develop tokenised investment solutions aligned with regulatory expectations and client needs.

At the time of this statement, Kenanga Group marked another significant milestone with the launch of Myrra, a dedicated token platform developed in collaboration with Stellar Development Foundation (“**Stellar**”), a leading global non-profit that supports the Stellar blockchain network. Leveraging Stellar’s proven, compliance-forward infrastructure—adopted internationally for institutional-grade asset issuance, cross-border settlement and large-scale

financial inclusion initiatives—the platform houses the first tokenised unit trust funds in Malaysia, namely the Kenanga Money Market Fund and the Kenanga Islamic Money Market Fund managed by KIB. As the first tokenised funds to go live in the country, this initiative broadens investor accessibility while enhancing transparency, operational efficiency and future scalability. Together, these advances form a core building block of an integrated digital asset ecosystem that positions Kenanga Group at the forefront of Malaysia’s transition towards a more modern and digitally-enabled capital market.

Scaling the Digital Ecosystem

A key strategic priority for the Group is further refining its digital ecosystem that enhances client experience and complements our core capabilities.

At the centre of this effort is KDi GO, the Group’s digital storefront that provides clients with a single, consolidated view of their financial relationships. By giving clients easier access to information and investment tools, the platform supports more informed decision-making and deeper engagement across the Group’s products and services. Throughout the year, enhancements were made to improve onboarding efficiency, platform stability and the overall user experience. These improvements reduce friction for clients and provide a seamless and reliable service as they navigate their wealth and investment options.

KDi GO continues to broaden access to investing and wealth solutions, particularly among mass affluent clients. The platform recorded a 45% year-on-year increase in users, marking one of its strongest periods to date, underscoring a rising appeal for more sophisticated, transparent and self-directed wealth solutions. Adoption remains robust, as its user base continues to grow among individuals entering their peak earning and wealth-accumulating years, with more than 50% of its users above the age of 30, and the 30-40 year-old cohort accounting for 38% of the user population. This representation underscores the Group’s commitment to lowering barriers to entry and fostering earlier, more intentional participation in wealth creation among retail investors. In line with this, a blueprint has been developed to steer the expansion into more sophisticated offerings catering to the mass affluent segment and above.

GROUP MANAGING DIRECTOR’S MANAGEMENT DISCUSSION AND ANALYSIS

In parallel, to further expand our digital ecosystem, Kenanga Group has taken steps to enhance its investment in Kinetic DAX Sdn Bhd (formerly known as Tokenize Technology (M) Sdn Bhd) (“**KDX**”), a fully licensed and regulated digital exchange. We have increased our equity stake in KDX to 81.7%, reflecting our long-term commitment to the development of digital and tokenised assets in Malaysia. We intend for KDX to form a core part of our digital asset journey, serving as a secondary market for listed tokenised assets. Over time, this is expected to facilitate 24/7 trading and fractional ownership of real-world assets, broadening investor access and supporting our efforts to expand tokenised investment solutions within Malaysia’s capital markets.

Alongside these strategic initiatives, the Group continued to emphasise operational efficiency and cost discipline. Key initiatives included optimisation across technology, selective use of offshore support and the centralisation of operational processes. These measures balanced cost control with operational stability, regulatory compliance and readiness to capitalise on strategic opportunities.

SEGMENTAL REVIEW



Stockbroking

In 2025, the Group’s Stockbroking division navigated a year of softer market activity and heightened competition, particularly in the retail segment. It remained focused on sustaining market presence, deepening client relationships, and strengthening operational discipline, while implementing initiatives to enhance engagement and support long-term competitiveness.

Amid these challenging conditions, the business broke-even, delivering a profit before tax of RM0.05 million in FY2025 compared with RM15.4 million in the prior year, reflecting the impact of subdued market activity. Despite the softer environment, the division maintained a retail segment market share of 25.1%, reflecting its leadership among active retail investors. Continued emphasis on cost discipline, recovery initiatives, and diversification of income streams also strengthened underlying financial resilience, helping to cushion market pressures and support operational stability.

Furthermore, several initiatives contributed to stronger client engagement. The “Wake Up to Gold” campaign successfully reactivated 2,320 dormant accounts, against 670 in 2024, boosting retail activity across the client base. At the same time, branch rationalisation initiatives consolidated key operational processes at our headquarters, leveraging on digital platforms to streamline workflows. These measures allowed client-facing staff to focus more effectively on service delivery, supported by centralised operational resources, improving both efficiency and service quality.

Frontline distribution capabilities were also strengthened through the selective hiring of additional remisiers and dealers, expanding client coverage and reinforcing its on-ground presence across key markets.

The Equity Derivatives segment continued to be a key growth driver, retaining its position as Malaysia’s largest issuer of structured warrants. It ranked first in both equity and index warrants by traded value (RM127 billion), representing a market share of 52%. During the year, it launched its first Hang Seng China Enterprises Index structured warrants under its flagship brand, NagaWarrants by Kenanga. This marked a strategic expansion of its East Asia footprint, giving Malaysian investors diversified access to two (2) of Hong Kong’s most influential indices and new opportunities to tap into China’s financial and technology sectors.

Following these efforts, the Stockbroking business continued to be recognised for its leadership and product excellence. Building on its multi-category wins at the Bursa Excellence Awards 2024, the division further strengthened its reputation through a series of accolades where it was named Best Retail Equities Participating Organisation: Investment Bank (Champion), Best Structured Warrants Issuer: Equity Warrants (Champion), and Best Structured Warrants Issuer: Index Warrants (Champion). At the FinanceAsia Awards 2025, it received the award for Most Innovative Use of Technology (Banks), reflecting its commitment to technology-enabled client solutions. The Global Banking & Finance Awards 2025 recognised the Stockbroking division across multiple categories, including Best Investment Bank Malaysia, Best Equity Broker Malaysia, Best Institutional Broker Malaysia, Best Market Maker Malaysia, Best Warrants Issuer Malaysia, and Best Research House Malaysia. Rounding off the year’s achievements, it was also honoured at the SRP Asia Pacific Awards 2025 with the award for Best Educational Initiative.

GROUP MANAGING DIRECTOR’S MANAGEMENT DISCUSSION AND ANALYSIS

Rakuten Trade Sdn Bhd, the Group's joint venture with Rakuten Securities Inc., further enhanced digital capabilities and retail investor engagement. Assets under administration reached approximately RM4.3 billion as of December 2025, with client debut activation at 36%. Key initiatives for the year included promotional brokerage rates and the introduction of US trade amalgamation—a new feature that automatically combines buy or sell trades of the same US stock within the same trading day, the first of its kind in Malaysia—improving execution

efficiency, trading convenience and cost competitiveness for retail investors.

Looking ahead to 2026, the division will continue strengthening its core franchise with a greater focus on retail engagement through the newly established Equity Product Origination (“EPro”) department. EPro will serve as its next engine of innovation, expanding its capabilities beyond traditional equities into a broader suite of accessible and innovative derivative product solutions for the retail market.

 Investment Banking

Kenanga Group's Investment Banking division delivered a robust performance in 2025, with profit before tax increasing to RM22.4 million from RM6.2 million in the previous year. The growth was anchored by the strong contribution of Group Treasury, benefitting from constructive interest rate dynamics and active management across its trading activities. Beyond Group Treasury, the division's performance also reflects disciplined execution across its teams, sustained advisory activity and a continued focus on delivering value-driven solutions for clients.

The Corporate Finance and Equity Capital Markets teams successfully executed the listing of PEOPLElogy Berhad, a digital learning and human capital development solutions provider on the ACE Market of Bursa Securities. They also supported several capital market transactions, including joint underwriter, joint placement agent, joint bookrunner and advisory roles across engagements with ICT Zone Asia Berhad, PMCK Berhad, Oxford Innotech Berhad, the MMC Ports Initial Public Offering, and the private placement by MN Holdings, which raised RM89 million to support its working capital requirements.

In addition to these capital market transactions, it also acted as the independent adviser for several major corporate exercises. These included the proposed acquisition of Lianson Fleet Group Berhad, proposed regularisation plan undertaken by Vantris Energy Berhad (formerly known as Sapura Energy Berhad), the unconditional voluntary takeover offer for FGV Holdings Berhad, the proposed exemptions pursuant to the rights issue by Parkwood Holdings Berhad, Genting Malaysia Berhad's conditional voluntary takeover offer, and the privatisation of Apex Healthcare Berhad.

In Debt Capital Markets, the team acted as joint lead manager and played a major role in the book building for Federal Land Development Authority (FELDA)'s RM1.0 billion issuance under its existing RM9.9 billion Sukuk Murabahah Programme. For corporate deals, it acted as principal adviser, lead arranger, lead manager and facility agent for transactions such as the RM1.0 billion unrated Sukuk programme for Berjaya Japan Developments Berhad, the RM200.0 million bond programme for Berjaya IPS Equity Sdn Bhd (formerly known as Inter-Pacific Capital Sdn Bhd), the RM150.0 million asset-backed securities bond programme for KLG Capital Berhad, backed by KL Gateway Mall, and KIBB's RM500.0 million Tier 1 programme, underscoring the division's ability to structure and execute complex financing solutions.

Within Islamic Capital Markets, the Islamic Markets team, supported by the Shariah Committee, continued to act as Shariah Adviser for KIB's Islamic funds and private mandates. Responding proactively to developments in blockchain and tokenisation, the team also initiated programmes to equip staff with foundational knowledge of real-world asset tokenisation, decentralised finance, and related Shariah considerations, with the aim of offering Shariah Advisory and CPE training courses on these fields in the future.

The Corporate Banking loan book remained steady and closed at approximately RM726 million as at end-December 2025. Despite compressed net interest margins due to competitive funding costs, the division remained focused on structuring tailored financial solutions to meet client needs. Our Corporate Banking team continues to work closely with our Corporate & Institutional Coverage team, as well as other business units, to replenish and grow the loan book while maintaining disciplined portfolio management and prudent risk practices.

Group Treasury delivered a strong performance in 2025, achieving a profit before tax of RM14.1 million, up from RM3.7 million in the prior year. This growth was driven by disciplined execution across fixed income securities, interest rate management and foreign exchange, with trading and investment in fixed income contributing significantly. The improved results reflect a robust interest rate environment, active management of market volatility, and BNM's accommodative stance and

stable Overnight Policy Rate (“OPR”). Looking ahead, Group Treasury will continue to refine its strategies, focusing on sustainable and consistent income generation while managing risk effectively.

Moving forward, the division remains committed to delivering client-focused solutions, deepening strategic partnerships and supporting growth across its businesses, ensuring continued resilience and long-term value creation.

 Asset and Wealth Management

The Group's Asset and Wealth Management (“GAWM”) arm comprises Kenanga Investors Group (“KIG”), which includes KIB, KIIB, Eq8 Capital Sdn Bhd (“Eq8”), and Kenanga Trustees Berhad (“KTB”). Complementing KIG is the KIBB Digital Investment Management arm which collectively form the GAWM division.

In 2025, GAWM reported a profit before tax of RM46.1 million, compared to RM47.0 million in the previous year. The results reflect its focused investments in human capital, operational processes, research and development, and continued digitalisation initiatives, all aimed at achieving sustainable long-term growth and positioning the firm for stronger performance ahead.

Presently, GAWM's comprehensive suite of offerings encompass conventional collective investment schemes, robo-advisory services, portfolio management and a spectrum of alternative investments. Through these capabilities, the firm continues to maintain and grow its presence within its diversified client base which includes mass-retail, middle-high-income, and ultra-high-net-worth investors locally and regionally.

Building on this foundation, KIG has prioritised innovation, introducing new investment solutions to meet evolving investor needs, as well as initiated efforts to drive financial transformation in Malaysia. As part of these efforts, KIG also contributed to the Group's digital asset agenda, including its role in the Project Juara white paper and the tokenisation of its money market funds through the Myrra platform. Complementing these initiatives, under the established Kenanga Alternative Series of funds, which aims to seize emerging opportunities within dynamic markets, the Kenanga Alternative Series: Global Real Assets Fund was launched to offer investors exposure to global real estate, precious metals and commodities through carefully selected exchange-traded funds (“ETF”).

KIG's distribution network grew to over 5,900 licensed unit trust and private retirement scheme consultants, making it the second largest in the industry, and its branches are strategically located in major cities to serve investors nationwide.

KIG received multiple accolades for its performance in 2025. The 2026 LSEG Lipper Fund Awards recognised four (4) funds under its Malaysia Provident Fund Awards category. The Kenanga Growth Fund won Equity Malaysia (5-Years), while the Kenanga Growth Fund Series 2 MYR Class received the award for Equity Malaysia Diversified (3-Years). The Kenanga Malaysian Inc Fund was named the winner for Equity Malaysia Diversified (10-Years), and the Kenanga Managed Growth Fund clinched the Mixed Asset MYR Balanced – Malaysia (10-Years) award.

The Hong Kong-based Asia Asset Management's (“AAM”) 2026 Best of the Best Awards awarded KIG a total of seven (7) awards including: Best Impact Investing Manager in ASEAN, Malaysia Best Impact Investing Manager, Malaysia Best Equity Manager, Malaysia Best Alternatives Manager, Malaysia Best ESG Engagement Initiative, Malaysia CEO of the Year and Malaysia CIO of the Year. Simultaneously, the AAM ETF Awards 2026 also recognised the Kenanga KLCI Daily 1x Inverse with the title Malaysia Leverage and Inverse ETF of the Year.

The IFN Investor Awards 2025 also honoured the Kenanga Islamic Balanced Fund with multiple accolades; the IFN Investor Best Balanced Mixed Assets Fund in Malaysia – MYR, the IFN Investor Best Balanced Mixed Assets Fund in Asia Pacific and the IFN Investor Best Global Balanced Mixed Assets Fund, illustrating the fund's strong performance.

GROUP MANAGING DIRECTOR’S MANAGEMENT DISCUSSION AND ANALYSIS

Eq8 achieved a major milestone when its application to change its entity type to a conventional fund management company was approved by the Securities Commission Malaysia. This will enable Eq8 to broaden its scope to better serve evolving market demands by offering both Islamic and conventional ETFs. The Eq8 Dow Jones US Titans 50 ETF also secured two (2) major accolades at the IFN Investor Awards 2025 with Best ETF Fund in Malaysia and Best ETF Fund in Asia Pacific, affirming its track record and regional impact. It also clinched the Malaysia ETF Rising Star title at the AAM ETF Awards 2026. The launch of the Eq8 FTSE Malaysia Enhanced Dividend Waqf ETF, the first Waqf-featured ETF on Bursa, led to KIBB's placement on the ESG Select List by the UN Global Compact Network Malaysia & Brunei (UNGCMYB).

In 2025, KTB introduced the Kenanga Trust Series which offers multipurpose wealth solutions for clients to invest, preserve

and distribute their wealth simultaneously. Its primary goal is to provide financial security during the formative years of a client's dependents, especially when the client typically serves as the family's cornerstone. KTB currently provides several options for clients and they are, Kenanga Trust Series – Trust 30, Kenanga Trust Series – Trust 30 Plus+ and Kenanga Trust Series – Trust 30 Kasih.

KIG will continue to focus on curating its products and services to cater to investors within a constantly evolving financial landscape by collaborating with experts to bring additional AI and data-driven strategies to the market, whilst also exploring investments with the overarching objective of widening distribution reach within the region. Through these efforts, KIG seeks to reinforce its position as a trusted partner in asset and wealth management for Malaysians.

 Listed Derivatives Business

The Group's Listed Derivatives Business, Kenanga Futures Sdn Bhd ("**KFSB**"), delivered a record-breaking performance in 2025, posting its highest profit in more than a decade with profit before tax rising to RM8.6 million from RM7.8 million in 2024. This exceptional performance was fuelled by strong execution volumes and its ability to capitalise on market opportunities. During the year, KFSB's execution of Bursa Malaysia Derivatives Berhad ("**BMD**") contracts grew by 11% to 15.5 million contracts, up from 14 million contracts in 2024. As a result, KFSB's market share expanded to 35.7%, reinforcing its position as Malaysia's No. 1 futures broker. Total BMD contract volumes also reached a new record high of 23.3 million, representing a 3% growth from 22.7 million the previous year.

KFSB continued to be recognised for its leadership in Malaysia's derivatives space, building on its achievements at the Bursa Excellence Awards 2024 where it was named Best Overall Derivatives Trading Participant (Champion), Best Institutional Derivatives Trading Participant (Champion), Best Trading Participant: Commodity Derivatives (Champion) and Best Trading Participant: Equity & Financial Derivatives (Champion). These accolades reflect its sustained excellence in derivatives execution, and product expertise as it further strengthened its market position in 2025.

Beyond financial performance, KFSB strengthened its presence on the global stage, participating in key events such as the

Palm & Lauric Oils Price Outlook Conference & Exhibition (POC) 2025, Women in Finance Awards Asia (WIFAA) 2025, Futures & Options World (FOW) Trading Hong Kong 2025, Globoil India 2025 and the Futures Industry Association (FIA) Asia Derivatives Conference 2025 in Singapore.

As part of its ongoing commitment to building a smart derivatives trading community, it continued to expand its education and outreach efforts towards retail participants through thematic initiatives such as the Futures Awaken and Mighty Futures campaigns—all aimed at encouraging broader and informed retail participation in derivatives trading.

Digital engagement continued to lead the company's efforts, marked by its first podcast series aimed at simplifying futures education and broadening access to industry insights. This was complemented by ongoing online education initiatives and targeted salesforce engagement supporting both existing and newly introduced CME Group and BMD products.

As KFSB advances to the next phase of growth, comprehensive efforts will be made with a particular focus on diversifying sales and marketing strategies, enhancing the scalability of new and existing products offerings, as well as exploring new opportunities in the derivatives landscape. These initiatives will further enhance the company's competitiveness and strengthen its leadership in the derivatives market.

Risk Management

Malaysia and Southeast Asia by and large, fared relatively well economically in 2025, supported by comparatively strong and resilient domestic consumption, export growth, foreign direct investments due to supply chain repositioning and strategic technology-related investments, such as the building of data centres.

Notwithstanding these positive developments, 2025 presented its fair share of risks and challenges. These included increased market volatility, geopolitical uncertainties and trade tensions; a global environment seemingly hanging on by a thread and clouded by protectionism, unilateralism and hegemonism; intensified cyber threats and third-party vulnerabilities causing disruptions to banking services; and varying Environmental, Social and Governance ("**ESG**") prioritisation across markets.

Driven by the increasing digitalisation and interconnectedness of the world, fortifying the Group's operational agility, resilience and versatility remained a top priority. This principle-led approach guides how we manage risk, while maintaining vigilance and engaging in strategic, measured and purposeful risk-taking.

Over the past year, the Group maintained strong asset quality and portfolio performance despite the challenging macro and micro-economic and financial market conditions. We continued to focus on our strategic business niches and maintain diversified risk-taking portfolios to strengthen resilience and support sustainable long-term growth. Notwithstanding financial risks, it remains imperative to invest in resources that enhance operational and technological resilience. Amongst others, cyber threats emerged as a critical operational and technology risk, prompting targeted investments to reinforce our cyber posture, modernise technology solutions, improve business continuity capabilities and mitigate third-party vendor risks.

Given the speed at which risks can materialise, establishing risk appetites and tolerances, developing leading indicators, avoiding over-concentration, stress testing our business and operating models and maintaining adequate buffers remain essential. In parallel, advancements in AI present new opportunities to strengthen internal controls and risk management capabilities.

GROUP MANAGING DIRECTOR’S MANAGEMENT DISCUSSION AND ANALYSIS

Managing climate change risk is also core to our sustainability efforts. As part of our decarbonisation initiatives, the Group has taken proactive steps to manage climate and sustainability risks, ensuring we deliver on our sustainability commitments and create positive impact and value for stakeholders. In 2025, we developed the Sustainability Risk Management Framework and continued to enhance the Climate Change Risk Management Framework, strengthening risk governance and practices supported by relevant policies, procedures, and methodologies.

Moving forward, the Group will continue to invest in talent and technology to support its objectives. We remain confident that our team is well-equipped to address future challenges, backed by a strong capital and funding structure, a robust risk culture focused on fundamentals and enhanced operational and technological resilience.

 More information on Risk Management and Internal Controls can be found on pages 139 to 143 of this Integrated Annual Report 2025.

Outlook for 2026

After a stronger-than-expected 2025 gross domestic product ("**GDP**") growth of 5.2%, Malaysia's economy is projected to grow at 4.5% in 2026, at the midpoint of the latest BNM's projection of between 4.0% and 5.0%. Demand for electrical & electronic and AI-related exports, steady tourism activity, and domestic demand will continue to provide support to overall growth despite uncertainties surrounding the ongoing conflict in the Middle East and higher tariffs.

The first year under the 13th Malaysia Plan is pivotal, as effective execution will be crucial to transforming the country into a high-income nation. Beyond attracting high-value industries, emphasis is placed on strategic spending to support innovation and growth, including initiatives in AI as highlighted in Budget 2026.

A steadier Ringgit is expected to partially support consumer sentiment. Coupled with efforts under Visit Malaysia 2026, following a record 42.2 million visitors in 2025, domestic consumption is anticipated to remain resilient, notwithstanding potential inflationary pressures arising from geopolitical developments in the Middle East. On the investment front, Malaysia is well-positioned to capitalise on a record-high approved investments pipeline in 2025 and robust foreign direct investment interest.

GROUP MANAGING DIRECTOR’S MANAGEMENT DISCUSSION AND ANALYSIS

Even as these domestic fundamentals remain supportive, the global operating environment is characterised by heightened uncertainty. Geopolitical tensions remain elevated as conflict in the Middle East continues to drive volatility, with developments around the Strait of Hormuz and broader regional dynamics pushing energy price higher, weighing on risk sentiment, and causing disruption to businesses. In addition, the pace of China’s economic recovery, ongoing supply chain realignments within ASEAN and broader geopolitical shifts will require careful monitoring. Against this backdrop, sustaining competitiveness while managing potential cost pressures will remain a key focus for local businesses.

For financial markets, we anticipate a combination of a stable Overnight Policy Rate of 2.75%, steady domestic policy, and investor confidence to support participation in the local stock market. Following a strong tally of 60 IPOs in 2025, Malaysia’s ability to sustain a vibrant IPO landscape in 2026 will focus on market capitalisation and quality, with an emphasis on attracting larger and higher-quality listings to deepen market breadth and resilience.

Sustainability and inclusive growth will remain key priorities. The phased implementation of sustainability reporting standards, including climate risk disclosure, begins in 2026, complemented by anticipated progress on carbon tax policies affecting energy-intensive sectors such as iron, steel and energy. These initiatives are designed to strengthen corporate resilience, support long-term competitiveness and encourage responsible business practices.

Against this evolving backdrop, Kenanga Group remains cautiously optimistic about the outlook ahead. Our focus is firmly on execution—strengthening recurring income streams, further optimising cost efficiency across the Group, and continuing to broaden our product offerings to meet evolving client expectations. At the same time, we are placing increased focus on deepening our foothold in the mass affluent segment, while continuing to enhance our digital capabilities across the Group to improve operational effectiveness, client engagement, and scalability. Building on Kenanga Group’s 52-year legacy in the capital markets, these efforts will reinforce execution discipline and operational resilience, positioning the Group to deliver sustainable, long-term value for clients, shareholders, and the broader market.

Acknowledgements

I wish to record my sincere appreciation to our Founder Emeritus and Adviser, YM Tan Sri Dato’ Paduka Tengku Noor Zakiah Tengku Ismail, whose counsel and foresight continue to guide the Group’s long-term direction and values.

My appreciation also extends to our Chairman, YAM Tan Sri Dato’ Seri Syed Anwar Jamalullail, and the Board of Directors for their stewardship during a year marked by market uncertainty and heightened competition. Your leadership has been pivotal in reinforcing discipline, strengthening governance and ensuring strategic clarity across the Group.

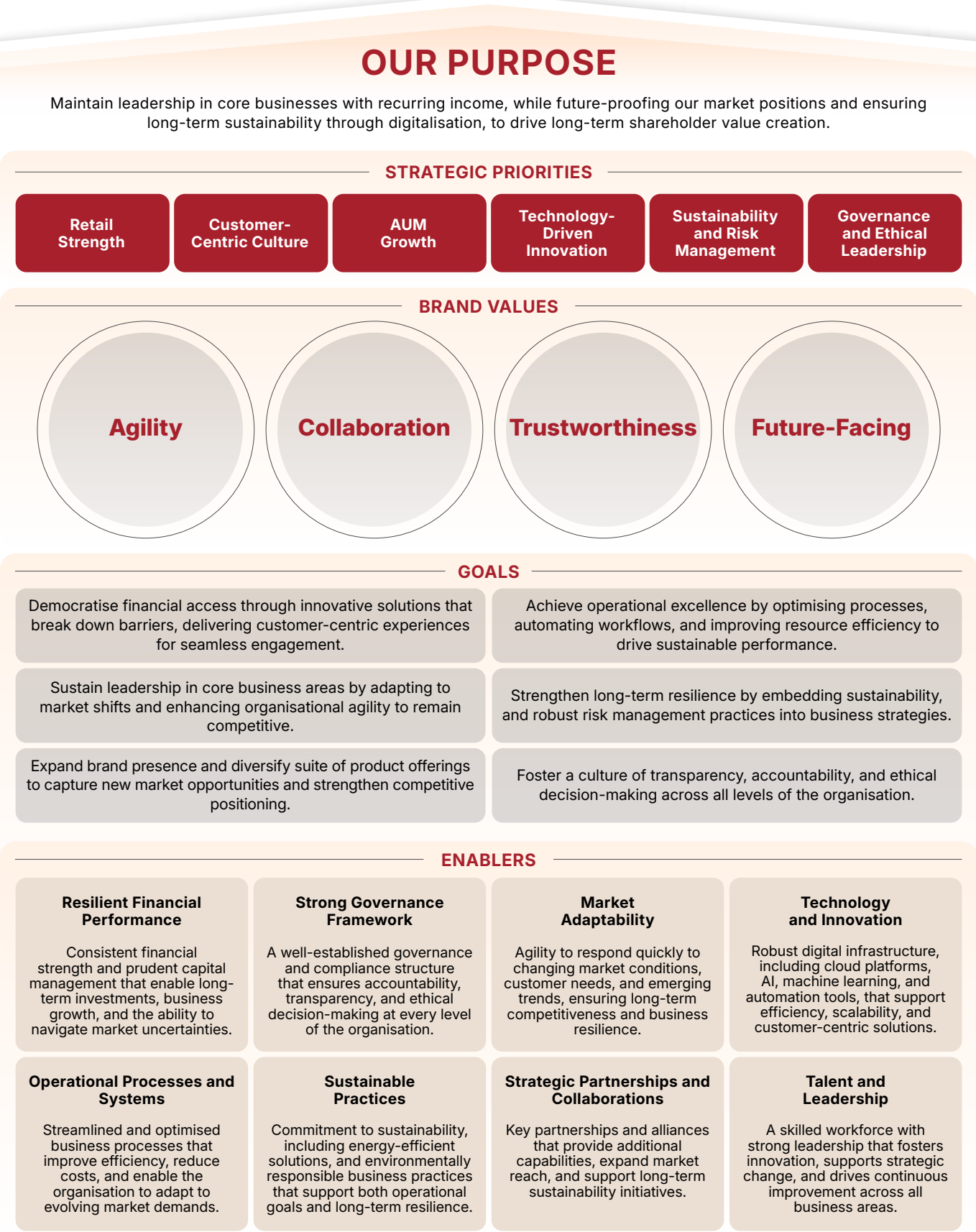
I am equally grateful to my colleagues across all levels of the organisation. In a demanding operating environment, your professionalism, commitment and willingness to adapt enabled the Group to sustain momentum, and progress key priorities for future growth.

I would also like to thank our shareholders, clients and business partners for their continued confidence and collaboration. Finally, I would like to thank our regulators and policymakers, particularly Bank Negara Malaysia, the Securities Commission Malaysia and Bursa Malaysia Berhad, whose efforts in strengthening market integrity and inclusiveness provide a vital foundation for industry development.

With the collective support of our stakeholders, the Group remains well-positioned to build on its strengths and pursue sustainable growth in the years ahead.

DATUK CHAY WAI LEONG
Group Managing Director

OUR STRATEGY



OUR STRATEGY

Advancing Purpose Through Disciplined, Future-Ready Growth

The Group's strategy is grounded in a clear purpose: to lead in our core businesses while future-proofing our franchise through digitalisation, sustainability and long-term value creation. This purpose has shaped the way we navigated a year marked by market volatility, cautious sentiment and structural shifts in client behaviour.

Throughout 2025, our strategic direction remained consistent with the stewardship principles set out by the Chairman and the disciplined execution emphasised by the Group Managing Director. Rather than reacting to short-term fluctuations, the Group focused on strengthening the foundations that support sustainable performance: operational resilience, responsible growth, customer-centricity and technology-driven innovation capability.

This integrated approach allowed us to sustain momentum across our key businesses even as market activity softened. While overall market participation declined industry-wide, the Group continued to maintain a stable presence among retail investors, supported by ongoing improvements in client experience and product accessibility. Our digital ecosystem continued to deepen, reflecting continued progress in strengthening the platforms and capabilities that will support future scale and competitiveness. These outcomes reflect a strategy that is built not merely on tactical responses, but on long-term positioning—one that anticipates the evolution of Malaysia's capital markets and the needs of future investors. They also demonstrate the effectiveness of investing in capabilities that enhance scale, operating efficiency and client relevance—elements that are increasingly important in driving long-term value creation for shareholders.

A defining feature of the year was the progress made in scaling digital and technology-enabled capabilities. Investments in platform modernisation, data infrastructure, AI adoption and cloud migration created the groundwork for a more seamless and accessible client experience. Initiatives such as Myrra and KDX marked important steps in shaping an integrated digital asset ecosystem, expanding the Group's role in financial innovation while reinforcing governance, security and regulatory alignment. These initiatives provide optionality for future growth, enabling the Group to participate in emerging markets and new asset classes as they evolve, while maintaining prudence in investment and risk oversight.

At the same time, we continued embedding sustainability and risk considerations into strategic decision-making. This included advancing the Sustainability Risk Management Framework, operationalising the decarbonisation roadmap and preparing for alignment with the National Sustainability Reporting Framework. These measures strengthen the Group's resilience and reflect the increasing convergence of sustainability, risk oversight and long-term competitiveness. For investors, this integration of sustainability and risk ensures that strategic decisions are evaluated through a long-term lens, helping to safeguard value as regulatory expectations and stakeholder priorities continue to evolve.

Our focus on people and culture remained equally central to strategy execution. Leadership development, capability building and employee engagement initiatives supported organisational agility and ensured that the Group is equipped to adapt to emerging trends. This reinforces a culture aligned with our brand values—agility, collaboration, trustworthiness and future-facing thinking—enabling teams to innovate, respond and deliver with consistency.

The year also saw progress in building strategic partnerships that broadened our reach and strengthened our capabilities. These collaborations—particularly in areas such as digital innovation—expanded the Group's technological and market capabilities. In parallel, ongoing initiatives to improve client access and engagement, including enhancements across our digital platforms, contributed to a more seamless and connected client experience. Together, these efforts reinforce our ability to serve a wider spectrum of clients across different market conditions, while strengthening our competitive positioning in a rapidly evolving landscape.

Looking ahead, our strategic direction remains focused on creating an integrated, future-ready financial ecosystem. With a strong capital position, disciplined governance and clear long-term priorities, the Group is well-positioned to pursue opportunities that align with our strategic objectives and support the ongoing development of the organisation. As outlined in the leadership statements, we will continue investing in capabilities that elevate our value proposition, enhance resilience and contribute to long-term, shareholder-aligned performance. Our disciplined approach to capital allocation will remain central, ensuring that investments are aligned with strategic priorities, scalability potential and long-term shareholder interests.

Our strategy is not static, it is a continuously evolving blueprint shaped by purpose, informed by risk, enabled by technology-driven innovation and grounded in responsible stewardship. By sustaining this integrated approach, the Group remains committed to delivering meaningful outcomes for clients, communities and shareholders today—while building the capabilities needed to lead in the financial landscape of tomorrow. This balance of prudence and future-readiness underpins our long-term value creation approach, positioning the Group to navigate uncertainty with resilience while capturing opportunities as markets evolve.

The global economic environment entering 2026 has been marked not only by diverging growth and inflation dynamics but also escalated geopolitical risks. Most notably, renewed conflict in the Middle East has heightened uncertainty across energy markets, trade flows and inflation expectations. While these developments are still evolving as 2026 unfolds, a prolonged escalation could result in heightened volatility in oil prices and supply chains, potentially adding to macroeconomic pressures that may drag on the global outlook and sentiment.

Set against these emerging risks, global economic conditions in over the past year were generally supported by domestic demand resilience, policy buffers and sector-specific growth drivers across major economies.

Against this backdrop, economic performance in 2025 remained broadly resilient despite persistent external headwinds. The US economy continued to expand, supported by firm household spending and strong investment in AI-related sectors. Europe experienced a gradual recovery, anchored by improving industrial activity and stabilising inflation. China's economic momentum softened, weighed down by weak property sector conditions, subdued consumer confidence and ongoing structural adjustments. India, by contrast, maintained strong growth, supported by robust domestic demand, public infrastructure spending and continued gains in manufacturing and services. ASEAN economies benefitted from resilient domestic demand, targeted policy support and continued improvement in tourism flows. Export-oriented sectors across the region also recorded solid growth, defying earlier expectations of tariff-related drags.

Global inflation followed increasingly divergent paths in 2025. While price pressures in the Euro area remained anchored close to target, inflation in the US, the United Kingdom ("UK") and Japan proved more persistent, reflecting tighter labour markets, fiscal impulses and uneven growth dynamics. In the US, inflation stabilised at just below 3.0%, complicating the final leg of disinflation. Japan remained in an inflationary regime as wage growth strengthened, despite temporary relief from energy subsidies. Against this backdrop, major central banks shifted from broad easing towards more cautious and differentiated policy paths. Bond markets adjusted accordingly, with elevated term premia reflecting uncertainty over the pace and scale of future rate cuts rather than an outright reversal of the easing cycle.

Market volatility rose late in the year following a sharp sell-off in Japanese government bonds, triggered by concerns over Tokyo's proposed fiscal expansion and rising debt issuance. The move pushed global yields higher and briefly pressured risk assets across Asia. At the same time, renewed uncertainty over US trade policy weighed on sentiment. President Trump's

fresh tariff rhetoric and his confrontational response at the Davos forum to North Atlantic Treaty Organisation (NATO) members criticising his comments on Greenland highlighted a more unpredictable geopolitical tone. While markets remain alert to escalation risks, the economic impact has so far been contained.

Malaysia's economy stayed on a steady footing, expanding by 5.2% in 2025 (2024: 5.1%). Growth was driven primarily by domestic-oriented sectors, supported by higher household incomes, stable labour market conditions and continued investment. The services sector continued to underpin economic expansion, buoyed by rising tourist arrivals ahead of the Visit Malaysia 2026 campaign. Manufacturing also gained momentum, particularly from surging demand for electrical and electronics products.

Inflation remained subdued and well contained. Malaysia's Consumer Price Index ("CPI") stayed below historical norms, supported by weak demand pressures, targeted fuel subsidies and imported disinflation from a firmer ringgit. Despite selective cost pressures, inflation remained anchored, allowing Bank Negara Malaysia ("BNM") to maintain a steady policy stance. The ringgit benefitted from this stability, ending the year at 4.06/ USD, supported by improving carry dynamics, sustained bond inflows and credible fiscal management.

In this environment, BNM maintained the Overnight Policy Rate ("OPR") at 2.75%, balancing growth, price stability and financial stability following an unexpected 0.25% rate cut in July 2025.

Sustainability in the Financial Landscape

At the country level, taking on the chairmanship of ASEAN in 2025, the theme of "inclusivity and sustainability" was a timely reflection of the focus as the framework provided under the ASEAN Plan of Action and Energy Cooperation (APAEC) 2026-2030 highlighted the region's strategic blueprint to steer regional energy cooperation, including collective goals. Core to this includes advancing the ASEAN Power Grid via a Memorandum of Understanding. This dovetailed adequately with continued emphasis locally, with the National Energy Transition Roadmap (NETR) initiatives, and Malaysia's Ministry of Energy Transition and Water Transformation (PETRA) having, in January 2026, launched a five (5)-year plan to speed up energy transition and water transformation. The implementation of carbon tax, initially aimed at iron, steel and energy sectors, scheduled for 2026 and is expected to be broadened to other sectors will be aligned to compliance under the European Union's Carbon Border Adjustment Mechanism in 2026, preserving export competitiveness.

ECONOMIC REVIEW

At the corporate level, 2025 was also pivotal with the launch of the National Sustainability Reporting Framework launched by the Securities Commission, which ushered in more stringent disclosure requirements. This will align Malaysia with global standards and continue to deepen access to investors that are aligned with sustainability goals. Specifically, firms need to prepare for disclosures relating to financial information and climate risks under respective categories of S1 and S2. Starting with Main Market issuers for those with market capitalisation exceeding RM2.0 billion, adoption will be phased in until 2027, for ACE market firms and large non-listed firms by 2027. This phased approach in reporting also corresponds with more incentives given to drive mass adoption. By 2025, Malaysia had introduced a RM50,000 tax deduction that continues to benefit firms, including micro, small and medium enterprises.

Outlook for 2026

- **Global Economy:** Global growth faces its stiffest test since the pandemic and is projected to ease modestly in 2026, weighed down by the ongoing conflict in the Middle East, the persistent drag from US tariff actions, and uneven economic recoveries across major economies. Disruptions in the Strait of Hormuz have compounded an already fragile outlook, creating a stagflation trap in which central banks are caught between supply-driven inflation and fragile demand, while sovereign debt at historic highs and rising defense expenditures are pushing financial conditions tighter. The US economy is expected to retain support from AI-related investments, trade deals and resilient consumer spending, though elevated energy costs and sticky inflation pose a ceiling on momentum. Europe's recovery is expected to remain steady but modest, with energy price exposure and weak external demand limiting upside. China's outlook remains constrained by structural challenges, primarily property sector stress, demographic headwinds, and declining investment returns, which are further pressured by residual tariff headwinds and weak domestic demand. ASEAN economies, however, are expected to remain relatively resilient, supported by domestic demand, and their position as beneficiaries of ongoing trade and supply chain diversification. The balance of risks globally remains skewed to the downside.
- **Key Risks:** Risks to the global outlook remain firmly tilted to the downside. These include rising geopolitical conflict in the Middle East, the delayed and potentially broadening impact of US tariffs, renewed US-China tensions, China's uneven recovery, and volatile commodity prices. At the time of writing, the blockade on the Strait of Hormuz has led to oil prices returning to above US\$100 per barrel, potentially disrupting supply chains and re-accelerating global inflation.

Offsetting support may come from monetary easing by major central banks, fiscal stimulus and resilient domestic demand in key emerging markets.

- **Inflation Outlook:** Global inflation is expected to remain uneven rather than uniformly resurgent, though the Middle East conflict has materially shifted the near-term trajectory, with the International Monetary Fund ("IMF") revising global headline inflation up to 4.4% on surging energy and food costs. The Euro area inflation should stay close to the European Central Bank's 2.0% target, supported by moderating wages, declining goods prices and anchored expectations. In contrast, inflation in the US is likely to stay the most stubborn among advanced economies, with tariff pass-through effects and persistent goods price pressures keeping it above 3.0% and delaying a return to target beyond 2027. UK inflation should ease more decisively as growth weakens and labour market conditions loosen. Japan stands apart, having achieved a genuine regime shift after three decades of deflation, with demand-driven wage and price dynamics now sustaining above-target inflation, and supporting continued Bank of Japan rate normalisation. Across emerging markets, dollar strength and elevated energy import costs are adding an imported inflation channel that narrows the space for monetary easing.
- **Malaysia's Economy:** Malaysia's GDP growth is projected to moderate to 4.5% in 2026, a mid-point to BNM's latest forecast of 4.0% to 5.0%, reflecting external risks and uncertainty. Nonetheless, domestic demand will remain the main driver, supported by resilient consumer spending, stable labour market conditions, major investment projects, higher tourist arrivals following the Visit Malaysia 2026 campaign and targeted policy measures under the Madani reform agenda. The IMF's upward revision of Malaysia's GDP forecast to 4.7%, in its April 2026 World Economic Outlook, cited domestic resilience and a diversified export structure as key buffers against external headwinds. Malaysia's position as a net energy exporter provides a partial natural hedge against the Middle East oil shock, though BNM cautions that higher energy prices, weaker external demand, and volatile capital flows remain meaningful transmission risks to the domestic outlook.
- **Inflation in Malaysia:** Malaysia's inflation remains contained for now, but the balance of risks has shifted materially to the upside. A firmer ringgit continues to lower imported cost pressures, while the pass-through from US tariffs remains limited due to Malaysia's diversified export base. The government has moved aggressively to shield consumers from the energy shock: Malaysia's monthly subsidy bill has risen to RM7.0 billion from RM700.0 million

previously, as the government maintains the RON95 pump price and provides cash assistance to diesel vehicle operators. That said, upside risks are gradually building. Every US\$10 sustained increase in oil prices is estimated to add approximately seven basis points to annual CPI, and under a scenario where Brent holds around US\$100 per barrel and RON95 is adjusted to RM2.40 per litre or higher, headline inflation could exceed 3.0%. Higher SST rates, rising operating costs outside targeted schemes, and the planned multi-tier migrant levy add further modest upward pressure. Against this backdrop, the 2026 CPI is forecast to expand to 2.1% (2025: 1.4%), reflecting the Middle East energy shock premium over and above the structural cost pressures already embedded in the outlook.

- **Global Monetary Policy:** Global monetary policy have become sharply more differentiated since the Middle East conflict began, forcing most major central banks into extended pauses. The Federal Reserve is expected to maintain the federal funds rate at a target range of 3.50% to 3.75% through the first half of the year, revising its inflation projections higher and signalling one cut at most in 2026, deferred to 2H26 at the earliest, with some members flagging the possibility of hikes if energy-driven inflation becomes entrenched. The leadership transition adds further uncertainty to the policy path. The European Central Bank has moved firmly to the sidelines at 2.0%, with the energy shock pushing its 2026 inflation forecast higher and growth projections lower, leaving no near-term basis for easing. The Bank of England faces the most acute bind, with CPI expected to surpass 3.0% on higher energy costs, pushing the first cut back to no earlier than June. The Bank of Japan remains the sole major central bank on a tightening path, pressing ahead with gradual rate increases as wage-driven inflation becomes entrenched. The People's Bank of China is expected to deliver modest, targeted easing amid sluggish domestic demand. Collectively, prolonged restrictiveness in the West, tightening in Japan, and cautious easing in China keep emerging markets financing conditions tight and dollar strength entrenched well into 2H26.
- **BNM Policy Direction:** BNM is expected to keep the OPR at 2.75% throughout 2026, though the policy calculus has shifted materially since the onset of the Middle East conflict. With the CPI likely to climb above 2.0% in 2026, approaching the upper end of BNM's own 1.5%–2.5% official range, the characterisation of monetary policy as straightforwardly accommodative is no longer appropriate. Domestic demand remains firm and the labour market stable, providing little justification for further easing, while the energy-driven inflation shock limits the scope for rate cuts without risking a re-anchoring of expectations higher. BNM's policy stance

is best described as cautiously neutral, balancing growth support against the risk of imported inflation from elevated global energy prices.

- **Ringgit Outlook:** The ringgit is expected to remain resilient amid global portfolio rotation. Malaysia's stable macroeconomic framework, credible fiscal consolidation and attractive risk-adjusted carry continue to support capital inflows. While real yield differentials versus the US remain modest, Malaysia stands out in emerging Asia due to its strong sovereign credit profile, deep bond market and high domestic ownership of government debt. Structural factors, including exporters' repatriation, higher hedging incentives and expectations of a softer US dollar as the Fed eases, provide added support. We maintain our USDMYR projection at 3.95 by end-2026 (2025: 4.06), framing a constructive medium-term outlook despite episodic global volatility.
- **Malaysian Government Securities ("MGS"):** Demand for MGS and Government Investment Issue (GII) should remain resilient despite a heavier issuance profile. Gross issuance is projected at around RM186.0 billion in 2026 (2025: RM168.5 billion), driven mainly by higher refinancing needs rather than new deficit funding. While the larger auction calendar may intermittently pressure yields, strong domestic participation, sustained foreign inflows and continued fiscal consolidation should offset supply risks. As global liquidity conditions improve alongside possible Federal Reserve easing, the 10-year MGS yield is expected to drift lower towards 3.40% by end-2026.

With global growth forecasted by the World Bank to be marginally lower at 2.6% GDP for 2026, and ever-evolving geopolitical risk, the task of creating sustainable growth and long-term value for our stakeholders by Kenanga Group will need to be both innovative and agile. Future enablers such as acceleration in digital innovation, tokenisation and broader adoption of AI, highlighted by catalytic initiatives such as the government's pledge to invest RM2.0 billion to develop sovereign AI cloud, presents investing opportunities. The agility to respond to thematic trends including Ringgit strength, Visit Malaysia Year 2026 and the expectation of another vibrant local IPO scene in 2026 will also be key to value creation.

KEY RISKS, MITIGATION AND OPPORTUNITIES

KEY RISKS, MITIGATION AND OPPORTUNITIES

R1 Credit Risk

The risk of loss arising from obligor’s or counterparty’s failure to fulfil their financial and contractual obligations in accordance with the agreed terms.

It stems primarily from the Group’s lending/financing, underwriting, investment, hedging and trading activities from both on and off-balance sheet transactions, including settlement and pre-settlement risks from capital market transactions.

Impact to Kenanga

Credit risk leads to potential impairment losses, which impact financial return and capital

Our Approach

Effective transaction-level and portfolio-level credit risk management enables the Group to make a robust assessment of the counterparty’s creditworthiness in fulfilling its obligations throughout its credit and economic life cycles. This is supported by an appropriate credit structure, covenants and a risk-based pricing framework, which lead to more sustainable growth and profitability.

Mitigation Measures

- Established Credit Risk Management policies at both the Group-wide and business unit levels, which are reviewed regularly to reflect current market, economic and regulatory conditions.
- Board-approved authority structures at both the Group and business unit levels ensure that transactions remain within the risk appetite.
- Internal risk thresholds and limits (e.g., single counterparty, sectoral exposure) are set to mitigate concentration risk.
- Stringent pre-approval assessments are conducted on clients and collateral quality, including valuation caps.
- Climate-related risk i.e. transition and physical risks are integrated into the underwriting process.
- Credit risk tools, such as Internal Credit Risk Rating and Collateral Scoring Model, are used to assess counterparty strength and collateral quality.
- Independent reviews are conducted for material credit decisions.
- Regular monitoring of large exposures, high-risk sectors, and watchlist accounts are conducted to detect early warning signals.
- Comprehensive reporting on credit risk position (e.g., portfolio risk, problematic credits) is provided to the Board and Risk Management and Credit Committees on a regular basis.
- Risk Management and Credit Committees oversee policies, stress testing results, and key risk reports.
- Annual reviews and impairment assessments (via Impairment Assessment Report) are conducted to identify deteriorating credits at an early stage.
- Independent Credit Review conducts post-approval review on a regular basis to ensure adherence to policies and regulatory requirements.
- Adequate Expected Credit Loss provisions and management overlays are in place for impaired loans/ financing.
- Keep abreast of market, regulatory and global developments that may impact credit risk.
- Conduct regular stress testing to identify key vulnerabilities and reinforce risk mitigation controls.

Opportunities

- Optimise risk-adjusted returns through appropriate pricing of credit exposures in line with the level of risk and mitigating factors.
- Enhance portfolio composition and capital efficiency through active management of concentration exposures and risk-weighted assets.
- Build capacity and expertise to leverage technology and AI for improved analytics, streamlined credit processes and faster turnaround times.
- Integrate climate risk scenario analysis and stress testing results as part of credit risk assessment to derive actionable insights, enable better informed decision-making and proactive risk mitigation strategies.

R2 Market Risk

The risk of deterioration in the value of financial instruments due to adverse movements in market factors such as interest rates, credit spreads, equity prices, foreign exchange rates and their associated volatilities.

Heightened uncertainty and evolving global financial market pose significant challenges to achieving strategic objectives in market risk management. Key factors contributing to this complexity include geopolitical tensions, increased interest rate volatility, sustained inflationary pressures, intense market competition, the rise of unilateralism and the shifting dynamics of the global order.

Impact to Kenanga

Market risk poses the potential for financial losses, which impacts financial earnings, performance and capital.

Our Approach

As part of its core financial activities, risk-taking is permitted for trading and investment in key permissible markets e.g. interest rates, foreign exchange and equities, as well as their respective derivatives markets. These activities are guided by the prescribed risk limits defined in the market risk limit framework.

Mitigation Measures

- A robust market risk governance structure and strong management oversight in line with best practices for managing market-related exposures. This includes enhanced review and oversight of business strategies, new product initiatives, operating processes and market risk limits to proactively identify and address emerging global market risks.
- Established risk-reward driven market risk framework and policy, coupled with sustainable model and analytical-based methodology ensure that market risk-taking activities are aligned with risk-reward principles and overall risk appetite framework.
- Carefully designed risk-based product-mix that promotes sustainable trading and investment income. A robust and improved evaluation process regularly assesses the relevance of underlying assets used in trading and product structuring, ensuring alignment with shifting market dynamics.
- Continuous market risk exposures monitoring through dashboards and early warning indicators of limits, volatility and concentration risks. Periodic reviews and recalibration of market risk limits to reflect prevailing market conditions.
- Diversified asset classes and cross product trading and investment strategies that optimise returns relative to the risk assumed. Trading strategies with stable margins are prioritised over high-risk proprietary trading to enhance portfolio resilience and reduce volatility.
- Conduct stress testing and refine input parameters in periodic assessments to better evaluate the impact of extreme market conditions on trading and investment performance.
- Bolster effective monitoring and responsiveness to structural, regulatory and competitive market shifts.

Opportunities

- Notwithstanding the challenges posed by the key market factors, significant opportunities arise to enhance the Group’s market position and drive sustainable growth. Supported by the aforementioned mitigation measures, the Group is well-positioned to seize opportunities driven by evolving trading, investment and hedging requirements among customers and counterparties.
- Cultivate a culture that emphasises the development of financial market products designed to meet the evolving needs of customers while ensuring the timely evaluation and mitigation of emerging risks.
- Prioritise efficient capital deployment to support strategic growth initiatives, enabling management to optimise risk limits and balance business expansion with prudent risk management practices.

Through these proactive and adaptive mitigation strategies, the Group reinforces its reputation as a forward-thinking, agile institution, capable of navigating market uncertainties and capitalising on opportunities in an increasingly dynamic financial landscape.

KEY RISKS, MITIGATION AND OPPORTUNITIES

R3 Liquidity and Funding Risk

The risk of insufficient financial resources to meet payment obligations, or the inability to efficiently meet the present and future funding needs or regulatory obligations as they come due, or access to these resources only at excessive costs.

Impact to Kenanga

Such risks may adversely impact business operations and continuity, potentially leading to unacceptable losses, in the short and medium-term horizon.

Our Approach

To preserve sustainable liquidity and funding condition of the Group, two minimum standards were adopted i.e. a) Liquidity Coverage Ratio (“**LCR**”), and b) Net Stable Funding Ratio (“**NSFR**”). Additionally, there is a strong focus on diversifying funding sources.

Mitigation Measures

- Guided by the Asset & Liability Management policy, liquidity and funding risks are managed to ensure sufficient liquidity and stable funding sources under stressed economic and financial conditions. Additionally, these measures aim to prevent over-dependence or excessive exposure to a single depositor, group of depositors, or sector.
- The LCR aims to enhance the Group's short-term liquidity resilience by ensuring sufficient High Quality Liquid Assets (HQLA) to withstand a significant stress scenario lasting 30 days.
- The NSFR aims to reduce funding risk over a longer time horizon by requiring the Group to fund its activities with sufficiently stable sources of funding to mitigate the risk of future funding stress.
- Early warning indicators to facilitate timely management actions, while ongoing monitoring of asset-liability mismatches and funding concentrations supports proactive balance sheet management.
- Liquidity and funding stress tests are conducted regularly to identify and address plausible vulnerabilities and areas of concern.
- The Group has set its compliance ratio for both LCR and NSFR in accordance with the prescribed regulatory limits.

Opportunities

- Proactive assessment of liquidity and funding risks strengthen liquidity management and enhance the effectiveness of funding strategies, ensuring financial stability and resilience, even in challenging market conditions.
- Effective management anticipates potential shifts in liquidity and funding risk, enabling a strategic response aligned with business objectives.
- Optimised funding structure and costs through proactive liquidity planning and diversification lead to improved financial efficiency and long-term sustainability.

KEY RISKS, MITIGATION AND OPPORTUNITIES

R4 Operational Risk

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. This definition includes legal risk and Shariah compliance risk but excludes strategic and reputational risks.

Impact to Kenanga

Ineffective operational risk management such as gaps in internal processes and disruption to business operations may impede business's ability to operate effectively. Losses can take many forms, for example:

- Financial loss due to halted operations
- Damaged reputation
- Fines imposed for regulatory non-compliance

Our Approach

The Group adopts a four-pronged approach to operational risk management, primarily involving the following tools:

- Operational Risk Management Self-Assessment
- Key Risk Indicators
- Operational Risk Loss Data
- Operational Risk Scenario Analysis

Mitigation Measures

- **A robust internal control environment:**
Establish and maintain effective internal control processes with clear oversight of business and operational activities at all levels, ensuring well-defined reporting responsibilities for all staff.
- **A comprehensive risk identification and assessment regime:**
Implement operational risk management methodologies to systematically identify internal and external risk drivers, assess internal control effectiveness and establish robust monitoring processes.
- **A well-established proactive risk monitoring mechanism:**
Continuously track and analyse operational risk exposures to support early detection of emerging risks, enabling timely mitigation before they materialise.

Opportunities

- Effective operational risk management enables the Group to identify and implement resilience controls within business operations by integrating resource planning into business processes, continuously reinforcing risk mitigation measures, and managing risk in a more robust manner.

KEY RISKS, MITIGATION AND OPPORTUNITIES

R5 Technology Risk

Technology risk refers to any risks emanating from information technology and cyber threats.

Technology and cyber risks are critical threats to the financial industry, with evolving cyber-attacks and system vulnerabilities posing significant challenges.

Impact to Kenanga

Technology and cyber risks can significantly impact the bank by damaging its reputation and disrupting operations, leading to regulatory penalties, financial losses, and increased costs. Cyber-attacks or breaches can erode customer trust, resulting in lost clients and decreased market value, while operational disruptions and system failures can cause downtime and missed opportunities. Non-compliance with cyber security regulations could result in fines, and vulnerabilities may hinder the bank’s ability to stay competitive in digital services.

Our Approach

The Group recognises the importance of safeguarding sensitive client information and maintaining operational integrity. Our advanced cyber security measures and proactive risk management ensure resilience against these threats, protecting both our reputation and our clients. In a rapidly changing digital landscape, the Group is committed to staying ahead of these risks, ensuring secure, uninterrupted service and driving forward our digital transformation journey.

Mitigation Measures

- Well-established strategic technology and cyber risk oversight model. The Group has crafted a cutting-edge, industry-leading framework designed to proactively manage technology and cyber risks. This holistic approach empowers anticipation, detection and swift response to emerging threats, while ensuring rapid recovery and continuous operational resilience.
- In respect of regulatory excellence, the Group is committed to upholding the highest regulatory standards, including compliance with Bank Negara Malaysia’s policy documents such as Risk Management in Technology and Securities Commission Malaysia’s Guidelines on Technology Risk Management as well as other relevant regulatory requirements.
- Embrace in empowering our people. We prioritise building a cyber-aware workforce by conducting ongoing training and awareness programs.
- Enhanced cyber security measures. The Group leverages state-of-the-art technology to safeguard against evolving cyber threats.

Opportunities

- **Strengthening Client Relationships Through Trust and Security:**
With a robust strategic technology and cyber risk oversight model, the Group can differentiate itself as a trusted partner in the financial services industry. By prioritising cyber security and ensuring business continuity, the Group can build stronger, more loyal relationships with clients, fostering trust and confidence in its digital and financial services.
- **Enhanced Customer Confidence:**
A strong cyber security posture can be a competitive advantage, attracting customers who value security and reliability.
- **Partnerships with Fintech:**
Collaborations with fintech companies can enhance the Group’s technological capabilities and accelerate digital transformation.
- **Market Leadership:**
Proactive investments in technology risk management can position the Group as a leader in secure financial services, setting industry benchmarks.

KEY RISKS, MITIGATION AND OPPORTUNITIES

R6 Sustainability and Climate Risk

Sustainability risks are measured across the three different sub-categories of risks which are Environmental, Social and Governance (“ESG”) risks. ESG risks refer to the potential adverse financial, legal, operational, or reputational impacts that arise from the Group’s environmental practices, social conduct or governance structures.

As part of the environmental risk pillar, climate risk is deemed as a key focus due to its growing relevance and impact. Climate risk is an indirect risk that refers to potential losses or disruptions resulting from climate change. A risk of change in the climate can potentially have a negative impact on credit, market, operational and reputational risk of the Group if the risk is not appropriately managed.

Climate risk also refers to the potential impacts arising from both our direct exposure to climate-related events and the risks embedded within our financing and investment activities. These risks can be categorised into physical risk such as effects of extreme weather events, and transition risks relating to the global shift towards a lower-carbon economy and changing regulatory frameworks.

Impact to Kenanga

Financial institutions that fail to manage sustainability risks appropriately would risk regulatory sanctions, reputational damage and potential impact on lending, financing and investment portfolio.

There are two (2) key areas, in particular, that sustainability risk impact may affect the Group:

1. **Reputational risk:** Failure to act responsibly and manage sustainability-related risks could damage the Group’s public image and erode customer and investor trust.
2. **Potential financial loss:** Sustainability risks particularly climate risks including physical and transition risks could result in substantial losses in lending and investment portfolios if risks are not managed well, especially for clients within climate-vulnerable sectors.

Our Approach

A proactive approach to sustainability risk management at business and enterprise level to ensure sustainability risks considerations are embedded across all operations and businesses. In the area of climate risk management, the Group’s climate risk management approach supports the climate transition journey of our customers and helps safeguard the long-term sustainability of the Group. This also ensures that we remain aligned with the evolving market expectations and regulatory requirements.

Mitigation Measures

- Established a robust sustainability and climate risk governance structure to oversee climate-related matters, integrating climate risk into key risk management frameworks and decision-making processes.
- Established a framework that provides a unified approach for identifying, assessing and managing sustainability risks across the Group.
- Enhanced the framework in relation to climate change risk management to integrate climate considerations into governance, strategy, operations, reporting and risk management.
- Climate risk assessment and client engagement through internal Climate Change and Principle-based Taxonomy classification assessment.
- Developed tools such as the Climate Change Risk Assessment Checklist and the Enhanced Due Diligence to guide risk identification and classification. These tools are regularly updated to incorporate the latest climate risk assessment developments, ensuring a comprehensive and robust risk assessment outcome.
- Established monitoring, reporting and stress testing for climate risk. Conduct climate risk stress testing and scenario analysis per Bank Negara Malaysia guidelines to assess portfolio and sector-level risks and develop mitigation strategies.
- Quantified financed emissions by sector (Scope 3) to support development of risk metrics and mitigation measures.
- Incorporated sustainability risk in outsourcing and procurement frameworks to assess third-party service providers’ environmental and climate risk profiles.
- Integrated physical climate risk assessment for HQ and branches into operational risk management self-assessment and business continuity management evaluations.
- Capacity building via training and sharing sessions on climate risks for employees to enhance awareness, strengthen risk management capabilities as well as integrate climate considerations into decision-making processes.

Opportunities

- Generation of new business opportunities by leveraging on climate risk sectorial profile and where appropriate, offers sustainability or climate-friendly and supportive products to promote and facilitate client’s transition journey.
- Strengthen relationships with clients by supporting their transition journey. Enhance the Group’s reputation as a responsible and respected financial institution with our business level and enterprise sustainability risk management.
- Strengthen employer branding by embedding sustainability into corporate culture, attracting top ESG-focused talent.

STAKEHOLDER ENGAGEMENT

AN INSIGHT INTO OUR STAKEHOLDERS’ PERSPECTIVES

We proactively engage with key stakeholder groups to understand their expectations, assess emerging priorities and gather relevant feedback. These insights directly inform our strategic decisions, enabling us to respond effectively to material issues, strengthen stakeholder relationships and deliver long-term, sustainable value.

THOSE WHOM WE ARE ACCOUNTABLE TO		
How We Engage	Areas of Interest	Our Commitment
Shareholders - Provide updates and gather feedback through meetings, reports and disclosures Clients - Provide products, tools, education and insights through our trading platforms, mass media channels, events, emails, websites and social media channels - Respond to queries and gather input and feedback through social media channels, helplines and email	- Cyber security - Data protection - Portfolio performance - Financial inclusion - Financial literacy - Digitalisation - Responsible investing - New products and services - Market outlook - Enhanced client experience	- Ensure our investors and shareholders are regularly informed on how sustainability matters are embedded in our business strategy and operations - Incorporate feedback to create long-term, sustainable value for our stakeholders - Leverage innovation and technology to enhance client experience

THOSE WHO WE COLLABORATE WITH		
How We Engage	Areas of Interest	Our Commitment
Regulators and Government Bodies - Participate in industry discourse and ensure adherence to applicable law, regulations and policies Employees - Engage employees through internal policies, meetings, emails, dialogue, training programmes, special events and performance appraisals Remisiers and Agents - Engage through policies and procedures, training programmes and special events Vendors - Collaborate through meetings, policies and procedures	- Compliance culture - Cyber security and operational resilience - Training and development	- Create a safe, inclusive and high-performing work environment - Embed our values of ethics, integrity and compliance across the organisation to drive responsible business operations

THOSE WHOSE LIVES WE ENRICH		
How We Engage	Areas of Interest	Our Commitment
Community Partners - Contribute to social causes with a focus on supporting social enterprises - Encourage employee volunteerism and philanthropy Public - Disseminate investment knowledge through roadshows, social media channels and webinars	- Community empowerment - Financial literacy	- Create a positive impact in underserved communities through targeted social investments and employee volunteerism - Enhance financial literacy in our communities to empower individuals to make informed decisions about their investments and financial resources

MATERIAL MATTERS

OUR DOUBLE MATERIALITY

As part of the biennial double materiality assessment conducted in 2024, thirteen (13) material matters were identified and endorsed by the KIBB Board following review by the Group Sustainability Management Committee. These matters represent the sustainability-related risks and opportunities that are most relevant to the Group, reflecting areas that may influence resilience, financial prospects and broader impacts within a regulated financial environment.

The Process

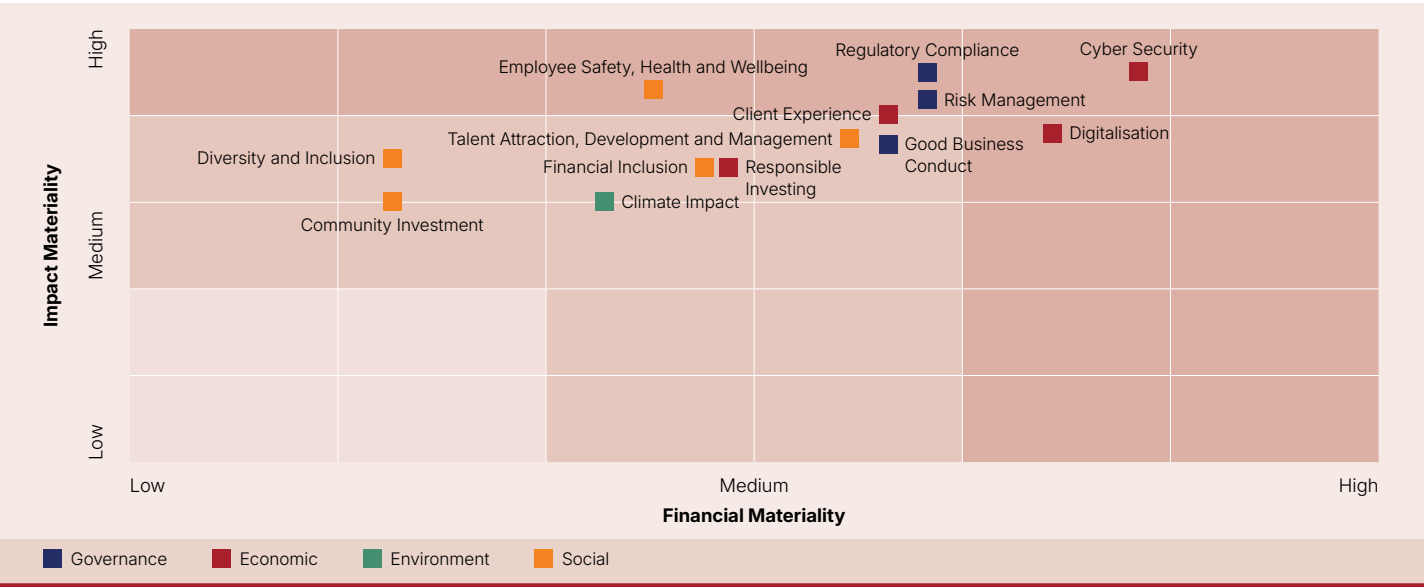
To prepare this Statement with reference to the IFRS Sustainability Disclosure Standards, the Group undertook a structured materiality assessment in 2024 to identify sustainability-related risks and opportunities that could reasonably affect its prospects. The process establishes a clear link between stakeholder perspectives, impact considerations and financial implications. The assessment was carried out through four (4) steps:

THE FOUR (4)-STEP PROCESS	
Planning and Benchmarking	Material topics were reviewed against industry benchmarks, resulting in thirteen (13) topics selected for assessment, providing a focused scope aligned with sector expectations.
Stakeholder Prioritisation	Nine (9) key stakeholder groups were identified based on their influence on Kenanga's business and sustainability direction, ensuring relevant perspectives are captured.
Impact Materiality Assessment	Feedback from about 800 stakeholders informed the significance of environmental and social impacts, offering insight into how the Group's activities are perceived.
Financial Materiality Assessment	Senior Management assessed financially-material sustainability risks and opportunities across relevant time horizons, linking sustainability considerations with financial outcomes.

This approach aligns with ISSB expectations, identifying matters that could reasonably influence Kenanga Group's financial prospects and the decisions of primary users, while maintaining a clear connection between impact and financial considerations.

The Double Materiality Matrix and Analysis

The Group's double materiality assessment positions sustainability topics along both the financial materiality axis—reflecting matters that could reasonably affect its financial prospects—and the impact materiality axis—capturing the significance of the Group's impacts on the economy, society and environment. The resulting distribution of topics reflects the Group's operating model as a financial institution, its stakeholder expectations and the broader regulatory landscape.



MATERIAL MATTERS

High Financial Impact - High Impact Materiality

Cyber Security

Cyber security is the most material topic for Kenanga Group, given its direct financial implications and the potentially widespread impact of data breaches on clients and market confidence. As a financial institution, strong cyber resilience safeguards business continuity, protects customer data and reinforces stakeholder trust.

High Financial Impact – Medium Impact Materiality

Digitalisation

Digitalisation is critical to Kenanga Group's competitiveness and operational efficiency, client acquisition, cost optimisation and service delivery. While its impact externalities are moderate, stakeholders view digital readiness as essential to long-term resilience and innovation.

Medium Financial Impact – High Impact Materiality

Regulatory Compliance; Employee Safety, Health and Wellbeing

Regulatory compliance is central to maintaining Kenanga Group's licence to operate and the integrity of financial markets, carrying significant implications for stakeholders despite moderate direct financial effects. Employee safety, health and wellbeing have high societal impact, influencing workforce stability, morale and productivity—factors closely monitored by regulators, employees and investors.

Medium Financial Impact – Medium Impact Materiality

Risk Management; Client Experience; Responsible Investing; Talent Attraction, Development and Management; Financial Inclusion; Climate Impact; Good Business Conduct

These topics collectively underpin the Group's resilience and value creation. Strong governance, responsible investing, inclusive financial services and high quality client experience strengthen stakeholder confidence. Talent development and workforce capabilities ensure long-term performance, while climate impact and good business conduct align the Group with regulatory expectations and resilient operation practices.

Low Financial Impact – Medium Impact Materiality

Community Investment; Diversity and Inclusion

Although they carry lower financial implications, community investment and diversity and inclusion deliver high social value. These topics reflect Kenanga Group's broader role in supporting equitable growth, fostering inclusion and contributing to community wellbeing—areas increasingly important to employees, civil society and the public.

SUSTAINABILITY STATEMENT

BASIS OF THIS STATEMENT

Kenanga Investment Bank Berhad ("Kenanga" or "KIBB") and its Group of Companies ("Kenanga Group" or "the Group") presents its Sustainability Statement ("Statement") for the Financial Year 2025. It is intended to complement the Sustainability Report 2025, providing a focused view of how sustainability considerations are embedded within the Group's direction, while offering more context when read alongside the broader report.

This Statement outlines how we manage key sustainability matters, including our performance and targets that are most relevant to our business and stakeholders. It reflects the progress we have made in embedding sustainability considerations into our strategies, governance structures, risk management practices and core business activities to deliver long-term value.

Recognising the importance of early readiness, as a Group 2 Issuer under the National Sustainability Reporting Framework ("NSRF") Implementation Group, Kenanga Group has taken the position of an early adopter of International Financial Reporting Standards ("IFRS") S2, advancing our climate-related reporting ahead of mandatory timelines to strengthen alignment with the NSRF. This Statement is structured into two (2) sections: (i) Section A: Climate and Environmental-related Disclosures, which presents disclosures guided by IFRS S2 and other environmental impacts; and (ii) Section B: Social and Governance-related Disclosures, which outlines our broader sustainability impacts across Good Governance, Sustainable Economic Growth and Empowering People and Communities, aligned with the material topics prioritised in our 2024 double materiality assessment.



Environmental Stewardship
Pages 45 to 55



Good Governance
Pages 56 to 58



Sustainable Economic Growth
Pages 59 to 62



Empowering People and Communities
Pages 63 to 66

Contribution to UN SDGs

1 NO POVERTY

4 QUALITY EDUCATION

5 GENDER EQUALITY

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

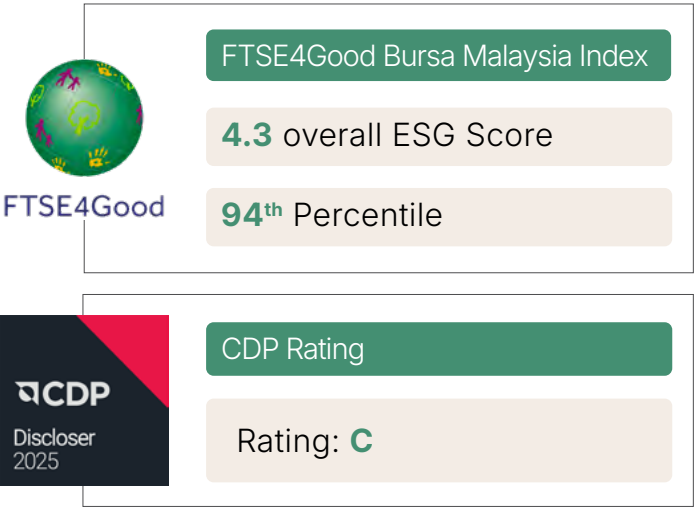
17 PARTNERSHIPS FOR THE GOALS

SUSTAINABILITY STATEMENT

2025 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) RATING AND RANKING PERFORMANCE

Our inclusion in recognised sustainability indices reflects our alignment with global standards and independent assessments, reinforcing the importance of transparent and decision useful disclosures.

We continue to enhance performance and transparency to support stakeholder confidence in our practices as a responsible financial institution.



1.0 Basis of Preparation and Presentation

1.1 Guidelines and Standards

This Statement complies with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”), guided by the NSRF and has been prepared with reference to the IFRS Sustainability Disclosure Standard S2 and Global Reporting Initiative (“**GRI**”) Standards 2021.

Approach to IFRS Sustainability Disclosure Standard S2 (Climate related Disclosures)

In FY2025, we advanced our climate reporting by adopting a phased transition from the Task Force on Climate-related Financial Disclosures (“**TCFD**”) to the IFRS Sustainability Disclosure Standard S2 (Climate-related Disclosures) issued by the International Sustainability Standards Board (“**ISSB**”). This approach supports our preparedness to meet the requirements of Malaysia’s NSRF within the regulated timeline. Our climate-related disclosures are presented on pages 45 to 55 of this Statement.

Recognising that ISSB-aligned reporting requires robust data availability and system readiness, we will continue to strengthen our processes to further mature our disclosures in the next reporting cycle. We remain committed to enhancing our reporting practices by aligning with evolving regulatory requirements and benchmarking against industry best practices and global sustainability disclosure frameworks.

As a Group 2 Issuer under Bursa Malaysia’s sustainability reporting framework, the Group currently provides primarily qualitative assessments, and where data is available, quantitative insights are incorporated into the analysis of climate-related financial effects. These disclosures will be progressively enhanced as data quality improves, methodologies become more refined and internal systems gain greater maturity under the transition provisions. In future reporting cycles, the Group expects to introduce more detailed approaches to estimating climate-related financial effects, supported by improved data systems and financial modelling capabilities where applicable.

To enhance the completeness and quality of our sustainability disclosures, we aligned our reporting with key national and international sustainability frameworks, standards and guidelines:

- Sustainability Accounting Standards Board (“**SASB**”)
- Bank Negara Malaysia (“**BNM**”)’s Climate Change and Principle-based Taxonomy (“**CCPT**”)
- Malaysian Code of Corporate Governance (“**MCCG**”) by the Securities Commissions Malaysia (“**SC**”)

This Statement also serves as our Communication on Progress in fulfilment of our commitments as a participant of the United Nations Global Compact (“**UNGC**”), incorporating disclosures aligned with the Ten Principles of the UNGC and the United Nations Sustainable Development Goals (“**UN SDGs**”).

 The full IFRS S2 and GRI Content Index can be found on pages 139 to 150 of our Sustainability Report 2025.

1.2 Reporting Boundaries Excluding Greenhouse Gas (“GHG”) Emissions

Reporting Entity

The entities, assets and operations (collectively referred to as the “**reporting entity**”) covered in Kenanga Group’s ISSB-referenced Sustainability Statement are consistent with those presented in the Group’s financial statements for the year ended 31 December 2025. This Statement presents data for the full reporting period from 1 January 2025 to 31 December 2025 (“**2025**” or “**FY2025**”), encompassing all

operations in Malaysia, including our headquarters at Kenanga Tower in Kuala Lumpur and our nationwide branch network, unless stated otherwise. All monetary values are reported in Malaysian Ringgit (“**RM**”).

Value Chain

The Group’s value chain—comprising the key activities, resources and relationships that support our business model—has been considered in determining the scope of disclosures presented in this Statement. For FY2025, all reported metrics, other than GHG emissions, reflect Kenanga Group’s own operations. A depiction of our value chain is available in the Value Creation Model on pages 34 to 35 of this Integrated Annual Report 2025.

Reporting Boundaries for GHG

Our GHG emissions are calculated using the GHG Protocol Corporate Standards for Scope 1, 2 and 3 and Partnership for Carbon Accounting Financials (“**PCAF**”) for the calculation of Scope 3, Category 15 (Investments). Developed by the World Business Council for Sustainable Development and World Resources Institute, the GHG Protocol provides guidance and standards for organisations to prepare a GHG emissions inventory. The report encompasses all operations in Malaysia, including our headquarters at Kenanga Tower in Kuala Lumpur and our nationwide branch network, unless stated otherwise. The Group’s reporting boundary for GHG emissions includes its organisational boundary and operational boundary, and these boundaries provide the basis for determining which facilities, activities and emissions sources are included within the Group’s climate reporting.

Organisational Boundary

Kenanga Group applies the operational control approach in accordance with GHG Protocol to establish its organisational boundary for the reporting of GHG emissions. The facilities covered within our reporting entity’s boundaries are Kenanga Tower, KIBB and Kenanga Investors Berhad (“**KIB**”) branches, and Data Recovery Centres.

Operational Boundary

Direct GHG emissions from sources that the Group owns or controls within its organisational boundary are classified and reported as Scope 1 emissions. Emissions arising from the generation of purchased electricity consumed across our operations are reported as Scope 2 emissions. Indirect emissions occurring outside our operational control but within our value chain—consistent with the GHG Protocol and IFRS S2 requirements—are reported as Scope 3 emissions.

SUSTAINABILITY STATEMENT

This distinction allows the Group to present a more complete view of emissions linked to its activities, while reflecting the different levels of control and influence across operations and the wider value chain.

1.3 Significant Judgements and Measurement Uncertainties

In preparing this Sustainability Statement, the management applied judgement in several areas, including determining sustainability risks and opportunities (“**SROs**”), climate risks and opportunities (“**CROs**”) and identifying material information for disclosure. These judgements shape how information is selected, assessed and presented, particularly where sustainability-related matters may influence Kenanga’s prospects and the decisions of primary users of this Statement. Certain sustainability information cannot be measured directly and therefore requires the use of estimates. This is particularly relevant where information relates to value chain activities, involves forward-looking assessments or is affected by data limitations. In such cases, estimates are applied using the best information available at the reporting date, while recognising that assumptions, methodologies and data inputs may evolve over time. Details of the key judgements applied and areas involving significant measurement uncertainty are outlined below.

Significant Judgements

Materiality Process

Significant judgement was applied in identifying the SROs that could reasonably be expected to affect Kenanga Group’s prospects, as well as in determining the material information relevant to these risks and opportunities. The approach used to assess which information could reasonably influence its financial prospects and the decisions of primary users is outlined in Our Double Materiality of this Report.

Judgement was also exercised in determining which metrics within the industry-based SASB Standards are applicable to the Group. This includes metrics relevant to the Investment Banking & Brokerage and Asset Management & Custody Activities sectors, as referenced in Section 8 on Metrics and Targets. In making these determinations, the Group considered the relevance of each metric to its business model, activities and reporting objectives, with application limited to those measures that provide meaningful insight into performance and exposure.

SUSTAINABILITY STATEMENT

Climate Scenarios

Kenanga Group applied significant judgement in selecting and assessing three (3) climate pathways—Net Zero 2050 (“**NZ2050**”), Divergent Net Zero 2050 (“**DNZ2050**”) and Nationally Determined Contributors (“**NDCs**”)—to evaluate potential transition and physical risks. The analysis draws on key climate-related driving forces informed through external research, regulatory guidance and internal risk categories, forming a structured basis for assessing how different climate futures may influence the Group.

Business Units (“**BUs**”) assessed scenario-specific risks using the Group’s risk assessment methodology, taking into account inherent data limitations and forward-looking uncertainties, and identified the relevant controls and mitigation strategies for each scenario.

Overall, the assessment indicates that although risk levels increase progressively across the scenarios, they remain low, with no material impacts or vulnerabilities identified that would affect the Group’s operations or financial position. The findings are broadly consistent with the Climate Risk Stress Test (“**CRST**”) conducted in 2025.

Calculation Methodology for GHG emissions

Kenanga Group applies a range of calculation methodologies to estimate its Scope 3 GHG emissions. Management exercised significant judgement in selecting the most appropriate approach for each Scope 3 category, taking into account the availability and quality of underlying data and the extent to which estimation techniques can be reliably applied.

For Category 6 (Business Travel) and Category 7 (Employee Commuting), calculations are performed in accordance with the GHG Protocol Corporate Standards, using recognised emission factors and reasonable estimates where direct data is limited. For Category 15 (Investments), the methodology is aligned with the PCAF Standard, with further details available on the Sustainability microsite: <https://www.kenanga.com.my/who-we-are/sustainability>. Where direct data is limited, reasonable estimation methods are used in line with recognised standards, maintaining consistency across disclosures.

1.4 Measurement Uncertainty

Quantification of Anticipated Financial Effects for Climate-related Disclosures

The measurement of anticipated financial effects arising from identified climate-related risks and opportunities is subject to a high degree of uncertainty over the short and medium-term, with greater level of uncertainty over the long term. This reflects inherent limitations in forward-looking data, including assumptions on the timing, likelihood and potential implementation of future regulations or climate-related events.

In line with the ISSB transition provisions, and to avoid undue cost or effort, current disclosures focus on qualitative descriptions of anticipated financial effects. These are supported, where relevant, with quantitative insights derived primarily from expected credit loss (“**ECL**”) analysis, providing an initial basis for linking climate considerations with financial outcomes.

Financial Impact Arising from Climate Risks

Kenanga Group evaluates climate-related financial implications through the analysis of several plausible climate futures, each reflecting different transition and physical risk conditions. These pathways rely on forward-looking assumptions and model-based projections to illustrate how varying climate developments may influence the Group over time.

While the analysis is supported through structured methodologies and ongoing refinement of assumptions, uncertainty remains inherent. Predictive tools are not able to capture the full range of possible climate-related outcomes, and the insights derived are therefore presented with an understanding of these limitations, forming part of a broader assessment rather than definitive projections.

1.5 Reporting Assurance

Independent limited assurance has been performed by SGS (Malaysia) Sdn Bhd (“**SGS**”), in accordance with International Standards of Assurance Engagement (ISAE) 3000 (Revised), over the Group’s Scope 1 and Scope 2 GHG emissions disclosures for the reporting period 1 January 2025 to 31 December 2025. This provides an additional layer of credibility to the reported information, supporting confidence in the accuracy and consistency of emissions data.

In 2025, the assurance scope was expanded to include on-site visits conducted at randomly selected branches. This enhancement strengthens the verification process, linking reported data with operational practices across different locations and improving the overall robustness of assurance procedures.

 For the full SGS’s Assurance Statement, refer to pages 151 to 153 of our Sustainability Report 2025.

2.0 Sustainability Governance

Kenanga Sustainability Governance Structure

Board of Directors

Oversight of sustainability-related matters sits at the Board of Kenanga Investment Bank Berhad, where direction is set on how the Group manages sustainability-related risks and opportunities across ESG areas. Decisions on the allocation of resources for sustainability initiatives are approved at this level, supporting implementation across the organisation.

As part of its considerations for corporate strategy, the Board evaluates how climate-related and broader sustainability factors may influence business performance. This includes reviewing the adequacy of existing policies, risk management processes and performance objectives in addressing emerging risks and opportunities, while considering alignment with the Group’s business model, long-term direction and stakeholder expectations.

The Board is supported in its oversight role by its Committees and Working Groups which includes:

Group Governance, Nomination and Compensation Committee (“**GNC**”)

The GNC supports the Board through oversight of sustainability progress, with emphasis on governance arrangements and alignment with statutory and regulatory requirements.

Audit Committee (“**AC**”)

The AC supports the Board through oversight of the sustainability management process, including internal controls and compliance with applicable statutory and regulatory requirements.

SUSTAINABILITY STATEMENT

Group Sustainability Management Committee (“**GSMC**”)

At management level, governance is supported through the GSMC, which serves as the highest management body for sustainability matters. GSMC sets direction, strategies and targets, while addressing sustainability-related risks and opportunities in an integrated manner. It also oversees implementation of approved strategies and the incorporation of sustainability considerations into business activities to support longer-term objectives.

Division-level Delivery – Group Marketing, Communications and Sustainability (“**GMCS**”)

The GMCS Division provides management-level leadership for planning and implementation. Its responsibilities include monitoring performance of sustainability initiatives, coordinating activities across the Group and engaging with stakeholders, business divisions and subsidiaries to identify and assess sustainability-related risks and opportunities.

Sustainability Working Group (“**SWG**”)

The SWG executes initiatives within their respective areas, providing operational input to support sustainability management. Members act as key data owners for sustainability-related information, supporting integration of sustainability considerations into day-to-day business activities and decision-making

NSRF Implementation Working Group

This working group focuses on preparing the Group for IFRS S1 and IFRS S2 disclosure requirements under the NSRF, supporting a structured transition towards enhanced reporting.

 For more detailed information on Kenanga’s Sustainability Governance, refer to pages 17 to 19 of our Sustainability Report 2025.

Impact of Sustainability on Remuneration Policies

The Group views the linkage between sustainability-related key performance indicators (“**KPI**”) and executive performance assessment as a mechanism to reinforce accountability for sustainability-related responsibilities across senior leadership. The inclusion of ESG KPIs within the key individuals’ Balanced Scorecard allows sustainability considerations to be assessed alongside financial and operational objectives.

SUSTAINABILITY STATEMENT

OUR ESG FRAMEWORK

Kenanga Group's ESG Framework sets the direction for how we manage sustainability matters that are material to our business and stakeholders, underpinning our long-term objectives. Anchored in our sustainability vision, the framework is structured around four (4) core pillars: Good Governance, Sustainable Economic Growth, Environmental Stewardship, and Empowering People and Communities. Following the outcomes of the double materiality assessment, we refreshed the ESG Framework to incorporate all identified material topics, ensuring continued alignment with evolving sustainability priorities.

OUR SUSTAINABILITY VISION

As a leading independent investment bank, Kenanga Group is committed to promoting and adopting business-relevant sustainable practices by embedding sustainability considerations in our core business strategies and operations, while considering the sustainability risks and opportunities in shaping up sustainable investment products and services that serve the best interests of our stakeholders.

GOOD GOVERNANCE



Lead a responsible business underpinned by a robust compliance culture and high levels of ethical standards

Key Material Topics

- Good Business Conduct
- Risk Management
- Regulatory Compliance



SUSTAINABLE ECONOMIC GROWTH



Integrate ESG factors into our business decisions and value chain and manage our ESG risks and opportunities as we innovate to build a sustainable future

Key Material Topics

- Responsible Investing
- Digitalisation
- Cyber Security
- Client Experience



ENVIRONMENTAL STEWARDSHIP



Promote climate positive culture within the organisation and relevant external stakeholders to attain a low carbon economy

Key Material Topics

- Climate Impact



EMPOWERING PEOPLE AND COMMUNITIES



Create a positive impact on our employees, clients, and business associates, as well as communities in need

Key Material Topics

- Diversity and Inclusion
- Employee Safety, Health and Wellbeing
- Talent Attraction, Development and Management
- Community Investment
- Financial Inclusion



SUSTAINABILITY STATEMENT

Section A

Climate and Environmental-related Disclosures

This section presents the Group's climate-related disclosures in line with IFRS S2, together with other key environmental impacts under the Environmental Stewardship Pillar. It outlines how we identify and manage climate risks and opportunities, report our GHG emissions and implement environmental initiatives such as renewable energy adoption, optimising energy efficiency and building awareness and capabilities in climate risk management.



SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

CLIMATE IMPACT

WHY IT MATTERS

We recognise that our environmental footprint—driven by energy, water, waste and value chain emissions—presents climate-related risks relevant under IFRS S2. Strengthening resource efficiency and managing Scope 1, 2 and material Scope 3 GHG emissions enhance operational resilience, support climate transition preparedness and reflect our commitment to responsible business practices.

Key Risks:

- Sustainability and climate risks arising from transition and physical impacts
- Credit, market, and operational risks arising from climate-related disruptions to portfolios and operations

Key Opportunities:

- Strong regulatory compliance builds trust, attracts investors and supports alignment with industry standards, while robust climate risk assessments protect long-term value and strengthen portfolios. In addition, investing in energy-efficient technologies reduces costs and enhances operational sustainability.

Other Key Environmental Activities

- Added three (3) electrical vehicles (“EV”) (Denza D9) to the Group’s corporate fleet, marking its first adoption of EVs to reduce carbon emissions and enhance energy management initiatives.
- Increased subscription to Tenaga Nasional Berhad’s Green Electricity Tariff scheme, whereby current renewable energy mix usage at Kenanga Tower is at 90%.
- In 2025, the Group further advanced its decarbonisation efforts by installing solar photovoltaic panels on the rooftop of Kenanga Tower.
- Energy consumption was reduced to 19,809.2 GJ, representing a slight decrease from 20,055.8 GJ in 2024.
- Water consumption increased by 12% at Kenanga Tower and decreased by 11% across the Group’s branch offices.
- A total of 165,430 clients adopted e-statements in 2025, representing an adoption rate of 63.23%.
- Continued organising the annual #GreenAtWork campaign to strengthen employee engagement and embed environmental responsibility into everyday workplace behaviours.

 For more information on our environmental initiatives, refer to Environmental Stewardship chapter, from pages 65 to 101 of our Sustainability Report 2025.

ISSB-referenced Sustainability Statement

This year, the Group reports under the IFRS Sustainability Disclosure Standards for the first time for the annual reporting period ended 31 December 2025. For this initial year of application, the Group has applied IFRS S2 Climate-related Disclosures for the reporting period commencing 1 January 2025. As of 31 December 2025, no other IFRS Sustainability Disclosure Standards have been issued by the International Sustainability Standards Board.

The IFRS Sustainability Disclosure Standards include transition reliefs for entities in their first year of application. In addition, the Main Market Listing Requirements provide further reliefs for issuers listed on Bursa Malaysia’s Main Market. The Group has applied these reliefs, including the exemption from presenting comparative information for the first reporting period.

The Group has also elected to apply the transition relief that permits disclosures to focus solely on climate-related risks and opportunities and to limit the scope of reporting to its principal businesses.

Climate Governance

The Group’s climate-related risks are governed through a structured, multi-layered framework with oversight from the KIBB Board, the Group Board Risk Committee (“GBRC”), and supporting Management Committees, BUs and Group Risk Management (“GRM”). This governance structure ensures that climate risks are identified, assessed, monitored and managed in alignment with the Group’s strategic objectives and regulatory expectations.

Board Committees	
Board of Directors	Provides overall oversight of climate risk management and ensures climate considerations are integrated into strategy, governance and major business decisions.
Group Board Risk Committee	Supports the Board by overseeing all aspects of risk management, including climate-related risks.
Audit Committee	Oversees internal controls and compliance relating to sustainability and climate risk processes.
Group Governance, Nomination and Compensation Committee	Ensures sustainability governance and compliance with statutory and regulatory requirements, including climate-related risks.
Management Committees	
Group Sustainability Management Committee	The highest management committee for sustainability; oversees the Group’s climate and sustainability strategies, targets and programmes.
Group Risk Committee (“GRC”)	Reviews and recommends risk frameworks, policies and procedures, including those related to climate risk.
Group Credit Committee (“GCC”)	Oversees climate risk implications for credit portfolios and reviews climate-related credit policies.
Delivery Functions and Business Units	
Group Risk Management	Oversees all risk categories including climate risk, develops climate risk frameworks, conducts climate scenario analysis and stress testing, and provides reports to the GRC, GBRC and Board. GRM also reviews BU assessments and advises on climate-related matters.
Business Units	Integrate climate risk considerations into business strategies, conduct climate risk assessments on financing and investment proposals, and apply climate insights in decision-making and due diligence.

SUSTAINABILITY STATEMENT

Risk Management

Policies and Frameworks	Risk Assessment Tools	Capacity Building
• Climated-related risks and opportunities are embedded within Kenanga Group's Enterprise Risk Management Framework, ensuring these matters are prioritised, monitored and managed through established risk governance structures. • The Climate Change Risk Management Framework integrates climate considerations into lending and investment decisions, supported by defined climate risk appetite thresholds and evaluation criteria for counterparties and transactions. • Additionally, climate-related expectations were strengthened within the Outsourcing Risk Management and Procurement frameworks to ensure third party risks are appropriately evaluated. Kenanga Group's Risk Appetite Statement has also been updated to include climate-related boundaries. • In 2025, the Group introduced the Sustainability Risk Management Framework to harmonise sustainability risk management processes across all business divisions.	• Kenanga Group uses a comprehensive suite of tools—including the Climate Change Risk Assessment Checklist, enhanced due diligence processes and climate risk assessment templates—to consistently assess client and sector-level climate exposures. • Climate stress testing and scenario analysis are conducted in line with BNM's expectations to evaluate potential impacts under different climate pathways. Physical climate risks affecting the Group's operations are incorporated into the Operational Risk Self Assessment and Business Continuity Management processes. • In 2025, a Climate Risk and Opportunities Identification Exercise was carried out across key BUs to develop detailed climate risk profiles, complemented by ongoing monitoring of financed and facilitated emissions to support future climate risk indicators.	• Kenanga Group continues to strengthen internal climate risk capabilities through targeted training, awareness programmes and technical upskilling to equip employees to assess climate exposures and engage clients on transition expectations. • Climate-related information—such as client climate profiles and sector exposures—is monitored and reported monthly to relevant Risk Committees to support informed decision-making. The Group actively tracks domestic and global climate-related regulatory developments to prepare for emerging supervisory expectations. Internal capacity has been further enhanced through additional headcount and specialised professional training, including certifications in climate risk management.



SUSTAINABILITY STATEMENT

Strategy

Climate Risk and Opportunity Identification Exercise

Based on our climate risk and opportunities identification assessment, KIBB's most relevant exposures are predominantly transition-related (policy changes, technological shifts, and market sentiment), with overall risk levels assessed as low across short, medium and long-term horizons.

Climate Risk Impact over Time Horizons

Risks		Changes in Relevance across Time Horizons		
Physical Risk – Chronic: Rising temperature	Climate events such as heatwaves may disrupt client operations and supply chains. Direct impact on KIBB is low based on CRST results, but credit impacts may arise if clients face operational strain.	Short-term	● ○ ○	
		Medium-term	● ○ ○	
		Long-term	● ● ○	
Transition Risk – Changes in Policy	Regulatory changes and new climate requirements may increase compliance, reporting and operational costs. Clients in exposed sectors may face higher compliance burdens, weaker financial resilience or asset impairment.	Short-term	● ● ● (◆)	
		Medium-term	● ● ● (◆)	
		Long-term	● ● ● (◆)	
Transition Risk – Shift in Market Demand and Sentiment	Shifts in investor preferences and consumer demand may reduce valuations and credit quality of clients in carbon-intensive sectors. Misalignment with stakeholder expectations may impact business opportunities and reputation.	Short-term	● ○ ○	
		Medium-term	● ● ○	
		Long-term	● ● ● (◆)	
Transition Risk – Carbon Tax and Carbon Pricing	Clients in high-emission sectors may experience higher operating costs due to carbon pricing, affecting profitability and debt servicing capacity, with indirect credit and reputational implications to the KIBB.	Short-term	● ● ● (◆)	
		Medium-term	● ○ ○	
		Long-term	● ○ ○	
Transition Risk – Technological Advancement	Low-carbon technologies may render legacy assets less valuable. Clients may face high capital expenditure needs, weaker competitiveness and potential default risk if they fail to transition.	Short-term	● ● ○	
		Medium-term	● ● ● (◆)	
		Long-term	● ● ● (◆)	
Liability Risk	Increased scrutiny on climate disclosures and ESG commitments may heighten legal, regulatory and reputational risks if statements are inaccurate, incomplete or perceived as greenwashing.	Short-term	● ● ● (◆)	
		Medium-term	● ● ● (◆)	
		Long-term	● ● ○	

Low Relevance Moderate Relevance High Relevance Key Risk
● ○ ○ ● ● ○ ● ● ● (◆)

SUSTAINABILITY STATEMENT

Top three (3) Key Risks Identified Across Different Time Horizon		
Short-term	Medium-term	Long-term
Transition Risk - Change in Policies	Transition Risk - Change in Policies	Transition Risk - Shift in Market Demand and Sentiment
Liability Risk	Transition Risk - Technological Advancement	Transition Risk - Technological Advancement
Transition Risk - Carbon Tax	Liability Risk	Transition Risk - Change in Policies

Overall Analysis

All climate-related risks were assessed as low across short, medium and long-term horizons, reflecting the presence of established controls and a resilient operating model. This provides a stable baseline from which exposures can be monitored as external conditions evolve.

Transition risks, particularly those linked to change in policies, technological developments and shifts in market sentiment, are the most relevant for the Group. Their influence becomes more pronounced over the medium to long-term, as regulatory direction and market expectations continue to shape the financial sector.

Liability risks are more evident in the short to medium term, though their magnitude remains low. Physical risks are not considered material, supported by the Group's operational resilience and the findings from the CRST.

Kenanga Group will continue to enhance internal assessments and maintain oversight across all climate risk categories, allowing for timely identification of changes in exposure.

Opportunities

The CROs Identification Exercise highlighted six (6) potential opportunities for Kenanga Group to enhance client value and expand sustainable offerings. These include supporting clients' transition to lower carbon business models; encouraging ESG-aligned investment behaviours; exploring preferential pricing structures and product innovation; assessing adoption-focused financial instruments such as adaptation bonds; providing general transition advisory support; and strengthening ESG screening tools. These opportunities are exploratory at this stage and will be further evaluated with relevant BUs to determine strategic fit and implementation priority.

Climate Risk Scenario Analysis ("CRSA")

The CRSA was conducted as a qualitative assessment to identify physical, transition and liability risks arising from evolving regulatory, market and technological developments. This enables early identification of emerging risks while supporting resilience across the Group.

The current scope covers the credit portfolio, with plans to expand to additional areas and risk categories in future cycles. This progression supports alignment with the CRST methodology and broader integration of climate considerations into risk management.

Guided by the Network for Greening the Financial System ("NGFS") Phase III and aligned with BNM's CRST scenarios, the analysis followed a structured process that links scenario selection, key driving forces, risk assessment and the development of controls and strategies.

SUSTAINABILITY STATEMENT

The Process

The climate scenario analysis followed four (4) key steps:

Scenario Selection	Three (3) scenarios, NZ2050, DNZ2050 and NDCs, were selected to align with BNM's CRST methodology.
Identification of Driving Forces	Six (6) climate related drivers were identified, including changes in policies, carbon pricing, energy transition, shift in market demand and sentiment, extreme climate events and climate litigation, informed through TCFD guidance, regulatory expectations and broader environmental analysis.
Risk Assessment	BUs assessed scenario specific risks using the Group's risk assessment methodology, evaluating likelihood, impact and existing controls.
Controls and Mitigation	Appropriate controls and mitigation strategies were developed for risks and opportunities identified under each scenario.

The Outcome

As a result of the analysis, the following top three (3) risks were identified based on the top three (3) driving forces:

Top Three (3) Risks Identified	Top Three (3) Driving Force
 Strategic risk	 Shift in market demand and sentiment
 Market risk	 Extreme and catastrophic climate events
 Operational risk	 Carbon price and carbon tax

Key Control Measures Across Climate Scenarios

The risk assessment incorporated existing controls identified by the respective BUs, providing a practical view of how exposures are managed across different scenarios. The key measures implemented across all three (3) scenarios are summarised below:

- **Established governance:** Sustainability and climate risk governance structures are in place, supported by an updated sustainability and climate-related risk management framework.
- **Strengthening resilience to physical risks:** Group-wide Business Continuity Plans are maintained to enhance resilience against physical climate impacts.
- **Ongoing monitoring of climate exposure:** Climate risks are monitored through periodic client reviews, collateral assessments, supplier ESG evaluations and the collection of clients' GHG emissions, supported by continuous client engagement.
- **Reducing coal exposure:** Measures are implemented to minimise or avoid coal-related investments and lending activities.
- **Enterprise decarbonisation efforts:** Sustainability initiatives—such as solar panel installation, EV adoption and actions guided by the Decarbonisation Roadmap—support emissions reduction within the Group.
- **Capacity building and compliance:** Regular awareness and capability building sessions are conducted, with climate-related regulatory reporting in place since 2022 and annual external audits performed on disclosed data.

SUSTAINABILITY STATEMENT

Climate Risk Stress Testing

The CRST exercise evaluates potential financial and operational impacts of climate change through the assessment of transition and physical risks across sectors and regions under multiple stress scenarios. Guided by BNM’s methodology and NGFS Phase III scenarios, namely NZ2050, DNZ2050 and NDCs, together with the Representative Concentration Pathway 8.5 one-off 1 in 250-year flood event, the assessment focuses on the credit portfolio to estimate ECL impacts across different climate pathways.

The exercise applies both bottom-up and top-down methodologies to assess resilience under varying climate conditions, providing insight into how exposures may respond under different scenarios.

The Process

The assessment covers both physical and transition risks, supported through a combination of external and internal data. External inputs include energy mix data, flood maps, damage ratios and labour productivity studies, while internal inputs include client financials, collateral details, addresses and ECL information.

A bottom-up approach is used to stress client financials across time horizons based on flood, heatwave and other climate-related events. This is complemented with a top-down approach that incorporates climate-stressed macroeconomic variables to provide a sector-level perspective. These approaches provide a structured basis for assessing potential impacts across different layers of the portfolio.

The Outcome

The overall climate-stressed ECL impact is minimal as the Group’s exposures are largely secured with adequate collateral, resulting in no material financial impact or required corrective actions. The physical vulnerability assessment of branches similarly indicates immaterial risk.

While the results indicate minimal impact, the Group continues its efforts to advance initiatives under the Decarbonisation Roadmap and explore relevant transition opportunities, supporting longer term positioning as climate considerations evolve. The exercise also highlighted sector-specific for future strategic consideration:

- **Transition risks:**
 - **Portfolio-level:** Corporate loans—particularly to large corporates, show higher exposure to transition-related factors.
 - **Sector-level:** Real Estate & Construction face increased costs from tightening sustainability standards, while Oil and Gas sectors are affected by the shift towards cleaner energy sources.
- **Physical risks:**
 - **Flooding:** Collateral in low risk flood zones shows minimal impact.
 - **Heatwaves:** Labour-intensive sectors such as Oil & Gas and Construction may experience productivity-related pressures.

These insights support future strategic and risk management planning as climate-related factors become more prominent.

Measurement of Scope 3 – Category 15 (Investments)

Kenanga Group measures and manages its financed, facilitated and portfolio emissions in line with the PCAF Standard, covering all on-balance sheet and off-balance sheet activities within its Malaysia operational market, including Kenanga Private Equity Sdn Bhd, Asset & Wealth Management, Corporate Banking and Islamic Markets, Equity Capital Markets, Debt Capital Markets and Group Treasury.

Financed emissions disclosures for FY2023 and FY2024 were developed using the best available data, and a formal methodology note was introduced in 2025 to guide consistent data collection, calculation and reporting. Our emissions are currently calculated on a one (1)-year arrears basis, with FY2024 representing the most recently completed computation. The current methodology incorporates counterparties’ Scope 1 and Scope 2 emissions, with future expansion to Scope 3 as data availability improves.

Asset classes in coverage include the listed equity, corporate bonds, business loans, project finance, sovereign debt and facilitated transactions. Data limitations—such as time lags and gaps in counterparty level emissions—are addressed using sector level proxy data.

The Group remains committed to strengthening data quality, engaging counterparties and enhancing methodologies to support future decarbonisation planning.

FY2024 Emissions Profile and Breakdown

- Portfolio emissions amount to 243,736.4 tCO₂e, representing 69.7% of total emissions, driven primarily through exposures to the Utilities, Energy, and Industrials sectors.
- Facilitated emissions totaled up to 79,071.8 tCO₂e, accounting for 22.6% of total emissions, with higher contributions from the Transportation and Storage, Industrials and Energy sectors, reflecting the emission intensity of capital market activities.
- Financed emissions stand at 27,045.6 tCO₂e, representing 7.7% of total emissions, with concentrations in the Sovereign, Energy and Industrials sectors, consistent with sovereign energy-linked profiles and industrial activity.
- In FY2024, 100% of financed, facilitated, and portfolio emissions were assessed, compared with 98% coverage in FY2023.

For a more detailed breakdown by sectors and asset class, refer to Metrics & Targets, from pages 94 to 97 of our Sustainability Report 2025.



Scan here for the Supplementary Methodology Note for Calculating Scope 3 Category 15 Investment Emissions.

Financial Effects

The CROs Identification Exercise establishes the Group’s key physical, transition and liability risks while highlighting emerging opportunities. These insights are further strengthened through the CRST, which validates the Group’s climate resilience by showing minimal ECL impact and immaterial physical vulnerability across the branch network. With no material financial effects identified, no immediate corrective actions are required.

Complementing this, the CRSA provides forward-looking insights into how different climate pathways may influence our business model, portfolio composition and value chain over time. In parallel, the measurement of financed emissions enhances visibility of portfolio-level climate impacts and informs more targeted sectoral strategies and client engagement.

SUSTAINABILITY STATEMENT

Nonetheless, the Group remains committed to progressing planned initiatives under the Decarbonisation Roadmap and exploring relevant transition opportunities. Climate-related financial effects—across both transition and physical risks—are assessed to be immaterial over the current short, medium and long-term horizons, with no expected material adjustments to the Group’s financial position, performance or cash flows in the short term.

Integrated Climate Assessments

- CROs Identification Exercise establishes key physical, transition and liability risks while highlighting the emerging climate-related opportunities.
- CRST quantifies potential financial impacts, with recent results indicating no material ECL impact and a resilient portfolio.
- CRSA provides a forward-looking view of how different climate pathways may influence strategy, business model, portfolios and value chain.
- Financed emissions measurement strengthens understanding of portfolio-related climate impacts, supporting client engagement and sector-level decarbonisation priorities.

Together, these assessments provide a structured basis of shaping the Group’s climate strategy and guide the activation of key strategic levers across the organisation, in line with the Group’s Decarbonisation Roadmap.

Strategic Opportunities Arising from the Assessment

- Strengthening the integration of ESG and climate across key policies, processes and reporting.
- Enhancing portfolio resilience by increasing exposure to green and low-carbon sectors.
- Expanding climate-aligned products and transition-focused financial solutions.
- Gradually reducing exposure to carbon-intensive sectors through refined thresholds and targeted engagement.
- Building internal capabilities through training, improved analytical tools and expanded climate-related data.
- Advancing decarbonisation initiatives under the Group’s Decarbonisation Roadmap, including exploring sector-specific decarbonisation pathways.

SUSTAINABILITY STATEMENT

Decarbonisation Roadmap

A Decarbonisation Roadmap was established in 2025 to guide Kenanga Group's direction in managing and reducing GHG emissions. It sets out a clear path for tracking emissions, evaluating performance and aligning operational actions with portfolio level considerations.

As this work advances, the Group intends to introduce quantitative, sector-specific emission reduction targets to complement existing efforts. Emissions across all relevant scopes will continue to be tracked to provide clearer visibility of trends and priority areas.

Insights from integrated climate assessments and investment-related emissions inform the focus on higher-emitting sectors. Efforts are directed towards improving data quality and refining measurement approaches, enabling more precise evaluation. As methodologies and portfolio insights develop, science-aligned decarbonisation targets will be introduced in a phased manner, reflecting both business realities and evolving expectations.

Kenanga Group's Decarbonisation Roadmap

We are dedicated to managing our portfolio and operational emissions to support the transition to a low-carbon economy. Our decarbonisation approach focuses on mitigating climate-related risks and leveraging decarbonisation opportunities to create shared value for our stakeholders.

The Approach	STRATEGIC PILLAR 1: Emissions Management	Manage and reduce GHG emissions footprint through clear strategies and continuous monitoring.
	STRATEGIC PILLAR 2: Strategic Partnerships	Partner with stakeholders to accelerate sector-wide climate action.
	STRATEGIC PILLAR 3: Operational Efficiency	Optimise energy use, adopt renewables, and enhance sustainability across operations.
	STRATEGIC PILLAR 4: Climate Resilience	Integrate climate considerations into investment and lending to drive portfolio decarbonisation.

Levers to Decarbonisation

	Short-Term (1 to 5 years)	Mid-Term (5 to 10 years)	Long-Term (> 10 years)
Scope 1 (Direct Emissions – Fleet)	Transition to low-emission vehicles and optimise fleet operations to reduce fuel consumption.	Explore options to expand the use of EVs across the fleet.	Aim for a fully electric fleet to ensure zero emissions from the Group-owned vehicles.
Scope 2 (Indirect Emissions – Electricity)	Review and enhance current energy-efficient technologies to reduce electricity consumption.	Explore options to increase the renewable energy mix in electricity sourcing.	Shift to 100% renewable energy sourcing for all electricity needs across operations.
Scope 3 (Value Chain Emissions – Categories 6, 7, 15)	Promote sustainable business travel policies and encourage eco-friendly commuting options for employees.	Engage with suppliers and clients to develop transition plans and reduce emissions through low-carbon solutions and collaborations.	Monitor reduction targets in value chain emissions by targeting high-emitting sectors and scaling sustainable practices across the entire supply chain.
Approach to Residual Emissions	Explore utilising carbon offsetting mechanisms to offset residual emissions.		

Key Enablers	Enhance data collection, analysis, and reporting capabilities	Adopt advanced technologies and innovative solutions	Engage and enable suppliers, clients, and partners	Capacity building
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SUSTAINABILITY STATEMENT

Metrics & Target

Scope 1 Direct GHG Emissions (tCO ₂ e)	
2025	39.6
2024	42.0
2023	43.4

Scope 2 Indirect GHG Emissions (tCO ₂ e) – Kenanga Tower	
2025	257.1
2024	1,045.6
2023	2,379.7

Scope 2 Indirect GHG Emissions (tCO ₂ e) – Branch Offices	
2025	1,205.3
2024	1,261.9
2023	1,409.1

Scope 3 – Other Indirect GHG Emissions

Scope 3 GHG Emission – Category 6: Business Travel (tCO ₂ e)	
2025	488.3
2024	532.7
2023	444.8

Scope GHG Emissions – Category 7: Employee Commuting (tCO ₂ e)	
2025	3,924.4
2024	3,841.0
2023	4,320.4

Scope 3 – Category 15: Investments (tCO ₂ e)	2023	2024
Financed Emission	114,068.2	27,045.6
Facilitated Emission	23,555.0	79,071.8
Portfolio Emission	375,127.4	243,736.4

 For more information on detailed climate-related disclosures, GHG emissions data and restatements, refer to Environmental Stewardship chapter, from pages 87 to 97 of our Sustainability Report 2025.

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

Section B Other Sustainability-related Disclosures

This section outlines Kenanga Group’s broader sustainability impacts across Good Governance, Sustainable Economic Growth and Empowering People and Communities, highlighting how we uphold strong governance practices, support long-term economic value creation and foster positive social outcomes for our clients, employees and the wider community.



GOOD BUSINESS CONDUCT



WHY IT MATTERS

We uphold strong corporate governance and ethical conduct, guided by clear oversight structures that reinforce integrity, transparency and regulatory compliance. Through accountable practices and rigorous controls, we maintain a governance environment that safeguards stakeholder confidence, supports responsible decision-making and ensures the Group continues to operate to the highest standards.

Key Risks:

- Operational risk arising from misconduct and breaches of ethical standards
- Credit risk stemming from unethical or improper credit assessment practices

Key Opportunities:

- Strong regulatory compliance protects reputation, reduces risks and attracts investors.
- Effective governance, supported by clear accountability, builds trust and enables growth.
- Ethical business practices strengthen stakeholder confidence and organisational resilience.

Key Activities:

- The Board oversees compliance with regulatory requirements and governance standards, ensuring adherence to guidelines issued by BNM, Bursa Malaysia and the SC, while embedding the principles of the MCCG into the Group’s policies and practices.
- Female representation on the Board increased to 37.5%, up from 33% in 2024.

RISK MANAGEMENT



WHY IT MATTERS

In an increasingly volatile environment, comprehensive risk management is vital for organisational resilience. By embedding risk management within our governance and strategy, we systematically identify, assess and mitigate interconnected operational, financial, regulatory and sustainability risks. This strengthens our ability to manage market uncertainty, safeguard long-term value and adapt to evolving regulatory and stakeholder expectation.

Key Risks:

- Operational risks arising from weak risk governance and inadequate oversight structures

Key Opportunities:

- Enhances enterprise-wide risk insight and forward-looking decision-making, strengthening resilience to emerging threats and volatility

Key Activities:

- Introduced the Group Sustainability Risk Management Framework, which harmonises the approach to identifying, assessing, and monitoring sustainability-related risks, ensuring these considerations are embedded across the Group to strengthen long-term resilience and support the Group’s strategic objectives.
- Communicated climate risk requirements during onboarding and annual risk reviews, besides outlining the remedial or mitigating actions expected to support client transition to guide clients in aligning with the Group’s risk appetite and financing criteria.

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

REGULATORY COMPLIANCE

WHY IT MATTERS

Ethics and compliance anchor Kenanga Group's governance framework by guiding responsible conduct, shaping sound decision-making, and strengthening stakeholder trust. As regulatory expectations intensify and risks evolve, integrity and accountability remain essential to sustaining a resilient and trusted organisation. The Group embeds compliance across structures, policies, and daily operations—not as a standalone obligation, but as part of how business is conducted.

Key Risks:

- Operational risks arising from non compliance with regulatory, legal, and supervisory requirements

Key Opportunities:

- Safeguards licence-to-operate and market confidence through consistent compliance assurance and transparent performance

Key Activities:

- Strengthened governance through updates to regulatory guidance, the digitalisation of approval processes and the completion of the first-stage audit and certification process for ISO 37001:2025 Anti-Bribery Management System.
- Implemented governance and compliance measures including fraud awareness programmes, regulatory briefings, employee training, enterprise-wide risk assessments and centralised policy management systems.
- Held the annual Compliance Awareness Week 2025 to continue sharpening employees' knowledge and skills in key compliance areas, particularly on online security and regulatory integrity.
- Organised the 9th annual Fraud Awareness Week ("FAW") with the Association of Certified Fraud Examiners' International FAW to engage both internal and external stakeholders on fraud awareness and financial crime prevention.
- Hosted the 10th Annual Regulatory Seminar in conjunction with the 9th FAW, featuring insights from guest speakers and internal subject-matter experts.
- Enhanced the Group Speak Up framework to strengthen governance and expand the scope of reportable matters to include sexual harassment and bullying.
- 1,145 employees participated in Anti-Bribery and Corruption training, including Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions.

For more information on good governance initiatives refer to Good Governance chapter, from pages 29 to 41 of our Sustainability Report 2025.



SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

RESPONSIBLE INVESTING

WHY IT MATTERS
Investing in companies with consideration of their ESG practices enhances long-term value creation by identifying opportunities and managing material sustainability risks that may affect portfolio performance. This approach also aligns the Group with evolving stakeholder expectations and regulatory requirements, strengthening trust and credibility across its investment ecosystem.

- Key Risks:**
 - Sustainability and climate risks arising from portfolio exposure to transition and physical impacts
 - Credit and market risks arising from ESG-driven valuation and portfolio exposure changes
- Key Opportunities:**
 - Improves investment resilience, aligns portfolios with evolving market expectations, and opens access to transition-finance

- Key Activities:**
- Enhanced climate risk and physical risk considerations in the ESG Framework to align with the best global practices and local regulatory developments, including strengthening oversight by ensuring clearer accountability for decarbonisation and just transition strategies.
 - Widened the scope of its climate risk assessment by evaluating the GHG data analysis of investee companies, shifting from qualitative to quantitative assessment. This included evaluating Scope 1 and 2 emissions, engagement targets and embedding climate risk metrics into the assessment process.
 - KIB engaged 40 investee companies in high-risk sectors to support decarbonisation and just transition efforts, resulting in commitments on GHG targets, physical risk plans and strengthened social-impact safeguards.
 - KIB and Kenanga Islamic Investors Berhad were affirmed investment manager ratings ("IMR") of IMR-2 by the Malaysian Rating Corporation Berhad for the 9th consecutive year since they were first rated in 2017.
 - As of December 2025, KIB's ESG-screened assets under management ("AUM") reached RM15.5 billion, which is about 63.2% of its total AUM.
 - Kenanga Investors Group established a Waqf-related ESG mandate with Waqf institution.
 - Allocated approximately RM26.6 million, or 16% of Kenanga Private Equity Sdn Bhd's portfolio to the renewable energy sector.
 - Directed RM84.5 million or 11% of Kenanga Group's Corporate Banking's loan and financing portfolio to green lending and financing, including renewable energy, green technology and climate change mitigation activities.
 - Kenanga Research organised eight (8) engagement activities and published ten (10) ESG-focused thematic reports.



DIGITALISATION

WHY IT MATTERS
By mitigating operational and resource-intensity risks, digitalisation enables opportunities for broader inclusion, higher efficiency and lower environmental impact, supporting Kenanga Group's long-term resilience and strengthening value delivery to clients and stakeholders.

- Key Risks:**
 - Technology risks arising from rapid digital transformation and system vulnerabilities
 - Operational risks arising from changes in processes, platforms, and digital workflows
- Key Opportunities:**
 - Enhances enterprise productivity and client engagement through modern, secure, and scalable digital capabilities

- Key Activities:**
- Guided by the Group's five (5)-year IT Strategy (2023–2027), initiatives in 2025 focused on application consolidation, private cloud adoption, IT resource strategy, Zero Trust Phase 2 and cost-saving measures, while strengthening operational efficiency and security through AI and cloud technologies.
 - Enhanced iRemisier to enable eIPO subscription processing, strengthen approval rules for withdrawal requests, improve visibility and performance insights and improve Business Done Report.
 - A total of 7,277 new users signed up on Rakuten Trade, bringing the total customer base to more than 295,500, recording over RM153 billion worth of stocks transacted since its inception in 2017.
 - Recorded 2,285 new account opening through the Digital Client On-boarding online platform for Kenanga Futures, Kenanga Treasury and Equity Broking.
 - Digitised seven (7) new workflows and upgraded fourteen (14) existing workflows through the Group's Digital Workflows, bringing the total to 58, driving greater efficiency, reduced manual work and cost saving opportunities.
 - Deployed new Robotic Process Automation through five (5) migration projects and fifteen (15) new projects, saving about RM400,000 and 12,000 hours annually.



SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

CYBER SECURITY

WHY IT MATTERS

As we transition to a future driven by digital innovation, maintaining cyber security is becoming increasingly important to all organisations, especially financial institutions like Kenanga Group. Our main priority is to strengthen cyber security measures across our operations as we aim to mitigate cyber and technology-related risks while actively monitoring developments in the cyber landscape.

Key Risks:

- Technology risks arising from cyber threats and inadequate security safeguards
- Operational risks arising from disruptions caused by security breaches

Key Opportunities:

- Strengthens competitive positioning by delivering secure, trusted digital services that enhance client confidence and loyalty

Key Activities:

- Maintained Data Loss Prevention solutions and strengthened web application protection to safeguard customer data and prevent internal data leaks.
- Enhanced security for employee devices by improving mobile management tools and renewing the Microsoft 365 E5 security suite.
- Implemented enhanced cyber security controls and monitoring capabilities to better protect against identity-related risks and malware threats.
- Upgraded virtual patching solutions to before applying physical security patches.
- Conducted three (3) technology stress test exercises to evaluate resilience against cyber attacks and technical disruptions.
- Strengthened employee cyber awareness through monthly training, phishing simulations and online quizzes, achieving a 92% phishing detection success rate.

CLIENT EXPERIENCE

WHY IT MATTERS

Client experience is a key safeguard against reputational and service-quality risks, and a powerful opportunity to strengthen trust and loyalty. We focus on creating meaningful value by building trust-based relationships, personalising every interaction and ensuring clear, transparent communication across the client journey. This approach helps us deliver seamless, reliable experiences that support Kenanga Group's long-term growth and positive stakeholder impact.

Key Risks:

- Operational risks arising from service delivery failures and weak client management processes
- Technology risks arising from breakdowns or vulnerabilities in client-facing systems

Key Opportunities:

- Improves client engagement and broadens access by delivering reliable, seamless, and inclusive service experiences

Key Activities:

- Updated the Group Advertisement Policy and Group Social Media Policy to align with new requirements issued by the SC.
- Group Complaint Handling Procedure is updated to further strengthen our ability to safeguard clients against scams, online fraud and misinformation.



For more information on sustainable economic initiatives refer to Sustainable Economic Growth chapter, from pages 42 to 64 of our Sustainability Report 2025.

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

DIVERSITY AND INCLUSION

WHY IT MATTERS

Fostering diversity and inclusion enables us to attract a wider range of talent to foster creative ideas, manage social risks and build a resilient organisation. An inclusive workplace strengthens employee wellbeing, enables fair access to opportunities and supports ethical business conduct, all of which are essential to long-term value creation and sustainable growth. By embedding diversity and inclusion into learning and culture, we contribute to broader social equity while strengthening organisational capability and decision-making.

Key Risks:

- Operational risks arising from discriminatory practices and inequitable workplace behaviour
- ESG governance risks arising from non-alignment with diversity-related regulatory or market expectations

Key Opportunities:

- Strengthens employer brand and workforce performance by fostering an inclusive, equitable, and high-engagement workplace culture

Key Activities:

- Strengthened human rights governance through the introduction of a Human Rights Policy that reinforces the Group's commitment to respecting and protecting human rights and promoting fair treatment and ethical conduct across its operations.
- Launched the Business Sustainability Learning Campaign to enhance employee awareness and build employees' capability on sustainability-related topics, with a focus on the practical application and integration of sustainability within business operations.
- Marked the International Women's Day ("IWD") 2025 through a series of virtual engagement including interviews and podcasts highlighting journeys of the Group's women leaders and IWD pop quiz.
- Women comprised 52% of the workforce, with 35% holding key and senior management positions.
- Recorded an overall gender pay ratio of men to women at 1:0.91, reflecting the Group's continued efforts to promote equitable remuneration across the organisation.

EMPLOYEE SAFETY, HEALTH AND WELLBEING

WHY IT MATTERS

A safe and healthy workplace is essential to sustaining a resilient, engaged and productive workforce. By prioritising employee health, safety and wellbeing, the Group supports workforce sustainability, mitigates workplace risks and fosters an environment where employees can perform, grow and thrive.

Key Risks:

- Operational risks arising from poor management of occupational health and safety programmes
- Sustainability risks arising from limited support for holistic wellbeing

Key Opportunities:

- Enhances workforce engagement and organisational reputation through safe workplaces and sustained wellbeing support

Key Activities:

- Maintained compliance with the Occupational Health & Safety Act 1994 and a robust governance structure consisting of a Group Occupational Safety and Health Committee.
- Appointed a Safety and Health Officer.
- Prioritised the prevention of workplace injuries and property damage by enforcing strict Safety Rules and Regulations, as well as maintaining emergency response readiness through emergency response protocols.
- Conducted health and safety training that included fire emergency response and fire safety awareness sessions.
- Organised health talks, and healing therapy and meditation sessions to promote employee wellbeing.
- Maintained minimal workplace injuries.

TALENT ATTRACTION, DEVELOPMENT AND MANAGEMENT

WHY IT MATTERS

Building a future-ready workforce mitigates talent and capability risks, ensuring agility amid evolving market and regulatory demands. Continuous learning unlocks innovation opportunities and strengthens execution quality, while improving risk awareness and operational resilience. This sustained investment enhances organisational adaptability and long-term competitiveness in a rapidly shifting financial landscape.

Key Risks:

- Operational risks arising from workforce skill gaps, talent shortages, and retention challenges
- Technology risks arising from limited digital capabilities and inadequate upskilling for future roles

Key Opportunities:

- Builds future ready capabilities and improves retention, strengthening long-term competitiveness and execution capacity

Key Activities:

- Launched the Group's inaugural ThinkIMPACT Campaign, an annual sustainability platform aimed to drive continuous learning, advocacy and engagement.
- Delivered a broad range of training programmes in FY2025 covering strategy and investment, risk and governance, leadership development and digital innovation to strengthen strategic insight, regulatory awareness, leadership capabilities and future-ready skills across the organisation.
- Continued participating in the SC's InvestED programme and recruited 18 trainees.
- Invested more than RM5.0 million in employee training across strategy, risk, governance, leadership and digital capabilities, recording a total of 49,901 training hours.
- Average training hours per employee increased from 31.7 in 2024 to 37.8 in 2025.



SUSTAINABILITY STATEMENT

BURSA PRESCRIBED TABLE

COMMUNITY INVESTMENT

WHY IT MATTERS

Kenanga Group's people-centred approach reduces social risks while unlocking opportunities to uplift communities. By engaging employees and supporting vulnerable groups, we create positive social impact, strengthen community resilience and contribute to sustainable, long-term business performance.

Key Risks:

- Sustainability risks arising from community investments that are misaligned with societal needs or ESG commitments
- Operational risks arising from fragmented delivery of community programmes and limited impact measurement

Key Opportunities:

- Strengthens stakeholder goodwill and long-term relationships through well-governed, high-impact community initiatives

Key Activities:

- Maintained long-standing partnerships with key social enterprise partners for the 14th year, including Silent Teddies Bakery and Dialogue Includes All Academy, empowering the communities in need by creating opportunities and fostering economic participation.
- Invested over RM570,000 in community outreach programmes, directly benefitting hundreds of individuals in Malaysia and creating positive impact across health, education, inclusion and environment.
- Accumulated a total of dedicated over 3,500 volunteer hours in support of underserved and marginalised communities through our Be A Volunteer Programme.

FINANCIAL INCLUSION

WHY IT MATTERS

At Kenanga Group, financial inclusion continues to be an integral part of our ESG framework and our commitment to social equity in finance. We actively work to reduce disparities in financial access, enhance livelihoods and build resilient communities. Through innovative digital solutions, we make banking, investment and wealth management services accessible, affordable and meaningful, particularly for underserved populations. By broadening access to financial services, we empower communities and drive sustainable socio-economic growth and long-term inclusive development.

Key Risks:

- Market risks arising from inconsistent access to essential financial services among underserved markets
- Technology risks arising from the digital divide, causing exclusion

Key Opportunities:

- Expands underserved markets and strengthens customer reach through inclusive, secure, and accessible financial services

Key Activities:

- Strengthened the Group's role in Malaysia's digital asset ecosystem through a strategic investment in Halogen Capital Sdn Bhd, supporting the advancement of real-world asset tokenisation and expanding access to regulated digital investment opportunities.
- Advanced thought leadership in digital assets through the release of Project Juara, a white paper outlining a national roadmap for asset tokenisation and the development of Malaysia's digital asset ecosystem.
- Advanced financial literacy and investor education by organising and participating in initiatives such as webinars, virtual roadshows, exhibitions and social media engagement, as well as publishing thought leadership articles to empower individuals to make informed investment decisions. Reached more than 5,000 participants through over 100 digital and physical engagements nationwide.

For more information on social initiatives refer to Empowering People and Communities chapter, from pages 102 to 131 of our Sustainability Report 2025.

Kenanga Investment Bank Berhad
BMLR Transition Period

Date & Time: 2026-04-20 10:52:59
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Risk Management	Proportion of spending on local suppliers	Percentage	85	-	No assurance	
Regulatory Compliance	Percentage of employees who have received training on anti-corruption by employee category - Key Management	Percentage	86.84	-	No assurance	
Good Governance	Percentage of employees who have received training on anti-corruption by employee category - Senior Management	Percentage	96.51	-	No assurance	
Good Governance	Percentage of employees who have received training on anti-corruption by employee category - Middle Management	Percentage	79.13	-	No assurance	
Good Governance	Percentage of employees who have received training on anti-corruption by employee category - Junior Management	Percentage	72.90	-	No assurance	
Good Governance	Percentage of employees who have received training on anti-corruption by employee category - Non-Executive	Percentage	39.58	-	No assurance	
Good Governance	Percentage of operations assessed for corruption-related risks	Percentage	100	-	No assurance	
Good Governance	Confirmed incidents of corruption and action taken	Number	0	-	No assurance	

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-20 10:52:59

Page 1 of 7

BURSA PRESCRIBED TABLE

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Good Governance	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	-	No assurance	
Climate Impact	Total Energy Consumption	Gigajoules	19,809.2	-	External (Limited)	
Climate Impact	Total Scope 1 emissions	tCO2e	39.6	-	External (Limited)	
Climate Impact	Total Scope 2 emissions	tCO2e	1,462.5	-	External (Limited)	
Climate Impact	Total Scope 3 emissions - Category 6 & 7	tCO2e	4,412.7	-	No assurance	Category 6 - Business Travel; Category 7 - Employee Commute
Climate Impact	Total Scope 3 emissions - Category 15 Investments	tCO2e	362,273.9	-	No assurance	Our financed emissions are currently calculated on a one-year arrears basis, with FY2024 representing the most recently completed computation.
Climate Impact	Total waste generated	KG	61,621	-	No assurance	
Climate Impact	Total waste diverted from disposal	KG	0	-	No assurance	
Climate Impact	Total waste directed to disposal	KG	61,621	-	No assurance	
Climate Impact	Total volume of water used	Cubic Meter	43,706.5	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Key Management Below 30	Percentage	0	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Key Management 30-39	Percentage	0	-	External (Limited)	

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Page 2 of 7

BURSA PRESCRIBED TABLE

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity and Inclusion	Percentage of Employee by Age Group - Key Management 40-50	Percentage	26.3	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Key Management Above 50	Percentage	73.7	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Senior Management Below 30	Percentage	0	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Senior Management 30-39	Percentage	2.3	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Senior Management 40-50	Percentage	48.8	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Senior Management Above 50	Percentage	48.8	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Middle Management Below 30	Percentage	1.0	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Middle Management 30-39	Percentage	31.7	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Middle Management 40-50	Percentage	40.8	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Middle Management Above 50	Percentage	26.5	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Junior Management Below 30	Percentage	38.8	-	External (Limited)	

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Page 3 of 7

BURSA PRESCRIBED TABLE

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity and Inclusion	Percentage of Employee by Age Group - Junior Management 30-39	Percentage	31.0	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Junior Management 40-50	Percentage	16.0	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Junior Management Above 50	Percentage	14.2	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Non-Executive Below 30	Percentage	6.3	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Non-Executive 30-39	Percentage	15.6	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Non-Executive 40-50	Percentage	32.3	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Age Group - Non-Executive Above 50	Percentage	45.8	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Gender Group - Key Management Male	Percentage	68.4	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Gender Group - Key Management Female	Percentage	31.6	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Gender Group - Senior Management Male	Percentage	62.8	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Gender Group - Senior Management Female	Percentage	37.2	-	External (Limited)	

BURSA PRESCRIBED TABLE

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity and Inclusion	Percentage of Employee by Gender Group - Middle Management Male	Percentage	46.9	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Gender Group - Middle Management Female	Percentage	53.1	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Gender Group - Junior Management Male	Percentage	45.2	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Gender Group - Junior Management Female	Percentage	54.8	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Gender Group - Non-Executive Male	Percentage	68.8	-	External (Limited)	
Diversity and Inclusion	Percentage of Employee by Gender Group - Non-Executive Female	Percentage	31.3	-	External (Limited)	
Good Business Conduct	Percentage of directors by gender - Male	Percentage	62.5	-	No assurance	
Good Business Conduct	Percentage of directors by gender - Female	Percentage	37.5	-	No assurance	
Good Business Conduct	Percentage of directors by age group - 50-59	Percentage	12.5	-	No assurance	
Good Business Conduct	Percentage of directors by age group - 60-69	Percentage	50.0	-	No assurance	
Good Business Conduct	Percentage of directors by age group - Above 70	Percentage	37.5	-	No assurance	
Talent Attraction, Development and Management	Total hours of training by employee category - Key Management	Hours	1,531.4	-	External (Limited)	

BURSA PRESCRIBED TABLE

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Talent Attraction, Development and Management	Total hours of training by employee category - Senior Management	Hours	2,618.2	-	External (Limited)	
Talent Attraction, Development and Management	Total hours of training by employee category - Middle and Junior Management	Hours	44,214.8	-	External (Limited)	
Talent Attraction, Development and Management	Total hours of training by employee category - Non-Executive	Hours	1,536.3	-	External (Limited)	
Diversity & Inclusion	Percentage of employees that are contractors or temporary staff	Percentage	12.2	-	External (Limited)	
Talent Attraction, Development and Management	Total number of employee turnover by employee category - Key Management	Number	1	-	External (Limited)	
Talent Attraction, Development and Management	Total number of employee turnover by employee category - Senior Management	Number	0	-	External (Limited)	
Talent Attraction, Development and Management	Total number of employee turnover by employee category - Middle Management	Number	46	-	External (Limited)	
Talent Attraction, Development and Management	Total number of employee turnover by employee category - Junior Management	Number	84	-	External (Limited)	
Talent Attraction, Development and Management	Total number of employee turnover by employee category - Non-Executive	Number	3	-	External (Limited)	
Employee Safety, Health and Wellbeing	Number of substantiated complaints concerning human rights violations	Number	0	-	No assurance	

BURSA PRESCRIBED TABLE

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Employee Safety, Health and Wellbeing	Number of work-related fatalities	Number	0	-	External (Limited)	
Employee Safety, Health and Wellbeing	Lost time incident rate ("LTIR")	Rate	0	-	No assurance	
Employee Safety, Health and Wellbeing	Number of employees trained on health and safety standards	Number	81	-	No assurance	
Community Investment	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	576,958.00	-	No assurance	
Community Investment	Total number of beneficiaries of the investment in communities	Number	1,100	-	No assurance	
Talent Attraction, Development and Management	Percentage of Employees that Returned to Work After Parental Leave Ended	Percentage	100	-	External (Limited)	
Talent Attraction, Development and Management	Total number of Employees Covered under Employee Performance Management	Number	1,184	-	External (Limited)	
Talent Attraction, Development and Management	Total percentage of employees covered under Employee Performance Management	Percentage	89.6	-	External (Limited)	

FOUNDER EMERITUS & ADVISER’S PROFILE

FOUNDER EMERITUS & ADVISER’S PROFILE

In 2025, she has been conferred an Honorary Fellowship by the Institute of Corporate Directors Malaysia (“ICDM”), the highest honour of ICDM which recognises her lifelong commitment to strengthening corporate governance and promoting ethical leadership.

BIOGRAPHY

YM Tan Sri Dato’ Paduka Tengku Noor Zakiah Tengku Ismail (“**YM Tan Sri Dato’ Paduka Tengku Noor Zakiah**”) co-founded Kenanga Investment Bank Berhad (“**KIBB**” or “**the Company**”) in 1973 under the name K & N Kenanga Sdn Bhd and served as the Executive Chairman of the Company until January 2007.

In January 2010, she was re-designated as the Non-Executive Chairman of KIBB. Prior to this, she was a partner in a stockbroking firm, Hallam & Co., from 1964 to 1971.

She was the first (1st) lady member of the Kuala Lumpur Stock Exchange, now known as Bursa Malaysia Securities Berhad in 1964 and has over fifty (50) years of experience in the securities industry. She was one of the founders of the Association of Stockbroking Companies Malaysia (“**Association**”) and was appointed as the President of the Association, a post she held until 1994 when she became its Chairman. She was made a Life Adviser to the Association when she retired as its Chairman in 1997.

YM Tan Sri Dato’ Paduka Tengku Noor Zakiah was conferred the ‘Lady Extraordinaire Award 2014’ by the Ministry of Women, Family and Community Development Malaysia in recognition of her remarkable and exceptional contributions and achievements in the field of stockbroking. She also received the ‘Ikon Peniagawati 2015’ award from the Association of Bumiputera Women in Business and Profession, Malaysia (PENIAGAWATI) in recognition of her entrepreneurship, and for being the

first (1st) Bumiputera lady in the field of stockbroking in Malaysia, where she has served for more than five (5) decades, since 1964. For being a trailblazer in the industry, she was awarded an entry to the Malaysia Book of Records as ‘The First Female Entrepreneur To Start Up A Stockbroking Company’. She was awarded ‘Top 10 of Asia – Outstanding Personality Award 2019’ by Research House Asia for her contributions to the local financial and corporate world. The award was presented by YB Tuan Muhammad Bakhtiar bin Wan Chik, Deputy Minister of Tourism, Arts and Culture Malaysia. In 2024, she was awarded The BrandLaureate Brand Icon Leadership Award 2024 – Legendary Icon – Pride of the Nation Brand Icon Leadership Award at the BrandLaureate Awards, a prestigious accolade that celebrates her outstanding contributions and commitment to the business community and the nation. In 2025, she has been conferred an Honorary Fellowship by the ICDM, the highest honour of ICDM which recognises her lifelong commitment to strengthening corporate governance and promoting ethical leadership.

Due to the mandatory regulatory requirement for the Board of Directors to comprise a majority of Independent Directors, YM Tan Sri Dato’ Paduka Tengku Noor Zakiah relinquished her position as the Chairman and Non-Independent Non-Executive Director of KIBB on 28 January 2017. Following thereto, YM Tan Sri Dato’ Paduka Tengku Noor Zakiah was appointed as Adviser, and in 2021 she was re-designated as Founder Emeritus & Adviser of Kenanga Group.



YM TAN SRI DATO’
PADUKA TENGKU
NOOR ZAKIAH
TENGKU ISMAIL
Founder Emeritus &
Adviser

DATE OF APPOINTMENT

- 1 February 2017
(Founder & Adviser of
Kenanga Group)
- 27 January 2021
(Founder Emeritus &
Adviser of Kenanga
Group)

PROFILES OF DIRECTORS

PROFILES OF DIRECTORS

Number of Board Meetings Attended in 2025:



YAM TAN SRI DATO' SERI
SYED ANWAR JAMALULLAIL

Chairman of the Board of Directors/
Independent Non-Executive Director

Date of Appointment:
1 July 2020

Membership of Board Committee(s):
Nil

**Length of Tenure as Director
(As at 31 March 2026):**
Five (5) Years Nine (9) Months

**Shareholding in Kenanga Investment Bank
Berhad ("KIBB"):**
Nil

Academic & Professional Qualification(s)

- Bachelor of Arts in Accounting, Macquarie University, Sydney, Australia
- Chartered Accountant, Malaysian Institute of Accountants
- Certified Practising Accountant (CPA) Australia
- Court of Emeritus Fellows, Malaysian Institute of Management

Award

- Chairman of the Year Award 2012 – 2013 by The BrandLaureate, the Grammy Awards for The World's Best Brands by The World Brands Foundation

Present Appointment(s)

- Chairman of S P Setia Berhad
- Chairman of Lembaga Zakat Selangor
- Chancellor of SEGi University
- Trustee of Yayasan Perpustakaan Raja Tun Uda

Past Relevant Experiences

- Chairman of Nestle (Malaysia) Berhad
- Chairman, Malaysia Airports Holdings Berhad
- Chairman, Cahya Mata Sarawak Berhad
- Chairman, Malakoff Corporation Berhad
- Chairman, Media Prima Berhad
- Chairman, Malaysian Resources Corporation Berhad
- Chairman, DRB-Hicom Berhad
- Chairman, EON Bank Berhad
- Chairman, Uni Asia Life Assurance Berhad
- Chairman, Uni Asia General Insurance Berhad
- Chairman, Lembaga Tabung Haji Investment Panel
- Chairman, EON Capital Berhad
- Executive Chairman, Realmild (M) Sdn Bhd
- Executive Chairman, Radicare (M) Sdn Bhd
- Chairman, Pulau Indah Ventures Sdn Bhd
- Chairman, Uni.Asia Capital Sdn Bhd
- Independent Director, Maxis Communications Berhad
- Independent Director, Bangkok Bank Berhad
- Group Managing Director, Amanah Capital Partners Berhad

Declaration

YAM Tan Sri Dato' Seri Syed Anwar Jamalullail has no family relationship with any Director and/ or major shareholder of KIBB. He also has no conflict of interest or potential conflict of interest, including interest in any competing business with KIBB or its subsidiaries.

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2025.

Number of Board Meetings Attended in 2025:



ISMAIL HARITH MERICAN

Non-Independent Non-Executive Director

Date of Appointment:
26 August 2010

Membership of Board Committee(s):

- Member of the Group Governance, Nomination & Compensation Committee

**Length of Tenure as Director
(As at 31 March 2026):**
Fifteen (15) Years and Seven (7) Months

**Shareholding in Kenanga Investment Bank
Berhad ("KIBB"):**
Nil

Academic & Professional Qualification(s)

- Bachelor of Arts in History, University of Malaya, Malaysia

Present Appointment(s)

- Member of the Investment Committee of Al Wasatah Al Maliah Company ("Wasatah Capital"), an associate company of KIBB
- Director of Topaz GoldTree Sdn Bhd
- Managing Director of Zubaimas Realty Sdn Bhd
- Director of Alangseh Sdn Bhd
- Non-Voting Member of the Investment Advisers Committee for the Tengku Noor Zakiah Family Trust

Past Relevant Experiences

- Director of Wasatah Capital
- Chairman of Matrix Energy Capital (M) Sdn Bhd
- Non-Independent Non-Executive Director of K & N Kenanga Holdings Berhad
- Managing Director of Straits Securities Sdn Bhd
- Employed by KIBB with the last position held as a Dealer's Representative (Institutions and International)
- Involved in the investment industry when he trained and worked with Strauss Turnbull & Co., a firm of stockbrokers in London
- Assistant Accountant in The Economist Newspaper Ltd
- Articleship at Peat, Marwick, Mitchell & Co. in London, United Kingdom

Declaration

Ismail Harith Merican is the son of YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail, a shareholder of KIBB and the Founder Emeritus & Adviser of Kenanga Group. YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail had ceased to be a major shareholder of KIBB after she transferred part of her shareholding in KIBB to Kenanga Trustees Berhad - Tengku Noor Zakiah Family Trust on 6 June 2024.

Ismail Harith Merican has no conflict of interest or potential conflict of interest, including interest in any competing business with KIBB or its subsidiaries.

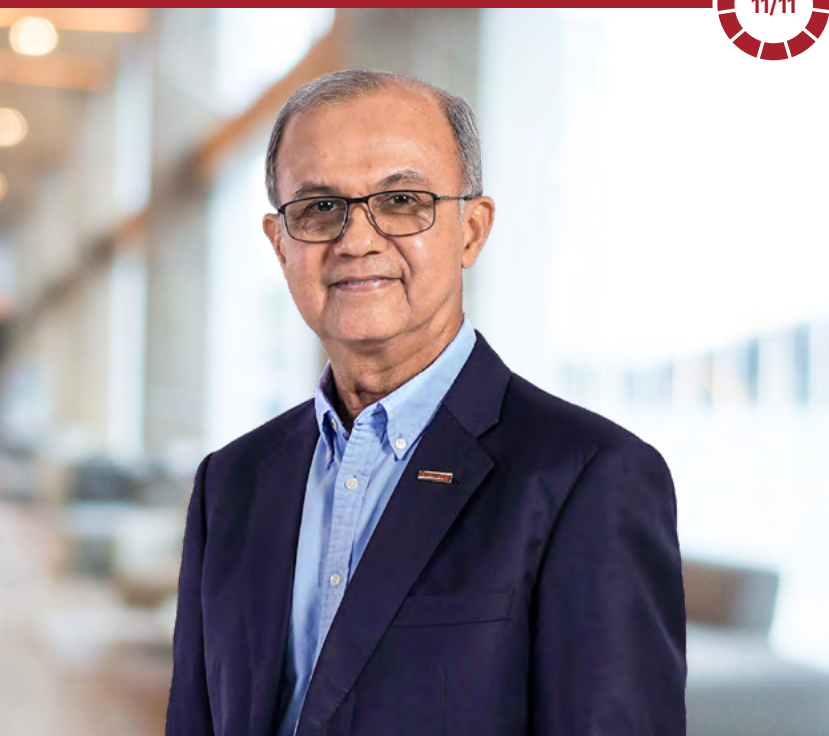
He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2025.

PROFILES OF DIRECTORS

Number of Board Meetings Attended in 2025:



72



JEREMY NASRULHAQ

Senior Independent Non-Executive Director

Date of Appointment:

1 June 2017

Membership of Board Committee(s):

- Chairman of the Audit Committee
- Member of the Group Governance, Nomination & Compensation Committee
- Member of the Employees’ Share Scheme Committee
- Member of the Group Board Digital Innovation & Technology Committee

Length of Tenure as Director

(As at 31 March 2026):

Eight (8) Years and Ten (10) Months

Shareholding in Kenanga Investment Bank Berhad (“KIBB”):

Nil

Academic & Professional Qualification(s)

- Bachelor of Science (Agribusiness) Degree (with Distinction), Universiti Putra Malaysia
- Chartered Accountant, Malaysian Institute of Accountants (“MIA”)
- Chartered Audit Committee Director, Institute of Internal Auditors Malaysia
- Fellow Member, Chartered Institute of Management Accountants (“CIMA”), United Kingdom
- Fellow Member, Institute of Corporate Directors Malaysia
- Associate Member, Harvard Business School Alumni Club of Malaysia
- Member of FIDE Forum

Present Appointment(s)

- Nil

Past Relevant Experiences

- Director of Sweeet Development Sdn Bhd
- Chairman of Urusan Teknologi Wawasan Sdn Bhd
- Chairman of Malaysia Airports (Niaga) Sdn Bhd
- Independent Non-Executive Director/ Senior Independent Non-Executive Director, Chairman of the Board Nomination & Remuneration Committee, Chairman of the Whistleblowing Independent Committee, Member of the Board Audit Committee and the Board Finance & Investment Committee of Malaysia Airports Holdings Berhad
- Member of the Digital Technology Implementation Committee, Capital Market Advisory Committee, as well as its Oversight Committee in MIA
- Chairman of the MIA-Malaysian Qualifications Agency Joint Technical Committee and Disciplinary Committee in MIA
- Deputy President of CIMA, Malaysia Division for several years and had served on the council of the MIA for four (4) years from 1 July 2018 until 30 June 2022
- Committee Member of a few national organisations such as the Malaysian International Chamber of Commerce and Industry and the Federation of Malaysian Manufacturers
- Supply Chain Director for Unilever (M) Holdings Sdn Bhd, Malaysia and Unilever Singapore Pte Ltd, Singapore
- Commercial Director for Unilever (M) Holdings Sdn Bhd, Malaysia
- Regional Finance Manager for Unilever Asia Retail Foods
- Several senior financial and supply chain positions in Unilever (M) Holdings Sdn Bhd, P.T. Unilever Indonesia and Unilever Asia (S) Pte Ltd

Declaration

Jeremy Nasrulhaq has no family relationship with any Director and/ or major shareholder of KIBB. He also has no conflict of interest or potential conflict of interest, including interest in any competing business with KIBB or its subsidiaries.

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2025.

PROFILES OF DIRECTORS

Number of Board Meetings Attended in 2025:



65



NORAZIAN AHMAD TAJUDDIN

Independent Non-Executive Director

Date of Appointment:

15 December 2017

Membership of Board Committee(s):

- Chairman of the Group Board Risk Committee
- Member of the Audit Committee
- Member of the Group Governance, Nomination & Compensation Committee
- Member of the Employees’ Share Scheme Committee

Length of Tenure as Director

(As at 31 March 2026):

Eight (8) Years and Three (3) Months

Shareholding in Kenanga Investment Bank Berhad (“KIBB”):

10,000 Shares

Academic & Professional Qualification(s)

- Bachelor of Science (Honours) in Mathematics, University of Leeds, United Kingdom
- Master of Business Administration (Finance), Edith Cowan University, Australia

Present Appointment(s)

- Independent Non-Executive Director of Kenanga Investors Berhad (“KIB”), a wholly-owned subsidiary of KIBB
- Independent Non-Executive Director of Kenanga Islamic Investors Berhad, a wholly-owned subsidiary of KIB
- Chairman/Independent Non-Executive Director of Eq8 Capital Sdn Bhd, a wholly- owned subsidiary of KIB
- Member of the Investment Committee and Audit and Risk Committee of KIB

Past Relevant Experiences

- Chairman of the Group Governance, Nomination & Compensation Committee and the Employees’ Share Scheme Committee, as well as Member of the Group Board Digital Innovation & Technology Committee of KIBB
- Chairman of KIB
- Chairman and Independent Non-Executive Director of Pacific & Orient Insurance Co. Berhad (“POI”), a subsidiary of Pacific & Orient Berhad
- Member of the Nomination Committee, Remuneration Committee, as well as the Audit Committee and Risk Management Committee of POI
- Chairman of the Investment Committee of KIB
- Non-Independent Non-Executive Director and Member of the Risk Management Committee and Nomination & Remuneration Committee of Prudential BSN Takaful Bhd
- Deputy Chief Executive Officer of Bank Simpanan Nasional Berhad
- Manager, Treasury of DaimlerChrysler (M) Sdn Bhd
- Assistant General Manager, Treasury of KAF Discount Berhad
- Deputy Chief Operating Officer, Group Treasury & International Banking of EON Bank Berhad Group
- Senior Dealer, Treasury of Bank Bumiputra (M) Berhad

Declaration

Norazian Ahmad Tajuddin has no family relationship with any Director and/ or major shareholder of KIBB. She also has no conflict of interest or potential conflict of interest, including interest in any competing business with KIBB or its subsidiaries.

She has never been charged for any offence within the past five (5) years nor has she had any public sanction and/ or penalty imposed on her by any relevant regulatory bodies during the Financial Year Ended 31 December 2025.

PROFILES OF DIRECTORS

Number of Board Meetings Attended in 2025:



68

KANAGARAJ LORENZ

Independent Non-Executive Director

Date of Appointment:
26 December 2017

- Membership of Board Committee(s):**
- Chairman of the Group Board Digital Innovation & Technology Committee
 - Member of the Audit Committee
 - Member of the Group Board Risk Committee

Length of Tenure as Director (As at 31 March 2026):
Eight (8) Years and Three (3) Months

Shareholding in Kenanga Investment Bank Berhad ("KIBB"):
388,000 Shares

Academic & Professional Qualification(s)

- Fellow Member, Institute of Chartered Accountants in England and Wales, United Kingdom
- Member, Malaysian Institute of Certified Public Accountants

Present Appointment(s)

Nil

Past Relevant Experiences

- Executive Director and Group Chief Executive Officer of GHL Systems Berhad
- Managing Director of eNETS Pte Ltd
- General Manager International Business Development of Network for Electronic Transfers (Singapore) Pte Ltd
- Chief Executive Officer of The Payment Solutions Company Pte Ltd
- Vice President, Marketing Head and Vice President, Financial Controller & Chief of Staff in Citibank Berhad
- Risk Manager of Citibank N.A., Australia and Malaysia

Declaration

Kanagaraj Lorenz has no family relationship with any Director and/ or major shareholder of KIBB. He also has no conflict of interest or potential conflict of interest, including interest in any competing business with KIBB or its subsidiaries.

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2025.

PROFILES OF DIRECTORS

Number of Board Meetings Attended in 2025:



68

CHOY KHAI CHOON

Non-Independent Non-Executive Director

Date of Appointment:
13 December 2021

- Membership of Board Committee(s):**
- Member of the Group Governance, Nomination & Compensation Committee
 - Member of the Group Board Risk Committee
 - Member of the Group Board Digital Innovation & Technology Committee

Length of Tenure as Director (As at 31 March 2026):
Four (4) Years and Three (3) Months

Shareholding in Kenanga Investment Bank Berhad ("KIBB"):
Nil

Academic & Professional Qualification(s)

- Master in Business Administration, Oklahoma University, United States of America
- Bachelor Degree in Commerce, University of New South Wales, Australia
- Attended the General Management Programme in INSEAD, France
- Fellow Member, Certified Practising Accountants, Australia
- Chartered Accountant, Malaysian Institute of Accountants

Present Appointment(s)

- Chairman of Kenanga Investors Berhad ("KIB"), a wholly-owned subsidiary of KIBB
- Non-Independent Non-Executive Chairman of Zurich Life Insurance Malaysia Berhad ("ZLIMB") and Zurich General Insurance Malaysia Berhad ("ZGIMB") where he serves as a Member of the Board Investment Committee of ZLIMB, as well as a Member of the Audit Committee, Risk Management and Sustainability Committee, and Nomination and Remuneration Committee of both ZLIMB and ZGIMB
- Independent Non-Executive Director ("INED") of Hap Seng Plantations Holdings Berhad ("HSP") and the Chairman of HSP's Remuneration Committee and a Member of its Audit Committee
- Non-Executive Director of Asian Banking School Sdn Bhd
- Non-Executive Director of Bond and Sukuk Information Platform Sdn Bhd
- Authority Member of the Labuan Financial Services Authority ("LFSA") and Chairman of the Audit Risk Management Committee of LFSA
- Chairman of Labuan IBFC Incorporated Sdn Bhd

Declaration

Choy Khai Choon is a Board representative of Cahya Mata Sarawak Berhad, a major shareholder of KIBB. He also has no conflict of interest or potential conflict of interest, including interest in any competing business with KIBB or its subsidiaries.

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2025.

PROFILES OF DIRECTORS

Number of Board Meetings Attended in 2025:

11/11



61



CHIN SIEW SIEW
Independent Non-Executive Director

Date of Appointment:
1 June 2022

Membership of Board Committee(s):

- Chairman of the Group Governance, Nomination & Compensation Committee
- Chairman of the Employees’ Share Scheme Committee
- Member of the Group Board Digital Innovation & Technology Committee

Length of Tenure as Director (As at 31 March 2026):
Three (3) Years Ten (10) Months

Shareholding in Kenanga Investment Bank Berhad (“KIBB”):
Nil

- Academic & Professional Qualification(s)**
 - Bachelor of Science in Computer Science from the University of Arkansas, United States of America
- Present Appointment(s)**
 - Independent Non-Executive Director of AIG Malaysia Insurance Berhad
 - Independent Non-Executive Director of Southern Steel Berhad (“SSB”) and a member of SSB’s Nomination Committee and Remuneration Committee
- Past Relevant Experiences**
 - Chief Digital Officer for IBM Malaysia
 - Regional Sales Leader for IBM ASEAN Region
 - Business Operation Leader for IBM ASEAN Region
 - General Manager for Global Technology Services, IBM Malaysia

Declaration
Chin Siew Siew has no family relationship with any Director and/ or major shareholder of KIBB. She also has no conflict of interest or potential conflict of interest, including interest in any competing business with KIBB or its subsidiaries.

She has never been charged for any offence within the past five (5) years nor has she had any public sanction and/ or penalty imposed on her by any relevant regulatory bodies during the Financial Year Ended 31 December 2025.

PROFILES OF DIRECTORS

Number of Board Meetings Attended in 2025:

11/11



53



ANGELINE-ONG SU MING
Independent Non-Executive Director

Date of Appointment:
4 June 2024

Membership of Board Committee(s):

- Member of the Group Board Risk Committee

Length of Tenure as Director (As at 31 March 2026):
One (1) Year Ten (10) Months

Shareholding in Kenanga Investment Bank Berhad (“KIBB”):
Nil

- Academic & Professional Qualification(s)**
 - Master of Science in Financial Engineering & Quantitative Analysis (Distinction), The University of Reading, United Kingdom
 - Bachelor of Science in Accounting & Financial Analysis (1st Class Hons), The University of Warwick, United Kingdom
 - Chartered Financial Analyst (CFA), CFA Institute, United States of America
- Present Appointment(s)**
Nil
- Past Relevant Experiences**
 - Asia Pacific Head of Liquidity & Investments Client Solutions, Liquidity Management Services, Treasury & Trade Solutions, Citicorp Investment Bank (Singapore) Limited
 - Asia Head of Derivatives Sales & Structuring, Markets, Citicorp Investment Bank (Singapore) Limited
 - Head of Corporate Sales & Structuring, Markets, Citibank Berhad

Declaration
Angeline-Ong Su Ming has no family relationship with any Director and/ or major shareholder of KIBB. She also has no conflict of interest or potential conflict of interest, including interest in any competing business with KIBB or its subsidiaries.

She has never been charged for any offence within the past five (5) years nor has she had any public sanction and/ or penalty imposed on her by any relevant regulatory bodies during the Financial Year Ended 31 December 2025.

GROUP MANAGING DIRECTOR'S PROFILE



DATUK CHAY WAI LEONG

Group Managing Director

Permanent Resident of Malaysia

Date of Appointment:
17 May 2011

Shareholding in Kenanga Investment Bank Berhad ("KIBB")
7,820,000 Shares

Age

62

Gender

Nationality

- Academic & Professional Qualification(s)**
- Bachelor of Business Administration (Major in Finance) (1987), National University of Singapore
- Directorship(s) in Public Company(ies)**
- K & N Kenanga Holdings Berhad
- Present Appointment(s)**
- Bursa Malaysia Berhad
 - Member of Sustainability and Development Committee
- Past Relevant Experiences**
- Bursa Malaysia Derivatives Berhad
 - Non-Executive Director (September 2015 - March 2019)
 - Bursa Malaysia Derivatives Clearing Berhad
 - Non-Executive Director (September 2015 - March 2019)
 - Bursa Malaysia Berhad
 - Independent Non-Executive Director (March 2013 - March 2019)
 - Kenanga Vietnam Securities Joint Stock Corporation
 - Director (July 2011 - May 2022)
 - Securities Industry Development Corporation
 - Director (September 2010 - June 2024)
 - RHB Investment Bank Berhad
 - Managing Director, RHB Investment Banking (2006 - 2011)
 - RHB Banking Group
 - Director of Corporate and Investment Banking (2006 - 2011)
 - Standard Bank Group
 - Country Head, Malaysia and Head of Regional Origination for Southeast Asia (2002 - 2006)
 - JPMorgan Chase Bank
 - Director, Head of Investment Banking Malaysia (2000 - 2002)
 - Jardine Fleming, Hong Kong
 - Director, Investment Banking (1990 - 2000)
 - Bankers Trust, Singapore
 - Senior Investment Analyst (1987 - 1990)

Declaration
Datuk Chay Wai Leong has no family relationship with any Director and/ or major shareholder of KIBB. He also has no conflict of interest or potential conflict of interest, including interest in any competing business with KIBB or its subsidiaries.

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2025.

SENIOR MANAGEMENT PROFILES

DATUK ROSLAN HJ TIK

Executive Director,
Head of Group
Investment Banking
and Islamic Banking

57

- Date of Appointment**
16 May 2011
- Qualification(s)**
- Bachelor of Science in Combined Studies (Accounting with Law) (1992), De Montfort University, Leicester, United Kingdom
 - Advanced Certificate in Management, Massachusetts Institute of Technology, Boston, United States of America ("USA")
- Directorship(s) In Public Company(ies)**
- K & N Kenanga Holdings Berhad
- Relevant Experiences**
- RHB Investment Bank Berhad
 - Division Head/ Senior Vice President, Corporate and IB Services (2004 - 2011)
 - KAF Discounts Berhad
 - General Manager, Debt Capital Markets (2001 - 2004)
 - Malaysian Rating Corporation Berhad
 - Vice President, Corporate Debt (1996 - 2001)
 - Rating Agency Malaysia Berhad
 - Analyst, Rating Department (1994 - 1996)
 - Mayban Finance Berhad
 - Officer, Corporate Marketing/ Share Margin Trading Unit (1993)
- Present Appointment(s)**
- Representing KIBB as the Council Member of Malaysian Investment Banking Association ("MIBA") (Alternate Representative)
 - Representing MIBA to the Chartered Institute of Islamic Finance Professionals (CIIF)'s Charter Governing Panel
 - Board of Trustees of Capital Market Development Fund (CMDF)

CHAN TUCK KIONG

Executive Director,
Head of Group
Equity Business

57

- Date of Appointment**
07 August 2025
- Qualification(s)**
- Bachelor of Commerce Concentrations (Con Finance) (1993), University of Calgary, Alberta, Canada
- Directorship(s) In Public Company(ies)**
- ECML Berhad
- Relevant Experiences**
- Kenanga Investment Bank Berhad
 - Head, Equity Broking (2011 - 2025)
 - Credit Suisse Malaysia Sdn Bhd
 - Director, Head of Dealing (2008 - 2011)
 - Kenanga Investment Bank Berhad
 - Associate Director, International Dealing Division (1998 - 2008)
 - OSK Securities Berhad
 - Assistant Vice President, Institutional Dealing (1996 - 1998)
- Present Appointment(s)**
- Nil

SENIOR MANAGEMENT PROFILES



**DATUK WIRA ISMITZ
MATTHEW DE ALWIS**

Chief Executive Officer/
Executive Director,
Kenanga Investors Berhad



52

Date of Appointment
10 February 2015

Qualification(s)

- ABS Executive Education (2017), University of Cambridge, United Kingdom
- Advanced Business Management Programme (2013), International Institute of Management Development (IMD) Lausanne, Switzerland
- Islamic Financial Planner (2018), Islamic Business & Finance Institute Malaysia
- Certified Financial Planner, USA (2002)
- Capital Markets Services Representative's Licence for fund management, investment advice and financial planning (2011)
- Master in Business Administration with Distinction (1999), Southern Cross University Australia
- Bachelor of Business Administration (Economics and Finance) (1996), Royal Melbourne Institute of Technology, Australia
- Graduate Diploma in Marketing (1995), Chartered Institute of Marketing, United Kingdom

Directorship(s) In Public Company(ies)

- Kenanga Investors Berhad
- Kenanga Islamic Investors Berhad
- Kenanga Trustees Berhad
- IICM Berhad

Relevant Experiences

- Kenanga Investors Berhad
 - Deputy Chief Executive Officer (2013 - 2015)
- ING Investment Management Asia Pacific/ ING Funds Berhad
 - Executive Director/ Country Head (2005 - 2013)
- ING Insurance Berhad
 - Senior Manager, Marketing and Business Development (2003 - 2005)
- MBF Unit Trust Management Berhad/ MBF Asset Management
 - Head, Sales and Marketing (1998 - 2003)
- ARA (Asia Research & Consultancy) Consultancy Ltd
 - Asia Pacific Relationship Manager/ Account Director (1991 - 1998)

Present Appointment(s)

- Chairperson of the Malaysian Association of Asset Managers (MAAM)
- Member of the Board of Directors, Federation of Investment Managers Malaysia
- Vice Chairman of the Institutional Investors Council Malaysia
- Member of the Joint Committee (BNM & SC) on Climate Change (JC3)
- Member of the Capital Market Graduate Programme Steering Committee (SC)
- Member of Securities Commission Malaysia's Assessment Review Committee (ARC) - Fund Management
- Member of the Sustainable Investment Platform Steering Committee - Malaysia Sustainable Investment Initiative
- Member of Bursa Malaysia's Securities Market Consultative Panel (SMCP)
- Member of the Industry Competency Framework (ICF) Advisory Panel (SIDC)
- Investment Adviser for the Olympic Council of Malaysia's Trust Management Committee



CHOO SIEW FUN

Group Chief Compliance
and Ethics Officer



55

Date of Appointment
2 June 2025

Qualification(s)

- Certified Fraud Examiner (CFE), Association of Certified Fraud Examiner ("ACFE"), USA
- Certified Information System Audit (CISA), ISACA USA
- Certified Capital Market Professional (CCMP), Securities Industry Development Corporation (SIDC) – Compliance Advocate
- Bachelor of Economics (Hons) in Economics Analysis and Policy (1994), Universiti Kebangsaan Malaysia

Directorship(s) In Public Company(ies)

- Nil

Relevant Experiences

- Kenanga Investment Bank Berhad
 - Head, Group Compliance (2020 - 2025)
- Bursa Malaysia Berhad
 - Senior Vice President, Participants Supervision Division (2018 - 2020)
- Bursa Malaysia Berhad
 - Vice President, Intermediaries Supervision Department (2015 - 2018)
- Bursa Malaysia Berhad
 - Senior Manager, Intermediaries Supervision Department (2001 - 2015)
- Kuala Lumpur Stock Exchange
 - Internal Audit (1999 - 2001)

Present Appointment(s)

- Review Committee for Securities Industry Development Corporation
- Certified Capital Market Professional in Compliance
- Member of the Compliance Committee of Malaysian Investment Banking Association (MIBA)
- Member of the Compliance Networking Group (CONG) of the AICB



CHEONG BOON KAK

Group Chief Financial
and Operations Officer



55

Date of Appointment
1 November 2016

Qualification(s)

- Member of Malaysian Institute of Accountants
- Member of Certified Practising Accountant Australia
- Member of Malaysian Institute of Certified Public Accountant
- Chartered Banker, Asian Institute of Chartered Bankers and the Chartered Banker Institute, United Kingdom

Directorship(s) In Public Company(ies)

- Kenanga Trustees Berhad
- K & N Kenanga Holdings Berhad

Relevant Experiences

- RHB Investment Bank Berhad
 - Head of Corporate Strategy (2008 - 2011)
- Sapura Crest Petroleum Berhad
 - General Manager, Group Accounts (2007 - 2008)
- RHB Securities Sdn Bhd
 - General Manager, Finance (2003 - 2007)
- RHB Management Company Sdn Bhd
 - Assistant General Manager, Finance (1999 - 2003)

Present Appointment(s)

- Nil



AZILA ABDUL AZIZ

Chief Executive Officer/
Executive Director &
Head of Listed
Derivatives, Kenanga
Futures Sdn Bhd



57

Date of Appointment
1 December 2012

Qualification(s)

- Bachelor Degree (Hons) in Finance, MARA University of Technology ("UiTM") (1996)
- Diploma in Investment Analysis, UiTM (1993)

Directorship(s) In Public Company(ies)

- Nil

Relevant Experiences

- RHB Securities Sdn Bhd
 - Institutional Sales and Dealing, Regional Equities and Futures (1996 - 2000)
- SBB Securities Sdn Bhd, Ipoh
 - Trainee Dealer's Representative (KLSE) (1995 - 1996)
 - Practical Training (1992)
- Perlis Plantations Berhad
 - Accounts Trainee (Finance Department) (1989)

Present Appointment(s)

- Advisory Board Member of Women in Finance Awards Asia, Global Trading & Markets Media Group New York
- Global Primary Member of Futures Industry Association Inc (FIA), Washington DC
- Associate Member of Palm Oil Refiners' Association of Malaysia (PORAM)
- Member Representative for Malaysia Futures Brokers' Association (MFBA)

SENIOR MANAGEMENT PROFILES

SENIOR MANAGEMENT PROFILES



**CYNTHIA
WOON CHENG YEE**

Head of Group Treasury



60

Date of Appointment
25 May 2017

Qualification(s)

- Bachelor of Economics (1989), University of Western Australia

Directorship(s) In Public Company(ies)

- Nil

Relevant Experiences

- ECM Libra Investment Bank Berhad
 - Head of Treasury (2009 - 2012)
- Public Investment Bank Berhad
 - Manager, Treasury (1991 - 2008)
- KAF Astley & Pearce Sdn Bhd
 - Money Broker (1990 - 1991)
- Malaysian Tobacco Company Berhad
 - Management Executive (1989 - 1990)

Present Appointment(s)

- Nil



**NUZURUL AHMADY
SARIFUDIN**

Group Chief Human Resource Officer



47

Date of Appointment
5 January 2026

Qualification(s)

- Bachelor of Science (Hons) in Information Studies (Information System Management) (2000), Universiti Teknologi Mara

Directorship(s) In Public Company(ies)

- Nil

Relevant Experiences

- ahlibank, Oman
 - Human Resource Consultant (2023 - 2025)
- AIA Berhad
 - Director, Learning & Organizational Development (2022 - 2023)
- AmBank (M) Berhad
 - Senior Vice President, HR Information Technology, Projects & Human Resource Governance (2020 - 2022)
 - Senior Vice President, Organisational Development, Talent & Succession, HR Analytics & Governance (2019 - 2020)
 - Senior Vice President, Performance Management & Rewards, Organisational Development, Talent & Succession, HR Analytics (2017 - 2019)
 - Vice President, Performance Management & Rewards (2014 - 2017)
 - Vice President, Performance Management (2011 - 2014)
- Dubai Bank, United Arab Emirates
 - Assistant Manager, Performance Management (2007 - 2010)
- Malaysia Digital Economy Corporation
 - Senior Executive, Performance Management (2004 - 2007)
 - Executive, Training (2001 - 2004)

Present Appointment(s)

- Nil



WOO KING HUAT

Chief Credit Officer



55

Date of Appointment
1 July 2015

Qualification(s)

- Bachelor of Commerce (Economics) (1991), Flinders University, South Australia

Directorship(s) In Public Company(ies)

- Nil

Relevant Experiences

- RHB Investment Bank Berhad
 - Vice President, Corporate and Investment Banking Services (2011)
- AmInvestment Bank Berhad
 - Associate Director, Debt Capital Market (2007 - 2010)
- OCBC Bank (M) Berhad
 - Assistant Vice President and Head, Investment Banking (2000 - 2007)
- Oversea-Chinese Banking Corp. LTD
 - Assistant Manager (1997 - 2000)
- BSN Merchant Bank Berhad
 - Senior Officer, Corporate Banking/ Capital Markets (1996 - 1997)
- Malaysian Industrial Development Finance Berhad
 - Project Officer (1994 - 1995)
- Diethelm Malaysia Sdn Bhd
 - Marketing Executive (1992 - 1993)

Present Appointment(s)

- Nil



**TERENCE TAN
KIAN MENG**

Group Chief Internal Auditor



57

Date of Appointment
17 January 2011

Qualification(s)

- Bachelor of Commerce (Accounting) with Merit, University of New South Wales, Australia
- Certified Internal Auditor, The Institute of Internal Auditors, USA
- Fellow Certified Practising Accountant (CPA Australia)
- Chartered Accountant, Malaysian Institute of Accountants
- Chartered Banker, Asian Institute of Chartered Bankers and the Chartered Banker Institute, United Kingdom

Directorship(s) In Public Company(ies)

- Nil

Relevant Experiences

- MCIS Zurich Insurance Berhad
 - Chief Internal Auditor (2009 - 2010)
- DIGI Telecommunications Sdn Bhd
 - Head, Financial and Operational Assurance (2006 - 2009)
- Astro All Asia Network PLC
 - Senior Manager, Financial and Operational Assurance (2004 - 2006)
- Bank Simpanan Nasional
 - Head of Compliance (2003 - 2004)
- Citibank Berhad
 - Assistant Vice President, Compliance and Control (1995 - 2003)

Present Appointment(s)

- Nil

SENIOR MANAGEMENT PROFILES



CHUAH SZE PHING

Group Chief Sustainability Officer and Head of Group Marketing and Communications



49

Date of Appointment
1 September 2012

Qualification(s)

- Bachelor of Commerce (Marketing) (1999), University of Melbourne, Australia
- Certified Expert in ESG and Impact Investing, Frankfurt School of Finance & Management
- Certification in Climate Risk, Chartered Banker Institute

Directorship(s) In Public Company(ies)

- Nil

Relevant Experiences

- Hong Leong Financial Group
 - General Manager, Corporate Affairs and Public Relations (2010 - 2012)
- British American Tobacco PLC, London
 - Senior Manager, Corporate Brand and Publications (2007 - 2010)
- British American Tobacco Malaysia
 - Senior Manager, Corporate Communications (2004 - 2007)
- Weber Shandwick Worldwide
 - Senior Consultant, Corporate and Financial Practice (2002 - 2004)
- Accenture Malaysia
 - Change Management Analyst (2000 - 2002)

Present Appointment(s)

- Nil



NORLIZA ABD SAMAD

Group Company Secretary



60

Date of Appointment
19 November 2012

Qualification(s)

- Chartered Governance Professional, Chartered Governance Institute, United Kingdom
- Associate, Malaysian Institute of Chartered Secretaries and Administrators

Directorship(s) In Public Company(ies)

- Nil

Relevant Experiences

- Kenanga Investment Bank Berhad
 - Head, Prudential and Governance Supervision, Group Regulatory Division (2011 - 2012)
- RHB Investment Bank Berhad
 - Assistant Vice President, Head, Compliance Strategy and Governance Supervision, Investment Banking Compliance (2008 - 2011)
- Affin Investment Bank Berhad
 - Vice President, Corporate Services Department (2004 - 2008)
- Malayan Banking Berhad
 - Senior Executive, Corporate Services Department (1994 - 2003)

Present Appointment(s)

- Nil



TAI YAN FEE

Group Chief Risk Officer



54

Date of Appointment
1 August 2017

Qualification(s)

- Bachelor of Business Administration (1995), Universiti Kebangsaan Malaysia
- Persatuan Pasaran Kewangan Malaysia (1997)

Directorship(s) In Public Company(ies)

- Nil

Relevant Experiences

- Citibank Berhad
 - Country Market Risk Manager, FX, Rates and Liquidity (2011 - 2015)
 - Trader, Treasury Structured Product/ Interest Rate Derivatives (2005 - 2010)
- AmMerchant Bank Berhad
 - Trader, Treasury Structured Product/ Interest Rate Derivatives (2001 - 2004)
 - Corporate Sales, Treasury (1997 - 2000)

Present Appointment(s)

- Nil



VAITHIYANATHAN MADAVAN

Chief Operations Officer



56

Date of Appointment
1 October 2024

Qualification(s)

- Malaysian Institute of Accountants (2001)
- The Association of Chartered Certified Accountants (2000), United Kingdom

Directorship(s) In Public Company(ies)

- ECML Berhad

Relevant Experiences

- Kenanga Investment Bank Berhad
 - Head, Group Operations (2021 - 2024)
- Kenanga Investment Bank Berhad
 - Head, Group Compliance (2017 - 2020)
- Bursa Malaysia Berhad
 - Head, Equities Surveillance (2015 - 2017)
 - Head, Intermediaries Supervision (2010 - 2015)
 - Senior Manager, Intermediaries Supervision (2004 - 2010)
- Malaysia Derivatives Exchange Berhad
 - Audit & Compliance (2001 - 2004)
- COMDEX Malaysia
 - Audit & Compliance (1998 - 2001)

Present Appointment(s)

- Nil

SENIOR MANAGEMENT PROFILES



LOW JIA YEE
Chief Technology Officer



43

- Date of Appointment**
9 May 2022
- Qualification(s)**
- Bachelor of Software Engineering (2003), Coventry University, United Kingdom
- Directorship(s) In Public Company(ies)**
- Nil
- Relevant Experiences**
- MetLife, Inc.
 - Head of Product and Platform Engineering Asia (2022)
 - Head of Enterprise Architecture Asia (2019 - 2021)
 - DHL
 - Principal Architect (2012 - 2019)
 - Hewlett-Packard
 - Development Manager (2011 - 2012)
 - Software Architect (2009 - 2011)
 - Firium Solution Sdn Bhd
 - Technical Lead (2006 - 2009)
 - Others
 - Software Engineer (2003 - 2006)
- Present Appointment(s)**
- PIKOM (The National Tech Association of Malaysia) CIO Chapter Member



LIONEL HO TZE-KUANG
Chief Executive Officer, Kenanga Digital Sdn Bhd



42

- Date of Appointment**
1 July 2025
- Qualification(s)**
- Chartered Banker, Asian Institute of Chartered Bankers
 - Masters of Engineering (MEng) in Electrical Engineering (2004), The University of Sheffield, United Kingdom
- Directorship(s) In Public Company(ies)**
- Nil
- Relevant Experiences**
- Malayan Banking Berhad
 - EVP, Head of Strategy, Cards, Group Community Financial Services (2024)
 - EVP, Initiative Owner, SP8B (2023)
 - EVP, Head of Digital Strategy, Group Strategy (2018 - 2023)
 - VP, Group Digital (2016 - 2018)
 - AVP, Digital Strategy & Business Development (2015 - 2016)
 - AVP, Group Strategy Development (2013 - 2015)
 - Astro Malaysia Holdings Berhad
 - Head, IPTV Marketing & Portfolio Management (2013)
 - Head, Business Development (B2B) (2012 - 2013)
 - AVP, Strategy & Business Intelligence (2011 - 2012)
 - Associate, Strategy & Business Intelligence (2010 - 2011)
 - Accenture Solutions Sdn Bhd
 - Consultant, Supply Chain Management practice (2008 - 2010)
 - Analyst, Supply Chain Management practice (2005 - 2008)
- Present Appointment(s)**
- Nil



WONG SIEW JUIUAN
Head, Group Legal



49

- Date of Appointment**
1 October 2013
- Qualification(s)**
- Bachelor of Laws (LLB) (Hons), University of Malaya
 - Advocate & Solicitor, High Court of Malaya
 - Certified Fraud Examiner (CFE), Association of Certified Fraud Examiner ("ACFE"), USA/ Malaysia
 - Dealing in securities modules (Securities Commission Qualification Licensing)
- Directorship(s) In Public Company(ies)**
- Nil
- Relevant Experiences**
- Kenanga Investment Bank Berhad
 - Head of Prudential & Supervision, Group Regulatory (2013)
 - RHB Banking Group
 - Department Head of Investment Bank, Group Legal (2011 - 2013)
 - Senior Manager, Group Legal (2009 - 2011)
 - Manager, Group Legal (2006- 2009)
 - Malaysia Venture Capital Management Berhad (MAVCAP)/ Cradle Fund
 - Senior Legal Executive (2004 - 2005)
 - Secretary, Investment Committee (2004 - 2005)
 - Messrs Mazlan & Associate
 - Legal Associate (2003 - 2004)
 - Messrs KM Chye & Murad (alliance of KhattarWong & Partners, Singapore)
 - Legal Associate/ Pupillage (2000 - 2003)
- Present Appointment(s)**
- Secretary General of the ACFE, Malaysian Chapter

Unless otherwise stated herein

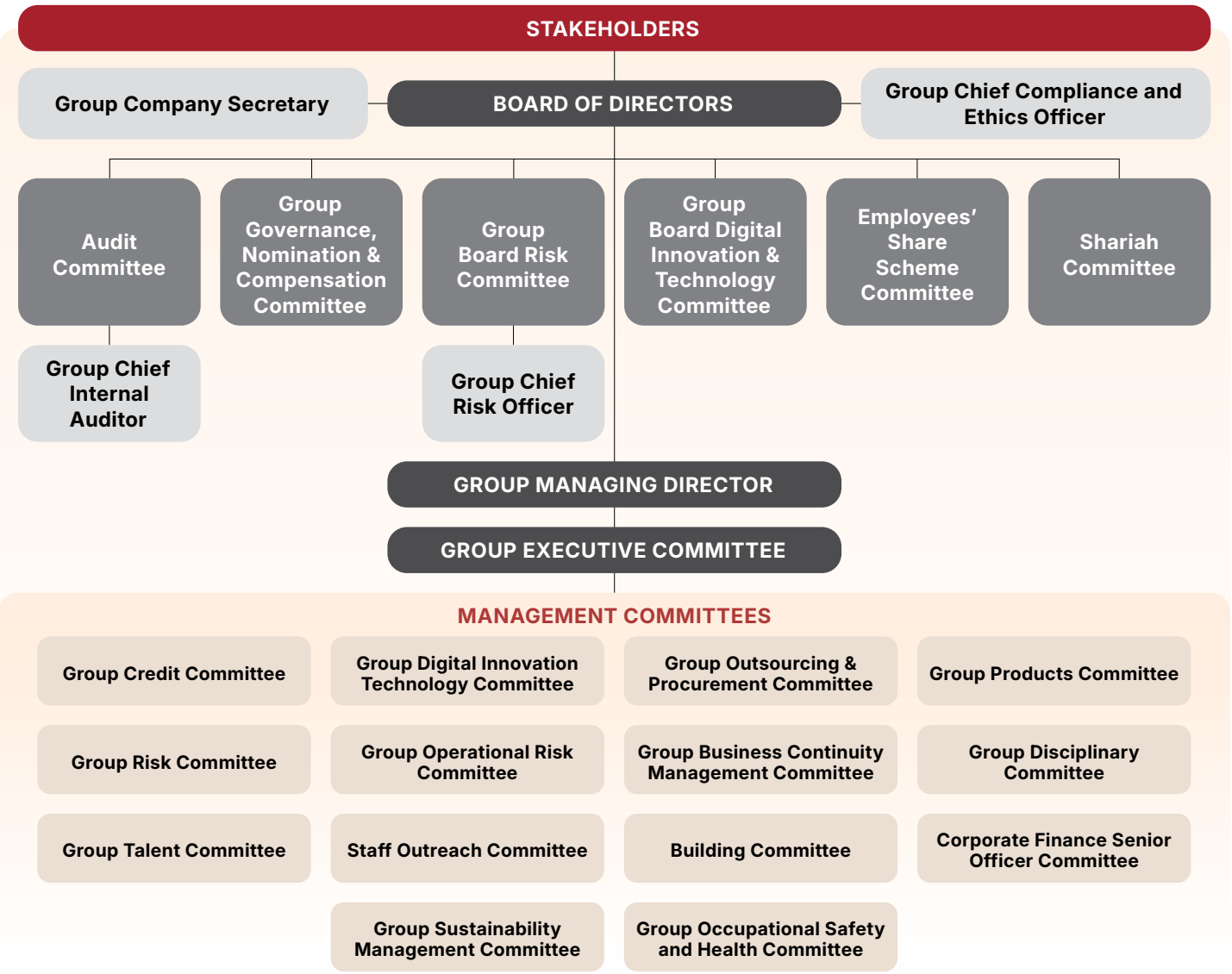
- All members of the Senior Management Team do not have any family relationships with any Director and/ or major shareholder of KIBB.
- None of the Senior Management personnel have conflict of interest or potential conflict of interest, including interest in any competing business with KIBB or its subsidiaries.
- None of the Senior Management personnel have been convicted of any offence within the past five (5) years nor have they been imposed any penalty by the relevant regulatory bodies during the Financial Year Ended 31 December 2025.
- Directorship indicated herein reflects the directorship in public companies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Corporate Governance is regarded by the Board of Directors (“**Board**”) as vital to the success of the business of Kenanga Investment Bank Berhad (“**KIBB**” or “**the Company**”). Therefore, the Board is unreservedly committed to applying the principles necessary to ensure that the principles of good governance are practised in all of the Company’s business dealings and operations.

Understanding that the responsibility for good corporate governance rests with them, the Board strives to adopt the principles and best practices of corporate governance and ensures that KIBB and Its Subsidiaries (“**KIBB Group**” or “**Kenanga Group**” or “**the Group**”) complies with the various guidelines issued by Bank Negara Malaysia (“**BNM**”), Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”) and the Securities Commission Malaysia (“**SC**”).

The Board is also committed to continuously undertake the appropriate actions to embed the principles and recommendations of the revised Malaysian Code on Corporate Governance (“**MCCG**”) issued by the SC on 28 April 2021, into the Company’s existing policies and procedures.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board is collectively responsible for the long-term success of the Company and the delivery of sustainable value to its stakeholders.

The Board’s key responsibilities include -

- governing and setting the strategic direction of the Company while exercising oversight on Management;
- setting the appropriate tone at the top;
- providing thought leadership and championing good governance and ethical practices throughout the Company; and
- ensuring that sustainability considerations are integrated in corporate strategy, governance and decision-making.

The Board sets the Company’s values and standards and ensures that its obligations to its shareholders and other stakeholders which include the regulators, business partners, clients, employees, suppliers and vendors, are clearly understood and adhered to.

Each of the Board members of the Company is aware of his/ her responsibilities to always exercise his/ her powers in accordance with the Companies Act 2016, for a proper purpose and in good faith and in the best interest of the Company. They also understand that each of them is expected to exercise reasonable care, skill and diligence with the knowledge, skill and experience, which may reasonably be expected of a Director having the same responsibilities; and any additional knowledge, skills and experience which the Director in fact has.

Further, the Directors, collectively and individually, are aware of their responsibilities to the shareholders and stakeholders for the manner in which the affairs of the Company are managed.

In discharging its duties effectively and efficiently, the Board delegates specific responsibilities to the Board Committees with clearly defined areas of authority and reporting arrangement to keep the Board informed on the key deliberations and decisions on delegated matters. To promote objectivity, robust and open deliberations, the Board Committees are chaired by an Independent Director who is not the Chairman of the Board. The roles and responsibilities of the Board Committees are set out in their respective Terms of Reference which are available on KIBB’s website at <https://www.kenanga.com.my/investor-relations/corporate-governance/>.

The Board, in fulfilling its oversight role and carrying out its strategic intent and mandates, will give direction and guidance through the Group Managing Director (“**GMD**”) to Management or Management Committees to execute the approved corporate strategies, established goals, as well as policies.

Notwithstanding any delegation of authority to Management or Committees, the Board reserves full decision-making power on matters relating to, amongst others, strategies, business plans and budget, significant policies, conflict of interest issues relating to Substantial Shareholders and/ or a Director, material acquisitions or disposals of assets not in the ordinary course of business, investment in capital projects, authority levels, risk management policies, as well as key human resource issues. The Board reserved matters are also reflected in the Board Charter.

The roles and responsibilities of the Board are clearly defined in the Board Charter which is available on KIBB’s website at <https://www.kenanga.com.my/investor-relations/corporate-governance/>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Reserved Matters

The Board’s key activities during the Financial Year Ended (“**FYE**”) 31 December 2025, included amongst others, reviewing, deliberating, recommending and approving where appropriate, key matters as outlined below.

Strategy/ Financials	
- Budget and Business Plan for KIBB Group for the Financial Year Ending 31 December 2026 - Proposals on New Investments/ Business Collaborations/ New Business Initiatives/ Corporate Exercises and Subsequent Updates - Price Adjustment and Disposals of Equity Stake in Associate Companies - Strategy Roadmap of a Subsidiary - Capital Injection to Joint Venture Company and Associate Company - Monthly Management Accounts - Quarterly Financial Results - Waiver of Intercompany Balance for Dormant Companies - Renewal of Inter-Company Loan - Audited Financial Statements for the FYE 31 December 2024 and the Reports for the Directors and Auditors - Proposed Interim Dividend for the FYE 31 December 2024 - Representation Letter to Ernst & Young PLT (“EY”) in Relation to the Audit for the FYE 31 December 2024 - Re-Appointment of External Auditors and Audit Fees for the FYE 31 December 2025	- Report on Non-Budgeted Expenditure Exceeding RM250,000 2025 Equity Derivatives’ Business Plan and Proposed Market Risk Limits - Reports on Associate and Joint Venture Companies - Renewal of Solvency Statement in Relation to the Share Buyback Exercise - Provision of Financial Support and Contingency Funding for Subsidiaries - Exercise of Call Option to Redeem Tranche 4 Tier 2 Subordinated Note under the Tier 2 Subordinated Note Programme - Establishment and Issuance of Additional Tier 1 Capital Securities (“AT1CS”) under the AT1CS Programme of up to RM500.0 million in Nominal Value, and Redemption of Tranche 5 Tier 2 Subordinated Note under the Tier 2 Subordinated Note Programme - Annual Impairment Assessment of Goodwill and Intangibles for the FYE 31 December 2025 - Share Buy-Back Statement in Relation to the Proposed Renewal of Authority for the Company to Purchase Its Own Shares of Up to 10% of the Total Number of Issued Shares of the Company

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Risk, Compliance and Oversight	
- Monthly Regulatory Reports and Compliance Reports - Regulatory Audit/ Examinations Reports - Monthly Risk Management Reports - Year-End Status of Annual Work Plan 2024 of Group Regulatory and Corporate Services - Statement on Risk Management and Internal Control (“SORMIC”) and Representation Letter to the External Auditors - Recovery Time Objectives (“RTO”) and Maximum Tolerable Downtime (“MTD”) for Critical Business Functions/ Systems 2025 - Business Continuity Plan and Disaster Recovery Plan Test Matrix 2025 - Interim Dividend for the FYE 31 December 2024 - Update on Limit Down Issues - Revision to the Group Business Continuity Management Committee’s Term of Reference - Monthly Reports on KIBB’s Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities - Internal Capital Adequacy Assessment Process (“ICAAP”) 2024 (with BNM Semi-Annual Stress Testing Report 31 December 2024 embedded) - Asset and Liability Management Policy Update - Review of Financial Markets Product Framework (“FMPF”) and Linear Combination Product Programme (“LCPP”)	- Operational Risk Capital Charge Assessment for Year 2024 - Pillar 3 Disclosure as at 31 December 2024 - Submission of Leveraged Collar as Live Example for LCPP to BNM - BNM’s Net Stable Funding Ratio (“NSFR”) Thematic Review and Follow-Up Status Update - Structured Financing Product Programme (“SFPP”) - Submission of Protected Financing as Live Example for SFPP to BNM - Operational Risk Scenario Analysis Assessment 2025 - BNM Semi-Annual Stress Testing Report for Position as at 30 June 2025 - Independent Price Verification for Imagine System - Revision to the Group Operational Risk Committee’s Terms of Reference - Underlying Suitability Assessment – Master Framework - RTO and MTD for Critical Business Functions and Systems 2025 - Revision to the Cyber Resilience Framework - ICAAP Trigger Event – Notification of Tier-1 Capital Ratio Deviation and Endorsement of the Proposed Action Plan - Rollover of the Skim Perbankan Islam Structured Placement with Kenanga Investors Berhad (“KIB”), a Wholly Owned Subsidiary of KIBB and Extension of KIB as the Designated Fund Manager to Manage This Fund via a Shariah Compliant Non-Discretionary Investment Management Mandate - Independent Credit Review Plan 2025
Governance	
- Appointment and Re-Appointments of Directors within KIBB Group - Holistic Review of the Compositions of the Boards and Board Committees of KIBB Group - Reports by Board Committees on Matters Discussed at the Respective Meetings of the Board Committees - Retirement of Directors of KIBB Group at the Forthcoming Annual General Meetings of the Respective Entities - Assessment on the Fitness and Propriety and Nomination of Members of Shariah Committee of KIBB and Review of Their Remuneration - Directors’ Training Calendar for 2025 and Quarterly Status Report on KIBB Group Directors’ Training for 2024/ 2025 - Disclosures for 2024 Integrated Annual Report - Remuneration and Benefits for Chairman and Directors of KIBB Group	- Key Human Resource Matters - Review of the List of Management Key Responsible Persons (“KRPs”) of KIBB Group as of 1 January 2025 2024 Performance Appraisal and Annual Assessment on Fit and Proper for GMD, Group Chief Regulatory and Compliance Officer, Management KRPs, Head of Group Compliance and Group Company Secretary 2025 Balanced Scorecards for Management KRPs 2024 Performance Bonus and 2025 Annual Salary Increment - Updates of GMD and Management KRPs’ Succession Plan - Re-Appointment of YM Tan Sri Dato’ Paduka Tengku Noor Zakiah Tengku Ismail as Adviser of KIBB - Identification and Updating of the List of Material Risk Takers and List of Other Material Risk Takers Within KIBB Group - Review of Material Risk Takers and Other Material Risk Takers Compensation

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Separation of the Roles of Chairman and GMD

The Company aims to ensure a balance of power and authority between the Chairman and the GMD with a clear division of responsibility between the running of the Board and the Company's business respectively. The positions of the Chairman and the GMD are separated and their roles and responsibilities are clearly defined and formally documented in the Board Charter.

Whilst the Chairman is responsible for leading the Board in setting the values and standards of the Company, as well as maintaining a relationship of trust with and between Management and Non-Executive Directors, the GMD, on the other hand, is entrusted with the executive responsibility for the day-to-day management of the business which includes developing the strategic direction of the Company for review and approval by the Board and ensuring that the Company's strategies and corporate policies as approved by the Board are effectively implemented with the assistance of the Management team. In fulfilling this role, the GMD is given certain powers to execute transactions, guided by the internal rules and procedures and in accordance with the threshold set in the Group Approving Authority Framework.

Board Composition

The Board of KIBB currently comprises the following eight (8) members, six (6) of whom are Independent Non-Executive Directors ("INEDs") and the remaining two (2) are Non-Independent Non-Executive Directors ("NINEDs"):

- ▶ **YAM TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL**
Chairman, INED
- ▶ **ENCIK ISMAIL HARITH MERICAN**
NINED
- ▶ **ENCIK JEREMY NASRULHAQ**
Senior INED
- ▶ **PUAN NORAZIAN AHMAD TAJUDDIN**
INED
- ▶ **MR. KANAGARAJ LORENZ**
INED
- ▶ **MR. CHOY KHAI CHOON**
NINED
- ▶ **MADAM CHIN SIEW SIEW**
INED
- ▶ **MS. ANGELINE-ONG SU MING**
INED
- ▶ **MR. LUK WAI HONG, WILLIAM**
NINED
(Retired on 1 November 2025)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board's composition complies with the minimum one-third (1/3) requirement of Independent Directors as stipulated in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia and the majority of Independent Directors requirement stipulated in BNM's Policy Document on Corporate Governance.

Whilst always ensuring a balance of skills set for the Board, in terms of gender diversity, age and ethnicity, the Board had also achieved its target for the Board to comprise at least 30% women Directors.

At the moment, the Board is represented by three (3) or 37.5% women Directors, namely Puan Norazian Ahmad Tajuddin, Madam Chin Siew Siew and Ms. Angeline-Ong Su Ming.

Tenure of Independent Directors

In compliance with BNM's Policy Document on Corporate Governance and as set out in KIBB's Board Charter, the tenure of an INED should not exceed a cumulative term of nine (9) years.

Upon completion of nine (9) years, an INED may continue to serve on the Board as a NINED subject to BNM's prior approval being obtained. Based on the current Board composition, none of the INED's tenure exceeds nine (9) years.

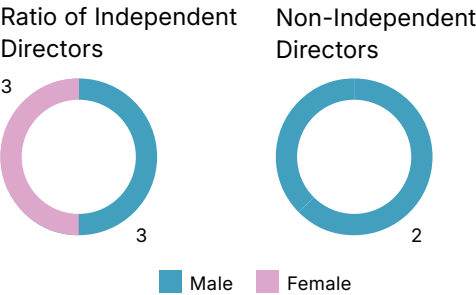
Notwithstanding the aforementioned, as deliberated by the Board of KIBB at its meeting on 29 July 2021 on the application and adoption of Practices and Step Up Practices of the revised MCCG, moving forward and in the spirit of the MCCG, Clause 3.3 of KIBB's Board Charter which allows for extension of an INED's tenure beyond the nine (9) years, had been revised to incorporate a formal policy which limits the tenure of an INED to nine (9) years without further extension in line with the MCCG's Step Up Practice 5.4.

In this regard, the Group Governance, Nomination & Compensation Committee ("GNC") and the Board have always been cognisant of the need for the compositions of the Board and Board Committees of entities within KIBB Group to be periodically reviewed for purposes of succession planning and Board refresh.

The profile of each Director is available on pages 76 to 83 of this Integrated Annual Report 2025.

SNAPSHOT OF THE BOARD'S PROFILE

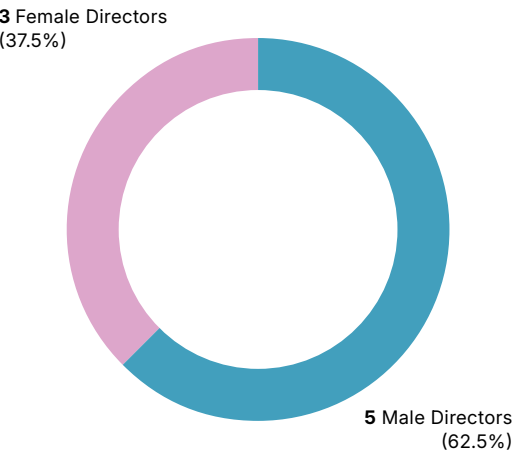
Board Balance and Composition



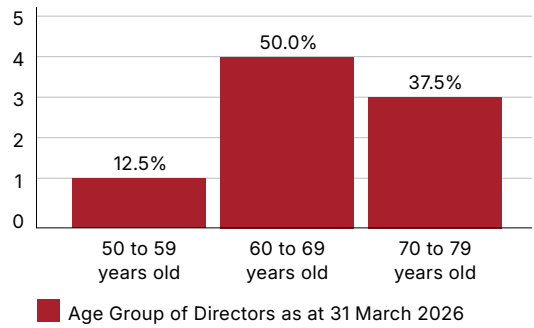
Directors' Nationality



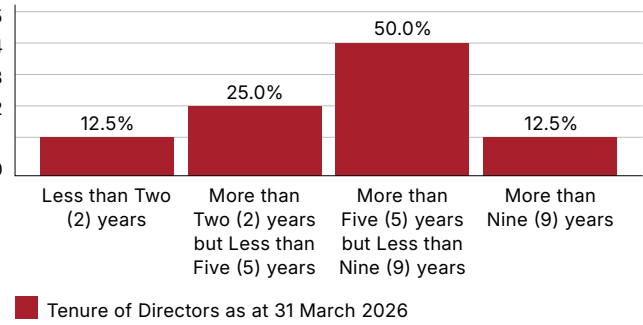
Gender Diversity on Board



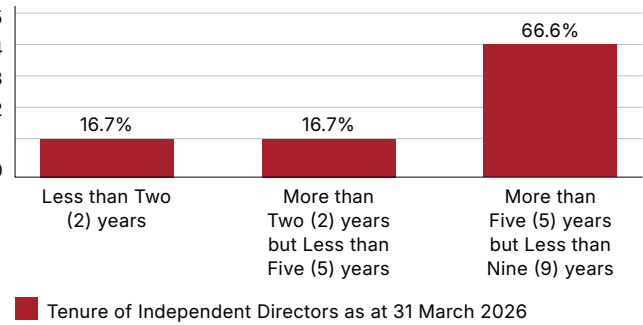
Number of Directors under Different Age Group



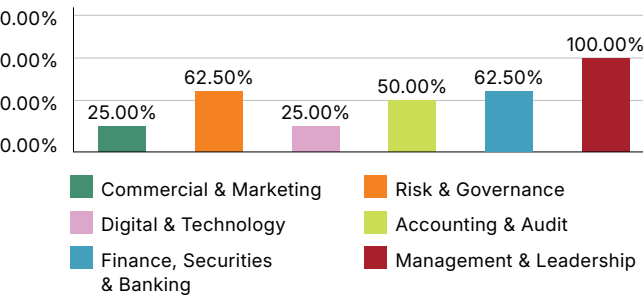
Number of Directors under Different Tenure



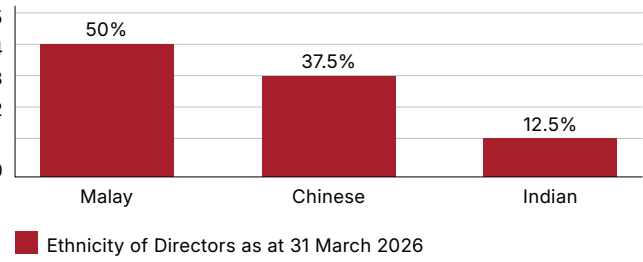
Number of Independent Directors under Different Tenure



Skills and Experiences



Ethnicity



CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board and Board Committee Meetings

In 2025, eleven (11) Board meetings were held, one (1) of which was special meeting which was convened to discuss and consider urgent proposals that required the Board’s expeditious deliberation and consideration.

As stipulated in the Board Charter and the Constitution of the Company, a Director of the Company must attend at least 75% of the Board meetings held during the financial year, in line with the requirement of BNM’s Policy Document on Corporate Governance.

During the Financial Year Ended 31 December 2025, all the Directors of the Company attended 100% of the Board meetings convened, demonstrating a strong commitment and dedication of the Board members in fulfilling and discharging their respective roles and responsibilities as Directors of the Company.

The Directors’ attendance at Board and Board Committee meetings held during the Financial Year Ended 31 December 2025 are provided below.

Board		Number of Meetings		
Name of Director	Held ⁽¹⁾	Attended	Percentage (%)	
YAM Tan Sri Dato’ Seri Syed Anwar Jamalullail (Chairman)	11	11	100.0%	
Encik Ismail Harith Merican	11	11	100.0%	
Mr. Luk Wai Hong, William ⁽²⁾	10	10	100.0%	
Encik Jeremy Nasrulhaq	11	11	100.0%	
Puan Norazian Ahmad Tajuddin	11	11	100.0%	
Mr. Kanagaraj Lorenz	11	11	100.0%	
Mr. Choy Khai Choon	11	11	100.0%	
Madam Chin Siew Siew	11	11	100.0%	
Ms. Angeline-Ong Su Ming	11	11	100.0%	

Notes
⁽¹⁾ Reflects the number of meetings held during the time the Director held office.
⁽²⁾ Retired as Board member on 1 November 2025.

Audit Committee (“AC”)		Number of Meetings		
Name of Director	Held ^{(1) (2)}	Attended	Percentage (%)	
Encik Jeremy Nasrulhaq (Chairman)	9	9	100.0%	
Mr. Kanagaraj Lorenz	9	9	100.0%	
Puan Norazian Ahmad Tajuddin	9	9	100.0%	

Notes
⁽¹⁾ Reflects the number of meetings held during the time the Director held office.
⁽²⁾ Total number of meetings held was inclusive of one (1) joint meeting between the AC and Group Board Risk Committee (“GBRC”) held on 27 November 2025 and one (1) joint meeting between the AC and GNC held on 13 March 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

GNC		Number of Meetings		
Name of Director	Held ^{(1) (2)}	Attended	Percentage (%)	
Madam Chin Siew Siew (Chairman)	9	9	100.0%	
Encik Jeremy Nasrulhaq	9	9	100.0%	
Encik Ismail Harith Merican	9	9	100.0%	
Puan Norazian Ahmad Tajuddin	9	9	100.0%	
Mr. Choy Khai Choon	9	9	100.0%	

Notes
⁽¹⁾ Reflects the number of meetings held during the time the Director held office.
⁽²⁾ Total number of meetings held was inclusive of one (1) joint meeting between the AC and GNC which was held on 13 March 2025.

GBRC		Number of Meetings		
Name of Director	Held ^{(1) (2)}	Attended	Percentage (%)	
Puan Norazian Ahmad Tajuddin (Chairman)	7	7	100.0%	
Mr. Luk Wai Hong, William ⁽³⁾	5	5	100.0%	
Mr. Kanagaraj Lorenz	7	7	100.0%	
Mr. Choy Khai Choon	7	7	100.0%	
Ms. Angeline-Ong Su Ming	7	7	100.0%	

Notes
⁽¹⁾ Reflects the number of meetings held during the time the Director held office.
⁽²⁾ Total number of meetings held was inclusive of one (1) joint meeting between the AC and the GBRC which was held on 27 November 2025.
⁽³⁾ Ceased to be a member of the GBRC on 1 November 2025.

Group Board Digital Innovation & Technology Committee (“GBDITC”)		Number of Meetings		
Name of Director	Held ⁽¹⁾	Attended	Percentage (%)	
Mr. Kanagaraj Lorenz (Chairman)	7	6	85.7%	
Mr. Luk Wai Hong, William ⁽²⁾	6	6	100.0%	
Encik Jeremy Nasrulhaq	7	7	100.0%	
Mr. Choy Khai Choon	7	7	100.0%	
Madam Chin Siew Siew	7	7	100.0%	

Notes
⁽¹⁾ Reflects the number of meetings held during the time the Director held office.
⁽²⁾ Ceased as a member of the GBDITC on 1 November 2025.

Shariah Committee		Number of Meetings		
Name of Shariah Committee Member	Held ⁽¹⁾	Attended	Percentage (%)	
Dr. Ghazali Jaapar (Chairman)	12	12	100.0%	
Dr. Mohammad Firdaus Mohammad Hatta	12	12	100.0%	
Dr. Fadillah Mansor	12	12	100.0%	

Note
⁽¹⁾ Reflects the number of meetings held during the time the Shariah Committee member held office.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Group Governance, Nomination & Compensation Committee

The GNC of KIBB comprises three (3) INEDs and two (2) NINEDs and is chaired by an INED who is not the Chairman of the Board.

Details on the GNC’s composition, as well as its members’ attendance at the GNC meetings during the Financial Year Ended 31 December 2025 are provided on pages 8 and 101 of this Integrated Annual Report 2025 and in Section B of the Corporate Governance Report (“**CG Report**”) which is available on KIBB’s website at <https://www.kenanga.com.my/investor-relations/agm2026>.

The functions and responsibilities of the GNC are set out in its Terms of Reference which is available on KIBB’s website at <https://www.kenanga.com.my/investor-relations/corporate-governance/>.

During the FYE 31 December 2025, the GNC had deliberated, reviewed and made appropriate recommendations to the Board for approval, pertaining to key matters stated below.

- Appointment and Re-Appointments of Directors within KIBB Group
 - Holistic Review of the Compositions of the Boards and Board Committees of KIBB Group
 - Establishment of Kenanga Group’s Guiding Principles for Board and Board Committee Composition
 - Retirement of Directors of KIBB Group at the Forthcoming Annual General Meetings of the Respective Entities
 - Assessment on the Fitness and Propriety and Nomination of Members of Shariah Committee of KIBB and Review of Their Remuneration
 - Directors’ Training Calendar for 2025 and Status Report on KIBB Group Directors’ Training for 2024/ 2025
 - Disclosures for Integrated Annual Report 2024
 - Payment of Directors’ Fees for the FYE 31 December 2024 and Meeting Allowances for FYE 31 December 2025 for KIBB Group
 - Remuneration and Benefits for Chairman and Directors of KIBB Group
- Review of the List of Management Key Responsible Persons (“**KRPs**”) of KIBB Group as of 1 January 2025
 - 2024 Performance Appraisal and Annual Assessment on Fit and Proper for GMD, Group Chief Regulatory and Compliance Officer, Management KRPs, Head of Group Compliance and Group Company Secretary
 - 2025 Balanced Scorecards for Management KRPs
 - 2024 Performance Bonus and 2025 Annual Salary Increment
 - Updates of GMD and Management KRPs’ Succession Plan
 - Re-Appointment of YM Tan Sri Dato’ Paduka Tengku Noor Zakiah Tengku Ismail as Adviser of KIBB
 - Identification and Updating of the List of Material Risk Takers and List of Other Material Risk Takers Within KIBB Group
 - Review of Material Risk Takers and Other Material Risk Takers Compensation

Board Appointment Framework

The Board, via the GNC, has put in place a formal and transparent framework governing the appointments of new Directors and Board Committee members, wherein the GNC will recommend the appointment of suitable candidate as Director and Board Committee member of the KIBB Group, to the Board for approval.

With regard to skills and experience, a skills matrix review process had been put in place whereby the GNC will undertake a rigorous assessment of potential candidates, prior to making any recommendations to the Board for appointment of a new Director.

During the FYE 31 December 2025, the Board composition had undergone a change with the retirement of Mr. Luk Wai Hong, William as a NINED of KIBB effective 1 November 2025.

With the change, the Board still comprises a majority of Independent Directors and the Board’s composition in terms of gender diversity had been increased from 33% to 37.5% women Directors.

Employees’ Share Scheme Committee

To assist the Board in the administration of KIBB Group’s Employees’ Share Scheme (“**ESS**” or “**Scheme**”), in accordance with the By-Laws governing the Scheme as approved by Shareholders of KIBB, the Board had established an ESS Committee comprising solely of Independent Directors.

The main objective of the ESS as approved by the Shareholders of KIBB on 25 May 2017, is to align the employees’ interests with the long-term objectives of KIBB Group to create sustainable value enhancement for its Shareholders through a high-performance culture.

The roles and responsibilities of the ESS Committee which are outlined in its Terms of Reference include the determination of all questions of policy and expediency that may arise in the administration of the ESS including, amongst others, the terms of eligibility of the employees of the Company and its non-dormant subsidiaries (“**Eligible Employees**” or “**Eligible Persons**”), the method or manner in which the grants are made to and exercised by Eligible Employees and any conditions imposed in relation thereto, and the termination of any options, and generally the exercise of such powers and performance of such acts as are deemed necessary or expedient to promote the best interests of the Company.

The functions and responsibilities of the ESS Committee are set out in its Terms of Reference which is available on KIBB’s website at <https://www.kenanga.com.my/investor-relations/corporate-governance/>.

Shariah Committee

The Shariah Committee was established to provide objective and sound advice to the Board of KIBB to ensure that the Company’s aims and operations, business affairs and activities pertaining to its Islamic Banking Window (Skim Perbankan Islam) comply with Shariah rules and regulations as reflected in the fatwas, rulings and guidelines issued by Shariah Advisory Council of BNM and the SC.

The composition of the Shariah Committee is in line with Paragraphs 13.1 to 13.5 of BNM’s Shariah Governance Policy Document which requires the Shariah Committee, at a minimum, to comprise at least three (3) members. All Shariah Committee members have the Shariah background.

The functions and responsibilities of the Shariah Committee are set out in its Terms of Reference which is available on KIBB’s website at <https://www.kenanga.com.my/investor-relations/corporate-governance/>.

Board Diversity and Gender

In recognition of the benefits of a diverse Board in terms of the ability to tap into the many talents which the Board members from their different ages, cultural backgrounds, industry exposure, expertise, competency, experience, knowledge and gender bring to the Company, as well as their abilities to respond to business opportunities more rapidly and creatively, the Company has endeavoured and will continue to endeavour to achieve an appropriate mix of members to achieve diversification.

During the search of a suitable candidate, one (1) of the key considerations is to ensure that the skill set of the Board is appropriately balanced to support the strategies and long-term goals of KIBB Group. Amongst others, the considerations include whether the skill set of the new candidate could complement the collective skill set of the existing Directors, the integrity and the character of the candidate, the ability to contribute different perspectives to the Board, as well as the ability to commit sufficient time and attention to the affairs of the Company and whether he/ she could fit in with the Company’s culture.

Following the issuance of the revised MCCG by the SC on 28 April 2021, the Board of KIBB had, at its meeting on 29 July 2021, deliberated on the status of KIBB’s application of the Practices and adoption of the Step Up Practices of the MCCG.

Arising from the gap analysis, the Board had identified certain action plans in terms of application and adoption of the Practices and Step Up Practices, respectively.

One (1) of the action plans identified was to adopt Practice 5.9 of the MCCG which recommended for the Board to comprise at least 30% women Directors. Being a Capital Markets Services Licence (“**CMSL**”) Holder under the SC, KIBB is also required to comply with the requirements of Paragraph 5.06 of the SC’s Guidelines on Corporate Governance for Capital Market Intermediaries, for the Board of a CMSL Holder to comprise at least 30% women Directors.

In pursuit of applying Practice 5.9 of the MCCG, the Board had identified several potential women candidates as an INED and had on 7 December 2023, approved the appointment of Ms. Angeline-Ong Su Ming, subject to further approval from BNM. BNM had on 15 March 2024, approved the appointment of Ms. Angeline-Ong Su Ming and her appointment was formalised with effect from 4 June 2024.

Subsequent to the appointment of Ms. Angeline-Ong Su Ming as an INED on 4 June 2024, the Board composition had fulfilled the requirement of 30% women Directors. Hence, KIBB has fully adopted Practice 5.9 of the MCCG.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Education and Development

1. Induction Programme for Newly Appointed Director

KIBB has developed an induction programme for its newly appointed Directors to familiarise them with the industry and KIBB Group's business and operations, within three (3) months of their appointments.

This induction programme, which is facilitated by the Group Company Secretary's Office, is conducted by way of a briefing and discussion amongst selected Senior Management with the newly appointed Director, on the Company's vision and mission, its philosophy and nature of business, current issues, the corporate strategy of the Group, responsibilities and duties of the Board as a whole, an overview of the risks of the businesses, risk management strategy of KIBB, legal requirements, compliance and regulations, as well as financial overview of the Group and the expectations of KIBB with regard to contributions from the Directors towards the Company's achievement of its goals.

During this induction programme, the newly appointed Director will also be briefed on the Company's governance framework, the Board processes, as well as his/ her individual roles and responsibilities as a Board member.

Non-Executive Directors appointed to the Boards of subsidiaries within the Group shall also be provided similar induction programme tailored to the scope of their appointments at the respective entities.

2. Directors' Continuous Education and Development

In ensuring that the Directors are kept abreast of new developments pertaining to the laws and regulations, the changing commercial risks, as well as, technology and cyber security issues, which may affect the Board and/ or the Company and to ensure that they are fully equipped with the necessary knowledge to assist them in fulfilling their responsibilities as Directors, the Company, through the Group Company Secretary's Office, facilitates the participation and attendance of Directors at appropriate external and in-house training programmes.

In addition to completing the Mandatory Accredited Programmes I and II ("MAP I and II") as required by Bursa Malaysia under Paragraph 15.08 of the MMLR of Bursa Malaysia, the Financial Institutions Directors' Education ("FIDE") Core Programme and the Islamic Finance for Board Programme as required by BNM, and the Capital Market Director Programme ("CMDP") as required by the SC for newly appointed Directors, the Board members are also encouraged to attend training programmes, conducted by recognised professionals/ providers, which are relevant to the Company's operations and business.

During 2025, the Board members of KIBB's subsidiaries, Kenanga Investors Berhad ("KIB"), Kenanga Islamic Investors Berhad and Eq8 Capital Sdn Bhd had completed the mandatory training programmes required by the respective regulators as stated below.

Training Programmes	Attendee	Date
CMDP Module 1: Directors as Gatekeepers or Market Participants	Mr. Ong Soon Chong ⁽¹⁾	23 July 2025
	Tuan Megat Mizan Nicholas Denney ("Tuan Megat Mizan") ⁽²⁾	27 October 2025
CMDP Module 2B: Business Challenges and Regulatory Expectations – What Directors Need to Know (Fund Management)	Mr. Ong Soon Chong	24 July 2025
	Tuan Megat Mizan	29 October 2025
CMDP Module 3: Risk Oversight and Compliance – Action Plan for Board of Directors	Mr. Ong Soon Chong	24 July 2025
	Tuan Megat Mizan	30 October 2025
CMDP Module 4: Emerging and Current Regulatory Issues in the Capital Market	Mr. Ong Soon Chong	25 July 2025
	Tuan Megat Mizan	31 October 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Training Programmes	Attendee	Date
MAP I	Mr. Ong Soon Chong	27 August 2025 and 28 August 2025

- Notes
- Mr. Ong Soon Chong was appointed as a Director of Eq8 Capital Sdn Bhd on 4 March 2025.
 - Tuan Megat Mizan was appointed as a Director of Kenanga Islamic Investors Berhad on 28 August 2025.

In facilitating the Directors' education and development, the Group Company Secretary's Office, in addition to monitoring the status of all mandatory training programmes to be completed by the Directors, also establishes an Annual Directors' Training Calendar encompassing external training programmes available in the market and/ or recommended by the Board members, as well as in-house training programmes.

This Annual Directors' Training Calendar shall be tabled at the GNC and the Board for endorsement in the first (1st) quarter of each year to create awareness amongst the Directors of training programmes which are available for the year. Thereafter, the GNC and the Board will be updated on the status of Directors' participation in these training programmes on a quarterly basis.

In establishing the Annual Directors' Training Calendar, the feedback/ suggestions received from Directors during the annual Board Effectiveness Evaluation exercise in terms of specific training needs required to enhance the Board's effectiveness and skills set, will also be taken into consideration.

Based on the feedback received from the Directors during the Board Effectiveness Evaluation conducted in 2025, the following areas were identified to be included in the Directors' training needs:

- Sustainability, Environmental, Social and Governance ("ESG") Risks and Climate Change Risks;
- Artificial Intelligence ("AI")/ disruptive technology/ fintech advancement; and
- Regulatory/ industry updates (financial services and capital markets industries).

3. Training Programmes Attended by Directors During Financial Year 2025

The training programmes attended by the Directors during the FYE 31 December 2025 are listed below.

Title of Programme		Attended By
Property, Insurance, Strategy, Accounting & Finance, Governance, Economy, Leadership, Business, Risk, Tax		
1.	Special Lecture: How Global Events Will Effect the Outlook for the Financial Industry in 2025 (YBhg Tan Sri Andrew Sheng) by FIDE FORUM	JN/ NAT/ RL/ CKC
2.	Asean Investment Conference 2025 by Securities Commission Malaysia ("SC")	CKC
3.	Webinar on Tariffs, Contracts & Risks by Malaysian Institute of Corporate Governance ("MICG")	CKC
4.	Engagement Session with FIDE FORUM Members on Bank Negara Malaysia Annual Report 2024, Economic and Monetary Review 2024 and Financial Stability Review for Second Half of 2024 by FIDE FORUM	JN/ CSS/ AOSM
5.	Trump's Tariff and the Global Economy: What's Next, and what can be done by Asia School of Business ("ASB")	JN
6.	The Influence of Board Culture on Corporate Performance by FIDE FORUM	CSS
7.	Sasana Symposium 2025 'Structural Reforms: Building a Resilient Malaysia by BNM	JN/ NAT/ CKC/ CSS/ AOSM

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Title of Programme		Attended By
Property, Insurance, Strategy, Accounting & Finance, Governance, Economy, Leadership, Business, Risk, Tax		
8.	Setia Governance, Risk & Audit Forum 2025 - “Enhancing Value Through Resilience” by S P Setia Berhad	TSAJ
9.	Economic Indicators and Monetary Policy: A Guide for Business Leaders by ICLIF Executive Education Centre (Asia School of Business) (“ICLIF”)	JN/ CSS/ AOSM
10.	Permodalan Nasional Berhad - Knowledge Forum 2025	TSAJ
11.	Navigating Shareholder Expectations: Remuneration Sentiment Insights in Malaysian Financial Institutions co-hosted by FIDE FORUM and Deloitte	JN/ NAT/ CSS/ AOSM
12.	Independent Directors & Tax Exposure: Clearing the air by RDS Partnership	TSAJ
13.	Audit Oversight Board’s Conversation with Audit Committees by SC	NAT
14.	Global Internal Audit Standards by Institute of Internal Auditors (“ IIAM ”)	JN
Regulatory and Compliance, Dialogue and Discussion with Regulators, Institutions		
15.	Training on S P Setia’s Conflict of Interest and Related Party Transactions Policy by S P Setia	TSAJ
16.	Directors’ In-House Training: E-Invoice Awareness Briefing by PWC	TSAJ/ IHM/ LWH/ JN/ NAT/ RL/ CKC/ CSS/ AOSM
17.	E-Invoice - Service Tax Impact on Independent Directors - FIDE FORUM	CKC
18.	Compliance with Listing Requirements - Reporting of Financial Statements by CKM Advisory organised by Kenanga Group Training department	LWH/ NAT
19.	ICDM Advocacy: E-invoicing for Directors - MyInvois & MyTax Portal Walkthrough with Ernst & Young (“EY”)	NAT
20.	FIDE CORE PROGRAMME (Module A) by ASB	AOSM
21.	FIDE CORE PROGRAMME (Module B) by ASB	AOSM
22.	Directors’ In-House Training: Boardroom Accountability in AML/ CFT/ CPF: Navigating Malaysia’s Evolving Regulatory Landscape and Risk Environment by Mr. Aazad Ananthan Abdullah of Symphony Digest	TSAJ/ IHM/ LWH/ JN/ NAT/ RL/ CKC/ CSS/ AOSM
Information Technology/ Digitalisation/ Cyber Security		
23.	EY AI Conference by EY	JN
24.	Board Leadership Workshop: Board’s role in Digital Transformation: Putting Words into Action by FIDE FORUM	NAT/ CSS
25.	Governance of Generative AI by ICLIF	CSS
26.	Tokenising Financial Assets: What Financial Leaders Needs to Know Today by FIDE FORUM	JN/ NAT/ CSS/ AOSM
27.	Masterclass - Navigating High-Tech Financial Crime: Key Risks and Board Responsibilities by FIDE FORUM	CSS
28.	AI’s Next Wave: Chips, Code and Localisation by FIDE FORUM	NAT
29.	Navigating Digital Disruption: How can Board in Financial Institution Enhance Strategic Digital Governance by FIDE FORUM	JN
30.	MyFintech Week 2025 Ideate, Innovate, Co-Create: Shaping the Future of Finance - Collaboration between SC, Asian Institute of Chartered Bankers (“AICB”), Fintech Association of Malaysia and Malaysia Digital Economy Corporation (“MDEC”)	NAT/ RL/ CKC

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Title of Programme		Attended By
Information Technology/ Digitalisation/ Cyber Security		
31.	MyFintech Week 2025 Ideate, Innovate, Co-Create: Shaping the Future of Finance - Collaboration between SC, AICB, Fintech Association of Malaysia and MDEC	IHM/ JN/ AOSM
32.	Carbon Markets and Transition Credits by Climate Governance Malaysia Roundtable Series 2025	NAT
33.	Directors’ In-House Training: Ensign Cyber Threat Landscape Report 2025 by Ensign Malaysia Sdn Bhd	TSAJ/ IHM/ LWH/ JN/ NAT/ RL/ CKC/ CSS/ AOSM
34.	Monash Business School - Who is liable when AI goes wrong? Navigating the legal maze of AI	RL
35.	Monash Business School - Judgement & Decision making in Virtual and Physical Worlds	RL
36.	Singapore Fintech Festival 2025	IHM/ JN/ CKC
Islamic Banking and Finance, Shariah Compliance		
37.	Islamic Finance for Board by ISRA International Consulting Sdn Bhd (“ISRA Consulting”)	AOSM
Sustainability and Environment, Social and Governance (“ESG”)		
38.	National Climate Governance Summit 2025 by Climate Governance Malaysia	NAT
39.	BNM Sasana Symposium - Walkthrough on Climate Risk, Stress Testing & Scenario Analysis by Risk Management of KIBB	IHM/ NAT/ RL/ CSS/ AOSM
40.	Urban Biodiversity Conference 2025 by Sime Darby Property organised by S P Setia Berhad	TSAJ
41.	Directors’ In-House Training: ESG - Just Transition for Board Leadership by Margie Ong, Thoughts In Gear; and Lim Wei Ren, Eastsprings Investments	TSAJ/ IHM/ LWH/ JN/ NAT/ RL/ CKC/ CSS/ AOSM
42.	Climate Talk or Last? By Prof Mak Yuen & Tina Thomas by ASB Academic	TSAJ/ CSS/ AOSM
43.	Setia Sustainability Day 2025 by S P Setia Berhad	TSAJ
44.	Carbon Markets and Transition Credits by Climate Governance Malaysia Roundtable Series 2025	NAT
45.	Blended Finance Access by Climate Governance Malaysia Roundtable Series 2025	NAT
46.	Principle to Action: Shaping Malaysia’s just transition by Climate Governance Malaysia Roundtable Series 2025	NAT

- Legend
- YAM Tan Sri Dato’ Seri Syed Anwar Jamalullail (“**TSAJ**”)
 - Encik Ismail Harith Merican (“**IHM**”)
 - Mr. Luk Wai Hong, William (“**LWH**”)
 - Encik Jeremy Nasrulhaq (“**JN**”)
 - Puan Norazian Ahmad Tajuddin (“**NAT**”)
 - Mr. Kanagaraj Lorenz (“**RL**”)
 - Mr. Choy Khai Choon (“**CKC**”)
 - Madam Chin Siew Siew (“**CSS**”)
 - Ms. Angeline-Ong Su Ming (“**AOSM**”)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

4. Training Programmes Attended by Members of Shariah Committee During Financial Year 2025

The training programmes attended by the Shariah Committee members during the FYE 31 December 2025 are provided below.

Title of Programme		Attended By
1.	3 rd Nadwah of Shariah Advisers in Islamic Capital Market 2025 by Securities Commission Malaysia	DGJ
2.	Asset and Funds Management Programme	DGJ
3.	MIA Webinar Series: Fundamentals of Corporate Finance	DGJ
4.	Muzakarah Penasihat Syariah Institusi Kewangan Islam KLIFF 2025 Kali Ke-18	DGJ
5.	3 rd Nadwah of Shariah Advisers in Islamic Capital Market 2025 by Securities Commission Malaysia	DMF
6.	Asset and Funds Management Programme	DMF
7.	MIA Webinar Series: Fundamentals of Corporate Finance	DMF
8.	3 rd Nadwah of Shariah Advisers in Islamic Capital Market 2025 by SC	DFM
9.	Asset and Funds Management Programme	DFM
10.	MIA Webinar Series: Fundamentals of Corporate Finance	DFM
11.	20 th Kuala Lumpur Islamic Finance Forum 2025 & Muzakarah Penasihat Syariah Institusi Kewangan Islam KLIFF 2025 Kali Ke-18	DFM

- Legend
- Dr. Ghazali Jaapar (“**DGJ**”)
 - Dr. Mohammad Firdaus Mohammad Hatta (“**DMF**”)
 - Dr. Fadillah Mansor (“**DFM**”)

Succession Plan

Board and Board Committee	Senior Management
The Board had, in October 2015, formalised the Board Succession Planning Framework (“Framework”) which outlines the guiding principles for effective succession planning, as well as the detailed procedure in ensuring smooth transition in the Board’s process and functioning as existing Directors leave, and new ones come on board. This Framework is reviewed on a regular basis to ensure its alignment with the latest development in the relevant regulatory requirements, if necessary. The Board had on 29 October 2024, approved the updated Framework in line with the latest regulatory and statutory requirements.	In July 2015, the Board had, upon the GNC’s recommendation, approved the Talent and Succession Management Framework and Methodology for the Kenanga Group, which aims at ensuring ready successors for leadership positions capable of driving business growth and achieving the Group’s strategic business plan, ensuring a pool of qualified and competent staff prepared and ready to fill up critical positions within the Group as and when required; and ensuring effective development, engagement and retention of high potential employees. The Talent and Succession Management Framework and Methodology for the Kenanga Group is reviewed on annual basis.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Non-Executive Directors’ Remuneration Framework

The Company aims to set remuneration levels which are sufficient to attract and retain the Directors and Senior Management needed to operate the Company successfully, taking into consideration all relevant factors including the functions, workload and responsibilities involved, but without excessively overpaying to achieve its goal. Regarding the level of remuneration of the GMD and Senior Management personnel, it is deliberated by the GNC after giving due consideration to compensation levels of comparable positions of other similar companies in Malaysia.

The GNC carries out the annual review of the overall remuneration policy for Directors, the GMD and Senior Management whereupon recommendations are submitted to the Board for approval. The GNC also reviews annually the performance of the GMD, Chief Executive Officers of the subsidiaries of the Company, as well as Senior Management and make appropriate recommendations to the Board for approval accordingly.

The remuneration of the GMD and Senior Management are made up of two (2) components i.e., fixed basic salary and a variable component comprising the annual discretionary performance bonus and share awards under the ESS. The share awards will only be vested upon the GMD and Senior Management meeting the agreed Key Performance Indicators (“**KPIs**”). Details of such share awards are set out in Note 55 of the Financial Statements section of this Integrated Annual Report 2025.

For the FYE 31 December 2025, the Directors and Shariah Committee Members are paid the annual fees and meeting allowances for each meeting of the Board, Board Committee or Shariah Committee that they have attended, as stated below.

Fees	FYE 31 December 2025
Chairman of the Board	RM520,000.00
Director	RM270,000.00
Chairman of AC ⁽¹⁾	RM60,000.00
Chairman of GNC/ GBRC/ GBDITC	RM40,000.00
Chairman of Shariah Committee	RM78,000.00
Member of AC/ GNC/ GBRC/ GBDITC	RM30,000.00
Member of Shariah Committee ⁽²⁾	RM54,000.00
	RM48,000.00

Type of Meeting Allowance	Chairman	Member
	Per Meeting	
Board Meeting	RM2,000.00	RM2,000.00
General Meeting of the Company	RM2,000.00	RM2,000.00
AC/ GNC/ GBRC/ GBDITC/ ESS Committee Meeting	RM2,000.00	RM2,000.00
Shariah Committee Meeting	RM600.00	RM500.00

Notes

⁽¹⁾ The Annual Fee for the Chairman of AC had been increased from RM40,000 to RM60,000 effective from FYE 31 December 2021 as approved by the Board of KIBB on 26 January 2022, upon the GNC’s recommendation. The same had also been approved by the Shareholders at the Forty-Eighth (48th) Annual General Meeting (“**AGM**”) of the Company held on 26 May 2022.

⁽²⁾ The Annual Fee for the FYE 31 December 2025 was based on the number of years served as a Shariah Committee member, as well as the scope of roles and responsibilities being undertaken.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The payment of Directors’ fees will be made after obtaining the Shareholders’ approval at the AGM.

The breakdown of the remuneration of individual Directors which includes fees, other emoluments and benefits-in-kind for the FYE 31 December 2025 is set out below.

Group Level	Fees ⁽¹⁾ RM	Salaries RM	Other Emoluments RM	Bonus RM	Benefits-in Kind RM	Total RM
YAM Tan Sri Dato’ Seri Syed Anwar Jamalullail	520,000.00 ⁽²⁾	-	26,000.00	-	108,150.00 ⁽³⁾	654,150.00
Encik Ismail Harith Merican	300,000.00	-	44,000.00	-	-	344,000.00
Mr. Luk Wai Hong, William ⁽⁴⁾	381,468.49	-	82,000.00	-	-	463,468.49
Encik Jeremy Nasrulhaq	390,000.00	-	74,000.00	-	-	464,000.00
Puan Norazian Ahmad Tajuddin	522,005.48	-	126,000.00	-	-	648,005.48
Mr. Kanagaraj Lorenz	370,000.00	-	68,000.00	-	-	438,000.00
Mr. Choy Khai Choon	450,000.00	-	88,000.00	-	-	538,000.00
Madam Chin Siew Siew	340,000.00		58,000.00	-	-	398,000.00
Ms. Angeline-Ong Su Ming	300,000.00	-	40,000.00	-	-	340,000.00
TOTAL	3,573,473.97	-	606,000.00	-	108,150.00	4,287,623.97

Notes
⁽¹⁾ Subject to the Shareholders’ approval at the forthcoming AGM.
⁽²⁾ Included RM40,000 in lieu of Club Membership.
⁽³⁾ Benefits-in-kind for the current Chairman included leave passage, driver, car and other claimable benefits.
⁽⁴⁾ Retired as Board member on 1 November 2025.

Company Level	Fees ⁽¹⁾ RM	Salaries RM	Other Emoluments RM	Bonus RM	Benefits-in Kind RM	Total RM
YAM Tan Sri Dato’ Seri Syed Anwar Jamalullail	520,000.00 ⁽²⁾	-	26,000.00	-	108,150.00 ⁽³⁾	654,150.00
Encik Ismail Harith Merican	300,000.00	-	44,000.00	-	-	344,000.00
Mr. Luk Wai Hong, William ⁽⁴⁾	274,849.31	-	44,000.00	-	-	318,849.31
Encik Jeremy Nasrulhaq	390,000.00	-	74,000.00	-	-	464,000.00
Puan Norazian Ahmad Tajuddin	370,000.00	-	72,000.00	-	-	442,000.00
Mr. Kanagaraj Lorenz	370,000.00	-	68,000.00	-	-	438,000.00
Mr. Choy Khai Choon	360,000.00	-	72,000.00	-	-	432,000.00
Madam Chin Siew Siew	340,000.00		58,000.00	-	-	398,000.00
Ms. Angeline-Ong Su Ming	300,000.00		40,000.00	-	-	340,000.00
TOTAL	3,224,849.31	-	498,000.00	-	108,150.00	3,830,999.31

Notes
⁽¹⁾ Subject to the Shareholders’ approval at the forthcoming AGM.
⁽²⁾ Included RM40,000 in lieu of club membership.
⁽³⁾ Benefits-in-kind for the current Chairman included leave passage, driver, car and other claimable benefits.
⁽⁴⁾ Retired as Board member on 1 November 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Pursuant to the revised MMLR issued by Bursa Malaysia on 29 November 2024 on Paragraph 9.25 in relation to the enhancement of the remuneration disclosures in annual report with regard to Chief Executive of listed corporations, the detailed remuneration of the GMD is disclosed as stated below.

Name	Salary (RM’000)	Bonus (RM’000)	Defined Contribution Plan - EPF (RM’000)	Other Emoluments (RM’000)	Benefits-in Kind (RM’000)	Total (RM’000)
Datuk Chay Wai Leong	1,667	3,702	874	-	86	6,419

Board Effectiveness Evaluation

In line with the requirements of the MMLR, BNM’s Policy Document on Corporate Governance and the recommendations of the MCCG, the performance and contribution of the Board, Board Committees and individual Directors are assessed annually in accordance with the Board Effectiveness Evaluation (“BEE”) Framework approved by the Board.

This performance evaluation aims to objectively improve the effectiveness, maximise strengths and address weaknesses of the Board, Board Committees, as well as individual Directors, if any. It enables the Board to assess how they are performing and identify how certain elements of their performance may be improved.

Individual Director’s performance evaluation is also aimed at assessing whether each Director continues to contribute effectively and able to demonstrate commitment to the role, including commitment of time for the Board and Board Committee meetings and any other duties.

For the Board and Board Committees, effectiveness evaluation was conducted using the self-assessment method, whereas for individual Directors, a combination of self-assessment and peer assessment method was used, based on pre-determined criteria covering key areas in line with the Board Charter, as well as the Terms of Reference of the Board Committees.

The Board’s effectiveness was assessed in the areas of its structure, operations and interaction, roles and responsibilities, strategy and planning, financial overview, performance management, human capital management, risk management and internal control, Shareholders’ communication and investor relations and understanding of the Board Committees’ roles.

The effectiveness of each of the Board Committee was also discussed in detail and areas for enhancements identified accordingly.

Based on the revamped BEE Framework approved by the Board of KIBB on 3 November 2023, the performance and contribution of the Board, Board Committees and individual Directors are assessed annually. The performance evaluation involved the completion of a detailed questionnaire by each Director using the self-assessment method for Board and Board Committees and a combination of self-assessment and peer assessment method for individual Directors.

The assessment of the Board’s effectiveness were based on criteria such as Overall Board Effectiveness, Board Responsibilities, Board Culture, Board Chair, Board Composition, Board Committee’s Effectiveness, Board’s Relationship with the GMD, Board Remuneration, Board Administration and Process, as well Board Education.

The Board Committees are assessed based on the fulfilment of each Board Committee’s functions and roles and responsibilities, as well as composition, processes and procedures, and interaction with Management as stipulated in their respective Terms of References.

As for individual Directors, the assessment was based on pre-determined broad criteria relating to Board Dynamics and Participation, Leadership, Integrity and Objectivity, as well as Knowledge and Expertise.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The outcomes of the assessment were then collated and compiled by the Company Secretary for tabling at the GNC meeting for deliberation. These outcomes were reviewed and discussed by the GNC by recognising the strengths and addressing the weaknesses of the Board as a whole, Board Committees and individual Directors and, where appropriate, the GNC would recommend to the Board appropriate action plans to be implemented to address any weaknesses or any areas of improvement identified.

The results obtained from the individual Directors’ evaluation also served as one (1) of the criteria to be considered by the GNC and the Board when recommending and approving the re-appointments of Directors upon expiry of their respective terms of office as stipulated by BNM, as well as the annual re-elections of Directors at Annual General Meetings, under the retirement by rotation provisions in accordance with the respective Constitution of the companies within KIBB Group.

With regard to the assessment conducted in respect of FYE 31 December 2025, based on the approved evaluation criteria, the overall rating of the Board, Board Committees and Individual Directors, were as provided below.

Part I: Board and Board Committee Effectiveness Evaluation

In terms of the effectiveness of the Board and Board Committees, based on the assessment of each of the evaluation criteria listed below, the Board had scored between 66.00% to 77.66% with an Overall Scoring of 38.09 out of the total marks of 52.00 or 73.25% in terms of its effectiveness.

The lowest score given was in respect of Board Remuneration and Board Education where the scoring was 66.66%.

Criteria	2025		2024	
	Average Scoring/ Total Scoring	Scoring (%)	Average Scoring/ Total Scoring	Scoring (%)
Section A: Overall Board Effectiveness	7.75/10.00	77.50	7.78/10.00	78.00
Section B: Board Responsibilities	2.13/3.00	71.00	2.26/3.00	75.33
Section C: Board Culture	2.16/3.00	72.00	2.23/3.00	74.33
Section D: Board Chair	2.14/3.00	71.33	2.29/3.00	76.33
Section E: Board Composition	2.13/3.00	71.00	2.32/3.00	77.33
Section F: Committees				
a. Board Committees Evaluation	2.23/3.00	74.33	2.32/3.00	77.33
b. Board Committees Self Evaluation				
i. Audit Committee	2.23/3.00	74.33	2.47/3.00	82.33
ii. Employees Share Scheme Committee	2.23/3.00	74.33	2.11/3.00	70.33
iii. Group Board Digital Innovation & Technology Committee	2.21/3.00	73.66	2.33/3.00	77.66
iv. Group Board Risk Committee	2.21/3.00	73.66	2.22/3.00	74.00
v. Group Governance, Nomination & Compensation Committee	2.33/3.00	77.66	2.22/3.00	74.00
Section G: GMD	2.21/3.00	73.66	2.41/3.00	80.33
Section H: Board Remuneration	2.00/3.00	66.66	1.89/3.00	63.00
Section I: Board Administration and Process	2.13/3.00	71.00	2.19/3.00	73.00
Section J: Board Education	2.00/3.00	66.66	2.11/3.00	70.33
Overall Scoring for Board	38.09/52.00	73.25	39.15/52.00	75.29

Overall, there is a slight decline in terms of the scoring from 75.29% for 2024 to 73.25% for 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Based on the feedback received from Board members, the following could be concluded:

1. Overall Board Effectiveness

- a. In terms of the overall effectiveness, the Board was noted to be well diversified in its composition with a mix of the right expertise and skill sets. The Board worked well together with a strong focus on governance and differences in opinion in key decisions were well understood and respected
- b. In order to further enhance the Board’s effectiveness, the Board members felt that more focus should be put on strategic issues where greater formal and informal discussions between Board members on key strategic issues should be encouraged.
- c. In relation to Board development plans, the feedback received suggested the need for deeper understanding on technological advancements (e.g. AI) and its impact on KIBB being a financial institution, particularly in relation to new opportunities, new entrants (non-traditional players) and emerging risks.

2. Board Responsibilities

- a. Under this section, based on the feedback received, the Board was noted to have been effective in providing direction to the Company and in the development and monitoring of strategies in the interest of promoting long term viability.
- b. The Board was also noted to have understood and actively supported KIBB’s digitalisation plan in order to build a sustainable business going forward, through the annual review of the broader strategy with Management.
- c. In terms of key enhancements required, some Board members suggested for the Board to spend more time in developing strategies and for more discussion on strategies during Board meetings.
- d. In terms of process improvement, a Board member suggested for wider use of digital/ AI tools within the Company.

- e. Whilst the Board was updated on a monthly basis on the Company’s financial performance, mid-year review should be conducted to keep the Board abreast with the progress/ execution of the wider strategy.

A separate meeting should be convened for the tabling of the annual budget and business plan for a more effective and in-depth deliberation by the Board.

- f. The Board was noted to have provided effective oversight on the development and implementation of sustainability strategies in the Company and ensuring ESG aspects were appropriately balanced with the interest of the stakeholders.

Good foundation had been laid and was recognised by KIBB’s inclusion in the FTSE4GOOD Bursa Malaysia Index. KIBB was also proactive in its approach to Climate Risk – Stress Testing and Scenario Analysis.

- g. The Board had also ensured appropriate strategy, technology infrastructure, data management practices and information security practices were in place to address the needs of the Company.

- h. The Board had built strength through Board evaluation, succession planning and continuous development. The suggestion received from a Board member was for the Board evaluation and succession planning processes to be further improved with the use of technology/ AI.

- i. The Board needs to review and/ or refresh the compositions of the Boards and the Board Committees of KIBB and its subsidiaries on a regular basis to ensure a well-balanced expertise and experience, as well as diversity of skill sets amongst the Board members, and effective Board and Board Committee succession plan.

- j. The Board had ensured the integrity of the Company’s financial and non-financial reporting was in conformity with regulatory requirements and good international practices through an effective AC, Group Finance, as well as Group Internal Audit.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

3. Board Culture

- a. The Boardroom environment encouraged and valued open, constructive debate and diversity views to reinforce mutual respect and trust.
- b. The Chairmen of the Board and Board Committees facilitated and encouraged open discussions where differing/ dissenting opinions were heard. The Board demonstrated empathy in facilitating the discussions on differing views as there was a high level of trust, respect and candour amongst the Board members.
- c. All Directors contributed positively to boardroom discussions, including bringing global perspective and innovative ideas to discussions.
- d. The Board demonstrated focus and commitment to achieving outcomes based on the Company's vision, mission, strategy and key performance indicators despite obstacles.
- e. The Board made good and timely decisions that kept the Company moving forward.
- f. The Board held itself and others accountable to meet commitments and for the decisions made.
- g. The Board had been effectively agile and comfortable in providing leadership and decision-making in situations where the way forward was not clear or ambiguous.
- h. The Board promoted an effective working relationship with Management and supported Management's execution of Board's decisions by providing adequate authority, resources and reasonable targets.

4. Board Chair

- a. The Board Chair had effectively led the Board in the decision-making process by facilitating a consultative environment encouraging contribution from all Directors and managing boardroom conflict in a timely manner.
- b. The Board Chair proactively set the tone from the top, both in shaping the Board culture and in upholding the corporate values of the Company.

5. Board Composition

- a. The current Board size fit-for-purpose given the strategic direction of the Company.
- b. The current Board composition had the necessary experience and expertise required and was sufficiently diverse in contributing to robust Board discussions and effective decision-making.
- c. In view of the evolving and increasing regulatory scrutiny by the regulators, the Board composition could be strengthened by appointing a member with strong governance and regulatory compliance background.

6. Board Committee

- a. The Board Committees had been effective in assisting the Board to perform its roles and responsibilities.
- b. The Board Committees had effectively engaged issues and discharged its responsibilities based on its Terms of Reference.
- c. The current Board Committee composition contributed to robust discussions and enabled the Board Committees to carry out their duties effectively.
- d. The administration and processes of the Board Committees provided sufficient access to information and resources.
- e. The Board Committees met sufficiently to discuss and follow through key issues.
- f. The Chairmen of the Board Committees effectively led the Committees to ensure robust decision-making.

7. GMD

- a. The GMD had been effective in developing and executing the Company's strategy and initiatives.
- b. The GMD displayed consistent leadership qualities and agility in managing business affairs of the Company while cultivating a high-performance culture from the top that reinforces ethical and professional behaviour.
- c. The GMD demonstrated transparency with the Board by maintaining a healthy and professional relationship that reinforces mutual respect and trust.

8. Board Remuneration

The remuneration received was appropriately commensurate with the effort and time required to perform all the duties and responsibilities associated with the Director position.

9. Board Administration and Process

- a. Governance documents and processes (Board Charter, Board Committee Terms of Reference, Annual Board Agenda and other governance documents) had been effective in facilitating the Board in discharging its responsibilities.
- b. The Board and Board Committee meetings had been conducted regularly and effectively with sufficient time allocated to each meeting for robust discussion and effective decision making.
- c. The Company Secretary had been effective in discharging his/ her role in supporting effective Board functioning.
- d. Feedback was also received for the Board process to be further enhanced by improving the dissemination of meeting papers from five (5) days before meeting currently to seven (7) days before meeting, to allow adequate review and meeting preparation by the Board members.

Part II: Directors' Effectiveness Evaluation

In terms of Individual Directors, their effectiveness was assessed based on the following criteria:

1. Section A: Board Dynamics and Participation

Under this section the individual Director is assessed as to whether he/ she –

- attends meetings well prepared as evidenced by the quality of his/ her contribution to discussions;
- listens to and values other opinions, proactively questions and respectfully challenges views and status quo without stifling discussions;
- is a team player and is considerate, collaborative and inclusive of others' views; and
- communicates effectively with other Board Members, the GMD and thereby enriching the decision-making process.

Based on the outcome of the assessment, the average scoring for all Directors ranges from the highest of 2.97 (99.00%) to the lowest 2.56 (85.33%). There was no adverse feedback given to any of the Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

2. Section B: Leadership, Integrity and Objectivity

Under this section, the individual Director is assessed as to whether he/ she -

- holds himself/ herself and others accountable to meet commitments and for decisions made;
- is courageous in stepping up to address difficult issues in order to ensure that matters are deliberated in a robust manner;
- upholds high levels of professionalism and impeccable integrity in his/ her conduct;
- remains composed and positive in the face of uncertainties when deciding on the best course of actions;
- shows empathy while persuading others to his/ her views;
- proactively discloses real and apparent conflict of interest situations and abstains from voting when necessary;
- demonstrates clarity of thought and independence of judgement in problem solving;
- is agile in adapting to different demands to his/ her role as a Board member; and
- makes good and timely decisions that keep the Company moving forward.

Based on the outcome of the assessment, the average scoring for all the Directors varies from the lowest of 2.47 (82.33%) to the highest of 2.94 (98.00%) out of 3.00. There was no adverse feedback given to any of the Directors.

3. Section C: Knowledge and Expertise

Under this section, the individual Director is assessed as to whether he/ she –

- demonstrates continuous learning by, among others, keeping abreast of industry developments and trends, competition, regulatory changes and technological advancements;
- is forward looking in the strategic insights and global perspective that he/ she brings to Boardroom discussions;
- is reasonably comfortable with the usage of technology whilst keeping abreast of its latest development;
- shares views that cultivate innovation in enhancing the Company’s overall performance; and
- is mindful and takes into consideration relevant rules and regulation affecting the Company’s various operations.

Based on the outcome of the assessment, the highest average rating was 2.95 (98.33%) and the lowest was 2.56 (85.33%) out of 3.00. There was no adverse feedback given to any of the Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Based on the above, the Overall Average Scoring in respect of the individual Directors assessment was as follows:

2025			2024		
Average Scoring (Highest to Lowest)	Scoring (5)	No. of Directors	Average Scoring (Highest to Lowest)	Scoring (5)	No. of Directors
2.95/3.00	98.33%	1	2.90/3.00	96.66%	2
2.89/3.00	96.33%	1	2.89/3.00	96.33%	3
2.88/3.00	96.00%	1	2.88/3.00	96.00%	1
2.81/3.00	93.67%	1	2.87/3.00	95.66%	1
2.62/3.00	87.33%	1	2.86/3.00	95.33%	1
2.61/3.00	87.00%	1	2.79/3.00	93.00%	1
2.56/3.00	85.33%	1	-	-	-
2.51/3.00	83.67%	1	-	-	-
Total		8			9

Based on the assessment and the feedback received from members of the Board, as well as Board Committees, the following key initiatives to improve the Board’s, as well as individual Directors’ overall effectiveness had been identified:

1. Directors to be continuously developed and equipped in the following areas:
 - ESG/ Sustainability/ Climate Change;
 - AI/ disruptive technology/ fintech advancement; and
 - Regulatory/ industry updates (financial services and capital markets industries).
2. Regular informal discussion among the Directors to be organised to discuss strategic matters;
3. Mid-year review on the Company's performance vis-à-vis its annual budget and progress of implementation of the strategic plans to be conducted;
4. Timely circulation of Board papers;
5. Succession Plan of Board, GMD and N-1s to be expedited and regularly reviewed; and
6. To engage external consultant to conduct the BEE.

Independent Professional Advice

The Directors (either individually or as a group) have access to independent professional advice, at the expense of the Company, as well as separate and independent access to Senior Management at any point in time.

The Directors also have full access to the Group Company Secretary who is a Chartered Secretary under The Malaysian Institute of Chartered Secretaries and Administrators and qualified to act as company secretary under the Companies Act 2016. The Group Company Secretary ensures that the Directors are provided with sufficient information for the Board and Board Committee meetings which are accessible on the provided devices within reasonable period to the meetings.

Directorships in Other Companies

A Director must not have competing time commitments that may impair his/ her ability to discharge his/ her duties effectively. Directors are required to notify the Board before accepting any new directorship in a public company incorporated in Malaysia and all its subsidiaries incorporated in Malaysia or otherwise, as well as new external professional appointment. The notification should include an indication of time that will be spent on the new appointment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The AC of KIBB comprises solely of INEDs and is chaired by an INED other than the Chairman of the Board. This is in line with the Step Up Practice 9.4 of the revised MCCG.

Details on the AC's composition, as well as its members' attendance at the AC meetings during the FYE 31 December 2025 are provided on pages 8 and 100 of this Integrated Annual Report 2025 and Section B of the CG Report which are available on KIBB's website at <https://www.kenanga.com.my/investor-relations/agm2026>.

The AC is established to provide independent oversight on the Group's internal and external audit functions, internal controls and ensuring checks and balances within the Group.

The functions and responsibilities of the AC are set out in its Terms of Reference which is available on KIBB's website at <https://www.kenanga.com.my/investor-relations/corporate-governance/>.

Internal Audit Function

The Group Internal Audit ("GIA") is established by the Board to provide independent and objective assurance to the Board that the established internal controls, risk management and governance processes are adequate and operating effectively and efficiently. To ensure independence and objectivity, GIA, which is headed by the Group Chief Internal Auditor ("GCIA"), reports independently to the AC and has no responsibilities or authority over any of the activities reviewed by the Division.

The internal audit function is guided by its Audit Charter which is approved by the AC. The Audit Charter outlines amongst others, GIA's objectives, mission, scope, responsibility, accountability, authority, independence and objectivity, as well as standards and ethics.

An Annual Audit Plan based on the appropriate risk-based methodology has been developed and approved by the AC. On a quarterly basis, internal audit reports and status of internal audit activities including the adequacy of GIA's resources are presented to the AC for review. Periodic follow up reviews are conducted to ensure adequate and timely implementation of audit recommendations by Management.

The GCIA is invited to attend the AC meetings to facilitate the AC's deliberations of audit reports.

The AC, pursuant to its Terms of Reference, oversees the effectiveness of the internal audit function of KIBB by –

- reviewing, approving and reporting to the Board the audit scope, procedures and frequency;
- reviewing and reporting to the Board key audit reports and ensuring that Senior Management is taking necessary corrective actions in a timely manner to address control weaknesses, non-compliance with laws, regulatory requirements, policies and other issues identified by GIA;
- taking note of 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 such disagreements may have on the audit process or findings;
- establishing a mechanism to assess the performance and effectiveness of the internal audit function;
- reviewing and reporting to the Board the adequacy of scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work; and
- appointing, setting compensation, evaluating the performance and deciding on the transfer and dismissal of the GCIA and of any staff member of the internal audit function at the request of the GCIA.

Group Board Risk Committee

The GBRC comprises three (3) INEDs and one (1) NINED and is chaired by an INED other than the Chairman of the Board.

Details on the GBRC's composition, as well as its members' attendance at the GBRC meetings during the FYE 31 December 2025 are provided on pages 8 and 101 of this Integrated Annual Report 2025 and in Section B of the CG Report which are available on KIBB's website at <https://www.kenanga.com.my/investor-relations/agm2026>.

The GBRC was established to support the Board in meeting the expectations on risk management as set out in BNM's Policy Document on Risk Governance. It also assists the Board in the implementation of a sound remuneration system, by examining 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 GNC. In addition, the GBRC supports the Board in carrying out the oversight governance function of sustainability risks and opportunities and its underlying ESG matters of the Group.

The functions and responsibilities of the GBRC are set out in its Terms of Reference which is available on KIBB's website at <https://www.kenanga.com.my/investor-relations/corporate-governance/>.

During the FYE 31 December 2025, the GBRC had deliberated, reviewed and made appropriate recommendations to the Board for approval, pertaining to key matters as stated below.

- Proposed Interim Dividend for the FYE 31 December 2024
- 2024 Performance Appraisal of Group Chief Risk Officer ("GCRO") of KIBB
- 2025 Balanced Scorecard for GCRO of KIBB
- Inclusion of Managing Key Risks and Opportunities in Integrated Annual Report 2024
- ICAAP 2024 (with BNM Semi-Annual Stress Testing Report as at 31 December 2024 Embedded)
- Pillar 3 Disclosure as at 31 December 2024
- BNM Semi-Annual Stress Testing Report for Position as at 30 June 2025
- Annual Review of Underlying Suitability Assessment ("USA") – Master Framework and USA – Linear Combination Product Programme
- Revisions of the following:
 - Technology Risk Management Framework
 - Multi-Asset Investment Product Programme
 - FMPF – Conventional

- Climate Change Risk Management Framework
- Operational Risk Management Framework
- Operational Risk Scenario Analysis Framework
- Contingency Funding Plan for Year 2025
- Risk Appetite Framework
- Cyber Incident and Response Drill Stress Test Exercise Report
- Re-assignment of Ownership and Revision of the FMPF
- Adoption of Fair Value to Profit and Loss for Products Issued by KIBB under the FMPF
- Technology Risk Stress Test – Cyber Incident Response (Stress Test #2 and Reverse Stress Test) Report
- Changes of Market Risk Limits for Equity Markets for Financial Year 2026 and Beyond

Besides approving the 2024 Performance Appraisal and 2025 Balanced Scorecard for the Head of Independent Credit Review ("ICR") and ICR Plan 2025, the following updates had also been tabled to the GBRC during the FYE 31 December 2025, for its deliberation and notation:

- Risk Management Reports
- Business Continuity Plan and Disaster Recovery Plan Test Matrix 2025
- Ageing Report for Treasury Bonds, Held-for-Trading and Available-for-Sale Portfolios as at 30 November 2024 and 31 December 2024
- Kenanga Research Macroeconomic Outlook Summary
- Climate Risk – Stress Testing and Scenario Analysis Report
- Operational Risk Capital Charge Assessment for Year 2024
- Investment Portfolio Updates by Kenanga Private Equity Sdn Bhd
- ICR's Post Approval Review of Kenanga Capital Sdn Bhd's Loans and Share Margin Financing
- Operational Risk Scenario Analysis Assessment 2025
- Revisions of the following:
 - Composition of the Group Risk Committee
 - Operational Risk Scenario Analysis Procedure
 - Operational Risk Key Risk Indicator Procedure
 - Reporting Approach for Operational Risk Events
- Gap Analysis and Action Plan vis-à-vis the SC's Guidelines on Technology Risk Management
- Scenario Risk Based Assessment 2025 for RENTAS System
- KIBB's Onboarding Process of High-Risk Clients
- Update on the Business Case for the Establishment of Equity Product Origination
- Scenario-Based Risk Assessment 2025 for SWIFT System

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Group Board Digital Innovation & Technology Committee

The GBDITC comprises three (3) INEDs and one (1) NINED and is chaired by an INED other than the Chairman of the Board.

The GBDITC was established on 29 August 2019 to support the Board in providing direction and oversight over technology related matters as set out in BNM's Policy Document on Risk Management in Technology.

In addition to providing oversight on technology-related matters, including risks, the GBDITC also reviews, evaluates and makes appropriate recommendations to the Board for approval, proposals on technology/ digital innovations put forward by Management, in line with KIBB Group's medium and long-term business strategy which includes the digitalisation strategy for the Group.

The functions and responsibilities of the GBDITC are set out in its Terms of Reference which is available on KIBB's website at <https://www.kenanga.com.my/investor-relations/corporate-governance/>.

Risk Management and Internal Control

The Board is responsible for ensuring that KIBB has in place effective and comprehensive risk management policies, procedures and infrastructure to identify, measure, monitor and control the various types of risks undertaken by KIBB Group.

In discharging this responsibility, the Board approves and periodically reviews the risk management capabilities of KIBB Group to ensure their ability to support KIBB Group's business activities and any expansion thereof.

It is important to emphasise that the ultimate responsibility for ensuring a sound internal control system and reviewing the effectiveness of the system lies with the Board. The Group's inherent system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the Group's corporate objectives, as well as to safeguard the Shareholders' investments and the Group's assets.

The details of KIBB Group's internal control system and risk management framework are set out in the SORMIC appearing on pages 139 to 143 of this Integrated Annual Report 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Audit Committee to Ensure Compliance with Financial Reporting Standards

At the Board meetings, the Board reviews Management's reports on the business performance of KIBB, as well as its major subsidiaries, associate and joint-venture companies and the analysis of the Group's performance in comparison to the positions in the preceding month and quarter, as well as year to-date.

The Board deliberates, and in the process, assesses the viability of business propositions and corporate proposals, and the principal risks that may have significant impact on KIBB's business or on its financial position, as well as the related mitigating factors.

The Board aims to provide a clear, balanced and comprehensive assessment of the Group's financial performance and prospects through the Audited Financial Statements and quarterly financial reports, as well as through material disclosures made in accordance with the MMLR of Bursa Malaysia.

The AC assists the Board in overseeing the integrity of the Group's financial reporting and part of this role involves the operation of the financial reporting processes. The processes are aimed at providing the assurance that the financial statements and related notes are completed in accordance with applicable legal requirements and accounting standards and give a true and fair view of the Group's financial positions. In fulfilling this responsibility, the AC also reviews the accuracy and adequacy of the Chairman's Message and corporate governance disclosures in the Company's Integrated Annual Report 2024, the interim financial reports and preliminary announcements in relation to the preparation of financial statements.

During the year under review, two (2) sessions between the AC and the External Auditors were held in the absence of Management, as part of the medium for greater exchange of views and opinions between both parties in relation to financial reporting.

Investor Relations and Shareholder Communications

The Board is committed to providing the Shareholders, investors and other stakeholders with comprehensive, timely and equal access to information on the Group's activities to enable them to make informed investment decisions.

To ensure continuous communication between KIBB Group and its stakeholders, as well as to facilitate mutual understanding, the Group employs a wide range of communication channels via its Kenanga Digital Channels such as Facebook, Instagram,

LinkedIn, TikTok, YouTube, direct communication and publication of all relevant Group information on its website at <https://www.kenanga.com.my>. The Group utilises its corporate website and social media channels as a means of providing information to its Shareholders and the broader investment community. In 2023, the Company released its first-ever Sustainability Report which is intended to enhance the Group's ESG disclosures to stakeholders.

KIBB Group's corporate website provides comprehensive and easy access to the latest information about the Group. The Group's information made available on the corporate website includes information relating to inter alia, KIBB and its subsidiaries' corporate profiles, Board, Senior Management, corporate governance related matters such as the Board Charter, as well as the Terms of Reference of the various Board Committees, financial reports, annual reports and corporate news via public announcement, media releases and articles.

KIBB endeavours to improve communications with its stakeholders by ensuring information about the Company, products and services are up-to-date and easily accessible with the use of technology via its own Digital Channels and other forms of external media be it digital or traditional such as broadcast or print.

The Company believes it is important to communicate information to stakeholders on a regular basis. In support of this, the Company conducts quarterly result briefings with its institutional shareholders. During these sessions, the Company provides snapshots of its results and business, as well as holding Questions and Answers ("Q&A") sessions to answer inquiries from participants. Quarterly financial information is also communicated via press release and quarterly result briefing decks, as well as the Company's social media channels and corporate website.

For better coordination and control of efficiency, all investor relations events are organised and managed by the Group Marketing, Communications and Sustainability of KIBB.

In order to enhance stakeholders' experience whilst surfing the corporate website, the Company is continuously looking into ways to enhance its corporate website to ensure that the navigation is indeed user-friendly, and information shared are easily accessible to all stakeholders. For this purpose, the Company had taken the effort in 2021 to enhance the searchability of its websites via Search Engine Optimisation (SEO) and Search Engine Marketing (SEM).

Information relating to the procedures of whistleblowing is also available on the corporate website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

General Meetings

In line with its digital transformation efforts, the Company has focused on the dissemination of its Annual Report via its website at <https://www.kenanga.com.my/investor-relations/agm2026> in order to reach a wider spectrum of Shareholders who are active internet users.

Shareholders are encouraged to attend the AGM and to use these opportunities to raise questions and vote on important matters affecting the Group, including the re-election of Directors, the receipt of the Audited Financial Statements, Directors’ Remuneration, Renewal of Share-Buy Back Authority, as well as corporate proposal, if any.

The Company had conducted its Fifty-First (51st) AGM physically on 29 May 2025.

During the AGM, all the members of the Board together with the External Auditors, Company Secretary, the GMD and a few of the key Senior Management were present to attend to any questions posed by the Shareholders.

To foster better engagement with the Shareholders during the Fifty-First (51st) AGM, the Company had also arranged for one (1) of its Senior Management personnel to brief the Shareholders on the Company’s financial performance and operations in respect of the FYE 31 December 2024 and Business Prospects for 2025 to keep them abreast of the Group’s achievements and plans moving forward.

Following the presentation, the GMD presided over the Q&A session and answered all the questions raised by the Shareholders prior to the AGM, as well as the questions posted real-time during the AGM. In 2025 AGM, there were no questions received from the Minority Shareholders Watch Group.

Pursuant to Paragraph 9.21(2)(b) of the MMLR of Bursa Malaysia, KIBB had published its AGM minutes and Q&As (Key Matters Discussed) on the Company’s website within the specified time after the AGM.

Apart from the engagement with stakeholders through the Annual Reports and general meetings, the Company also makes announcements relating to its quarterly results and other relevant announcements to Bursa Malaysia via Bursa LINK to provide stakeholders with material key information which could affect their decision making, thus enhancing the level of transparency.

To strengthen its line of communication with the Shareholders, as mentioned earlier, the Board had in July 2021 designated Encik Jeremy Nasrulhaq as the Senior Independent Director, to take heed of their concerns on matters related to corporate governance and the Group’s performance, amongst others.

Sustainability Management

Sustainability is increasingly becoming a necessity for corporations around the world to adopt and implement within their business operations to be sustainable.

In cognisance of the importance of sustainability, the Board of KIBB had on 29 July 2021 established a Management level committee, the Group Sustainability Management Committee (“**GSMC**”), led by the GMD to drive the sustainability agenda for Kenanga Group.

The objective of the GSMC is to support the Board in the governance of sustainability in Kenanga Group including setting sustainability strategies, priorities and targets, to ensure that KIBB Group addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategies and success, by integrating sustainability considerations in the day-to-day operations of the Group and ensuring the effective implementation of the Group’s sustainability strategies and plans.

In addition to the above, a Group Chief Sustainability Officer was appointed in 2022 and resources were assigned to advance the Group’s ESG agenda through the establishment of a Sustainability Department with dedicated headcount.

Sustainability Plan

In embarking on its sustainability journey, on 13 September 2021, a Sustainability Plan was presented to the GSMC to outline the Group’s key sustainability priorities, which was later tabled at the GNC and approved by the Board of KIBB on 28 October 2021.

Double Materiality Assessment

In 2024, the first double materiality assessment was conducted to align with evolving sustainability reporting standards and manage stakeholder expectations, in line with the National Sustainability Reporting Framework and the requirements of IFRS S1 and S2. This assessment provided an overview of Kenanga Group’s business impact towards the environment and society and identified sustainability risks and opportunities that may influence the financial performance.

Further, based on the outcomes of the Double Materiality Assessment, the GSMC, through the GNC, has recommended a refreshed Kenanga Sustainability Framework with new identified material matters to KIBB Board for endorsement. These updates are intended to better inform and support the execution of the Group’s sustainability strategy.

Updated Kenanga Sustainability Framework

The updated Kenanga Sustainability Framework provides strategic direction for the Group’s sustainability initiatives, including the setting of priorities, targets, and performance management across the organisation. It is anchored on four (4) sustainability pillars and reflects a refreshed set of material matters.

Following a comprehensive Double Materiality Assessment, thirteen (13) material matters were identified as most significant to the Group and its stakeholders. This assessment also introduced two (2) new topics: Financial Inclusion and Risk Management. Financial Inclusion underscores Kenanga Group’s commitment to enhancing access to financial services, fostering inclusive economic development, and advancing social equity. Risk Management highlights the importance of proactively addressing risks related to sustainability and climate, and its relevance to the broader risk categories covered under the Kenanga Group’s Enterprise Risk Management Framework to safeguard client interests and support long-term organisational resilience. Below are the updated Material Matters:

Sustainability Pillars	Updated Material Matters
Good Governance	- Good Business Conduct - Risk Management - Regulatory Compliance
Sustainable Economic Growth	- Responsible Investment - Digitalisation - Cyber Security - Client Experience
Environmental Stewardship	Climate Impact
Empowering People and Communities	- Diversity and Inclusion - Employee Safety, Health and Wellbeing - Talent Attraction, Development and Management - Community Investment - Financial Inclusion

Kenanga Group’s Sustainability Goals and Targets, Sustainability Roadmap 2023-2025

In April 2022, guided by the Kenanga Group’s Sustainability Framework and Sustainability Plan, the Group Sustainability Goals and Targets were presented to the GSMC by Group Marketing, Communications & Sustainability. The goals and targets, which outlined the Group’s sustainability ambitions, were subsequently approved by the Board of KIBB on 6 April 2022, upon the recommendation of the GNC.

Later, on 7 December 2022, the Board approved the Group Sustainability Roadmap 2023–2025, following recommendations from both the GSMC and the GNC. The Roadmap serves as a strategic guide to implementing the Group’s sustainability goals and targets.

In 2024, the Group’s sustainability goals and targets were reviewed to assess their continued relevance and progress. As a result of this review, the Board approved a refreshed set of goals and targets to better align with national sustainability priorities and the evolving expectations of stakeholders.

To support the implementation of the Sustainability Roadmap, relevant ESG KPIs were further strengthened and integrated into the Balanced Scorecards of respective employees to track and monitor ESG performance.

Additionally, following the update of the sustainability goals and targets, Group Human Resource introduced Individual Development Plans (“**IDPs**”) to enhance ESG-related competencies among employees in relevant roles. These IDPs aim to equip personnel with the skills, knowledge, and mindset required to drive the Group’s ESG agenda while fostering a culture of continuous learning.

As the Group concludes the implementation of Kenanga Group’s Sustainability Roadmap 2023–2025 (“**Sustainability Roadmap**”), the Roadmap is currently being reviewed to assess its continued relevance and alignment with the requirements of IFRS S1 and S2, guided by the National Sustainability Reporting Framework. In 2025, a Decarbonisation Roadmap was introduced to complement the Sustainability Roadmap, with a specific focus on climate impact management and decarbonisation initiatives across all Greenhouse Gas (“**GHG**”) emission scopes.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Kenanga Group Climate Risk Management

On 9 December 2021, the Board had approved Kenanga Group’s Climate Change Risk Management Framework (“**CCRM Framework**”) to incorporate climate risk management expectations from the regulators, and the broader market. The Framework outlines key principles, governance structures, best practices, Climate Change Principles Based Taxonomy (“**CCPT**”) classifications, and the Group’s risk appetite. This guides Kenanga Group’s approach to managing climate change-related risks and it serves as a comprehensive reference for integrating climate considerations into the Group’s governance processes, business strategy and operations, risk management system, as well as reporting and disclosure practices.

The climate change risk to be managed by the Group shall be governed by the existing risk governance structure that involves the Board, Board Committees, Management Committees, Business Units and Group Risk Management.

The CCRM Framework serves as a guide to facilitate climate risk assessments of economic activities, and its impact on climate and the environment. The CCRM Framework also covers the strategy, principles, as well as initiatives in areas of climate risk management for Kenanga Group operations. The CCRM Framework was updated in 2023, to align it with BNM’s Policy Document on Climate Risk Management and Scenario Analysis issued in November 2022, and again in 2024 to incorporate updates on BNM’s FAQs and Due Diligence Questions on CCPT classification. As the climate policy landscape continues to shift, the framework will be updated accordingly to remain aligned with applicable regulations and strategic drivers.

As part of its ongoing efforts to strengthen climate risk management and meet regulatory expectations, Kenanga Group completed a preliminary climate scenario analysis and stress testing exercise in 2024. This was followed in 2025 by a more detailed climate scenario analysis and climate risk identification exercise for selected Business Units. These initiatives aimed to identify and assess the potential, including financial, impacts of climate-related risks at both portfolio and sectoral levels, thereby supporting the development of appropriate and resilient business strategies aligned with the requirements of IFRS S1 and S2.

Concurrently, since 2024, the Group has been assessing its Scope 3, Category 15 emissions, comprising financed and facilitated emissions across both on and off-balance sheet activities, guided by the Partnership for Carbon Accounting Financials and the GHG Protocol.

The outcomes of these exercises were presented to the GBRC and the GSMC by Group Risk Management and Group Marketing, Communications and Sustainability, respectively, to support the integration of climate risk insights into the Group’s broader sustainability management and strategic planning.

DIRECTORS’ RESPONSIBILITY STATEMENT IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS
(Pursuant to Paragraph 15.26(a) of the MMLR)

The Board is fully accountable for ensuring that the Audited Financial Statements are prepared in accordance with the Companies Act 2016 and the applicable approved accounting standards set out by the Malaysian Accounting Standards Board so as to present a true and fair view of the state of affairs of the Group and of the profit and loss and cash flow as at the end of the accounting period.

In preparing the Audited Financial Statements, the Directors are satisfied that the applicable approved accounting standards in Malaysia have been complied with reasonable and prudent judgment and estimates have been made. The Audited Financial Statements are also prepared on a going concern basis, as the Board has a reasonable expectation, after having made enquiries that the Group has adequate resources, to continue its operational existence in the foreseeable future.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

ADDITIONAL INFORMATION

Audit and Non-Audit Fees

The details of the audit and non-audit fees payable to the External Auditors, EY and its affiliates, for the FYE 31 December 2025 are provided below.

	Group (RM)	KIBB (RM)
Statutory Audit	579,700	380,000
Audit/ Assurance Related	59,195	59,195
Non-Audit Fees – EY Assurance Team	81,500	39,500
Non-Audit Fees – EY Tax Team	0	0
Total Non-Audit	81,500	39,500
Grand Total	720,395	478,695

Related Party Transactions (“RPTs”) and Recurrent Related Party Transactions (“RRPTs”)

RPTs and/ or RRPTs entered into by the Company and/ or KIBB Group are reviewed by the AC during its quarterly meetings to ensure compliance with the MMLR of Bursa Malaysia. The AC is required to review the RPTs and RRPTs to ensure that they are monitored and conducted in a manner that is fair and at arms’ length basis, with the terms not to the detriment of minority shareholders and in the best interest of the Company and/or KIBB Group.

Material Contracts Involving Interests of Directors, GMD or Major Shareholders

There was no material contract entered into by the Company or its subsidiary companies involving the interests of the Directors, the GMD or Major Shareholders which still subsisted at the end of the FYE 31 December 2025.

Utilisation of Proceeds Raised from Corporate Proposals

On 11 June 2025, the Company had established the AT1CS Programme of up to RM500 million in nominal value.

On 22 August 2025, the Company had issued RM40,000,000 of AT1CS under the programme.

The proceeds from the issuance of the AT1CS Programme are being utilised by the Company for working capital, capital expenditure requirements and/or general corporate purposes.

The proceeds from the previous issuance of Subordinated Notes under the RM250 million in nominal value Tier 2 Subordinated Note Programme which was established on 27 March 2017 are being utilised by the Company for working capital requirement. The Company had fully redeemed the tranche 4 and tranche 5 of its Subordinated Notes with nominal value of RM50.0 million and RM47.0 million on 20 March 2025 and 28 August 2025, respectively.

Details on the outstanding Subordinated Notes under the programmes are set out under Note 26 of the Financial Statements section appearing on page 264 of this Integrated Annual Report 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Employees’ Share Scheme

After obtaining the Shareholders’ approval at an EGM held on 25 May 2017, KIBB had, on 21 September 2017, established and implemented an ESS of up to 10% of its total issued share capital (excluding treasury shares) at any one time during the duration of the Scheme for the Eligible Employees which would be valid for a period of five (5) years from its commencement date. Following the Board of KIBB’s approval on 10 June 2020, the duration of the ESS has been extended for another five (5) years from 21 September 2022 to 20 September 2027 in accordance with the provisions of the By-Laws of the ESS.

The ESS comprises the ESOS and Employees’ Share Grant Plan (“**ESGP**”). It is governed by the ESS By-Laws approved by the Shareholders at the aforesaid EGM and administered by the ESS Committee, comprising three (3) INEDs.

Since the commencement of the ESS on 21 September 2017, six (6) offers had been made under the ESOS on 2 January 2018, 31 May 2018, 2 May 2019, 17 June 2019, 1 July 2020 and 2 August 2021 respectively. As for the ESGP, the Board of KIBB had on 4 March 2021, approved the granting of the Performance Share Plan (“**PSP**”) Award to Eligible Employees of the Company and its non-dormant subsidiaries on 3 May 2021 where the PSP shares were vested on 2 June 2021 (“**Vesting Date**”).

In determining the total number of shares to be awarded to each Eligible Employee, the ESS Committee and the GNC had taken into consideration amongst others, the Eligible Employees’ performance, seniority (denoted by corporate rank) and contribution to the growth and performance of KIBB Group. As part of the condition attached to the PSP Award, the PSP Grantee is restricted from selling/ transferring the shares issued to him/ her for a period of one (1) year from the Vesting Date.

The details of the ESS are set out under Note 55 of the Financial Statements section appearing on pages 371 to 380 of this Integrated Annual Report 2025.

Brief details on the number of options granted, exercised, forfeited and outstanding since the commencement of the ESS on 21 September 2017 and during the Financial Year (“**FY**”) 2018, FY 2019, FY 2020, FY 2021, FY 2022, FY 2023, FY 2024 and FY 2025 are set out below.

For the Period from 21 September 2017 to 31 December 2018

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	59,423,000	10,000,000 ⁽³⁾	16,580,000 ⁽³⁾	32,843,000 ⁽³⁾
Exercised	194,400	0	0	194,400
Forfeited ⁽⁴⁾	1,479,000	0	0	1,479,000
Outstanding	57,749,600	10,000,000	16,580,000	31,169,600

For the FY from 1 January 2019 to 31 December 2019

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	6,431,000	0	750,000 ⁽⁵⁾	5,681,000 ⁽⁵⁾
Exercised	0	0	0	0
Forfeited ⁽⁴⁾	1,528,000	0	0	1,528,000
Cancelled ⁽⁶⁾	265,500	0	195,000	70,500
Outstanding	62,387,100	10,000,000	17,135,000	35,252,100

CORPORATE GOVERNANCE OVERVIEW STATEMENT

For the FY from 1 January 2020 to 31 December 2020

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	3,311,000	0	0	3,311,000 ⁽⁵⁾
Exercised	9,247,100	0	1,161,000	8,086,100
Forfeited	1,731,000	0	450,000 ⁽⁷⁾	1,281,000 ⁽⁴⁾
Cancelled ⁽⁶⁾	952,500	0	195,000	757,500
Outstanding	53,767,500	10,000,000	15,329,000	28,438,500

For the FY from 1 January 2021 to 31 December 2021

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	4,578,000	0	0	4,578,000 ⁽⁵⁾
Adjustment ⁽⁸⁾	0	0	80,000	-80,000
Exercised	25,675,000	3,000,000	9,419,000	13,256,000
Forfeited ⁽⁴⁾	2,158,000	0	300,000	1,858,000
Cancelled ⁽⁶⁾	227,500	0	0	227,500
Reinstatement ⁽⁹⁾	450,000	0	450,000	0
Lapsed ⁽¹⁰⁾	86,000	0	0	86,000
Outstanding	30,649,000	7,000,000	6,140,000	17,509,000
Granted	3,610,000	320,000	2,030,000	1,260,000
Vested ⁽¹¹⁾	3,610,000	320,000	2,030,000	1,260,000
Outstanding	0	0	0	0

For the FY from 1 January 2022 to 31 December 2022

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	0	0	0	0
Adjustment ⁽¹²⁾	0	0	840,000	-840,000
Exercised	12,673,500	0	5,758,000	6,915,500
Forfeited	956,500	0	0	956,500
Cancelled ⁽⁶⁾	269,500	0	0	269,500
Lapsed ⁽¹⁰⁾	39,500	0	0	39,500
Outstanding	16,710,000	7,000,000	1,222,000	8,488,000
Granted	0	0	0	0
Adjustment	0	0	50,000	-50,000
Vested	0	0	0	0
Outstanding	0	0	0	0

CORPORATE GOVERNANCE OVERVIEW STATEMENT

For the FY from 1 January 2023 to 31 December 2023

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	0	0	0	0
Adjustment	0	0	0	0
Exercised	1,791,500	1,000,000	0	791,500
Forfeited	1,154,500	0	0	1,154,500
Cancelled ⁽⁶⁾	118,500	0	0	118,500
Lapsed ⁽¹⁰⁾	2,092,000	2,000,000	0	92,000
Outstanding	11,553,500	4,000,000	1,222,000	6,331,500

For the FY from 1 January 2024 to 31 December 2024

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	0	0	0	0
Adjustment	0	0	0	0
Exercised	4,855,000	1,000,000	732,000	3,123,000
Forfeited	230,000	0	0	230,000
Cancelled ⁽⁶⁾	52,000	0	0	52,000
Lapsed ⁽¹⁰⁾	3,502,500	3,000,000	0	502,500
Outstanding	2,914,000	0	0	2,914,000

For the FY from 1 January 2025 to 31 December 2025

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	0	0	0	0
Adjustment	0	0	0	0
Exercised	698,500	0	154,000	544,500
Forfeited ⁽⁴⁾	187,000	0	0	187,000
Cancelled	0	0	0	0
Lapsed ⁽¹⁰⁾	569,000	0	0	569,000
Outstanding	1,459,500	0	336,000	1,123,500

Notes

⁽¹⁾ The Employee(s) of the KIBB Group who meet(s) the criteria of eligibility for participation in the Scheme as set out in By-Law 5.

⁽²⁾ The GMD is not a Director of KIBB. None of the Directors of KIBB is entitled to participate in the ESOS and the ESGP.

⁽³⁾ The offer to the GMD was granted on 31 May 2018 while the offer to Senior Management and Other Entitled Employees was granted on 2 January 2018 respectively.

⁽⁴⁾ ESOS forfeiture due to staff resignation

⁽⁵⁾ The offer to Other Entitled Employees and Senior Management was granted on 2 May 2019, 17 June 2019, 1 July 2020 and 2 August 2021 respectively.

⁽⁶⁾ ESOS cancellation due to vesting conditions not fully met.

⁽⁷⁾ ESOS forfeiture in compliance with Section 92 of the Financial Services Act 2013.

⁽⁸⁾ Adjustment made due to an employee's appointment as the Chief Executive Officer of Eq8 Capital Sdn Bhd. Hence, the re-categorisation of the ESOS.

⁽⁹⁾ Reinstatement of the earlier forfeited ESOS in Note 7.

⁽¹⁰⁾ ESOS lapsed due to unexercised options within the three (3) years of the Exercisable Period.

⁽¹¹⁾ PSP Grant vested and credited to employees' CDS accounts.

⁽¹²⁾ Adjustment made due to an employee's appointment as a Group Executive Committee Member of KIBB. Hence, the re-categorisation of the ESOS.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Maximum Allowable Allocation of the Scheme

The aggregate maximum number of KIBB shares that may be offered to an Eligible Person under the Scheme shall be determined at the sole and absolute discretion of the ESS Committee after taking into consideration, amongst others, the provisions of the By-Laws of the ESS, MMLR of Bursa Malaysia or other applicable regulatory requirements prevailing during the option period relating to employees' and/ or Directors' share issuance schemes, as well as, the performance, targets, position, annual appraised performance, seniority and length of service of the Eligible Person or such other matters which the ESS Committee may in its sole and absolute discretion deem fit and subject to the following:

- a. Aggregate maximum number of KIBB shares which may be made available under the Scheme shall not in aggregate exceed 10% of the issued share capital of the Company (excluding treasury shares) (**"ESS Shares"**) at any point in time during the duration of the Scheme (**"Maximum ESS Shares"**).
- b. Not more than 10% of the aggregate number of KIBB shares to be issued under the Scheme shall be allocated to any individual Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the issued share capital of KIBB (excluding treasury shares, if any).

The ESS granted to the GMD and Senior Management during the FYE 31 December 2025 and since the commencement of the ESS up to 31 December 2025 is tabulated below.

Description	1 January 2025 to 31 December 2025	Since Commencement Up to 31 December 2025
Percentage of the Aggregate Maximum Allocation over the Maximum ESS Shares	0%	33.51%
Actual Percentage of the ESOS Granted over the Maximum ESS Shares	0%	30.21%
Actual Percentage of the ESGP Vested over the Maximum ESS Shares	0%	3.30%

In respect of FY 2025, there was no allocation of the shares under the ESS made to the Eligible Employees and hence, no review was conducted.

TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL
Chairman of the Board

ETHICS AND COMPLIANCE STATEMENT

ETHICS AND COMPLIANCE STATEMENT

OUR COMMITMENT TO ETHICAL CONDUCT AND GOVERNANCE

Ethics and compliance remain fundamental to how Kenanga Investment Bank Berhad and Its Subsidiaries (“**Kenanga Group**” or “**the Group**”) conduct business. They underpin the Group’s governance framework, guide decision-making, and support sustainable value creation for stakeholders.

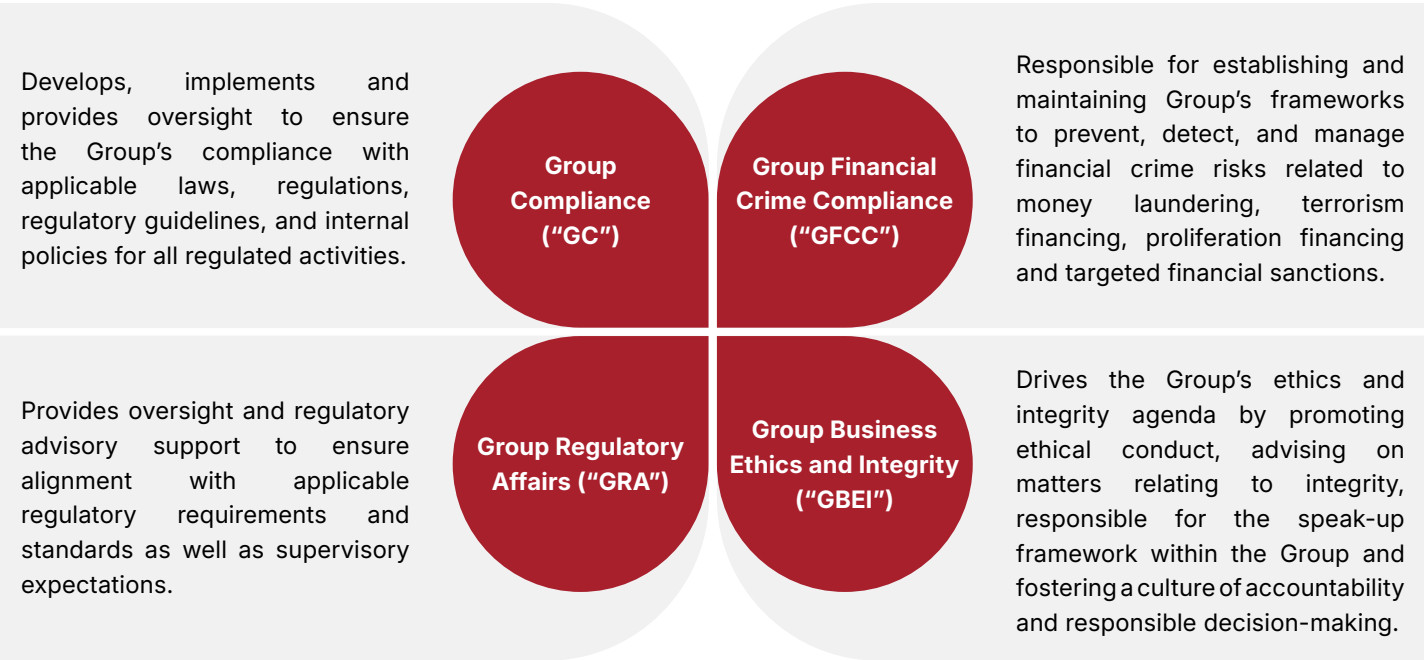
In an increasingly complex regulatory environment marked by heightened stakeholder expectations and evolving regulatory developments, the Group continues to uphold ethical conduct, integrity, and accountability. These principles are integrated within the Group’s governance structures, policies and operational practices, ensuring that compliance is not a standalone obligation but an integral part of business conduct.

Throughout 2025, the Group maintained ethical standards, strengthening compliance discipline and cultivating a culture where integrity is demonstrated consistently in behaviour, decision-making, and outcomes.

COMPLIANCE AND ETHICS GOVERNANCE STRUCTURE

The Group’s ethics and compliance framework is supported by a coordinated governance and operating model under the Group Compliance and Ethics (“**GCE**”) function. This framework is designed to provide effective oversight, ensure regulatory compliance, promote ethical conduct, and support consistent application of policies and standards across the Group.

In 2025, the GCE function comprised four specialised departments, each with distinct but complementary roles. Together, these departments support the Board and Senior Management in discharging their oversight responsibilities and in embedding ethics and compliant practices across the Group’s operations and culture.



While each department has distinct responsibilities, the effectiveness of the ethics and compliance framework is underpinned by close collaboration across the GCE function, as well as other control and assurance functions. This integrated approach supports consistent management of ethics, compliance, conduct, and regulatory risks across the organisation.

COMPLIANCE OVERSIGHT AND ASSURANCE

GC provided oversight and advisory support to ensure the Group’s regulated activities were conducted in accordance with applicable laws, regulations, guidelines, and internal policies.

Through ongoing engagement with business units and control functions, GC supported consistent interpretation and application of regulatory requirements across the organisation. These efforts reinforced responsible conduct, strengthened compliance culture, and sustained informed decision-making in day-to-day operations.

1. Market Conduct, Surveillance and Information Controls

The Group maintained a disciplined approach to market conduct and trading oversight throughout 2025. GC oversaw market and trading surveillance activities to promote fair, orderly, transparent markets and to detect unusual or possible trading behaviour at an early stage.

In parallel, GC maintained controls relating to confidential information and personal trading through the maintenance of Restricted Lists, Blackout Lists and Over-the-Wall registers. These controls aim to mitigate conflicts of interest and safeguard material non-public information, as well as support the integrity of the Group’s market activities.

Together, these measures contribute to a strong control environment that upholds market integrity and supports compliance with capital market conduct requirements.

2. Regulatory Reporting, Assurance and Supervisory Engagement

GC supported the Group’s regulatory reporting and supervisory engagement obligations through structured reporting, timely submissions and responsive engagement with regulators. These activities continued throughout 2025, including monthly assessment of branch submissions via the Branch Monthly Self-Assessment Checklist (“**BMSAC**”), quarterly branch visits and ongoing review of marketing and training materials prior to public dissemination. These reviews consistently recorded generally satisfactory outcomes. GC maintained regular engagement with business units and branches to address compliance themes, operational issues and emerging risks.

Regulatory reporting submissions—including monthly and quarterly submissions to regulators, technology fillings eKYC reporting, and ComRep, were submitted in a timely and disciplined manner, reflecting the Group’s commitment to maintaining transparent and constructive regulatory relationships. In addition, GC played a key liaison role in responding to regulatory enquiries, coordinating information requests and supporting departments during supervisory engagements.

3. Compliance Outcomes and Organisational Resilience

The Group’s compliance oversight efforts in 2025 contributed to maintaining a stable and resilient regulatory standing. Continuous monitoring, supervisory engagement and cross-functional collaboration supported early identification of issues, timely remediation and consistent application of compliance standards across the Group.

GC also worked closely with other compliance and control functions, including GFCC, GBEI and GRA, to support an integrated approach to regulatory compliance, conduct risk management and governance assurance.

ETHICS AND COMPLIANCE STATEMENT

FINANCIAL CRIME RISK MANAGEMENT AND RESILIENCE

The Group places strong emphasis on the prevention, detection and management of financial crime risks as a core component of its ethics and compliance framework. The Group maintains a risk-based and structured approach to managing money laundering, terrorism financing and proliferation financing risks across its operations.

1. Fortifying Financial Crime Governance Frameworks

During 2025, GFCC focused on strengthening the Group’s financial crime governance architecture through the development and enhancement of key frameworks and methodologies. This included the establishment of tailored Anti-Money Laundering (“**AML**”)/ Counter-Financing of Terrorism (“**CFT**”)/ Counter Proliferation Financing (“**CPF**”)/ Targeted Financial Sanctions (“**TFS**”) frameworks for selected subsidiaries, aligned with Group standards while taking into account differences in business models and organisational structures.

These frameworks clarified roles and responsibilities, standardised controls and strengthened escalation and reporting mechanisms to Senior Management and the Board, thereby improving oversight and accountability across the Group.

In parallel, enhancements were made to the Group’s Enterprise-Wide Risk Assessment, AML/ CFT Risk Rating for Branches, and Risk Scoring Methodology. These efforts improved alignment with national and international risk priorities, refined geographic and sanctions risk assessments, and enhanced the management of politically exposed person risks.

2. Enhancing Detection, Monitoring, as well as Control Effectiveness

The Group further enhanced its transaction monitoring and surveillance capabilities throughout 2025. Key initiatives included annual reviews of monitoring rules and parameters, the introduction of quality assurance reviews over alert closures and the establishment of an Internal Watchlist Framework.

These measures were complemented by enhanced onboarding controls, including improved beneficial ownership identification and verification mechanisms, supported by targeted training across the Group. Together, these initiatives improved early detection of financial crime risks, strengthened risk-based decision-making and reduced the likelihood of misuse of accounts or structures for illicit purposes.

The Group also advanced its digitalisation agenda within financial crime compliance. Data analytics initiatives were undertaken to support a strategic digitalisation agenda. These efforts focused on integrating Robotic Process Automation into critical workflows, enhancing transaction monitoring capabilities through advanced analytical tools, strengthening country risk assessment methodologies and improving party linkage identification capabilities.

These tools further strengthened visibility over risks and supported timely escalation and intervention.

3. Supporting Law Enforcement and Regulatory Confidence

The Group continues to play a key role in supporting law enforcement agencies and regulators through timely and effective cooperation. This included responding to regulatory and law enforcement requests, facilitating investigations, and ensuring accurate and prompt submission of suspicious transaction reports and related information.

Notably, the Group actively contributed to Malaysia’s Financial Action Task Force (“**FATF**”) Mutual Evaluation Exercise by representing the capital markets industry and supporting regulatory engagements. These efforts, undertaken in close coordination with GFCC, demonstrated the maturity of the Group’s AML/ CFT/ CPF framework and its alignment with international standards, contributing to Malaysia achieving a “Regular Follow-Up” outcome under the FATF evaluation process.

ETHICS AND COMPLIANCE STATEMENT

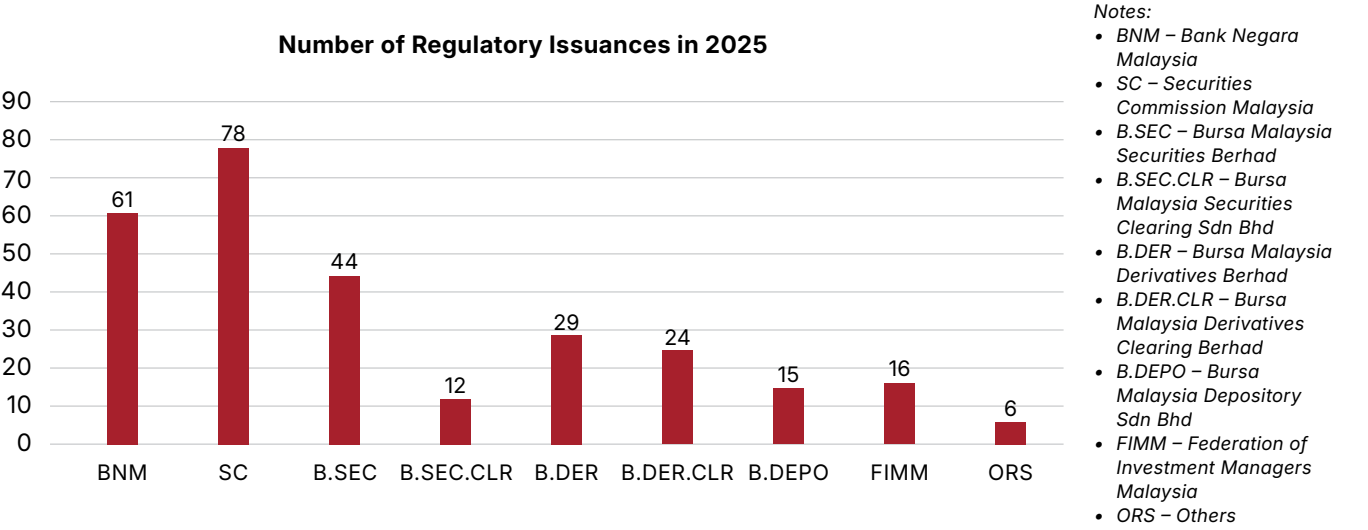
REGULATORY ADVISORY, GOVERNANCE AND OVERSIGHT

Strong regulatory advisory, governance, and effective oversight are fundamental to sustaining trust, safeguarding financial stability, and supporting long-term business sustainability.

Through the GRA function, the Group provides structured oversight and advisory support on regulatory matters, ensuring alignment with applicable supervisory expectations, regulatory requirements and governance standards.

1. Dissemination of Regulatory Issuances

Timely dissemination of regulatory updates is critical to maintaining compliance and readiness. GRA facilitated the dissemination of 285 revised and new frameworks, guidelines and circulars. These efforts are key to ensuring ongoing compliance throughout the organisation.



These issuances span governance, conduct and operational domains and reflect the breadth of the Group’s regulatory obligations.

2. Strengthening Regulatory Engagement and Readiness

In 2025, GRA strengthened the Group’s approach to managing regulatory and enforcement engagements through the introduction of a structured and standardised framework for handling visits and interactions with enforcement authorities.

The Guide on Handling Visits from Enforcement Officers established clear protocols governing the end-to-end management of enforcement engagements, from initial contact through to conclusion, ensuring orderly coordination, consistent communication and adherence to governance requirements.

3. Enhancing Regulatory Awareness and Compliance Discipline

To promote sustained awareness and compliance discipline, GRA leveraged structured governance tools such as the Corporate Regulatory Compliance Calendar, and Regulatory Issuances Impact Review. These mechanisms enabled systematic tracking of regulatory obligations, early identification of gaps or delays and timely escalation to Management and governance forums where required.

Innovative and accessible communication initiatives such as the Regulatory Brew further supported the integration of regulatory awareness into day-to-day operations and decision-making, emphasising the importance of compliance as part of normal business conduct rather than a purely reactive exercise.

ETHICS AND COMPLIANCE STATEMENT

PROMOTING ETHICAL CONDUCT AND INTEGRITY PRACTICES

The Group, through GBEI, translates its values into practice by fostering ethical behaviour, accountability and integrity across all levels of the organisation. Through clear standards of conduct, effective Speak Up mechanisms and disciplined management of conflicts and misconduct risks, the Group promotes trust, fairness and responsible decision-making.

1. Strengthening Anti-Bribery and Corruption Governance

The Group’s Anti-Fraud, Bribery and Corruption Policy (“**AFBC Policy**”) serves as the central framework governing the prevention, detection, and management of bribery, corruption and fraud risks across the organisation. It outlines the Group’s zero-tolerance stance on bribery and corruption, sets clear expectations on ethical conduct and establishes mandatory standards for due diligence, approvals, reporting channels and internal controls.

These requirements reinforce accountability, promote consistent application of anti-bribery standards, ensure alignment with applicable law and regulatory obligations and help embed a culture of integrity, strengthen governance oversight, and safeguard the Group against bribery, corruption and related misconduct.

2. Clear Standards of Conduct Anchored by the Code of Ethics

The Group Code of Ethics and Conduct for Employees (“**Employees Ethics Code**”) continues to serve as the cornerstone of the Group’s ethical framework. It sets out the standards of behaviour expected of all employees, including principles of professionalism, integrity, fairness, accountability and compliance with laws and internal policies.

In 2025, the Group actively promoted awareness and understanding of the Employees Ethics Code through structured onboarding processes for new employees and annual reaffirmation by existing employees. These measures remind employees of their responsibilities and the importance of ethical conduct in their daily work.

By maintaining clear, consistent and well-communicated standards of conduct, the Group ensures that ethical expectations are understood not merely as policy requirements, but as shared values that guide behaviour across the organisation.

3. Speak Up and Psychological Safety

The Group remains committed to fostering an environment where employees and stakeholders feel safe and supported in raising concerns about suspected misconduct, unethical behaviour, or breaches of policies.

The Speak Up framework provides accessible and confidential reporting channels, including independent third-party reporting mechanisms, to enable concerns to be raised without fear of retaliation. The Group’s approach emphasises confidentiality, fairness and protection for individuals who raise concerns in good faith.

Throughout 2025, the Group focused on building confidence in the Speak Up framework by transitioning to a new independent third (3rd)-party platform provider, as well as expanding the scope of reportable matters to include sexual harassment and bullying in the workplace.

This approach underlines confidentiality, fairness and psychological safety and continues to build trust in the Group’s reporting ecosystem.

ETHICS AND COMPLIANCE STATEMENT

4. Managing Conflicts of Interest with Transparency and Discipline

Conflicts of Interest, whether actual, potential, or perceived, can undermine objectivity and stakeholder confidence if not properly managed. The Group therefore maintains a structured framework through its Conflict Management Policy and the Guidance on Conflict of Interest for identifying, disclosing and managing conflicts of interest across its operations.

The framework distinguishes between personal and business-related conflicts of interest and provides guidance on situations that may give rise to conflicts. Employees are expected to exercise sound judgement, remain vigilant to potential conflict situations and make timely disclosures where conflicts arise. Disclosures are supported by formal registers and escalation processes, enabling conflicts to be reviewed, assessed and managed through appropriate controls.

In 2025, the Group placed strong emphasis on the importance of transparency and proactive disclosure as key elements of effective conflict management, supporting impartial decision-making, and reinforcing confidence in the Group’s integrity.

5. Preventing Improper Influence through Gifts, Entertainment, Hospitality, Donations and Sponsorships

Controls governing gifts, entertainment, hospitality, donations and sponsorships form an important part of the Group’s anti-bribery and corruption framework. These controls, which include the Group Gift, Entertainment and Hospitality Policy and the Group Incoming Non-Commercial Sponsorship Policy, are designed to prevent improper influence, manage perception risks and ensure that objective decision-making.

Employees are expected to exercise sound judgment and comply with these requirements at all times. Awareness efforts and monitoring mechanisms continued throughout 2025 to support understanding of the underlying principles and ensure effective oversight.

6. Safeguarding Market Integrity, Confidential Information and Fair Competition

Ethical conduct extends beyond internal behaviour to interactions with markets, clients, and competitors. The Group remains committed to safeguarding market integrity and maintaining trust in the capital markets.

Controls are in place to protect confidential and material non-public information, including information barriers and Chinese Wall arrangements. The Group Chinese Wall Policy governs the flow of confidential, material non-public and price-sensitive information across divisions, with information barriers designed to prevent insider trading and market abuse.

The Group also maintains a framework to ensure compliance with competition and fair-trading requirements through its Group Competition Act Compliance Policy. This includes guidance on interactions with competitors, clients, suppliers and industry associations, as well as expectations on fair competition practices.

In 2025, the Group continued to deepen awareness of these obligations as part of its broader ethics and compliance efforts, recognising that market confidence is closely linked to ethical conduct and compliance discipline.

7. Vendor Engagement and Third-Party Integrity

The Group recognises that ethical conduct and compliance expectations extend beyond employees to vendors and other third parties engaged by the Group. In this regard, the Group has established standards governing vendor conduct, underpinned by the Group Policy on the Code of Conduct for Vendors, to promote integrity, transparency and responsible business practices across its value chain.

Vendor engagement is further supported by the Group’s broader ethics and compliance framework, including the Employees Ethics Code and the AFBC Policy. These requirements highlight expectations of fair dealing, integrity in business relationships and compliance with ethical standards.

Where appropriate, the Group may take necessary actions in response to vendor non-compliance. This structured approach supports effective third-party risk management and sustainable, ethical business relationships.

ETHICS AND COMPLIANCE STATEMENT

CONTINUOUS TRAINING AND AWARENESS PROGRAMME

The Group recognises that strong ethics and compliance outcomes are sustained through continuous education, regular engagement and visible reinforcement of expected behaviours.

Throughout 2025, a series of education and awareness initiatives were implemented to strengthen ethical conduct, fraud awareness and regulatory understanding across the Group. These initiatives were designed to be accessible, relevant and engaging, supporting the objective of embedding integrity and vigilance into everyday work practices.

1. Compliance Awareness Week 2025

The Compliance Awareness Week 2025, held from 10 to 11 June 2025, served as one of the Group's key enterprise-wide compliance engagement platforms for the year. Designed to make compliance accessible and practical, the two (2)-day programme drew strong participation across the organisation, demonstrating employees' continued commitment to strengthening Kenanga's compliance culture.

To broaden reach beyond the main sessions, the accompanying Compliance Quiz attracted around 700 participants while approximately 250 employees visited the compliance-themed activity stations at Kenanga Tower.

The programme featured external speakers who provided insights into real-world compliance challenges. The curated combination of expert-led knowledge sessions and hands-on activities reinforced the message that compliance must be reflected through behaviour, not merely policy awareness.

The event, themed **"Beyond the Rules: Voice It, Own It, Do It"**, reaffirmed the Group's position that integrity and accountability are essential to long-term sustainability and stakeholder confidence.

2. Ethical Conduct and Fraud Awareness Poster Campaign

In 2025, the Group implemented a two-week Ethical Conduct and Fraud Awareness poster campaign aimed at promoting ethical behaviour and deepening fraud awareness across the organisation.

The campaign featured a series of thought-provoking posters displayed in common areas within Kenanga Tower, ensuring visibility to employees. To promote inclusivity, the posters were also made accessible through the Group's internal SharePoint platform.

Each poster carried a curated quote or message designed to prompt reflection on integrity, vigilance, accountability, and responsible decision-making.

3. Kenanga's 9th Fraud Awareness Week

Kenanga Group has been a Corporate Alliance Partner of the Association of Certified Fraud Examiners ("**ACFE**") since 2015. The partnership reflects its strong commitment to combating fraud by fostering education, ethical leadership, and a strong tone from the top.

In 2025, the Group organised its 9th annual Fraud Awareness Week ("**FAW**") programmes from 17 – 21 November 2025 in conjunction with ACFE's International FAW. The theme, **"Building the Future with Compliance and Ethics as Our Compass – Trust, Transparency, Transformation"**, underscored the Group's commitment to ethical leadership, compliance discipline and proactive governance.

The programmes conducted through FAW 2025 were designed to promote accountability, enhance fraud awareness and encourage collaboration across internal and external stakeholders.

a. Annual Regulatory Seminar

The 10th Annual Regulatory Seminar ("**ARS**") continued to serve as a cornerstone of the Group's compliance education framework. Launched during FAW 2025 and delivered as a pre-recorded eLearning on LinkedIn Learning, ARS enabled nationwide access and it is accredited for 10 Continuing Professional Education ("**CPE**") points by the Securities Industry Development Corporation.

A total of 1,145 employees registered; 1,072 participants completed the quiz with a minimum score of 80% within the timeframe and qualified for 10 CPE points.

ARS covered topics on regulatory compliance, financial crime risk management, anti-bribery and corruption and emerging regulatory developments. Sessions were delivered by internal subject matter experts and external practitioners, providing both organisational context and industry perspectives.

b. Fraud Awareness Week 2025 Ceremony

The FAW 2025 Ceremony, held on 18 November 2025 at Kenanga Tower, was attended by over 120 participants, including representatives from external organisations. The Ceremony reinforced key messages on ethical leadership, vigilance against fraud and the importance of culture in sustaining integrity.

The programme featured keynote and sharing sessions by distinguished speakers from ACFE – Malaysia Chapter and the Royal Malaysian Police ("**PDRM**"), offering insights into emerging fraud trends, enforcement perspectives and the role of institutions in strengthening fraud resilience. These sessions complemented the Group's internal messaging by situating fraud risk management within broader industry and societal context.

The Ceremony also hosted the Final Round of the FAW Games 2025 and concluded with the presentation of awards and tokens of appreciation, which helped foster engagement, recognition and shared ownership of integrity initiatives.

c. Fraud Awareness Week Games 2025

In June 2025, the Malaysia Book of Records recognised the FAW Games for achieving the *Largest Participation in Anti-Fraud Games*, based on the participation numbers recorded in 2024. Building on this achievement, the FAW Games 2025 continued to be a central engagement platform during FAW, attracting strong participation with a total of 144 teams taking part.

The teams comprised of internal teams from across the Group as well as external teams representing a wide range of organisations, including financial institutions, professional bodies, regulators, corporates and academic institutions. This broad participation underscored the relevance of fraud awareness and ethical conduct across sectors and cultivated cross-industry collaboration.

The Games were conducted over multiple rounds, culminating in a physical final held during the FAW 2025 Ceremony. The redesigned structure introduced new rounds aligned more closely with governance, policy literacy, fraud risk awareness, and ethical decision-making. Participants were challenged on topics including internal policies, fraud schemes, pattern recognition, and analytical reasoning in a team-based environment.

By adopting a gamified approach, the FAW Games 2025 encouraged active learning and deeper engagement, reinforcing key fraud prevention messages in a manner that was interactive, practical, and memorable.

d. FAW Quizzes

To complement the main FAW programmes, the Group introduced targeted quizzes during FAW 2025 as a means of underlining key learning points and sustaining engagement throughout the week.

The quizzes focused on topics such as the Group's ethics and integrity policies, and emerging fraud risks, including the role of technology. These micro-engagements served as practical, accessible refreshers while maintaining momentum and interest during FAW.

ETHICS AND COMPLIANCE STATEMENT

STRATEGIC VISION FOR 2026

As the regulatory, market, and risk landscape continues to evolve, sustaining high standards of ethics and compliance requires continuous strengthening of governance, accountability and organisational capability.

In 2026, the Group’s ethics and compliance focus will centre on reinforcing ownership of compliance and conduct risks across the organisation, enhancing oversight through structured monitoring and assurance and further embedding ethical decision-making as a core organisational capability.

Through continued collaboration across the GCE functions, the Group aims to maintain a holistic view of regulatory, conduct, and financial crime risks, enabling more coordinated and effective responses.

1. Reinforcing Accountability for Compliance and Conduct Risk Ownership

The Group will continue to emphasise that ownership of compliance and conduct risks rests primarily with business units. Control and oversight functions provide guidance, challenge and assurance, but do not replace accountability at the business level.

Efforts in 2026 will focus on strengthening clarity of roles and responsibilities, reinforcing management ownership of risks arising from business activities and ensuring that compliance considerations are embedded into day-to-day decision-making, product development and operational processes.

This approach supports a culture where ethical conduct and compliance are viewed not as external constraints, but as integral to sound business judgement and sustainable performance.

2. Enhancing Oversight through Continuous Monitoring and Assurance

The Group will continue to strengthen its approach to monitoring, assessment and assurance across ethics, compliance and regulatory domains.

This includes refining risk-based monitoring methodologies, enhancing the use of data and analytics to identify emerging risks and trends and strengthening escalation and reporting mechanisms to support timely management and Board oversight.

3. Investing in People, Capability and Technology

Recognising that effective ethics and compliance outcomes depend on people and capability, the Group will continue to invest in targeted training, awareness, and leadership development initiatives to strengthen judgement, vigilance and ethical decision-making.

In parallel, the Group will continue to leverage technology to enhance monitoring, analytics, and governance processes. This includes ongoing efforts to digitalise regulatory change management, compliance monitoring, and financial crime controls, while ensuring that technology adoption is accompanied by robust governance and oversight.

These efforts support operational resilience, audit readiness, and informed decision-making in an increasingly complex regulatory environment.

4. Strengthening Anti-Bribery and Corruption Governance

Building on the commencement of the ISO 37001:2025 Anti-Bribery Management System certification process in 2025, the Group will continue to strengthen its anti-bribery and corruption governance framework.

This includes further embedding anti-bribery controls into policies, procedures, due diligence processes, reporting mechanisms, and governance oversight, while reinforcing a clear and consistent message of zero tolerance for bribery and corrupt practices across the Group and its value chain.

FORWARD LOOKING STATEMENT

The Group’s ethics and compliance framework will continue to evolve in response to regulatory developments, emerging risks, and stakeholder expectations. While policies, processes and tools may change, the Group’s commitment to integrity, accountability and ethical conduct remains constant.

Looking ahead, the Group will continue to review and enhance its ethics and compliance practices to ensure they remain effective, proportionate and aligned with recognised best practices. These efforts strengthened governance, reinforce stakeholder confidence and support Kenanga’s position as a responsible and trusted financial institution.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), a listed issuer must ensure that its Board of Directors (“Board”) includes in its annual report a statement about the state of its risk management and internal controls as a group. In addition, the Malaysian Code on Corporate Governance (“MCCG”) also stipulates that the Board should maintain a sound system of internal controls and review its effectiveness to safeguard Shareholders’ investments and the Group’s assets.

Set out below is the Board’s Statement on Risk Management and Internal Control (“SORMIC”) in compliance with the MMLR of Bursa Malaysia and guided by the SORMIC Guide 2025, published by the Institute of Internal Auditors Malaysia.

BOARD RESPONSIBILITY

The Board is committed to maintaining a sound system of internal controls and has instituted a risk management framework, as well as good corporate governance measures to monitor the effectiveness of the measures and controls put in place by the Group to safeguard Shareholders’ investments and the Group’s assets.

The Board is responsible for determining key strategies and policies for significant risks and control issues, whereas Management is responsible for the effective implementation of the Board’s policies by way of identifying, monitoring and managing risks. However, as any system of internal controls will have its inherent limitations, the system has been designed to manage risks rather than provide absolute assurance against material misstatement, fraud or loss.

The Board has also received reasonable assurance from the Group Managing Director and Group Chief Financial and Operations Officer that the Group’s risk management and internal control system is operating adequately and effectively, in all material aspects.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board and Management of the Group are committed to the implementation of an internal control system to manage those risks that could affect the Group’s continued growth and financial viability.

Measures are taken to continuously evaluate changes in the risk profile of the Group and business complexities to assist the Board and Management to anticipate and manage all potential risks and protect Shareholders’ value.

The key elements of the Group’s internal control system include the following:

Risk Management Framework

The risk governance structure in the Enterprise Risk Management Framework defines the roles and responsibilities throughout the organisation to ensure accountability and ownership. It sets out the principles of sound corporate governance to assess and manage risks to ensure that risk taking activities are aligned with the Group’s long-term viability and its capacity to absorb losses.

The risk management philosophy adopted by the Group is based on the three (3) lines of defence approach. The line management is the first (1st) line of defence and is primarily responsible for the day-to-day risk management by identifying the risks, assessing impact and taking appropriate actions to manage and mitigate risks.

The second (2nd) line of defence is the oversight functions comprising Group Risk Management and Group Compliance and Ethics (“GCE”). They perform independent monitoring of business units as well as reporting to Management and the Board to ensure that the Group conducts its business and operations within internal guidelines and in compliance with relevant regulatory requirements.

The third (3rd) line of defence is Group Internal Audit (“GIA”) which provides independent assurance to the Board on the adequacy and effectiveness of system of internal controls, risk management and governance processes.

Governance

The Board, through its appointed committees such as the Group Board Risk Committee (“GBRC”) and Group Board Digital Innovation & Technology Committee (“GBDITC”), ensures that the Group’s activities are consistent with its approved risk appetite, strategies and policies.

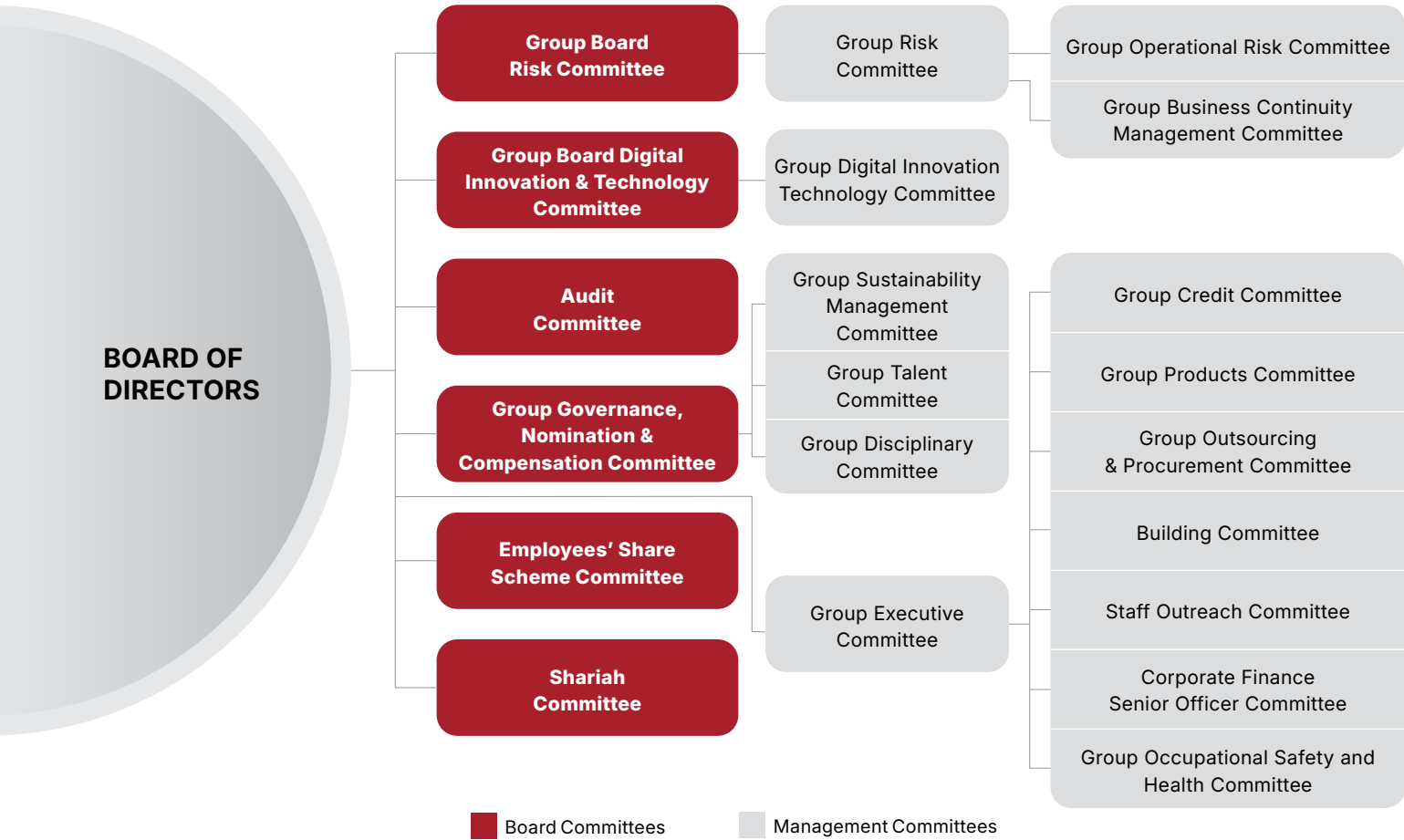
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The GBRC is supported by the Group Risk Committee (“**GRC**”) that provides a forum to address and review the management of credit, operational, market, liquidity, technology, climate change and other significant risks, including emerging risks arising from new or evolving threats which may arise due to dynamic changes in our operating environment, technology advancements, regulations, or geopolitical developments (e.g. cyber & information security risk, regulatory compliance risk, third-party & outsourcing risk, etc), to enable effective oversight, accountability, and responsibilities for risk-taking decisions. Assisting the GRC is the Group Operational Risk Committee and the Group Business Continuity Management Committee.

The GBDITC on the other hand, focuses on technologies and information technology (“**IT**”) risk of the Group at the Board level and is supported by the Group Digital Innovation Technology Committee which covers the Group’s technology plans and projects.

Quarterly meetings as well as special or ad hoc meetings as and when required, are held by the Audit Committee (“**AC**”) together with Management to review issues highlighted in the reports by internal and external auditors, as well as audits conducted by regulators such as Bank Negara Malaysia (“**BNM**”), the Securities Commission Malaysia (“**SC**”) and Bursa Malaysia; and the remedial measures or actions taken by Management in addressing the audit findings raised by the regulators. In addition, a joint GBRC and AC meeting is held at least once a year to ensure effective exchange of information and comprehensive coverage of risks including emerging risk issues that could have impact on the Group’s risk appetite and business plan.

The Group Governance, Nomination & Compensation Committee (“**GNC**”) was established with the objective, among others, to support the Board in the effectiveness and the enhancement of the Group’s governance structure, framework and policies and its compliance with the applicable statutory and regulatory requirements in relation thereof, including but not limited to, the MMLR of Bursa Malaysia, BNM’s Policy Document on Corporate Governance, the MCCG and the Malaysian Anti-Corruption Commission Act 2009, as well as the relevant latest developments in the corporate governance area.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Management Committees (“**MC**”) are established to oversee specific responsibilities based on defined terms of references. MC meetings are held regularly to ensure that business operations are executed in accordance with approved strategies, policies and business directions. The MCs are responsible for, amongst others:

- Reviewing the actual performance against expectations and budget;
- Addressing any internal control issues with the AC, GBRC, GBDITC, GNC, Employees’ Share Scheme Committee (“**ESSC**”), GIA, regulators and the external auditors; and
- Addressing any matters arising from the meetings of the Board, AC, GBRC, GBDITC, GNC and the ESSC; and ensuring that actions are taken in relation to these matters.

Risk Management Process and Infrastructure

The risk management process is a combination of both bottom-up and top-down approaches to facilitate decision-making based on available information known at the time and creating opportunities to refine inputs when new information is available.

In addition to establishment of risk policies, tools and methodologies to identify, quantify and manage the risks, Group Risk Management is also responsible for establishing the risk measurement and monitoring process to ensure that the Group’s risk profile and portfolio concentration are reported to the various risk committees on a regular basis.

Internal Policies and Procedures

Policies and procedures which set out standard day-to-day operations and managing risks are formulated based on current regulatory requirements and industry best practices.

The adequacy and compliance with regulatory requirements of the policies and procedures are assessed by independent control functions such as risk management, compliance and audit, prior to obtaining approval from the Board or relevant MC.

Existing policies and procedures are reviewed regularly to ensure improvements and in consideration of emerging or changing risk profiles, new products or services, as well as new or updated regulatory requirements.

Risk Appetite

Risk appetite is the level of risk the Group is willing to accept in pursuit of values and objectives. A clearly articulated risk appetite is fundamental to the alignment of risk-taking activities with its strategic plans. This is to ensure a consistent approach towards risk and strategic management across the Group.

The Risk Appetite Framework has been established to ensure that the risk appetites approved by the Board are managed prudently to achieve business plan and growth targets, while strengthening control and coordination of risk-taking activities across the Group’s businesses within acceptable boundaries.

Annual Business Plans and Budgets

The Board reviews and approves the business plans and budgets which are developed in line with the Group’s strategies and risk appetite. Actual performances against the approved budgets are escalated to the Management and Board on a monthly basis allowing responses and corrective actions to be taken.

Human Capital Management

The organisational structure, which is aligned to business and operational requirements is led by Heads of Divisions or Chief Executive Officers of Subsidiary Companies with accountability in place.

Human resource policies and procedures are reviewed regularly to ensure they remain relevant for managing operational and people-related risks. Various awareness programmes that address the operational risks, ethics and fraud are also conducted from time to time. Employees are also periodically provided with training and updates to ensure alignment with requirements and guidelines issued by BNM, SC, and Bursa Malaysia. These sessions help reinforce awareness of corporate governance, risk management and internal control expectations.

Comprehensive background screenings of employees are performed during the hiring process and are repeated annually. Appropriate actions are taken in response to any adverse findings or identified risks.

Key Performance Indicators are cascaded to each employee annually, aligned with the Group and Division goals and objectives. Performance appraisals are conducted based on achievement against the established targets.

Management’s compensation and rewards are structured based on the Pay-for-Performance principle. Compensation for Material Risk Takers and Other Material Risk Takers is reviewed annually by the GNC and recommended for Board approval.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Employee misconduct is managed through the established Consequence Management Framework and Group Disciplinary Policy and Procedure.

Business Continuity Management

Business Continuity Plans and Disaster Recovery Plans are established to ensure non-disruption of business or efficient business resumption. Regular testing or drills are also conducted for the purpose of staff preparedness, readiness of disaster recovery site, effectiveness of communication, escalation and recovery procedures. For effective business continuity management ("BCM"), awareness training is held annually for BCM coordinators and key persons.

Information Technology Security

The use of IT is essential and central to the Group's business. In order to ensure the reliability and resiliency of the business operations to meet the expectations of customers and all stakeholders, and in line with the guidelines of regulators such as BNM's Policy Document on Risk Management in Technology and SC's Guidelines on Technology Risk Management, the Group has established the corporate Cyber Security Policy and implemented the necessary security procedures to protect the confidentiality, integrity and availability of information systems and data.

With the increase in the adoption of digitalisation and service delivery via cyberspace, the Group will continue to reinforce its IT security efforts and initiatives to be aligned with the Group's current and envisaged operations, strategies and business environments. The IT security posture of the Group is also continuously reviewed and enhanced to mitigate the risks arising from new and emerging threats. In-house IT security training and security updates on the latest threats are constantly provided to all staff to ensure their awareness on the importance of IT security.

Climate Change and Sustainability Risk Management

The Group integrates climate change risks into our risk management framework to safeguard investments and enhance resilience. Managing climate change risk is core to our sustainability journey. We take a wholesome and integrated risk-based approach in addressing the multi-dimensional implications of climate change risk, including incorporating climate change risk drivers across credit, market, liquidity, operational and reputational risks. Considering the wide-ranging and significant implications of climate change risk on our business operations and, in line with BNM's guidelines such as Climate Risk Management & Scenario Analysis and Climate Change and Principle-Based Taxonomy, we developed

our Climate Change Risk Management Framework to provide strategic guidance to the Group in respect of climate change risk governance and implementation. This includes risk management practices, transition pathway and corporate direction in aligning its strategies and business operations with the applicable regulatory policies on climate change risk.

In addition, in alignment with the National Sustainability Reporting Framework ("NSRF"), which adopts the International Sustainability Standards Board ("ISSB") S1 and S2 requirements, the Group has developed a Sustainability Risk Management Framework to integrate sustainability risk and opportunity assessments across all business units and subsidiaries. This initiative will enhance our preparedness for NSRF disclosure requirements and establish a comprehensive sustainability risk profile for the Group. A climate risk profiling exercise has also been initiated to identify areas of vulnerability, guide strategic prioritisation, and further strengthen our readiness for ISSB-aligned reporting.

Climate change and sustainability risk management related matters, where relevant, are deliberated at the Board level by the GBRC. The GBRC is supported by the GRC which provides risk management oversight including reviewing and recommending frameworks, policies and procedures, as well as evaluating climate risk-related propositions within the Group. Meanwhile, the Group Sustainability Management Committee ("GSMC") provides oversight and guidance on the Group's sustainability strategies, policies, goals, and reporting, while overseeing the effective implementation of the Group's sustainability strategies and the integration of sustainability considerations into day-to-day operations to support long-term business objectives.

Compliance Function

The Board is unreservedly committed and always strives to adopt the principles and recommendations of the MCCG issued by the SC, as well as other relevant regulatory requirements relating to corporate governance. Compliance reviews and monitoring are undertaken by GCE using various tools and approaches based on the framework set by Group Compliance, a department of GCE. These reviews and monitoring are performed to assess the level of compliance with the relevant regulatory requirements and the respective companies' internal policies and procedures. Any regulatory deviation or compliance breaches will be reported to the respective Boards of operating entities within the Group and the relevant regulators. Pursuant to this, appropriate corrective actions including disciplinary actions will be taken to address the breach with a view to pre-empt and prevent the occurrence of a similar breach.

Aside from Group Compliance, the three (3) other departments of GCE undertake functions to review and monitor compliance in their respective areas. In this respect, the Group Financial Crime Compliance, Group Regulatory Affairs and, Group Business Ethics and Integrity provide timely, structured, and comprehensive advice, as well as support to the Group on matters relating to the laws, rules, and regulations applicable to the Group.

GCE has also implemented a self-assessment framework to facilitate and promote regulatory compliance by the business within the Group. For this purpose, a list of identified laws, regulations and other regulatory instruments applicable to the Group are documented and maintained to facilitate compliance.

Please refer to the 'Ethics and Compliance Statement' for more details on functions, roles and responsibilities of GCE.

Internal Audit

GIA provides independent and objective assurance to the Board that the established internal controls, risk management and governance processes are adequate and are operating effectively and efficiently.

To ensure independence and objectivity, GIA reports independently to the AC of KIBB and has no responsibilities or authority over any of the activities it reviews. GIA's scope of work and activities are guided by the Internal Audit Charter, mandatory elements of The Institute of Internal Auditors' Global Internal Audit Standards and relevant regulatory guidelines.

An Annual Audit Plan based on the appropriate risk-based methodology has been developed and approved by the AC. On a quarterly basis, audit reports and status of internal audit activities including the sufficiency of GIA resources are presented to the AC for review.

Periodic follow-up reviews are conducted to ensure adequate and timely implementation of Management's action plans.

Associate and Joint Venture Companies

The Board does not regularly review the internal control systems of associate and joint venture companies as the Board does not have any direct control over their operations. Notwithstanding this, the Group's interests are served through representation on the Boards of the respective companies via receipt and review of management accounts, periodical reports as well as deliberation on proposals related to these companies. Such representation also provides the Board with information for decision-making on the continuity of the Group's investments based on the performance of these associate and joint venture companies.

Conclusion

The Board, through the AC and the GBRC, confirms that it has reviewed and considered the effectiveness of the Group's risk management and internal control system as adequate during the financial year and has taken into consideration any material developments up to the date of approval of the Annual Report and Audited Financial Statements for the Financial Year Ended 31 December 2025. The main financial risk areas faced by the Group and the guidelines and policies adopted to manage them are provided in detail under Note 51 of the Audited Financial Statements of KIBB for the Financial Year Ended 31 December 2025.

The Board is satisfied that there is an effective ongoing process for identification, evaluation and management of risks and there are regular reviews to ensure controls are efficient and effective.

Review of the Statement by External Auditors

As required by Paragraph 15.23 of the MMLR of Bursa Malaysia, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with the principles of Audit and Assurance Practice Guides ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. Based on the review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process that the Board has adopted in the review of the adequacy and integrity of the internal controls of the Group. AAPG 3 does not require the external auditors to, and they did not, consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 29 January 2026.

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE REPORT

1. COMPOSITION

1.1 The Audit Committee (“AC”) of Kenanga Investment Bank Berhad (“KIBB” or “the Company”) presently comprises solely Independent Non-Executive Directors (“INEDs”) as follows:

ENCIK JEREMY NASRULHAQ	MR. KANAGARAJ LORENZ	PUAN NORAZIAN AHMAD TAJUDDIN
Chairman, Senior INED	Member, INED	Member, INED

1.2 The composition of the AC is in line with Paragraphs 15.09(1)(a) and 15.09(1)(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), as well as Standard 12.3 of Bank Negara Malaysia (“BNM”)’s Policy Document on Corporate Governance, which require the AC to comprise no fewer than three (3) members, all of whom must be Non-Executive Directors, with a majority of them being Independent Directors.

The composition of the AC is also in line with Step Up Practice 9.4 of the Malaysian Code on Corporate Governance (“MCCG”) issued by the Securities Commission Malaysia (“SC”), which recommended for the AC to comprise solely of independent directors. Further, KIBB also adopts the recommendation of Practice 1.4 of the MCCG, where the Chairman of the Board of Directors (“Board”) is not a member of the AC.

Two (2) of the AC members, namely Encik Jeremy Nasrulhaq, currently the Chairman of the AC and Mr. Kanagaraj Lorenz, are members of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants, respectively, in line with the requirements of the MMLR of Bursa Malaysia. This strengthens the effectiveness of the AC and facilitates the AC’s succession plan in terms of its membership to ensure full compliance with the relevant regulatory requirements.

1.3 The effectiveness of the AC as a whole, as well as its members individually, is assessed annually in accordance with the Board Effectiveness Evaluation Framework based on a set of criteria covering the areas of composition, processes and procedures, interaction with Management, as well as roles and responsibilities. Based on the assessment conducted for 2025, the Board is satisfied with the performance of the AC and with the manner in which the AC has discharged its roles and responsibilities as stipulated in its Terms of Reference (“TOR”), which is available at the Company’s corporate website at <https://www.kenanga.com.my/investor-relations/corporate-governance/>.

2. AC MEETINGS HELD DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2.1 During the Financial Year Ended 31 December 2025, the AC had convened seven (7) meetings. The meetings were appropriately structured where members were given the agenda and sufficient notification. The AC meetings were of adequate length to allow the AC to accomplish its agenda with sufficient time to discuss emerging issues.

Other than the regular meetings of the AC scheduled throughout 2025, one (1) joint meeting between the AC and the Group Board Risk Committee (“GBRC”) was held on 27 November 2025 to deliberate on matters that were considered common for both committees. In addition, one (1) joint meeting between the AC and the Group Governance, Nomination & Compensation Committee (“GNC”) was held on 13 March 2025 to discuss on Annual Report matters and two (2) Special AC meetings were held on 11 March 2025 and 28 August 2025 to discuss on the re-appointment of Ernst & Young PLT (“EY”) as External Auditors of KIBB and Sanction Letters issued by the regulator to the subsidiaries of KIBB, respectively.

The AC conducted its meeting in an open and constructive communication mode and encouraged focused discussion, questioning and expressions of differing opinions.

2.2 The Group Chief Internal Auditor (“GCIA”) attended all meetings of the AC to present the respective internal audit reports. As and when necessary, the AC would request the attendance of relevant personnel at its meetings to brief the AC on specific issues arising from the internal audit reports.

The Group Chief Financial and Operations Officer and the Head of Group Finance on the other hand, attended the AC meetings to present the unaudited quarterly financial statements, audited financial statements, as well as other financial reporting related matters for the AC’s deliberation and recommendation to the Board for approval.

2.3 In addition, separate private discussions were also held between the Chairman of the AC and/ or the AC with the GCIA and between the AC and the External Auditors, EY, without the presence of Management. During the period under review, the AC met with the External Auditors without Management’s presence twice i.e., on 26 February 2025 and 23 October 2025, after the tabling of the Update Report in respect of the Financial Year Ended 31 December 2024’s audit and the External Auditors’ 2025 Audit Planning Memorandum, respectively.

During these meetings, the AC sought the feedback from the External Auditors with regard to the support provided by Management in terms of providing timely and accurate information, as well as the adequacy of resources in the financial reporting functions. Based on the External Auditors’ feedback, Management was noted to have provided full cooperation to the External Auditors in the course of the External Auditors’ audit assignments. The External Auditors had also indicated that Management had been very pro-active in approaching them in respect of any issues arising during the year, which contributed to an effective audit planning by the External Auditors.

2.4 In fulfilling its reporting responsibility to the Board, after each meeting, the Chairman of the AC reported the AC’s deliberations and recommendations to the Board.

The Minutes of each AC meeting were recorded and tabled for confirmation at the following AC meeting and subsequently presented to the Board for notation.

2.5 AC Members’ Attendance at Meetings

The details of the AC members’ attendance at its meetings held during the Financial Year Ended 31 December 2025 are as stated below.

AC	Number of Meetings		
Name of Member	Held ⁽¹⁾	Attended	Percentage (%)
Encik Jeremy Nasrulhaq (Chairman)	9	9	100%
Mr. Kanagaraj Lorenz	9	9	100%
Puan Norazian Ahmad Tajuddin	9	9	100%

Note
⁽¹⁾ Total number of meetings held was inclusive of one (1) joint meeting between the AC and GBRC which was held on 27 November 2025 and one (1) joint meeting between the AC and GNC which was held on 13 March 2025.

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE REPORT

3. SUMMARY OF THE AC’S ACTIVITIES DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3.1 Financial Reporting

- a

In discharging its role and responsibility pertaining to the Company’s financial reporting, the AC had at its meeting held on 23 January 2025, reviewed the quarterly financial statements for the quarter ended 31 December 2024, as well as the Audited Financial Statements in respect of the Financial Year Ended 31 December 2024.

In reviewing the Audited Financial Statements, the AC discussed with Management and the External Auditors, significant accounting matters including significant judgment and estimates applied that might affect the financial statements.

The AC also deliberated on audit issues and key audit matters raised by the External Auditors and the action plans required to address those issues, based on the External Auditors’ recommendations.
- b

The subsequent quarterly financial statements for the quarters ended 31 March 2025, 30 June 2025 and 30 September 2025 were tabled and reviewed by the AC at its quarterly meetings held on 22 April 2025, 24 July 2025 and 23 October 2025 respectively, upon which the AC had recommended the quarterly financial statements to the Board for approval.
- c

The AC had at its meeting held on 23 October 2025, reviewed the impairment approach and the assumptions used in the annual assessment for impairment of assets of KIBB and Its Subsidiaries (“**KIBB Group**”) to be adopted for the Financial Year Ended 31 December 2025 and recommended the same for the Board’s approval.
- d

At each of its quarterly meeting, the AC was also notified of the amount of non-audit fees incurred and paid by KIBB Group to the External Auditors and their affiliate to ensure compliance with the Group’s Policy on Non-Audit Services by External Auditors.

3.2 External Audit

- a

The report by the External Auditors on the statutory audit of the financial statements of KIBB and KIBB Group for the Financial Year Ended 31 December 2024 was reviewed and deliberated by the AC at its meeting held on 23 January 2025.

During its deliberations, the AC was briefed by the External Auditors on the various areas of audit emphasis, including Management’s assessment, EY’s audit emphasis, independent assessment and conclusion made for each of the identified areas. EY’s audit emphasis included the measurement and recognition of Expected Credit Loss, impairment assessment, valuation of unquoted investments, technology risk and cybersecurity, as well as recognition of revenue, taxation and deferred taxation.
- b

The AC had also at the same meeting reviewed the list of services provided by the External Auditors during the financial year which comprised audit and regulatory-related services, issuance of a written communication to Management and the AC pertaining to the External Auditors’ audit/ findings, together with the recommendations for improvements in controls and procedures.

The External Auditors’ services also included the review of the Statement on Risk Management and Internal Control, as well as other regulatory submissions as required under the various regulatory requirements.
- c

At its meeting held on 26 February 2025, the AC was updated by the External Auditors, on the latest status of the statutory audits conducted on KIBB Group in respect of the Financial Year Ended 31 December 2024. The AC had, at the same meeting, duly deliberated on the audit matters which required its attention.

During its deliberations, in addition to the relevant disclosures in the Audited Financial Statements, the AC had also considered the recommendations made by the External Auditors towards enhancing the internal controls and procedures.

- d

Pursuant to Section 67(1) of the Financial Services Act 2013, an auditor appointed by a licensed person shall meet the qualification criteria set out in BNM’s Policy Document on External Auditor and shall continue to meet the criteria throughout the audit engagement.

BNM’s Policy Document on External Auditor also requires the Company to undertake an annual assessment on the suitability and independence of External Auditors.

In relation to the audit of the Company’s financial statements for the Financial Year Ended 31 December 2024, the External Auditors had given a written assurance to the AC that they were independent in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Code of Ethics for Professional Accountants (including International Independence Standards), throughout their audit engagement for 2024.

This written assurance by the External Auditors was contained in the External Auditors’ Report which was presented to the AC on 23 January 2025.

Following the implementation of the requirement for Annual Transparency Reporting by the SC’s Audit Oversight Board and in line with the MCCG’s criteria to guide decisions on the appointment and re-appointment of the External Auditors, the 2024 Transparency Report issued by EY was presented to the AC on 23 January 2025.

After taking into consideration the assessment carried out by Management and the 2024 Transparency Report, the AC at the same meeting, had concluded that the External Auditors had fulfilled all the qualification criteria set out in BNM’s Policy Document on External Auditor in terms of its performance and independence and had therefore, recommended the re-appointment of EY as the Company’s External Auditors for the Financial Year Ending 31 December 2025 to the Board for approval.
- e

At its meeting held on 23 October 2025, the AC reviewed and approved the External Auditors’ 2025 Audit Planning Memorandum outlining the scope of work which included the audit approach and strategy for the year and proposed fees covering their recurring audit assignments, as well as other regulatory-related services.

During the presentation of their 2025 Audit Planning Memorandum, the External Auditors had also highlighted to the AC the developments in the financial reporting (as at 30 June 2025) as summarised below.

New Malaysian Financial Reporting Standards (“MFRS”) Issued as at 30 June 2025

Description	Effective Date*
Lack of Exchangeability (Amendments to MFRS 121)	1 January 2025
Classification and Measurement of Financial Instruments (Amendments to MFRS 9 and MFRS 7)	1 January 2026
Contracts Referencing Nature-Dependent Electricity (Amendments to MFRS 9 and MFRS 7)	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
MFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Effective date had been postponed

Note
* Effective for annual periods beginning on or after this date.

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE REPORT

f At the request of the AC, Management had initiated the Request for Proposal (“RFP”) for appointment of External Auditors of KIBB Group in respect of the Financial Year Ending 31 December 2026 onwards in view of the long tenure that EY had been appointed as the External Auditors of KIBB Group. Six (6) audit firms, including EY, had been invited to participate in the RFP but only three (3) audit firms had reverted with their proposals. The outcome of the evaluation was tabled at the AC meeting held on 23 October 2025 for deliberation.

Based on the overall evaluation, EY scored the highest among the three (3) audit firms, after considering EY’s experience in financial services and the strength of their audit team. Hence, the AC had recommended the proposed engagement of EY as the External Auditors of KIBB Group for the Financial Year Ending 31 December 2026 onwards for the Board of KIBB’s approval and the same was approved by the Board of KIBB at its meeting held on 30 October 2025.

g At the AC meeting on 23 January 2025, the AC had reviewed and recommended the revised Policy of Non-Audit/ Assurance Services by the External Auditor to the Board for approval, the same was approved by the Board of KIBB on 27 January 2025.

3.3 Internal Audit

a At its meeting on 23 January 2025, the AC had reviewed and approved the 2025 Internal Audit Plan tabled by Group Internal Audit (“GIA”) after considering the adequacy of scope and comprehensiveness of the coverage of activities within KIBB Group, as well as the adequacy of resources in GIA.

b In 2025, the AC had reviewed and deliberated on a total of thirty-eight (38) Internal Audit Reports, together with the audit recommendations made by GIA and Management’s responses to those recommendations, in relation to the audits carried out by GIA.

Where appropriate, the AC had directed Management to rectify and improve the control and workflow procedures based on GIA’s recommendations.

The AC, at all its quarterly meetings, also reviewed the implementation status of the corrective actions arising from the audit recommendations to ensure that the key risks and control lapses were addressed adequately and in a timely manner.

With regard to long outstanding audit recommendations, where appropriate, the relevant Heads of Department were invited to the AC meeting to provide relevant explanation for the delay in implementing such audit recommendations.

In ensuring timely implementation of audit recommendations, the Company, under its Performance Management Framework, had introduced a demerit system for any delay in implementing high-risk audit recommendations of more than six (6) months and medium-risk audit recommendations of more than twelve (12) months.

c In addition to the audit conducted on the processes and systems of Support and Business Units within KIBB Group, during the Financial Year 2025, GIA also conducted various regulatory required reviews in areas including amongst others, Management of Customer Information, Basel II (Pillar 3), Related Party Transactions, Verification of RM Marketable Securities, Staff Training Fund, Federation of Investment Managers Malaysia (“FIMM”) Annual Compliance Review Checklist for Kenanga Investors Berhad and FIMM Annual Compliance Review Checklist for KIBB.

d The AC at its meeting on 23 January 2025 had taken note of GIA’s Annual Confirmation on Organisational Independence of Internal Audit Activity for the Financial Year 2024 in line with the International Standards for Professional Practice of Internal Auditing (Standards – 1110) and the Group Internal Audit’s Environment, Social and Governance Assurance Framework.

e For the purpose of evaluating the performance of the GCIA, the AC had at its meeting on 23 January 2025, reviewed and deliberated on the GCIA’s 2024 Performance Appraisal and 2025 Balanced Scorecard, prior to submission of the same to the GNC for its further recommendation to the Board of KIBB for approval.

The AC’s recommendation on the GCIA’s 2024 Performance Appraisal and 2025 Balanced Scorecard were subsequently approved by the Board of KIBB on 4 March 2025.

f The AC at its meeting on 24 July 2025, had taken note of the results of the Gap Assessment on GIA against the new Global Internal Audit Standards to support GIA’s alignment with the new Standards and reinforce its continued advancement in delivering effective internal audit services.

g At its meeting held 23 October 2025, the AC had reviewed and approved the revised Internal Audit Charter and Internal Auditor’s Annual Declaration Form.

h The AC, at all of its quarterly meetings also reviewed and noted the confirmed minutes of meetings of the Audit & Risk Committee of Kenanga Investors Berhad and the Group Outsourcing & Procurement Committee of KIBB.

i In addition to the usual report on GIA’s reviews, the AC had also deliberated on fraud and whistleblowing related matters at its quarterly meetings.

3.4 Regulatory Examinations/ Inspection Report

As stipulated in its TOR, the AC also deliberates on reports issued by the regulators arising from their examinations or inspections on entities within KIBB Group. This is to ensure proper and adequate implementation of appropriate remedial and corrective measures in respect of the findings raised by the respective regulators arising from their respective examinations/ inspections.

There was no regulatory examination/ inspection report tabled at the AC for the year 2025.

3.5 Related Party Transactions and Conflict of Interest

The AC considered transactions with a related party and/ or interested persons to ensure that such transactions are undertaken on an arm’s length basis, on normal commercial terms consistent with KIBB Group’s business practices and policies, not prejudicial to the interests of KIBB and its minority shareholders and on terms which are generally no more favourable to the related parties and/ or interested persons.

During its quarterly meetings, the AC also reviewed the existing related party transactions and recurrent related party transactions entered into by the Company and/ or its group of companies to ensure compliance with the MMLR of Bursa Malaysia. During the Financial Year 2025, no new related party transactions and/ or recurrent related party transactions were reported.

In terms of conflict of interest, it was managed by Group Business Ethics and Integrity (“GBEI”), the details of which are provided under Paragraph 3.9(a) below.

3.6 Disclosure for Annual Report 2025

Under its TOR, the AC was also tasked to review the accuracy and adequacy of the Chairman’s Message to be disclosed in KIBB’s Annual Report, corporate governance disclosures and internal control, interim financial reports and preliminary announcements in relation to the preparation of financial statements.

In this regard, the AC at its meetings on 23 January 2025 and 26 February 2025, and Joint AC and GNC meeting on 13 March 2025 respectively, had reviewed and recommended to the Board of KIBB for approval, the following reports and/ or statements:

For Disclosures in KIBB’s Integrated Annual Report 2024

Statement on Risk Management and Internal Control

AC Report

Sustainability Statement

Corporate Governance (“CG”) Overview Statement

Net Zero by 2050 Roadmap Approach

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE REPORT

For Announcement to Bursa Malaysia Together with the Announcement of KIBB’s Integrated Annual Report 2024

Sustainability Report

CG Report

At the same meeting, the AC had also granted its concurrence on the Chairman’s Message, the Group Managing Director’s Management Discussion & Analysis Statement, Value Creation Model, Economic Review, as well as the Strategic Framework for incorporation into KIBB’s Integrated Annual Report 2024.

The AC’s recommendation was subsequently approved by the Board of KIBB on 4 March 2025 and 14 March 2025 respectively.

3.7 List of Disciplinary Actions Meted Out on Employees’ Misconducts within KIBB Group

The list of disciplinary actions meted out on KIBB Group’s employees who had committed misconduct was tabled by Group Human Resource for the AC’s notation at its meetings held on 23 January 2025, 22 April 2025, 24 July 2025 and 23 October 2025.

3.8 Post Approval Review by Independent Credit Review Unit (“ICR”)

Pursuant to Paragraph 17.5 of BNM’s Policy Document on Credit Risk, the outcomes of independent credit reviews are required to be escalated directly to the Board Risk Committee, Board Audit Committee and Senior Management.

In fulfilling the aforementioned requirement, ICR of Group Risk Management, upon completion of its reviews, would table its review reports to the AC for its deliberation.

In this regard, during 2025, the AC had deliberated on the following review reports tabled by ICR:

Date of AC Meeting	Titles of Review Report
22 April 2025	Post Approval Review of Kenanga Capital Sdn Bhd’s Loans
24 July 2025	Post Approval Review of Share Margin Financing

During its deliberation, the AC had taken note of the findings raised by ICR arising from the respective reviews, as well as the recommendations made by ICR together with Management’s action plans in addressing those findings.

3.9 Integrity, Regulatory and Governance

- a
- KIBB Group had implemented numerous policies to facilitate its adherence to the Guidelines on Adequate Procedures issued pursuant to Section 17A (5) of the Malaysian Anti-Corruption Commission Act 2009, and to keep abreast with the best practices and high standards of ethics and integrity. These policies include the following:

Group Conflict Management Policy

Group Incoming Non-Commercial Sponsorship Policy

Group Gifts, Entertainment and Hospitality Policy

Pursuant to the Group Conflict Management Policy (and the Guidance on Conflict of Interest), the Register of Conflict of Interest would be maintained by three (3) departments, namely Group Company Secretarial, Group Compliance and Group Human Resource, to capture the conflict of interest within KIBB Group in respect of the Board members, Business Units and employees and the same would be submitted to GBEI for consolidation.

In line with the requirement specified in the aforesaid policies, the information in relation to actual or potential conflicts, non-commercial sponsorships received, gifts, entertainment and hospitality, which fell within the scope of these policies will be compiled and the relevant report will be tabled by GBEI to the AC for its notification on an annual basis.

In relation thereto, the AC at its meeting held on 26 February 2025 had taken note of the summary of information submitted by the relevant departments or employees within KIBB Group to GBEI for the period from January 2024 until December 2024.

- b
- The AC, at its meetings held on 26 February 2025 and 22 April 2025 had also taken note of the outcome of the review performed by Group Regulatory Affairs (“**GRA**”) in relation to the status of implementation of action plans taken by the relevant departments following GRA’s regulatory issuances of new, revised and updated regulations to ensure KIBB Group’s compliance with the relevant regulatory requirements prescribed by the respective regulators.

3.10 Joint Meeting Between the AC and the GBRC

Pursuant to BNM’s Policy Document on Risk Governance, the GBRC and the AC are expected to periodically meet to ensure effective exchange of information to enable effective coverage of all risks, including emerging risk issues that could have an impact on KIBB Group’s risk appetite and business plans.

In this regard, joint meeting between the AC and the GBRC was held on 27 November 2025 in line with the aforementioned BNM’s requirement to deliberate on the Post Approval Review of Corporate Banking Loans/ Financing.

At the said meeting, the outcome of the Validation of KIBB’s MFRS 9 Expected Credit Loss Impairment Model and Internal Credit Risk Rating Model for Corporate Loans/ Financings was presented by an external consultant, Deloitte Malaysia SR&T Solutions Sdn Bhd, for the AC’s and GBRC’s deliberation and notation.

4. INTERNAL AUDIT FUNCTION

- 4.1
- The internal audit function of KIBB is established in-house. In discharging its responsibilities, GIA, which reports functionally to the AC and administratively to the Group Managing Director, provides independent and objective assurance to the Board and Management that the policies, procedures and operations that Management has put in place for risk management, control and governance are adequate, operating effectively and efficiently, and in compliance with prescribed laws and regulations.

- 4.2
- During the year under review, GIA carried out internal audit reviews based on its 2025 Audit Plan as approved by the AC. This Audit Plan was developed using a risk-based methodology. The audit reviews conducted by GIA included Business Units/ support processes, Information Technology/ technical audits and compliance audits on regulatory requirements.

- 4.3
- All GIA’s reports, detailing the audit findings, audit recommendations, as well as Management’s responses to those recommendations were circulated to the Group Managing Director and Heads of the respective Divisions/ Departments within KIBB Group. Follow-up reviews were performed on the implementation status of the audit recommendations and reported to the AC accordingly.

- 4.4
- The total costs incurred by GIA in discharging its functions and responsibilities in 2025 amounted to RM5.850 million. As at 31 December 2025, GIA’s headcount was twenty-three (23).

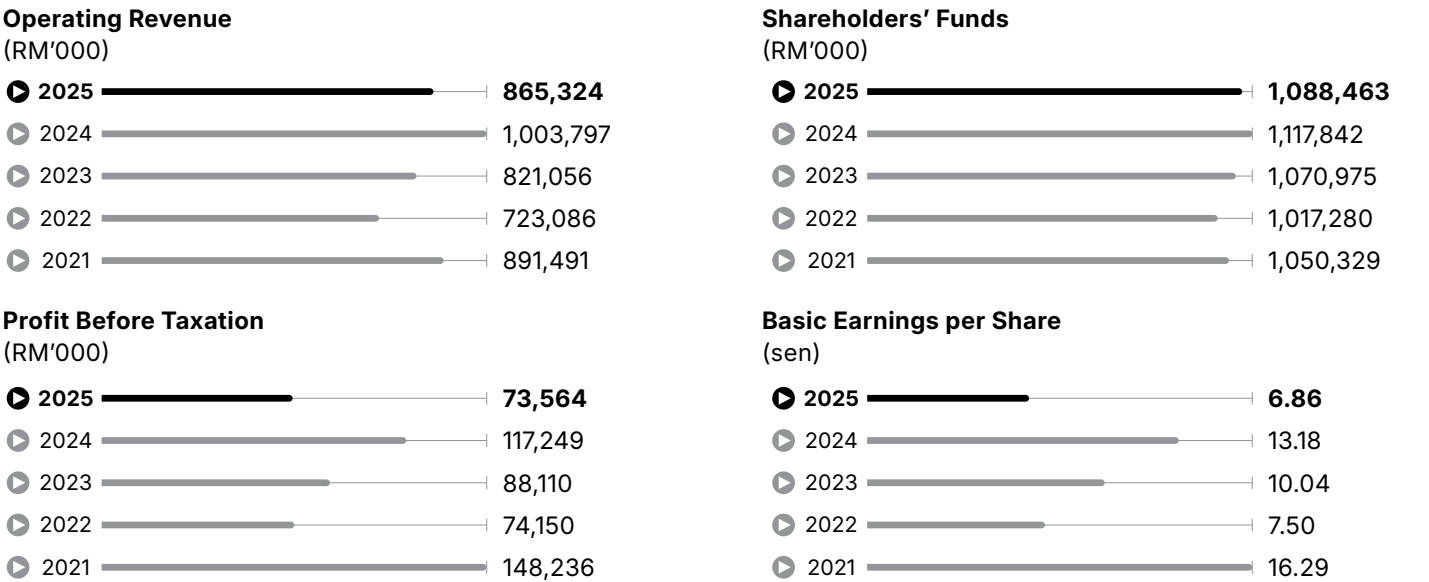
FINANCIAL STATEMENTS

153	Five (5)-Year Group Financial Summary
153	Five (5)-Year Group Financial Highlights
154	Directors' Report
161	Statement by Directors
161	Statutory Declaration
162	Independent Auditors' Report
168	Shariah Committee's Report
169	Consolidated Statement of Financial Position
170	Statement of Financial Position
171	Statements of Profit or Loss and Other Comprehensive Income
173	Consolidated Statements of Changes in Equity
175	Statements of Changes in Equity
177	Statements of Cash Flow
179	Notes to the Financial Statements

FIVE (5)-YEAR GROUP FINANCIAL SUMMARY

	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000
RESULTS					
Operating Revenue	865,324	1,003,797	821,056	723,086	891,491
Profit before Taxation continuing operations	73,564	117,249	88,110	74,150	148,236
Profit after taxation for the financial year attributable to equity holders of KIBB	49,965	95,755	72,641	54,511	118,390
ASSETS					
Total Assets	7,110,170	7,656,913	6,582,888	5,962,357	6,418,522
SHAREHOLDERS' FUNDS					
Paid-up share capital	253,834	253,834	253,834	253,834	253,834
Shareholders' funds attributable to equity holders of KIBB	1,088,463	1,117,842	1,070,975	1,017,280	1,050,329
FINANCIAL RATIOS					
Net return on average' shareholders funds (%)	4.53	8.75	6.96	5.27	11.55
Net return on average assets (%)	0.68	1.34	1.16	0.88	1.82
SHARE INFORMATION					
Basic earnings per share (sen)	6.86	13.18	10.04	7.50	16.29
Net assets backing per share (RM)	1.49	1.53	1.48	1.41	1.45
Dividend cover (times)	1.36	1.63	1.43	1.25	1.54
Net dividend per share (sen)	5.00	8.00	7.00	6.00	10.50

FIVE (5)-YEAR GROUP FINANCIAL HIGHLIGHTS



DIRECTORS’ REPORT

DIRECTORS’ REPORT

DIRECTORS’ REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of Kenanga Investment Bank Berhad (“the Bank” or “KIBB”) and its subsidiaries (“the Group” or “Kenanga Group”) for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Bank is principally engaged in the investment banking business, provision of stockbroking and related financial services. The principal activities of the subsidiaries and associates are as described in Note 13 and Note 14 to the financial statements, respectively.

There were no significant changes to the nature of the principal activities during the financial year, except for in respect of EQ8 Capital Sdn. Bhd., an indirect subsidiary of the Bank, which changed its principal activity from the provision of Shariah-compliant investment management services to the provision of investment management services.

RESULTS

	Group RM’000	Bank RM’000
Profit before taxation and zakat	73,564	54,852
Taxation and zakat	(23,599)	(8,228)
Profit for the financial year	49,965	46,624
Attributable to:		
Equity holders of the Bank	49,965	46,624

There were no material transfers to or from reserves or provisions during the financial year other than those that have been disclosed in the statements of profit or loss and other comprehensive income and the statements of changes in equity.

In the opinion of the Directors, the results of the operations of the Group and of the Bank during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

During the financial year, an interim single tier dividend of 8.0 sen per ordinary shares on 728,341,799 ordinary shares in respect of the financial year ended 31 December 2024, which amounted to RM58,267,344 was paid on 16 April 2025.

Subsequent to the financial year end, on 26 February 2026, the Directors have declared an interim single tier dividend of 5.0 sen per ordinary share in respect of the financial year ended 31 December 2025 which amounted to total dividend payable of approximately RM36,788,130. This is computed based on issued and paid-up capital as at 31 December 2025 of 735,762,599 ordinary shares. The actual amount of dividend to be paid will depend on the number of shares in issue at the date of entitlement.

The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

KENANGA GROUP’S EMPLOYEES’ SHARE SCHEME (“ESS” OR “SCHEME”)

The Kenanga Group’s ESS is governed by the By-Laws approved by the shareholders of the Bank at an Extraordinary General Meeting held on 25 May 2017. The ESS was implemented on 21 September 2017. It is valid for a period of five (5) years from its commencement date, and is administered by the ESS Committee. The ESS has been extended for another five (5) years from 21 September 2022 to 20 September 2027 in accordance with the provisions of the By-Laws of the ESS.

The aggregate maximum number of shares which may be made available by the Bank under the Scheme shall not in aggregate exceed 10% of the issued share capital of the Bank (excluding treasury shares) at any point in time during the duration of the Scheme.

Other principal features of the ESS are as follows:

- (i) The employees eligible to participate in the ESS must be at least eighteen (18) years of age on the Award Date and are employed by, and are on the payroll of the Kenanga Group and are confirmed in service. The ESS applies to the Bank and its non-dormant subsidiaries.
- (ii) The entitlement under the ESS for the Executive Directors are subject to the approval of the shareholders in a general meeting and are not prohibited or disallowed by the relevant authorities or laws from participation in the Scheme.

The ESS encompasses two (2) primary schemes in the form of Employees’ Share Option Scheme (“ESOS”) and Employee Share Grant Plan (“ESGP”).

The actual allocation of share options to senior management of the Group over the maximum ESS shares was 31.58% as at 31 December 2025.

The actual allocation of share grant to senior management of the Group over the maximum ESS shares was 3.30% as at 31 December 2025.

More details of the ESS are as disclosed in Note 55 to the financial statements.

ISSUANCE OF SHARES AND DEBENTURES

There were no new ordinary shares or debentures issued during the financial year.

SHARE BUY-BACK

During the financial year, the Bank bought back 816,700 ordinary shares at an average price of RM0.853 from the open market. The share buy-back transactions were financed by internally generated funds. As at 31 December 2025, the total number of shares held as treasury shares in accordance with the provisions of Section 127 of the Companies Act 2016 was 7,576,000. Such treasury shares are held at a carrying amount of RM7,446,000 (2024: RM7,441,000), as disclosed in Note 28 (ii) to the financial statements.

DIRECTORS' REPORT

BUSINESS REVIEW FOR 2025

The profit before taxation (“PBT”) of the Group and of the Bank for the financial year ended 31 December 2025 (“FYE25”) were RM73.6 million and RM54.9 million, compared to PBT of RM117.2 million and RM85.2 million, respectively, in the previous financial year (“FYE24”).

The performance of the Group’s respective business segments are analysed below:

STOCKBROKING

The stockbroking division was severely affected by the market sentiments as Bursa average daily trading value and retail participation dropped by 20% and 31% respectively year-on-year (“Y-o-Y”).

The division reported lower revenue for FYE25 compared to FYE24, primarily due to a decline in brokerage fee income. This was partially mitigated by improved net interest income and lower overhead expenses. Consequently, the division recorded a break-even result for the year, compared to a PBT of RM15.4 million recorded in the prior year.

INVESTMENT BANKING

Investment Banking registered a higher PBT of RM22.4 million for FYE25 (FYE24: PBT of RM6.2 million) mainly due to higher net interest income, stronger bond trading performance, and credit loss recoveries recorded in current year.

ASSET AND WEALTH MANAGEMENT

Asset and Wealth Management’s PBT of RM46.1 million remained marginally below the prior year’s PBT of RM47.0 million. This was primarily attributable to persistent market headwinds that continued to exert pressure on management fee income, as well as elevated investment costs related to our digital initiatives. These impacts were mitigated by continuing net growth in overall sales.

LISTED DERIVATIVES

The Listed Derivatives segment delivered stronger PBT of RM8.6 million for FYE25 (FYE24: PBT of RM7.8 million), largely due to higher interest income and increased trading commissions, arising from the higher trading activities within the derivatives market during the current year.

CAPITAL RATIOS

The Group and the Bank remain on strong financial footing with total capital ratios of 21.797% (FYE24: 22.967%) and 24.328% (FYE24: 24.736%) respectively, well above the minimum prescribed by Bank Negara Malaysia (“BNM”) of 10.5% including capital conservation buffer of 2.50%.

DIRECTORS' REPORT

OUTLOOK AND PROSPECTS FOR 2026

Malaysia's domestic economy is expected to remain robust in 2026, supported primarily by resilient domestic demand and firm industrial activity. High frequency indicators point to consistent gains across the economic sector, led by stronger industrial output, better-than-expected export performance, solid retail sales driven by festive spending and a low unemployment rate backed by sustained hiring.

Nevertheless, downside risks to growth persist mainly stemming from external headwinds. These include uncertainty over President Donald Trump’s policy direction, escalating geopolitical tensions, and China’s uneven economic recovery. Against this backdrop, we forecast Gross Domestic Product growth to moderate to 4.5% in 2026 (2025: 5.2%) with upside potential toward 5.0%. We expect the growth momentum brought by better-than-expected exports and domestic demand in the 4Q25 would spill over into 1H26, helping cushion the geopolitical headwinds and support growth in 2026.

A firmer ringgit continues to help contain imported inflation, support domestic consumption, and stabilise business costs. Export competitiveness remains resilient due to regional tariff relief and continued Asian trade flows. Sustained foreign portfolio inflows also help anchor financial market stability.

Similarly, we continue to expect Bank Negara Malaysia to keep the Overnight Policy Rate (“OPR”) steady at 2.75% throughout 2026, barring major external shocks. With growth holding up and inflation remaining manageable, there is limited need for a policy shift. BNM is likely to maintain a cautious, balanced approach, supporting growth while managing inflation risks amid persistent global uncertainty.

The Group anticipates stronger revenue in 2026, driven by a significant rebound in brokerage and trading income from a weak 2025 base, supported by improved market sentiment. Investment Banking is poised to benefit from sustained momentum in Mergers & Acquisitions activity and an active Initial Public Offering pipeline. Concurrently, our Asset Management business is expected to grow in this favorable environment. Operationally, the Group will intensify its focus on cost efficiency, particularly within its stockbroking division, while continuing to invest in strategic digital initiatives. Overall, the outlook for 2026 is one of cautious optimism for improved financial performance.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Bank has maintained a Directors and Officers Liability Insurance on a group basis up to the aggregate limit of RM30.0 million against any legal liability incurred by the Directors and Officers in the discharge of their duties while holding office for the Group. The Directors and Officers shall not be indemnified by such insurance for any gross negligence, fraud, intentional breach of law or breach of trust proven against them. The total amount of insurance premium paid for the Directors and Officers of the Group and of the Bank for the current financial year were RM54,000 and RM39,358, respectively.

DIRECTORS' REPORT

DIRECTORS' REPORT

DIRECTORS

The names of the Directors of the Bank in office since the beginning of the financial year and at the date of this report are:

Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail	(Independent Non-Executive Director/Chairman)
Ismail Harith Merican	(Non-Independent Non-Executive Director)
Jeremy Bin Nasrulhaq	(Senior Independent Non-Executive Director)
Norazian Binti Ahmad Tajuddin	(Independent Non-Executive Director)
Kanagaraj Lorenz	(Independent Non-Executive Director)
Choy Khai Choon	(Non-Independent Non-Executive Director)
Chin Siew Siew	(Independent Non-Executive Director)
Angeline-Ong Su Ming	(Independent Non-Executive Director)
Luk Wai Hong, William (retired on 1 November 2025)	(Non-Independent Non-Executive Director)

The names of the Directors of the subsidiaries who served the respective Boards of the subsidiaries since the beginning of the current financial year to the date of this report are disclosed in Note 54 to the financial statements.

In accordance with Clause 78 of the Bank's Constitution, Ismail Harith Merican, Kanagaraj Lorenz and Chin Siew Siew will retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Bank was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors of the Bank as shown in Note 40 of the financial statements or from related corporations) by reason of a contract made by the Bank or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

DIRECTORS' REMUNERATION

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors' remuneration	4,287	4,131	3,831	3,653

DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings, the interests of Directors in office at the end of the financial year, in shares of the Bank, were as follows:

The Bank:	Number of Ordinary Shares		
	At 1.1.2025	Addition	At 31.12.2025
Direct interest:			
Norazian Binti Ahmad Tajuddin	10,000	-	-
Kanagaraj Lorenz	388,000	-	-

Other than as disclosed above, none of the other Directors in office at the end of the financial year had any interest in shares of the Bank or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Bank were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Bank inadequate to any substantial extent; and

(ii) the values attributed to current assets in the financial statements of the Group and of the Bank misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Bank misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Bank which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Bank which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group and of the Bank which has arisen since the end of the financial year other than those arising in the normal course of business as disclosed in Note 43 to the financial statements.

DIRECTORS' REPORT

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

OTHER STATUTORY INFORMATION (CONT'D.)

- (f) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group or of the Bank to meet their obligations as and when they fall due, other than those arising in the normal course of business as disclosed in Note 43 to the financial statements; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Bank for the financial year in which this report is made.

COMPLIANCE WITH BANK NEGARA MALAYSIA'S POLICY DOCUMENT ON FINANCIAL REPORTING

The Directors have taken reasonable steps to ensure that the preparation of the financial statements of the Group and of the Bank are in compliance with the BNM's Policy Document on Financial Reporting.

SIGNIFICANT AND SUBSEQUENT EVENTS

There was no significant event during the financial year and subsequent to the financial year ended 31 December 2025 other than the events disclosed in Note 44 to the financial statements.

AUDITORS AND AUDITORS' REMUNERATION

The auditors, Messrs. Ernst & Young PLT, have expressed their willingness to continue in office. The auditors' remuneration for the financial year amounted to:

	Group	Bank
	2025 RM'000	2025 RM'000
Auditors' remuneration	721	479

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail
Kuala Lumpur, Malaysia
11 March 2026

Jeremy Bin Nasrulhaq

We, Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail and Jeremy Bin Nasrulhaq, being two (2) of the Directors of Kenanga Investment Bank Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 153 to 380 are drawn up in accordance with the MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail
Kuala Lumpur, Malaysia

Jeremy Bin Nasrulhaq

11 March 2026

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Cheong Boon Kak, being the officer primarily responsible for the financial management of Kenanga Investment Bank Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 153 to 380 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Cheong Boon Kak
at Kuala Lumpur in the Federal Territory
on 11 March 2026.

Cheong Boon Kak
(MIA No: 10259)

Before me,

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF KENANGA INVESTMENT BANK BERHAD
(INCORPORATED IN MALAYSIA)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF KENANGA INVESTMENT BANK BERHAD
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Kenanga Investment Bank Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Bank, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Bank for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 153 to 380.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Bank in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Bank for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Bank as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Key audit matters (cont'd.)

Risk area and rationale	Our response
<i>1) Expected credit losses of loans, advances and financing and investments not carried at fair value through profit or loss</i>	
As at 31 December 2025, loans, advances and financing represent RM1,750.16 million or 24.61% and RM1,765.43 million or 27.34% of the total assets of the Group and of the Bank, respectively, and debt instruments carried at amortised cost and fair value through other comprehensive income represent RM1,128.30 million or 15.87% and RM1,128.30 million or 17.47% of the total assets of the Group and of the Bank, respectively.	Our audit procedures included the assessment of key controls over the origination, segmentation, internal credit quality assessments, recording and monitoring of the loans, advances and financing and the investments.
The Group and the Bank are required to account for impairment losses on loans, advances and financing, and debt instruments carried at amortised cost and fair value through other comprehensive income using the expected credit loss ("ECL") approach.	We assessed the processes and effectiveness of key controls over the transfer criteria (for the three stages of credit exposures based on credit quality), impairment measurement methodologies, governance for development, maintenance and validation of ECL models, inputs, basis and assumptions used by the Group and the Bank in staging the credit exposures and calculating the ECL.
The accounting policy for calculation of ECL is disclosed in Note 3.4(k)(ii), significant accounting estimates and judgements involved in Note 4(iii), relevant details of loans, advances and financing in Note 9, relevant details of investments (other than those carried at fair value through profit or loss) in Note 7 and credit risk exposures in Note 51(a) to the financial statements.	For staging and identification of credit exposures with significant deterioration in credit quality, we assessed and tested the reasonableness of the transfer criteria applied by the Group and the Bank for different types of credit exposures. We evaluated if the transfer criteria are consistent with the Group's and the Bank's credit risk management practices.
The measurement of ECL requires the application of significant judgement with complexity involving expected future cash flows, forward-looking macro-economic factors and probability-weighted scenarios. This includes the identification of on-balance sheet and off- balance sheet credit exposures with significant deterioration in credit quality, and the use of assumptions in the ECL models for assessing the credit exposures individually or collectively.	For the measurement of ECL, we assessed and tested reasonableness of the Group's and of the Bank's ECL models, including model input, model design and model performance and management overlays. We challenged whether historical experience is representative of current circumstances and of the recent losses incurred and assessed the reasonableness of forward looking adjustments, macroeconomic factor analysis and probability-weighted scenarios.

INDEPENDENT AUDITORS’ REPORT
TO THE MEMBERS OF KENANGA INVESTMENT BANK BERHAD
(INCORPORATED IN MALAYSIA)

INDEPENDENT AUDITORS’ REPORT
TO THE MEMBERS OF KENANGA INVESTMENT BANK BERHAD
(INCORPORATED IN MALAYSIA)

Key audit matters (cont’d.)

Risk area and rationale	Our response
<u>1) Expected credit losses of loans, advances and financing and investments not carried at fair value through profit or loss (cont’d.)</u>	
	We evaluated if changes in modeling approaches, parameters and assumptions are needed and if any changes made were appropriate. We also assessed, tested and monitored the sensitivity of the credit loss provisions to changes in modelling assumptions. With respect to individually assessed ECL which are mainly in relation to the impaired assets in Stage 3, we reviewed and tested a sample of loans, advances and financing and investments to evaluate the timely identification by the Group and the Bank of exposures with significant deterioration in credit quality or which have been impaired. For cases where impairment has been identified, we assessed the Group's and the Bank's assumptions on the expected future cash flows, including the value of realisable collaterals based on available market information and the scenarios considered. We have challenged the assumptions and compared estimates to external evidence where available. We also assessed whether the financial statement disclosures are adequate and appropriately reflect the Group's and the Bank's exposures to credit risk.
<u>2) Impairment of goodwill</u>	
As at 31 December 2025, the goodwill recognised in the financial statements of the Group and of the Bank are RM241.03 million or 3.39% and RM252.91 million or 3.92% of the total assets of the Group and of the Bank, respectively. The accounting policy for goodwill is disclosed in Note 3.4(e)(i), significant accounting estimates and judgements involved in Note 4(i) and relevant details of intangible assets in Note 17 to the financial statements. Goodwill impairment testing of cash generating units (“CGUs”) relies on estimates of value-in-use (“VIU”) based on estimated future cash flows. The Group and the Bank are required to annually test the amount of goodwill for impairment. These involve management judgement and are based on assumptions that are affected by expected future market and economic conditions.	Our audit procedures included, among others, evaluating the assumptions and methodologies used by the Group and the Bank in performing the impairment assessment. We tested the basis of preparing the cash flow forecasts and projections taking into account the back testing results on the accuracy of previous forecasts and the historical evidence supporting underlying assumptions. We assessed the appropriateness of the other key assumptions, such as the growth rates used to extrapolate the cash flows and the discount rates applied, by comparing against internal information, external economic and market data. We assessed the sensitivity analysis performed by management on the key inputs to the impairment models, to understand the impact that reasonable alternative assumptions would have on the overall carrying amounts. We also reviewed the adequacy of the Group's and of the Bank's disclosures within the financial statements about those key assumptions to which the VIU is most sensitive.

Key audit matters (cont’d.)

Risk area and rationale	Our response
<u>3) Valuation of investments in unquoted equity instruments</u>	
As at 31 December 2025, the carrying values of the Group's and of the Bank's investments in unquoted securities classified as fair value through profit or loss and fair value through other comprehensive income amounted to RM271.33 million and RM1.38 million, and RM273.91 million and RM1.38 million, respectively. The accounting policy for determination of fair value is disclosed in Note 3.4(j), significant accounting estimates and judgements involved in Note 4(ii) and relevant details of fair value of financial instruments in Note 52 to the financial statements. The valuation of unquoted investments involved significant judgements and estimates which are based on current and future market and economic conditions. As the fair values of unquoted financial investments cannot be obtained directly from active markets, they are determined using the market and income approach, as well as the adjusted net asset method. Each approach has its own inputs and valuation technique in determining the fair value. The Group and the Bank use a variety of valuation techniques appropriate in the circumstances that include the use of financial models. The inputs to these models are taken from relevant observable inputs where possible to minimise the use of unobservable inputs. Such inputs include using prices and other relevant information of comparable peer companies, prices of recent transactions involving similar instruments and adjusted net assets amount. Judgements include considerations such as selection of comparable peer companies, growth rates and discount rates.	Our audit procedures include reviewing and evaluating management's rationale for selecting and using the valuation models to assess if the use of such models was appropriate. We assessed the accuracy and appropriateness of market observable inputs. Our audit procedures also included, among others, understanding management's controls related to the development and calibration of any model used, challenged and assessed the assumptions used, taking into account historical evidence supporting underlying assumptions and comparing internal information against external economic and market data. As the fair values are sensitive towards changes to some of the key inputs, we also assessed the impact that reasonable alternative assumptions would have on the overall carrying amounts. We also reviewed the adequacy of the Group's and of the Bank's disclosures within the financial statements about those key assumptions to which the fair value is most sensitive.

INDEPENDENT AUDITORS’ REPORT
TO THE MEMBERS OF KENANGA INVESTMENT BANK BERHAD
(INCORPORATED IN MALAYSIA)

INDEPENDENT AUDITORS’ REPORT
TO THE MEMBERS OF KENANGA INVESTMENT BANK BERHAD
(INCORPORATED IN MALAYSIA)

Information other than the financial statements and auditors’ report thereon

The directors of the Bank are responsible for the other information. The other information comprises the information included in the Directors’ Report and the Annual Report, but does not include the financial statements of the Group and of the Bank and our auditors’ report thereon. The Annual Report is expected to be made available to us after the date of this auditors’ report.

Our opinion on the financial statements of the Group and of the Bank does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Bank, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Bank or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard on the Directors’ Report.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Bank and take appropriate action.

Responsibilities of directors for the financial statements

The directors of the Bank are responsible for the preparation and fair presentation of the financial statements of the Group and of the Bank that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Bank that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Bank, the directors are responsible for assessing the Group’s and the Bank’s ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Bank or to cease operations, or have no realistic alternative but to do so.

Auditors’ responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Bank as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Bank, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s and of the Bank’s internal control.

Auditors’ responsibility for the audit of the financial statements (cont’d.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s or the Bank’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements of the Group and of the Bank or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Bank, including the disclosures, and whether the financial statements of the Group and of the Bank represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Bank for the current year and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the members of the Bank, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
11 March 2026

Chan Hooi Lam
02844/02/2028 J
Chartered Accountant

SHARIAH COMMITTEE’S REPORT

In the name of Allah, the Most Beneficent, the Most Merciful.

In compliance with the letter of appointment, we are required to submit the following report:

We have reviewed the principles and the contracts relating to the transactions and applications introduced by the Skim Perbankan Islam of Kenanga Investment Bank Berhad (“KIBB SPI”) during the financial year ended 31 December 2025. We have also conducted our review to form an opinion as to whether KIBB SPI has complied with the Shariah principles and with the Shariah rulings issued by the Shariah Advisory Council of Bank Negara Malaysia, as well as Shariah decisions made by us.

The management of KIBB is responsible for ensuring that KIBB SPI conducts its business in accordance with Shariah principles. It is our responsibility to form an independent opinion, based on our review of the operations of KIBB SPI, and to report to you.

We have assessed the work carried out by Shariah review which included examining, on a sampling basis, each type of transaction, the relevant documentation adopted by KIBB SPI.

We planned and performed our review so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that KIBB SPI has not violated the Shariah principles.

In our opinion:

- (1).

The contracts, transactions and dealings entered into by KIBB SPI during the financial year ended 31 December 2025 that we have reviewed are in compliance with the Shariah principles;
- (2).

The allocation of profit and charging of losses relating to investment accounts conform to the basis that had been approved by us in accordance with Shariah principles;
- (3).

Amount which derived from the gharamah (penalty) shall be channelled to the eligible beneficiaries;
- (4).

For the financial year 2025, KIBB SPI has paid zakat on its business to two (2) states zakat authorities and the zakat is computed using the profit and loss method. The beneficiaries of the zakat fund are Pusat Pungutan Zakat Majlis Agama Islam Wilayah Persekutuan and Lembaga Zakat Selangor; and
- (5).

Nothing has come to the Shariah committee's attention that causes the Shariah committee to believe that the operations, business, affairs and activities of KIBB SPI involve any material Shariah non-compliances.

We, the members of the Shariah Committee of KIBB, do hereby confirm that the operations of KIBB SPI for the financial year ended 31 December 2025 have been conducted in conformity with the Shariah principles.

Chairman of the Shariah Committee:

Dr. Ghazali Jaapar

Shariah Committee Member:

Dr. Mohammad Firdaus Mohammad Hatta

Dr. Fadillah Mansor

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

Group	Note	2025 RM'000	2024 RM'000
Assets			
Cash and bank balances	5	2,173,371	2,098,059
Financial assets at fair value through profit or loss	6	507,075	552,301
Debt instruments at fair value through other comprehensive income	7(a)	673,879	867,152
Equity instruments at fair value through other comprehensive income	7(a)	1,382	1,421
Debt instruments at amortised cost	7(b)	454,420	521,018
Derivative financial assets	8	11,164	49,697
Loans, advances and financing	9	1,750,160	1,823,852
Balances due from clients and brokers	10	480,688	454,947
Other assets	11	309,670	439,768
Statutory deposit with Bank Negara Malaysia	12	36,484	73,768
Tax recoverable		24,183	37,251
Investment in associates	14	124,390	158,996
Investment in joint venture	15	23,662	27,710
Property, plant and equipment	16	150,965	154,441
Intangible assets	17	339,678	341,040
Right-of-use assets	18	26,849	22,543
Deferred tax assets	19	22,150	32,949
Total assets		7,110,170	7,656,913
Liabilities			
Deposits from customers	20	3,395,519	3,762,594
Deposits and placements of banks and other financial institutions	21	803,996	729,835
Balances due to clients and brokers	22	935,516	1,012,438
Derivative financial liabilities	23	42,230	60,133
Other liabilities	24	443,205	659,717
Obligations on securities sold under repurchase agreements	25	226,631	69,514
Borrowings	26	138,500	189,500
Lease liabilities	27	27,426	23,274
Provision for taxation and zakat		5,630	32,018
Deferred tax liabilities	19	3,054	48
Total liabilities		6,021,707	6,539,071
Equity			
Share capital	28 (i)	253,834	253,834
Treasury shares	28 (ii)	(7,446)	(7,441)
Reserves	29	842,075	871,449
Total equity attributable to equity holders of the Bank		1,088,463	1,117,842
Total liabilities and shareholders’ equity		7,110,170	7,656,913
Commitments and contingencies	43	4,506,794	6,442,908

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

Bank	Note	2025 RM'000	2024 RM'000
Assets			
Cash and bank balances	5	1,634,200	1,386,786
Financial assets at fair value through profit or loss	6	508,622	553,541
Debt instruments at fair value through other comprehensive income	7(a)	673,879	867,152
Equity instruments at fair value through other comprehensive income	7(a)	1,382	1,421
Debt instruments at amortised cost	7(b)	454,420	521,018
Derivative financial assets	8	11,164	49,697
Loans, advances and financing	9	1,765,426	1,849,731
Balances due from clients and brokers	10	480,505	454,837
Other assets	11	158,222	219,144
Statutory deposit with Bank Negara Malaysia	12	36,484	73,768
Tax recoverable		24,174	24,716
Investment in subsidiaries	13	82,610	77,812
Investment in associates	14	91,844	91,844
Investment in joint venture	15	41,094	45,706
Property, plant and equipment	16	142,975	145,048
Intangible assets	17	329,686	333,576
Right-of-use assets	18	21,441	16,645
Deferred tax assets	19	-	11,169
Total assets		6,458,128	6,723,611
Liabilities			
Deposits from customers	20	3,565,230	3,904,816
Deposits and placements of banks and other financial institutions	21	803,996	729,835
Balances due to clients and brokers	22	352,093	360,633
Derivative financial liabilities	23	42,230	60,133
Other liabilities	24	278,031	338,078
Obligations on securities sold under repurchase agreements	25	226,631	69,514
Borrowings	26	123,500	180,500
Lease liabilities	27	21,807	17,161
Provision for taxation and zakat		578	17,071
Deferred tax liabilities	19	3,014	-
Total liabilities		5,417,110	5,677,741
Equity			
Share capital	28 (i)	253,834	253,834
Treasury shares	28 (ii)	(7,446)	(7,441)
Reserves	29	794,630	799,477
Total equity		1,041,018	1,045,870
Total liabilities and shareholders' equity		6,458,128	6,723,611
Commitments and contingencies	43	4,589,806	6,538,731

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Operating revenue	30	865,324	1,003,797	573,154	695,591
Interest income	31	267,378	268,510	255,748	257,504
Interest expense	32	(186,517)	(199,581)	(191,590)	(204,462)
Net interest income		80,861	68,929	64,158	53,042
Net income from Islamic banking operations	53(b)	26,281	27,698	26,281	27,698
Other operating income	33	553,060	702,938	307,254	456,607
Net income		660,202	799,565	397,693	537,347
Other operating expenses	34	(591,095)	(644,021)	(346,918)	(427,725)
Operating profit		69,107	155,544	50,775	109,622
Credit loss reversal/(expense)	35	4,618	(54,277)	2,329	(29,754)
Bad debts recovered	36	1,562	5,333	1,562	5,344
Impairment loss on investment in joint venture	15	-	-	(4,612)	-
Net reversal of impairment loss on investment in subsidiaries	13	-	-	4,798	-
		75,287	106,600	54,852	85,212
Share of results of associates and joint ventures		(1,723)	10,649	-	-
Profit before taxation and zakat		73,564	117,249	54,852	85,212
Taxation and zakat	41	(23,599)	(21,494)	(8,228)	(13,224)
Profit for the financial year		49,965	95,755	46,624	71,988
Other comprehensive income/(loss):					
Items that will not be reclassified subsequently to profit or loss:					
Fair value (loss)/gain on equity instruments at fair value through other comprehensive income ("FVOCI")		(40)	79	(40)	79
Share of other comprehensive (loss)/income in associates		(16,442)	6,223	-	-
Income tax relating to fair value (loss)/gain on equity instruments	19	10	(19)	10	(19)
Items that will be reclassified subsequently to profit or loss:					
Foreign exchange differences on consolidation		(11,861)	(3,774)	-	-
Other comprehensive (loss)/income carried forward:		(28,333)	2,509	(30)	60

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D.)

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other comprehensive (loss)/income brought forward:		(28,333)	2,509	(30)	60
Items that will be reclassified subsequently to profit or loss (cont'd.):					
Net change in revaluation of debt instruments at FVOCI		9,540	(3,141)	9,540	(3,141)
Income tax effect	19	(2,316)	534	(2,316)	534
Other comprehensive (loss)/income for the financial year, net of tax		(21,109)	(98)	7,194	(2,547)
Total comprehensive income for the financial year, net of tax		28,856	95,657	53,818	69,441
Earnings per share attributable to equity holders of the Bank:					
Basic (sen)	42	6.86	13.18		
Diluted (sen)	42	6.86	13.18		

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group	Non-distributable						Total		
	Ordinary shares (Note 28) RM'000	Capital reserve (Note 29) RM'000	Fair value reserve (Note 29) RM'000	Regulatory reserve (Note 29) RM'000	Exchange reserve (Note 29) RM'000	ESS reserve (Note 29) RM'000	Treasury shares (Note 28) RM'000	Retained profits (Note 29) RM'000	attributable to equity holders RM'000
At 1 January 2025	253,834	88,938	9,552	16,748	25,062	448	(7,441)	730,701	1,117,842
Net profit for the financial year	-	-	-	-	-	-	-	49,965	49,965
Share of other comprehensive (loss)/income of associates	-	-	(16,648)	-	-	-	-	206	(16,442)
Other comprehensive income/(loss)	-	-	7,194	-	(11,861)	-	-	-	(4,667)
Total comprehensive (loss)/income for the financial year	-	-	(9,454)	-	(11,861)	-	-	50,171	28,856
Share-based payment under ESS scheme	-	-	-	-	-	(124)	-	-	(124)
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	-	692	(274)	418
Buy-back of shares	-	-	-	-	-	-	(697)	-	(697)
Transfer to regulatory reserve	-	-	-	1,040	-	-	-	(1,040)	-
Transfer to retained profits	-	-	-	-	-	(105)	-	105	-
Dividend paid (Note 46)	-	-	-	-	-	-	-	(58,267)	(58,267)
Disposal of an associate (Note 14)	-	-	-	-	435	-	-	-	435
At 31 December 2025	253,834	88,938	98	17,788	13,636	219	(7,446)	721,396	1,088,463

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D.)

Group	Non-distributable							Total attributable to equity holders RM'000
	Ordinary shares (Note 28) RM'000	Capital reserve (Note 29) RM'000	Fair value reserve (Note 29) RM'000	Regulatory reserve (Note 29) RM'000	Exchange reserve (Note 29) RM'000	ESS reserve (Note 29) RM'000	Treasury shares (Note 28) RM'000	Retained profits (Note 29) RM'000
At 1 January 2024	253,834	88,938	6,849	16,064	28,836	1,317	(11,739)	686,876
Net profit for the financial year	-	-	-	-	-	-	-	95,755
Share of other comprehensive income of associates	-	-	5,250	-	-	-	-	973
Other comprehensive loss	-	-	(2,547)	-	(3,774)	-	-	-
Total comprehensive income/(loss) for the financial year	-	-	2,703	-	(3,774)	-	-	96,728
Share-based payment under ESS scheme	-	-	-	-	-	(316)	-	-
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	-	4,874	(2,016)
Buy-back of shares	-	-	-	-	-	-	(576)	-
Transfer to regulatory reserve	-	-	-	684	-	-	-	(684)
Transfer to retained profits	-	-	-	-	-	(553)	-	553
Dividend paid (Note 46)	-	-	-	-	-	-	-	(50,756)
At 31 December 2024	253,834	88,938	9,552	16,748	25,062	448	(7,441)	730,701

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Non-distributable							Total equity RM'000
	Ordinary shares (Note 28) RM'000	Regulatory reserve (Note 29) RM'000	Capital reserve (Note 29) RM'000	Fair value reserve (Note 29) RM'000	ESS reserve (Note 29) RM'000	Treasury shares (Note 28) RM'000	Retained profits (Note 29) RM'000	
Bank								
At 1 January 2025	253,834	16,748	153,863	309	448	(7,441)	628,109	1,045,870
Net profit for the financial year	-	-	-	-	-	-	46,624	46,624
Other comprehensive income	-	-	-	7,194	-	-	-	7,194
Total comprehensive income for the financial year	-	-	-	7,194	-	-	46,624	53,818
Share-based payment under ESS scheme	-	-	-	-	(124)	-	-	(124)
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	692	(274)	418
Buy-back of shares	-	-	-	-	-	(697)	-	(697)
Transfer to regulatory reserve	-	1,040	-	-	-	-	(1,040)	-
Transfer to retained profits	-	-	-	-	(105)	-	105	-
Dividend paid (Note 46)	-	-	-	-	-	-	(58,267)	(58,267)
At 31 December 2025	253,834	17,788	153,863	7,503	219	(7,446)	615,257	1,041,018

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D.)

	Non-distributable						Retained profits (Note 29) RM'000	Total equity RM'000
	Ordinary shares (Note 28) RM'000	Regulatory reserve (Note 29) RM'000	Capital reserve (Note 29) RM'000	Fair value reserve (Note 29) RM'000	ESS reserve (Note 29) RM'000	Treasury shares (Note 28) RM'000		
Bank								
At 1 January 2024	253,834	16,064	153,863	2,856	1,317	(11,739)	609,024	1,025,219
Net profit for the financial year	-	-	-	-	-	-	71,988	71,988
Other comprehensive loss	-	-	-	(2,547)	-	-	-	(2,547)
Total comprehensive (loss)/income for the financial year	-	-	-	(2,547)	-	-	71,988	69,441
Share-based payment under ESS scheme	-	-	-	-	(316)	-	-	(316)
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	4,874	(2,016)	2,858
Buy-back of shares	-	-	-	-	-	(576)	-	(576)
Transfer to regulatory reserve	-	684	-	-	-	-	(684)	-
Transfer to retained profits	-	-	-	-	(553)	-	553	-
Dividend paid (Note 46)	-	-	-	-	-	-	(50,756)	(50,756)
At 31 December 2024	253,834	16,748	153,863	309	448	(7,441)	628,109	1,045,870

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
Profit before taxation and zakat		73,564	117,249	54,852	85,212
Adjustments for:					
Depreciation of property, plant and equipment	34	10,313	10,925	8,411	9,209
Amortisation of intangible assets	34	9,985	9,086	6,704	7,082
Amortisation of right-of-use assets	34	7,320	8,054	5,888	6,432
Lease interest expenses	32	1,146	1,344	811	1,011
ESS reversal		(91)	(319)	(91)	(319)
Credit loss (reversal)/expense	35	(4,618)	54,277	(2,329)	29,754
Net reversal impairment allowance on investment in subsidiaries		-	-	(4,798)	-
Impairment allowance on investment in joint venture		-	-	4,612	-
Property, plant and equipment and computer software written-off	34	199	51	195	16
Reversal impairment allowance on intangible assets	34	(195)	-	(195)	-
Fixed assets expensed off		1,433	10	1,183	-
Bad debts written-off	36	-	4	-	-
(Gain)/loss on disposal of a joint venture	33(c)	-	(479)	-	2,360
Gain on disposal of associates	33(c)	(601)	-	-	-
Gross dividend income from investments	33(b)	(2,109)	(3,503)	(35,126)	(45,493)
Gain on disposal of property, plant and equipment	33(c)	(24)	-	(24)	-
Net gain from sale of financial assets at fair value through profit or loss and derivatives		(97,972)	(33,485)	(95,380)	(30,875)
Net gain from sale of financial instruments at FVOCI		(8,625)	(4,195)	(8,625)	(4,195)
Net (gain)/loss on derecognition of right-of-use assets and lease liabilities	18 & 27	(99)	(79)	17	70
Share of results of associates and joint venture		1,723	(10,649)	-	-
Unrealised loss/(gain) on revaluation of financial assets at fair value through profit or loss and derivatives	33(b)	28,791	(89,048)	28,450	(90,950)
Operating profit/(loss) before working capital changes		20,140	59,243	(35,445)	(30,686)
(Increase)/Decrease in operating assets:					
Deposits with banks and other financial institutions with original maturity of more than three months		(70,000)	-	(50,000)	-
Loans, advances and financing		72,390	(118,582)	83,920	(119,511)
Other assets		138,614	(291,199)	94,219	(25,535)
Statutory deposit with Bank Negara Malaysia		37,284	(13,148)	37,284	(13,148)
Balances due from clients and brokers		(29,250)	100,224	(29,177)	100,255
Trust monies and deposits	5	201,672	(260,189)	6,911	1,432
(Decrease)/Increase in operating liabilities:					
Other liabilities		(216,110)	229,255	(60,066)	76,020
Balances due to clients and brokers		(76,922)	237,423	(8,540)	15,914
Deposits from customers		(367,075)	151,999	(339,586)	140,102
Deposits and placements of banks and other financial institutions		74,161	398,032	74,161	398,032
Obligations on securities sold under repurchase agreements		157,117	(27,718)	157,117	(27,718)
Cash (used in)/generated from operations		(57,979)	465,340	(69,202)	515,157
Net income tax and zakat paid		(25,420)	(25,428)	(12,302)	(11,367)
Rental/lease payment (interest)	27	(1,146)	(1,344)	(811)	(1,011)
Net cash (used in)/generated from operating activities		(84,545)	438,568	(82,315)	502,779

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

		Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Note					
Cash flows from investing activities					
Sale proceeds from disposal of associates, net of cash	14(a)	4,212	-	-	-
Capitalisation of subsidiaries	13	-	-	-	(17,000)
Dividends received		2,109	3,503	7,126	13,493
Dividends received from an associate		5,017	3,547	-	-
Purchase of property, plant and equipment		(7,580)	(12,696)	(7,067)	(9,783)
Purchase of intangible assets		(9,532)	(23,241)	(3,482)	(11,966)
Proceeds from disposal of property, plant and equipment and intangible assets		239	6,769	238	6,760
Subscription of new shares in an associate	14	-	(6,605)	-	(6,605)
Net sales/(purchase) of securities		413,985	(7,246)	411,426	(9,380)
Net cash generated from/(used in) investing activities		408,450	(35,969)	408,241	(34,481)
Cash flows from financing activities					
Dividend paid	46	(58,267)	(50,756)	(58,267)	(50,756)
Rental/lease payments (principal)	27	(7,375)	(7,768)	(6,055)	(6,333)
Net (repayment)/drawdown of borrowings		(51,000)	9,000	(57,000)	-
Share buy-back		(697)	(576)	(697)	(576)
Proceeds from exercise of ESS		418	2,858	418	2,858
Net cash used in financing activities		(116,921)	(47,242)	(121,601)	(54,807)
Net increase in cash and cash equivalents		206,984	355,357	204,325	413,491
Cash and cash equivalents at beginning of financial year		1,305,007	949,650	1,299,196	885,705
Cash and cash equivalents at end of financial year	5	1,511,991	1,305,007	1,503,521	1,299,196
Cash and cash equivalents comprise of the followings (Note 5):					
Cash and balances with banks		1,802,690	1,892,493	1,303,625	1,192,036
Deposits and placements with banks and other financial institutions		370,681	205,566	330,575	194,750
Less: Monies and short-term deposits held in trust on behalf of dealers' representatives		(80,679)	(87,590)	(80,679)	(87,590)
Less: Monies and short-term deposits held in trust on behalf of funds' clients		(46,329)	(243,081)	-	-
Less: Segregated funds from customers		(464,272)	(462,281)	-	-
Less: Deposits more than 3 months		(70,100)	(100)	(50,000)	-
		1,511,991	1,305,007	1,503,521	1,299,196

1. CORPORATE INFORMATION

The Bank is principally engaged in the investment banking business, provision of stockbroking and related financial services.

The Bank is a public limited liability company incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Bank is located at Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan.

The principal activities of the subsidiaries and associates are as described in Note 13 and Note 14 to the financial statements, respectively. There were no significant changes to the nature of the principal activities during the financial year, except for in respect of EQ8 Capital Sdn. Bhd., an indirect subsidiary of the Bank, which changed its principal activity from the provision of Shariah-compliant investment management services to the provision of investment management services.

The financial statements have been approved and authorised for issue in accordance with a resolution of the Board of Directors on 5 March 2026.

2. CHANGES IN ACCOUNTING POLICIES

2.1 Amended MFRS Accounting Standards adopted

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amended MFRS Accounting Standards, which became effective for the Group and the Bank during the current financial year:

- Lack of Exchangeability (Amendments to MFRS 121 *The Effect of Changes in Foreign Exchange Rates*)

The adoption of the amended MFRS Accounting Standards did not have any significant impact on the financial position or performance of the Group and of the Bank.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

2. CHANGES IN ACCOUNTING POLICIES (CONT'D.)

2.2 Standards issued but not yet effective

The following are new and amended MFRS Accounting Standards issued by the Malaysian Accounting Standards Board ("MASB") that will be effective for the Group and the Bank in future years. The Group and the Bank intend to adopt the relevant standards when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i>)	1 January 2026
Amendments to the Contracts Referencing Nature-dependent Electricity (Amendment to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i>)	1 January 2026
Annual improvements to MFRS 1 <i>First-time Adoption of MFRS</i> , MFRS 7 <i>Financial Instruments: Disclosures</i> , MFRS 9 <i>Financial Instruments</i> , MFRS 10 <i>Consolidated Financial Statements</i> and MFRS 107 <i>Statement of Cash Flows</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to Translation to a Hyperinflationary Presentation Currency (MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i>)	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investments in Associates and Joint Ventures</i>)	To be announced by MASB

The directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application except for MFRS 18 *Presentation and Disclosure in Financial Statements* where the Group and the Bank are still in midst of evaluating the potential impact of adopting this standard on the required effective date.

3. ACCOUNTING POLICIES

3.1 Basis of preparation

The financial statements of the Group and of the Bank have been prepared on a historical cost basis unless otherwise indicated.

3.2 Statement of compliance

The financial statements of the Group and 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.

3.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Bank's functional currency and all values are rounded to the nearest thousand ("RM'000"), unless otherwise stated.

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information

(a) Basis of consolidation

The consolidated financial statements comprise of the financial statements of the Bank and its subsidiaries as at the reporting date.

The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Bank and consistent accounting policies are applied for like transactions and events in similar circumstances.

The Bank controls an investee if and only if the Bank has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

When the Bank has less than a majority of the voting rights of an investee, the Bank considers the following in assessing whether or not the Bank's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Bank's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Bank, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Bank has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are fully consolidated from the date of acquisition, being the date of which the Group obtains control, and continue to be consolidated until the date when such control ceases. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Bank.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. ACCOUNTING POLICIES (CONT'D.)

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

3.4 Material accounting policy information (cont'd.)

(a) Basis of consolidation (cont'd.)

(b) Subsidiaries

When the Group loses control of a subsidiary, a gain or loss is calculated as the difference between:

In the Bank's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is included in profit or loss.

- (i) The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (ii) The previous carrying amount of the assets and liabilities of the subsidiary and any differences is recognised in profit or loss. The subsidiary's cumulative gain and loss which have been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of an investment in an associate or a joint venture.

(c) Investment in associates

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting.

On acquisition of an investment in an associate, any excess of the investment cost over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed to statement of profit or loss and disclosed under administrative expenses.

An associate is equity accounted from the date on which the investee becomes an associate.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in fair value of the contingent consideration which are deemed to be an asset or liability will be recognised in accordance with MFRS 9 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

Under the equity method, the investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

If the business combination is achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree on the previous acquisition date is remeasured to fair value at the later stage's acquisition date through profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate is recognised in the Group's financial statements only to the extent of unrelated investors' interest in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net assets of the subsidiary acquired. The accounting policy for goodwill is set out in Note 3.4(e)(i).

The financial statements of the associate are prepared as of the same reporting date as the Bank. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

For business combinations involving entities or businesses under common control, the Group applies merger (or common control) accounting, whereby no assets or liabilities are restated to their fair values. Instead, the acquirer incorporates predecessor carrying values. No new goodwill arises in merger accounting.

After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment as a single asset, by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

The acquirer incorporates the acquired entity's results and balance sheet prospectively from the date on which the business combination between entities under common control occurred. Prior financial period's numbers are restated to reflect as if these entities have been under common control since the beginning of the earliest financial period presented in the financial statements.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Merger accounting may lead to a difference between the cost of the transaction and the carrying value of the net assets. The difference is recorded in reorganisation reserve.

In the Bank's separate financial statements, investment in associate is accounted for at cost less accumulated impairment losses. On disposal of such investment, the difference between the net disposal proceeds and their carrying amounts is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. ACCOUNTING POLICIES (CONT'D.)

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

3.4 Material accounting policy information (cont'd.)

(d) Investment in joint ventures

(e) Goodwill and intangible assets (cont'd.)

Joint ventures are entities over which there is a contractually agreed sharing of control by the Group with one or more parties where the strategic financial and operating decisions relating to the entities require unanimous consent of the parties sharing control.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the financial year in which the expenditure is incurred.

The Group's interest in joint ventures is accounted for in the financial statements by the equity method of accounting. Equity accounting involves recognising the Group's share of the post-acquisition results of joint ventures in profit or loss and its share of post-acquisition changes of the investee's reserves in other comprehensive income. The cumulative post-acquisition changes are adjusted against the cost of the investment and include goodwill on acquisition (net of accumulated impairment loss).

The useful lives of intangible assets are assessed as either finite or indefinite.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Intangible assets with finite lives are amortised over their economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embedded in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible assets.

Where necessary, adjustments have been made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with those of the Group.

Intangible assets are amortised over their finite useful lives at the following annual rate:

(e) Goodwill and intangible assets

(i) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Computer software and licence 14.28% to 33.33%

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the date of acquisition, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.4(l).

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in the useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of, is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(f) Financial instruments – initial recognition

Financial assets and liabilities, with the exception of loans, advances and financing to customers and balances due to clients, are initially recognised on the trade date, i.e., the date that the Group and the Bank become a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans, advances and financing to customers are recognised when funds are transferred to the customers' accounts. The Bank recognises balances due to clients when settlement has yet to be made on outstanding contracts which have been entered into on behalf of the clients.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(f) Financial instruments – initial recognition (cont'd.)

(i) Initial recognition and subsequent measurement

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Note 3.4(g)(i). Financial instruments are initially measured at their fair value (as defined in Note 3.4(j)), except in the case of financial assets and financial liabilities recorded at fair value through profit or loss ("FVTPL"), transaction costs are added to, or subtracted from this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group and the Bank account for the Day 1 profit or loss.

(ii) Measurement categories of financial assets and liabilities

The Group and the Bank classify all of their financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- (a) Amortised Cost, as explained in Note 3.4(g)(i);
- (b) FVOCI, as explained in Notes 3.4(g)(v) and 3.4(g)(vi); or
- (c) FVTPL, as explained in Notes 3.4(g)(iv) and 3.4 (g)(viii).

The Group and the Bank classify and measure their derivative and trading portfolio at FVTPL as explained in Notes 3.4(g)(ii) and 3.4(g)(iv). The Group and the Bank may designate financial instruments at FVTPL, if doing so eliminates or significantly reduces measurement or recognition inconsistencies, as explained in Note 3.4(g)(viii).

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied, as explained in Note 3.4(g)(viii).

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Bank become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(g) Financial assets and liabilities

(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 interest ("SPPI") on the principal amount outstanding.

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(g) Financial assets and liabilities (cont'd.)

(i) Financial assets at amortised cost (cont'd.)

The details of these conditions are outlined below:

(1) Business model assessment

The Group and the Bank determine their business model at the level that best reflects how they manage groups of financial assets to achieve their business objectives.

The Group's and the Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the key entity's 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); and
- The expected frequency, value and timing of sales are also important aspects of the Group's and of the Bank's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's and the Bank's original expectations, the Group and the Bank do not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward, unless it has been determined that there has been a change in the original business model.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. ACCOUNTING POLICIES (CONT'D.)

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

3.4 Material accounting policy information (cont'd.)

(g) Financial assets and liabilities (cont'd.)

(g) Financial assets and liabilities (cont'd.)

(i) Financial assets at amortised cost (cont'd.)

(iii) Embedded derivatives

(2) The SPPI test

The Group and the Bank assess the contractual terms of financial assets to identify whether they meet the SPPI test.

‘Principal’ for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. For the SPPI assessment, the Group and the Bank apply judgement and consider relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest 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 interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract. A derivative that is attached to a financial instrument, but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but is accounted as a separate financial instrument.

Derivatives embedded in a financial liability or a non-financial host are separated from the host and accounted for as separate derivatives if:

- a) the economic characteristics and risks of the embedded derivatives are not closely related to the host;
- b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative (as defined above); and
- c) the hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment of the embedded derivatives only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Financial assets are classified based on the business model and SPPI assessments as outlined in Notes 3.4(g)(i)(1) and 3.4(g)(i)(2).

(ii) Derivatives recorded at fair value through profit or loss

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e. the ‘underlying’);
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that are expected to have a similar response to changes in market factors; and
- It is settled at a future date.

The Bank enters into derivative transactions with various counterparties. These include equity swaps, forward foreign exchange contracts and options on foreign currencies and equities. Derivatives are recorded at fair value and recognised as assets when their fair value is positive and as liabilities when their fair value is negative.

(iv) Financial assets or financial liabilities held for trading

The Group and the Bank classify financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised in net trading income. Interest and dividend income or expense are recorded in net trading income in accordance with the terms of the contract, or when the right to payment has been established.

Included in this classification are debt securities, equities and short positions that have been acquired principally for the purpose of selling or repurchasing in the near term.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. ACCOUNTING POLICIES (CONT'D.)

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

3.4 Material accounting policy information (cont'd.)

(g) Financial assets and liabilities (cont'd.)

(g) Financial assets and liabilities (cont'd.)

(v) Debt instruments at FVOCI

(viii) Financial assets and financial liabilities at fair value through profit or loss

The Group and the Bank classify debt instruments measured at FVOCI when both of the following conditions are met:

Financial assets and financial liabilities in this category 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. Management only 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 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 asset meet the SPPI test.

- 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 liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative is prohibited.

Debt instruments at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest 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 as explained in Note 3.4(s)(ii). The ECL calculation for debt instruments at FVOCI is explained in Note 3.4(k)(ii). Where the Group and the Bank hold more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

Financial assets and financial liabilities at FVTPL are recorded in the statement of financial position at fair value.

Changes in fair value are recorded in profit or loss. Interest earned or incurred on instruments designated at FVTPL are accrued in other operating income, respectively, using the EIR, taking into account any discount/premium and qualifying transaction costs being an integral part of instrument.

(vi) Equity instruments at FVOCI

Upon initial recognition, the Group and the Bank have the option to elect to classify irrevocably some of their equity investments as equity instruments at FVOCI when they meet the definition of Equity under MFRS 132 *Financial Instruments: Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Equity instruments classified as FVOCI are measured at fair value. Any gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Group and the Bank benefit from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

(ix) Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Group and the Bank are required to provide a loan or financing with pre-specified terms to the customer. These contracts fall under the scope of the ECL requirements.

The nominal contractual value of undrawn loan commitments, where the loan or financing agreed to be provided is on market terms, are not recorded on in the statement of financial position. The nominal values of these instruments together with the corresponding ECLs are disclosed in Note 9.2(d).

The Group and the Bank occasionally issue loan commitments at below market interest rates drawdown. Such commitments are subsequently measured at the higher of the amount of the ECL allowance (as explained in Notes 3.4(k)(i) and 51(a)) and the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

(vii) Financial liabilities at amortised cost

Except for derivatives, the Group and the Bank classify and measure all other financial liabilities at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on issued funds, and costs that are an integral part of the effective interest rate ("EIR"). A compound financial instrument which contains both a liability and an equity component is separated at the issue date in the issuer's financial statements.

(h) Reclassification of financial assets and liabilities

The Group and the Bank have not reclassified their financial assets and financial liabilities subsequent to their initial recognition, apart from the exceptional circumstances in which the Group and the Bank acquire, dispose of, or terminate a business line.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(i) Derecognition of financial assets and liabilities

(a) Derecognition due to substantial modification of terms and conditions

The Group and the Bank derecognise a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated substantially to the extent that, it becomes a new loan, with the difference in fair value recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated Credit Impaired ("POCI").

When assessing whether or not to derecognise a loan to a customer, amongst others, the Group and the Bank consider the following factors:

- Introduction of an equity feature;
- Change in counterparty; and
- If the modification is such that the instrument would no longer meet the SPPI criterion.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets). For financial liabilities, the Bank considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent. For financial assets, this assessment is based on qualitative factors.

(b) Derecognition other than for substantial modification - Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group and the Bank also derecognise the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition as follows:

- The Group and the Bank have transferred their contractual rights to receive cash flows from the financial asset; or
- They retain the rights to the cash flows, but have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(i) Derecognition of financial assets and liabilities (cont'd.)

(b) Derecognition other than for substantial modification - Financial assets (cont'd.)

Pass-through arrangements are transactions whereby the Group and the Bank retain the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Group and the Bank have no obligation to pay amounts to the eventual recipients unless they have collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates;
- The Group and the Bank cannot sell or pledge the original asset other than as security to the eventual recipients; and
- The Group and the Bank have to remit any cash flows they collect on behalf of the eventual recipients without material delay. In addition, the Group and the Bank are not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group and the Bank have transferred substantially all the risks and rewards of the asset; or
- The Group and the Bank have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Bank consider control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group and the Bank have neither transferred nor retained substantially all the risks and rewards of an asset and have retained control of the asset, the asset continues to be recognised only to the extent of the Group's and of the Bank's continuing involvement, in which case, the Group and the Bank also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Bank have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Bank could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Group and the Bank would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. ACCOUNTING POLICIES (CONT'D.)

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

3.4 Material accounting policy information (cont'd.)

(i) Derecognition of financial assets and liabilities (cont'd.)

(k) Impairment of financial assets

(c) Derecognition other than for substantial modification - Financial liabilities

(i) Overview of the ECL principles

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

The Group and the Bank adopt a forward-looking ECL approach. The Group and the Bank calculate and record an allowance for expected credit losses for all loans and other debt financial assets not held at FVTPL together with loan commitments contracts. Equity instruments are not subject to impairment.

Where an existing financial liability is replaced by another liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

The ECL allowance is based on the credit losses expected to arise over the life of the financial instruments (the lifetime expected credit loss or "LTECL"), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss ("12mECL") as outlined in Note 3.4(k)(ii).

(j) Determination of fair value

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The Group and the Bank have established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. This is further explained in Note 51(a).

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interests.

General approach

The Group and the Bank use valuation techniques that are appropriate in the circumstances for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Group and the Bank classify their loans or assets into Stage 1, Stage 2, Stage 3 and POCI, as described below:

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

- Stage 1: When loans or assets are first recognised, the Group and the Bank recognise an allowance based on 12mECLs. Stage 1 loans or assets also include facilities where the credit risk has improved and the loan or the asset has been reclassified from Stage 2.
- Stage 2: When a loan or an asset has shown a significant increase in credit risk ("SICR") since origination, the Group and the Bank record an allowance for the LTECLs. Stage 2 loans or assets also include facilities, where the credit risk has improved and the loan or asset has been reclassified from Stage 3.
- Stage 3: Loans or assets that are considered as credit-impaired (as outlined in Note 51(a)). The Group and the Bank record an allowance for the LTECLs.
- POCI assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 52.

For financial assets for which the Group and the Bank have no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

For financial instruments measured at fair value, where available, quoted and observable market prices in an active market or dealer price quotations are used to measure fair value. These include listed equity securities and broker quotes from Bloomberg.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. ACCOUNTING POLICIES (CONT'D.)

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

3.4 Material accounting policy information (cont'd.)

(k) Impairment of financial assets (cont'd.)

(k) Impairment of financial assets (cont'd.)

(i) Overview of the ECL principles (cont'd.)

(ii) The calculation of ECLs (cont'd.)

Simplified approach

The simplified approach does not require tracking changes in credit risk, but instead requires a loss allowance to be recognised based on LTECLs at each reporting date.

The simplified approach is required for trade receivables or contract assets that do not contain a significant financing component.

However, either the general approach or the simplified approach can be applied separately, as an accounting policy choice, for:

- All trade receivables or contract assets that result from transactions within the scope of MFRS 15 *Revenue from Contracts with Customers* and that contain a significant financing component.
- All lease receivables that result from transactions that are within the scope of MFRS 16 *Leases*.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Group and the Bank have the legal right to call it earlier, or when the asset is revolving in nature, as further explained in Note 51(a).

The mechanics of the ECL calculation method are summarised below:

- Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group and the Bank calculate the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date.

These expected 12-month default probabilities ("PD") are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.
- Stage 2: When a loan or an asset has shown a SICR since origination, the Group and the Bank record an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, except that PD and LGD are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3: For loans or assets considered credit-impaired, the Group and the Bank recognise the LTECLs for these loans or assets. The method is similar to that for Stage 2 assets, except that the PD set at 100%.
- POCI: POCI assets are financial assets that are credit impaired on initial recognition. The Group and the Bank only recognise the cumulative changes in LTECLs since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit adjusted EIR.
- Loan commitments: When estimating LTECLs for undrawn loan commitments, the Group and the Bank estimate the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For revolving facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan.

(ii) The calculation of ECLs

The Group and the Bank calculate ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at original EIR. A cash shortfall is the difference between the cash flows that are due to the Group and the Bank in accordance with the contract and the cash flows that the Group and the Bank expect to receive.

The key elements of the ECL calculations are outlined as follows:

- PD The Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 51(a).
- EAD The Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The EAD is further explained in Note 51(a).
- LGD The Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is further explained in Note 51(a).

When estimating the ECLs, the Group and the Bank consider three scenarios (a base case, an upside or a downside). When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received from selling the asset.

(iii) Debt instruments measured at FVOCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit or loss upon derecognition of the assets.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(k) Impairment of financial assets (cont'd.)

(iv) Forward looking information

In their ECL models, the Group and the Bank rely on a broad range of forward looking information as economic inputs, such as:

- Gross Domestic Products ("GDP") growth rate; and
- Kuala Lumpur Composite Index ("KLCI")

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and multiple-scenario analysis are provided in Note 51(a).

(v) Collateral valuation

To mitigate its credit risks on financial assets, the Group and the Bank seek to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The Group's and the Bank's accounting policy for collateral assigned to it through its lending arrangements is such that collateral, unless repossessed, is not recorded on the Group's and the Bank's statement of financial positions.

However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a monthly basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Group and the Bank use active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using valuation models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as real estate valuers, or based on housing price indices.

(vi) Collateral repossessed

The Group's and the Bank's policy are to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in line with the Group's and the Bank's policy.

In its normal course of business, the Group and the Bank do not physically repossess properties or other assets in its portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the properties under legal repossession processes are not recorded on the balance sheet.

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(k) Impairment of financial assets (cont'd.)

(vii) Write-offs

Financial assets are written off either partially or in their entirety only when the Group and the Bank have ceased pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

(viii) Rescheduled and restructured ("R&R") loans

The Group and the Bank sometimes make concessions or modifications to the original terms of loans in response to the borrower's financial difficulties, rather than taking possession or otherwise enforce collection of collateral. The Group and the Bank consider a loan as R&R when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Group and the Bank would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or other significant credit concerns. A rescheduling and restructuring of a loan may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Group's and the Bank's policy to monitor credit-impaired R&R loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 (credit-impaired) asset until it is collected or written off.

When the loan has been renegotiated or modified but not derecognised, the Group and the Bank also reassess whether there has been a significant increase in credit risk, as set out in Note 51(a). Where a credit-impaired loan has been classified as R&R, the loan will continue to be classified as impaired until repayments based on the rescheduled or restructured terms have been observed continuously for a period of 6 months.

(l) Impairment of non-financial assets

The Group and the Bank assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment assessment for an asset is required, the Group and the Bank make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. ACCOUNTING POLICIES (CONT'D.)

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

3.4 Material accounting policy information (cont'd.)

(l) Impairment of non-financial assets (cont'd.)

(o) Property, plant and equipment and depreciation (cont'd.)

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to OCI. In this case the impairment is also recognised in OCI up to the amount of any previous revaluation.

Depreciation is not made on freehold land because it has indefinite useful life and capital work-in-progress as these assets are not ready for use. Depreciation of other property, plant and equipment is provided on a straight-line-basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

An assessment is made at each reporting date to determine whether there is any indication that previously recognised impairment losses no longer exist or have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine that asset’s recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

Building	2%
Motor vehicles	20% to 25%
Computer equipment	20% to 33.33%
Plant and office equipment	10%
Furniture and fittings	10% to 20%
Renovations	10%

(m) Cash and cash equivalents

The residual values, useful life and depreciation method are reviewed at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Cash and cash equivalents as stated in the statements of cash flows comprise cash and short-term funds and deposits and placements with financial institutions that are readily convertible into cash with insignificant risk of changes in value.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

(n) Provisions

(p) Leases

Provisions are recognised when the Group and the Bank have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

The Bank assesses at contract inception whether a contract is, or contain a lease. A contract is a lease, if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognises lease liabilities representing its obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

(o) Property, plant and equipment and depreciation

(i) Right-of-use assets

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

The Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The right-of-use assets are presented in Note 18 and are subject to impairment in line with the Bank’s policy as described in Note 3.4(l).

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.4(l).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(p) Leases (cont'd.)

(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 (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Bank and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

(q) (i) Share capital

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared. The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(ii) Treasury shares

When the Bank re-acquires its own equity shares, the amount of the consideration paid, including directly attributable costs, is recognised in equity. Shares re-acquired are held as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares. Should such treasury shares be reissued by re-sale in the open market, the difference between the sales consideration and the carrying amount are shown as a movement in equity, as appropriate.

(r) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which derivative contracts are entered into and are subsequently remeasured at their fair values. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. Derivative financial instruments are presented separately in the statements of financial position as assets (positive value in fair values) and liabilities (negative value in fair values). Any gains or losses arising from changes in the fair value of the derivatives are recognised immediately in profit or loss.

(s) Income recognition

The Group and the Bank recognise revenue from contracts with customers for the provision of services based on the five-step model as set out below:

- Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(s) Income recognition (cont'd.)

The Group and the Bank recognise revenue from contracts with customers for the provision of services based on the five-step model as set out below (cont'd.):

- Determine the transaction price. The transaction price is the amount of consideration to which the Group and the Bank expect to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties.
- Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group and the Bank allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Bank expect to be entitled in exchange for satisfying each performance obligation.
- Recognise revenue when (or as) the Group and the Bank satisfy a performance obligation.

The Group and the Bank satisfy a performance obligation and recognise revenue over time if the Group's and the Bank's performance:

- Do not create an asset with an alternative use to the Group and the Bank, and have an enforceable right to payment for performance completed to-date; or
- Create or enhance an asset that the customer controls as the asset is created or enhanced; or
- Provide benefits that the customer simultaneously receives and consumes as the Group and the Bank perform.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

(i) The effective interest rate method

Interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instruments designated at FVTPL. Interest income on interest bearing financial assets measured at FVOCI is also recorded by using the EIR method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group and the Bank recognise interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(s) Income recognition (cont'd.)

(i) The effective interest rate method (cont'd.)

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the statement of financial position with an increase or reduction in interest income. The adjustment is subsequently amortised through interest and similar income in the statement of profit or loss.

(ii) Interest and similar income

The Group and the Bank calculate interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired (as set out in Note 3.4(k)(i)) and is, therefore, regarded as 'Stage 3', the Group and the Bank calculate interest income by applying the effective interest rate to the net amortised cost of the financial asset.

For POCI financial assets (as set out in Note 3.4(k)(iv)), the Group and the Bank calculate interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI financial assets.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net trading income and net gains or losses on financial assets at FVTPL, respectively.

(iii) Fee and other income

Brokerage fees are recognised on contract date upon execution of trade on behalf of clients computed based on a pre-determined percentage of the contract value.

Loan arrangement fees and commissions, management and participation fees, underwriting fees and placement fees are recognised as income when all conditions precedent are fulfilled.

Custodian fees, guarantee fees and fund management fees are recognised as income based on time apportionment basis.

Corporate advisory fees are recognised as income on the completion of each stage of the assignment.

Rollover fee is recognised upon the rollover of specific contracts under share margin financing.

Gain or loss on disposal of investments is recognised upon the transfer of risks and rewards of ownership.

(iv) Islamic banking income

Income from Islamic banking scheme is recognised on an accrual basis in accordance with Shariah principles.

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(s) Income recognition (cont'd.)

(v) Dividend income

Dividend income is recognised when the right to receive the payment is established.

(t) Interest, financing and profit expense

Interest expense on deposits from customers, placements of financial institutions and borrowings is recognised using EIR.

(u) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Group and of the Bank and recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into Ringgit Malaysia at the rates of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing exchange rate at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. ACCOUNTING POLICIES (CONT'D.)

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

3.4 Material accounting policy information (cont'd.)

(v) Income taxes

(v) Income taxes (cont'd.)

(i) Current tax

(iii) Deferred tax (cont'd.)

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(ii) Zakat

This represents business zakat payable by the Group and the Bank in compliance with Shariah principles and as approved by the Group's and the Bank's Shariah Committee.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Deferred tax

(w) Employee benefits

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

(i) Short-term benefits

Deferred tax liabilities are recognised for all taxable temporary differences, except:

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial 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 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.

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in profit or loss as incurred. Once the contributions have been paid, the Group and the Bank have no further payment obligations.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

(iii) Kenanga Group's Employees' Share Scheme

Employees (including Executive Directors and senior management) of the Group and of the Bank receive a remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Equity-settled transactions

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are set out in Note 55. ESS cost is recognised in staff costs (Note 34), together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

3. ACCOUNTING POLICIES (CONT'D.)

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

3.4 Material accounting policy information (cont'd.)

(w) Employee benefits (cont'd.)

(aa) Repurchase and reverse repurchase agreements

(iii) Kenanga Group's Employees' Share Scheme (cont'd.)

Equity-settled transactions (cont'd.)

Service performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Service performance conditions are reflected within the grant date fair value.

Where the terms of equity-settled awards are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Securities sold under agreements to repurchase at a specified future date are not derecognised from the statement of financial position as the Bank retains substantially all of the risks and rewards of ownership.

The corresponding cash received is recognised in the consolidated statement of financial position as an asset with a corresponding obligation to return it, including accrued interest as a liability within cash collateral on securities lent and repurchase agreements, reflecting the transaction's economic substance as a loan to the Bank. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of agreement using the EIR. When the counterparty has the right to sell or re-pledge the securities, the Bank reclassifies those securities in its statement of financial position to financial assets held for trading pledged as collateral or to financial investments available-for-sale pledged as collateral, as appropriate.

Conversely, securities purchased under agreements to resell at a specified future date are not recognised in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position, within cash collateral on securities borrowed and reverse repurchase agreements, reflecting the transaction's economic substance as a loan by the Bank. The difference between the purchase and resale prices is recorded in net interest income and is accrued over the life of the agreement using the EIR.

If securities purchased under an agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within financial liabilities held for trading and measured at fair value with any gains or losses included in net trading income.

(x) Segment information

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group and of the Bank who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 50, including the factors used to identify the reportable segments and the measurement basis of segment information.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in accordance with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amount of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Judgements, estimates and assumptions are continually evaluated and are based on past experience, reasonable expectations of future events and other factors. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's and the Bank's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's and the Bank's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

(y) Contingent liabilities and contingent assets

The Group and the Bank do not recognise a contingent liability but disclose its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and of the Bank or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and of the Bank. The Group and the Bank do not recognise any contingent asset but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

(z) Fiduciary assets

The Group provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients. Assets held in fiduciary capacity are not recognised as assets of the Group other than those recognised in Note 5.

(i) The Group and the Bank determine whether goodwill and other intangible assets are impaired at least on an annual basis. This requires an estimation of the value-in-use of the CGU to which goodwill and other intangible assets are allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. More detailed disclosures on the assessment of impairment of goodwill and other intangible assets are disclosed in Note 17.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

- (ii) The fair value of financial assets at fair value through profit or loss (Note 6), financial investments measured at FVOCI and at amortised cost (Note 7), derivative financial assets (Note 8) and derivative financial liabilities (Note 23) are derived from quoted and observable market prices. However, if the financial instruments are not traded in an active market, fair value may be established by using a valuation technique which includes but is not limited to using recent arm's length market transactions between knowledgeable, willing parties, and reference to the current fair value of another instrument that is substantially the same. The Group and the Bank use acceptable valuation techniques which involves making assumptions based on market conditions and other factors as of the reporting date. Further information relating to the fair values are disclosed in Note 52.
- (iii) The measurement of impairment losses on financial assets subject to impairment assessment requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of loss allowances.

The Group's and the Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's and the Bank's internal credit rating model, which assigns PDs to the individual grades;
- The Group's and the Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECLs basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and the 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.

It has been the Group's and the Bank's policy to regularly review its models in the context of actual loss experience and adjust the models when necessary.

The impairment losses on financial assets are disclosed in Notes 7, 9, 10 and 11.

- (iv) The Group and the Bank estimate the useful lives of property, plant and equipment and software based on factors such as the expected level of usage due to physical wear and tear, future technological developments and legal or other limits on the use of the relevant assets. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment, and software would increase the recorded depreciation and decrease their carrying value. The total carrying amounts of property, plant and equipment, and software are disclosed in Note 16 and Note 17 respectively.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

- (v) Deferred tax assets are recognised for all unutilised tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. As at financial year end, the total carrying value of unutilised tax losses and unabsorbed capital allowances are disclosed in Note 19.
- (vi) The Group and the Bank assess whether there is any indication that investments in subsidiaries and investments in associates may be impaired at each reporting date.

If indicators are present, these assets are subject to impairment review. The impairment review comprises comparison of the carrying amount of the investment and the investment's estimated recoverable amount.

Judgements made by management in the process of applying the Group's and the Bank's accounting policies in respect of investments in subsidiaries and investments in an associate are as follows:

- The Bank determines whether its investments are impaired following certain indications of impairment such as, amongst others, significant changes with adverse effects on the investments and deteriorating financial performance of the investments due to observed changes and fundamentals.
- Depending on their nature and the industries in which the investments relate to, judgements are made by management to select suitable methods of valuation such as, amongst others, discounted cash flows and realisable net asset value.

Once a suitable method of valuation is selected, management makes certain assumptions concerning the future to estimate the recoverable amount of the investment. These assumptions and other key sources of estimation uncertainty at the reporting date may have a significant risk of causing material adjustment to the carrying amounts of the investments within the next financial year. Depending on the specific individual investment, assumptions made by management may include, amongst others, assumptions on expected future cash flows, revenue growth, discount rate used for purposes of discounting future cash flows which incorporates the relevant risks, and expected future outcome of certain past events.

Investments in subsidiaries and associates of the Group are disclosed in Note 13 and Note 14 respectively.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

5. CASH AND BANK BALANCES

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and balances with banks and other financial institutions	511,395	822,675	218,584	206,301
Money at call and deposit placements	1,661,976	1,275,384	1,415,616	1,180,485
	2,173,371	2,098,059	1,634,200	1,386,786
Included in cash and bank balances are:				
Cash and cash equivalents	1,511,991	1,305,007	1,503,521	1,299,196
Monies held in trust on behalf of funds' clients, dealers' representatives and segregated funds for customers	591,280	792,952	80,679	87,590
Deposits more than 3 months	70,100	100	50,000	-
	2,173,371	2,098,059	1,634,200	1,386,786
Of which deposits with original maturity of:				
- 3 months or less	1,591,876	1,275,284	1,365,616	1,180,485
- more than 3 months	70,100	100	50,000	-
	1,661,976	1,275,384	1,415,616	1,180,485

Monies held in trust on behalf of clients of RM1,111,265,000 (2024: RM1,734,642,000) in respect of the stockbroking business are excluded from the cash and bank balances of the Group and of the Bank in accordance with Financial Reporting Standards Implementation Committee ("FRSIC") Issue No. 19.

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At fair value				
Quoted securities:				
Shares and funds in Malaysia	218,855	275,869	217,814	274,906
Shares and funds outside Malaysia	16,895	21,415	16,896	21,415
Unquoted securities:				
Shares and funds in Malaysia	262,537	245,509	265,124	247,712
Fund outside Malaysia	8,788	9,508	8,788	9,508
	507,075	552,301	508,622	553,541

7. FINANCIAL INVESTMENTS OTHER THAN THOSE MEASURED AT FVTPL

	Group and Bank	
	2025 RM'000	2024 RM'000
(a) Financial instruments at Fair Value Through Other Comprehensive Income ("FVOCI"):		
Debt instruments:		
Malaysian Government Securities	165,842	291,869
Malaysian Government Investment Certificates	303,540	402,651
Islamic Corporate Sukuk	173,864	137,238
Corpoate Bonds	30,633	35,394
	673,879	867,152
Equity instruments:		
Unquoted Shares in Malaysia	1,382	1,421
Total financial instruments at FVOCI	675,261	868,573

Impairment losses on financial instruments subject to impairment assessment

Debt instruments at FVOCI

The table below shows the fair value of the Group's and of the Bank's debt instruments measured at FVOCI by credit risk, based on the Group's and the Bank's internal credit rating system and year-end stage classification. Details of the Group's and of the Bank's internal rating system are explained in Note 51(a).

Group and Bank	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Investment grade	673,879	-	-	673,879

Group and Bank	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Investment grade	867,152	-	-	867,152

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

7. FINANCIAL INVESTMENTS OTHER THAN THOSE MEASURED AT FVTPL (CONT'D.)

(a) Financial instruments at FVOCI (cont'd.):

Impairment losses on financial instruments subject to impairment assessment (cont'd.)

Debt instruments at FVOCI (cont'd.)

An analysis of changes in the fair value and the corresponding ECLs is as follows:

Group and Bank	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	867,152	-	-	867,152
New assets originated or purchased	201,914	-	-	201,914
Assets derecognised or matured (excluding write-offs)	(399,389)	-	-	(399,389)
Change in fair value	4,202	-	-	4,202
As at 31 December	673,879	-	-	673,879

Group and Bank	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	875,939	-	-	875,939
New assets originated or purchased	533,815	-	-	533,815
Assets derecognised or matured (excluding write-offs)	(542,028)	-	-	(542,028)
Change in fair value	(574)	-	-	(574)
As at 31 December	867,152	-	-	867,152

7. FINANCIAL INVESTMENTS OTHER THAN THOSE MEASURED AT FVTPL (CONT'D.)

(a) Financial instruments at FVOCI (cont'd.):

Impairment losses on financial instruments subject to impairment assessment (cont'd.)

Debt instruments at FVOCI (cont'd.)

An analysis of changes in the fair value and the corresponding ECLs is as follows (cont'd.):

Group and Bank	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total ECL RM'000
ECL allowances				
As at 1 January	539	-	-	539
New assets originated or purchased	74	-	-	74
Net remeasurement of allowances	(162)	-	-	(162)
Assets derecognised or matured (excluding write-offs)	(18)	-	-	(18)
As at 31 December	433	-	-	433

Group and Bank	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total ECL RM'000
ECL allowances				
As at 1 January	1,460	-	-	1,460
New assets originated or purchased	86	-	-	86
Net remeasurement of allowances	(409)	-	-	(409)
Changes in model assumption and methodology	(107)	-	-	(107)
Assets derecognised or matured (excluding write-offs)	(491)	-	-	(491)
As at 31 December	539	-	-	539

Included in financial investments measured at FVOCI are financial assets sold under repurchase agreements as follows:

	Group and Bank	
	2025 RM'000	2024 RM'000
Malaysian Government Investment Certificates (Note 25)	100,682	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

7. FINANCIAL INVESTMENTS OTHER THAN THOSE MEASURED AT FVTPL (CONT'D.)

(b) Financial instruments at amortised cost:

	Group and Bank	
	2025 RM'000	2024 RM'000
Debt instruments:		
Malaysian Government Securities	105,260	125,560
Malaysian Government Investment Certificates	250,382	260,201
Islamic Corporate Sukuk	99,125	136,411
	454,767	522,172
Less: Allowance for ECL	(347)	(1,154)
Total financial instruments at amortised cost	454,420	521,018

Debt instruments measured at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's and the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's and of the Bank's internal grading system are explained in Note 51(a).

Group and Bank	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Internal rating grade				
Investment grade	454,767	-	-	454,767

Group and Bank	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Internal rating grade				
Investment grade	522,172	-	-	522,172

7. FINANCIAL INVESTMENTS OTHER THAN THOSE MEASURED AT FVTPL (CONT'D.)

(b) Financial instruments at amortised cost (cont'd.):

An analysis of changes in the gross carrying amount and the corresponding ECLs is as follows:

Group and Bank	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount				
As at 1 January	522,172	-	-	522,172
Assets derecognised or matured (excluding write-offs)	(67,000)	-	-	(67,000)
Change in fair value	(405)	-	-	(405)
As at 31 December	454,767	-	-	454,767

Group and Bank	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount				
As at 1 January	470,796	-	-	470,796
New assets purchased	71,740	-	-	71,740
Assets derecognised or matured (excluding write-offs)	(20,000)	-	-	(20,000)
Change in fair value	(364)	-	-	(364)
As at 31 December	522,172	-	-	522,172

Group and Bank	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowances				
As at 1 January	1,154	-	-	1,154
Assets derecognised or matured (excluding write-offs)	(43)	-	-	(43)
Net remeasurement of allowances	(764)	-	-	(764)
As at 31 December	347	-	-	347

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

7. FINANCIAL INVESTMENTS OTHER THAN THOSE MEASURED AT FVTPL (CONT'D.)

(b) Financial instruments at amortised cost (cont'd.):

An analysis of changes in the gross carrying amount and the corresponding ECLs is as follows (cont'd.):

Group and Bank	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowances				
As at 1 January	-	-	-	-
New assets purchased	394	-	-	394
Net remeasurement of allowances	760	-	-	760
As at 31 December	1,154	-	-	1,154

Included in financial investments measured at amortised cost are financial assets sold under repurchase agreements as follows:

	Group and Bank	
	2025 RM'000	2024 RM'000
Malaysian Government Securities (Note 25)	9,751	-
Malaysian Government Investment Certificates (Note 25)	116,198	69,514
	125,949	69,514

8. DERIVATIVE FINANCIAL ASSETS

	Group and Bank	
	2025 RM'000	2024 RM'000
At fair value		
Dual currency investment - Options	-	23
Foreign exchange related contracts	160	203
Equity related contracts - Options	3,648	2,761
Equity related contracts - Swap	-	898
Equity related contracts - Forward	7,356	45,812
	11,164	49,697

8. DERIVATIVE FINANCIAL ASSETS (CONT'D.)

	Group and Bank	
	2025 RM'000	2024 RM'000
Contract/Notional amount		
Dual currency investment - Options	541	16,410
Foreign exchange related contracts	34,427	31,688
Equity related contracts - Options	6,666	-
Equity related contracts - Swap	-	26,974
Equity related contracts - Forward	32,001	79,445
	73,635	154,517

The contractual or underlying notional amounts of derivative financial assets held at fair value through profit or loss reflect the value of transactions outstanding as at reporting date, and do not represent amounts at risk.

9. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At amortised cost				
Term loans/financing	670,719	651,153	687,767	664,182
Share margin financing	1,054,433	1,148,571	1,054,433	1,148,571
Other lending and factoring receivables	41,864	31,373	-	-
Subordinated term loan *	-	-	40,082	45,140
Gross loans, advances and financing	1,767,016	1,831,097	1,782,282	1,857,893
Less: Allowance for ECL				
- Stage 1 - 12-month ECL	(480)	(803)	(480)	(1,720)
- Stage 2 - Lifetime ECL non-credit impaired	-	(750)	-	(750)
- Stage 3 - Lifetime ECL credit impaired	(16,376)	(5,692)	(16,376)	(5,692)
Net loans, advances and financing	1,750,160	1,823,852	1,765,426	1,849,731

* Subordinated term loan to a subsidiary

The subordinated loans granted to a subsidiary, Kenanga Futures Sdn Bhd, are unsecured with effective interest rate of 6.30% per annum (2024: 6.30%) and are repayable by November 2031 and March 2032.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

(i) Gross loans, advances and financing analysed by type of customer are as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Domestic business enterprises				
- Small and medium enterprises	246,212	208,829	231,370	194,310
- Others	493,668	496,095	533,750	541,236
Domestic non-banking financial institution	-	-	17,048	13,029
Individuals	1,027,136	1,126,173	1,000,114	1,109,318
	1,767,016	1,831,097	1,782,282	1,857,893

(ii) Gross loans, advances and financing analysed by geographical distribution are as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
In Malaysia	1,764,982	1,827,771	1,780,248	1,854,567
Outside Malaysia	2,034	3,326	2,034	3,326
	1,767,016	1,831,097	1,782,282	1,857,893

(iii) Gross loans, advances and financing analysed by interest rate/profit rate sensitivity are as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fixed rate	1,096,297	1,179,944	1,054,433	1,148,571
Variable rate	670,719	651,153	727,849	709,322
	1,767,016	1,831,097	1,782,282	1,857,893

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

(iv) Gross loans, advances and financing analysed by economic purpose are as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Purchase of securities	1,334,151	1,346,448	1,334,151	1,346,448
Working capital	95,429	121,916	147,739	178,073
Others	337,436	362,733	300,392	333, 372
	1,767,016	1,831,097	1,782,282	1,857,893

(v) Gross loans, advances and financing analysed by residual contractual maturity are as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Within one year	1,446,533	1,479,606	1,466,652	1,473,852
More than one year	320,483	351,491	315,630	384,041
	1,767,016	1,831,097	1,782,282	1,857,893

9.1 Movements in impaired loans, advances and financing ("Impaired LAF")

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	98,415	61,471	94,150	57,041
Impaired during the financial year	44,938	52,157	25,684	52,157
Amount recovered during the financial year	(20,081)	(15,213)	(20,015)	(15,048)
At 31 December	123,272	98,415	99,819	94,150
Less: Allowance for ECL	(16,376)	(5,692)	(16,376)	(5,692)
Net impaired LAF	106,896	92,723	83,443	88,458
Net impaired LAF as a % of net loans, advances and financing	6.11%	5.08%	4.73%	4.78%

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9.1 Movements in impaired loans, advances and financing ("Impaired LAF") (cont'd.)

9.2 Impairment allowance for loans, advances and financing are as follows (cont'd.):

(a) Term loans/financing and subordinated term loan (cont'd.)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
9.1.1 Impaired LAF by geographical distribution				
Malaysia	123,272	98,415	99,819	94,150
9.1.2 Impaired LAF by purpose				
Working capital	1,000	-	1,000	-
Purchase of securities	98,819	94,150	98,819	94,150
Others	23,453	4,265	-	-
	123,272	98,415	99,819	94,150

Group	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Internal rating grade				
Performing:				
- Strong	50,017	-	-	50,017
- Satisfactory	470,708	-	-	470,708
- Substandard	117,193	13,235	-	130,428
Total	637,918	13,235	-	651,153

Bank	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Internal rating grade				
Performing:				
- Strong	85,281	-	-	85,281
- Satisfactory	537,950	-	-	537,950
- Substandard	91,618	-	-	91,618
Non-peforming:				
- Default	-	-	13,000	13,000
Total	714,849	-	13,000	727,849

Bank	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Internal rating grade				
Performing:				
- Strong	50,017	-	-	50,017
- Satisfactory	528,877	-	-	528,877
- Substandard	117,193	13,235	-	130,428
Total	696,087	13,235	-	709,322

9.2 Impairment allowance for loans, advances and financing are as follows:

(a) Term loans/financing and subordinated term loan

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's and the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of ECL allowances. Details of the Group's and of the Bank's internal rating system are explained in Note 51(a).

Group	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Internal rating grade				
Performing:				
- Strong	85,281	-	-	85,281
- Satisfactory	480,820	-	-	480,820
- Substandard	91,618	-	-	91,618
Non-performing:				
Default	-	-	13,000	13,000
Total	657,719	-	13,000	670,719

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9.2 Impairment allowance for loans, advances and financing are as follows (cont'd.):

9.2 Impairment allowance for loans, advances and financing are as follows (cont'd.):

(a) Term loans/financing and subordinated term loan (cont'd.)

(a) Term loans/financing and subordinated term loan (cont'd.)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans/financing and subordinated term loan is as follows:

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans/financing and subordinated term loan is as follows (cont'd.):

Group	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount				
As at 1 January	637,918	13,235	-	651,153
New assets originated or purchased	222,812	222	1,588	224,622
Assets derecognised or repaid (excluding write-offs)	(203,011)	(233)	(1,812)	(205,056)
Transfers of stages	-	(13,224)	13,224	-
As at 31 December	657,719	-	13,000	670,719

Bank	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount				
As at 1 January	696,087	13,235	-	709,322
New assets originated or purchased	240,358	222	1,588	242,168
Assets derecognised or repaid (excluding write-offs)	(221,596)	(233)	(1,812)	(223,641)
Transfers of stages	-	(13,224)	13,224	-
As at 31 December	714,849	-	13,000	727,849

Group	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount				
As at 1 January	522,961	38,182	-	561,143
New assets originated or purchased	291,889	2,242	-	294,131
Assets derecognised or repaid (excluding write-offs)	(176,932)	(27,189)	-	(204,121)
As at 31 December	637,918	13,235	-	651,153

Bank	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount				
As at 1 January	561,028	38,182	-	599,210
New assets originated or purchased	314,934	2,242	-	317,176
Assets derecognised or repaid (excluding write-offs)	(179,875)	(27,189)	-	(207,064)
As at 31 December	696,087	13,235	-	709,322

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9.2 Impairment allowance for loans, advances and financing are as follows (cont'd.):

9.2 Impairment allowance for loans, advances and financing are as follows (cont'd.):

(a) Term loans/financing and subordinated term loan (cont'd.)

(a) Term loans/financing and subordinated term loan (cont'd.)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans/financing and subordinated term loan is as follows (cont'd.):

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans/financing and subordinated term loan is as follows (cont'd.):

Group	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowances				
As at 1 January	803	750	-	1,553
New assets originated or purchased	124	-	22	146
Assets derecognised or repaid (excluding write-offs)	(57)	-	(764)	(821)
Net remeasurement of allowances	(390)	-	894	504
Transfers of stages	-	(750)	750	-
As at 31 December	480	-	902	1,382

Bank	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowances				
As at 1 January	1,720	750	-	2,470
New assets originated or purchased	140	-	22	162
Assets derecognised or repaid (excluding write-offs)	(81)	-	(764)	(845)
Net remeasurement of allowances	(1,299)	-	894	(405)
Transfer of stages	-	(750)	750	-
As at 31 December	480	-	902	1,382

Group	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowances				
As at 1 January	537	2,741	-	3,278
New assets originated or purchased	98	-	-	98
Assets derecognised or repaid (excluding write-offs)	(53)	-	-	(53)
Net remeasurement of allowances	221	(1,991)	-	(1,770)
As at 31 December	803	750	-	1,553

Bank	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowances				
As at 1 January	680	2,741	-	3,421
New assets originated or purchased	149	-	-	149
Assets derecognised or repaid (excluding write-offs)	(59)	-	-	(59)
Net remeasurement of allowances	950	(1,991)	-	(1,041)
As at 31 December	1,720	750	-	2,470

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9.2 Impairment allowance for loans, advances and financing are as follows (cont'd.):

9.2 Impairment allowance for loans, advances and financing are as follows (cont'd.):

(b) Share margin financing

(b) Share margin financing (cont'd.)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to share margin financing is as follows (cont'd.):

Group and Bank	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Internal rating grade				
Performing:				
- Strong	256,296	-	-	256,296
- Satisfactory	674,535	18,627	-	693,162
- Substandard	18,156	-	-	18,156
Non-performing:				
- Default	-	-	86,819	86,819
Total	948,987	18,627	86,819	1,054,433

Group and Bank	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Internal rating grade				
Performing:				
- Strong	303,566	-	-	303,566
- Satisfactory	721,377	8,498	-	729,875
- Substandard	20,980	-	-	20,980
Non-performing:				
- Default	-	-	94,150	94,150
Total	1,045,923	8,498	94,150	1,148,571

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to share margin financing is as follows:

Group and Bank	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount				
As at 1 January	1,045,923	8,498	94,150	1,148,571
New assets originated or purchased	607,265	184	4,859	612,308
Assets derecognised or repaid (excluding write-offs)	(664,536)	(19,660)	(18,203)	(702,399)
Transfers of stages	(34,442)	28,315	6,127	-
Impact of remeasurement	(5,223)	1,290	(114)	(4,047)
As at 31 December	948,987	18,627	86,819	1,054,433

Group and Bank	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount				
As at 1 January	1,077,131	63	57,041	1,134,235
New assets originated or purchased	848,345	493	2,743	851,581
Assets derecognised or repaid (excluding write-offs)	(788,817)	(16,252)	(15,048)	(820,117)
Transfers of stages	(72,536)	23,469	49,067	-
Impact of remeasurement	(18,200)	725	347	(17,128)
As at 31 December	1,045,923	8,498	94,150	1,148,571

Group and Bank	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowances				
As at 1 January	-	-	5,692	5,692
New assets originated or purchased	-	-	33	33
Assets derecognised or repaid (excluding write-offs)	-	-	(275)	(275)
Net remeasurement of allowances	-	-	10,024	10,024
As at 31 December	-	-	15,474	15,474

Group and Bank	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowances				
As at 1 January	-	-	3,296	3,296
New assets originated or purchased	-	-	5,394	5,394
Assets derecognised or repaid (excluding write-offs)	-	-	(2,235)	(2,235)
Net remeasurement of allowances	-	-	(763)	(763)
As at 31 December	-	-	5,692	5,692

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9.2 Impairment allowance for loans, advances and financing are as follows (cont'd.):

9.2 Impairment allowance for loans, advances and financing are as follows (cont'd.):

(c) Other lending and factoring receivables

(c) Other lending and factoring receivables (cont'd.)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other financing is as follows:

Group Internal rating grade	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Performing:				
- Strong	10,070	-	-	10,070
- Satisfactory	8,342	-	-	8,342
Non-performing:				
- Default	-	-	23,452	23,452
Total	18,412	-	23,452	41,864

Internal rating grade	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Performing:				
- Satisfactory	13,194	-	-	13,194
- Substandard	13,914	-	-	13,914
Non-performing:				
- Default	-	-	4,265	4,265
Total	27,108	-	4,265	31,373

Group Gross carrying amount	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	27,108	-	4,265	31,373
New assets originated or purchased	16,344	-	353	16,697
Assets derecognised or repaid (excluding write-offs)	(5,786)	-	(420)	(6,206)
Transfers of stages	(19,254)	-	19,254	-
As at 31 December	18,412	-	23,452	41,864

Group Gross carrying amount	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	7,033	737	4,430	12,200
New assets originated or purchased	27,295	-	365	27,660
Assets derecognised or repaid (excluding write-offs)	(7,220)	(737)	(530)	(8,487)
As at 31 December	27,108	-	4,265	31,373

Group ECL allowances	2025/2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January/ 31 December	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

10. BALANCES DUE FROM CLIENTS AND BROKERS

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Balances due from clients and brokers	502,248	473,299	502,065	473,189
Less: Allowance for ECL	(21,560)	(18,352)	(21,560)	(18,352)
	480,688	454,947	480,505	454,837

10.1 ECL allowance for balances due from clients and brokers are as follows:

An analysis of changes in the ECL allowances in relation to balances due from clients and brokers is as follows:

Group and Bank

	2025		
	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
<u>ECL allowances</u>			
As at 1 January	1,525	16,827	18,352
Charged during the financial year	219	5,348	5,567
Net remeasurement of allowances	-	(1,187)	(1,187)
Written back during the financial year	(188)	(683)	(871)
Written off during the financial year	-	(301)	(301)
As at 31 December	1,556	20,004	21,560

	2024		
	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
<u>ECL allowances</u>			
As at 1 January	1,553	1,255	2,808
Charged during the financial year	263	2,801	3,064
Net remeasurement of allowances	-	13,337	13,337
Written back during the financial year	(291)	(566)	(857)
As at 31 December	1,525	16,827	18,352

11. OTHER ASSETS

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets segregated for customers	(a)	118,765	225,773	-	-
Interest/income receivable		15,831	14,029	15,487	13,862
Amounts due from subsidiaries	(b)	-	-	45,262	33,866
Amounts due from related companies	(c)	99	79	99	79
Prepayments and deposits		19,735	20,055	15,179	15,442
Other debtors	(d)	186,683	225,851	87,911	133,004
Dividend receivable from subsidiaries		-	-	28,000	32,000
Treasury trade receivables		-	29,904	-	29,904
Amounts due from trustees		25,113	-	-	-
		366,226	515,691	191,938	258,157
Allowance for ECL					
- Other debtors	11.1	(56,556)	(75,923)	(32,991)	(38,507)
- Amount due from subsidiaries	11.2	-	-	(725)	(506)
		309,670	439,768	158,222	219,144

11.1 ECL allowance for other debtors are as follows:

Group	2025		
	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
<u>ECL allowances</u>			
As at 1 January	109	75,814	75,923
New assets originated or purchased	344	4,652	4,996
Assets derecognised or repaid (excluding write-offs)	-	(15,772)	(15,772)
Amount written off	-	(10,851)	(10,851)
Transfer of stages	(346)	346	-
Net remeasurement of allowances	-	2,260	2,260
As at 31 December	107	56,449	56,556

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

11. OTHER ASSETS (CONT'D.)

11.1 ECL allowance for other debtors are as follows (cont'd.):

Group (cont'd.)	2024		
	Non-Credit Impaired RM'000	Credit-Impaired RM'000	Total RM'000
<u>ECL allowances</u>			
As at 1 January	141	35,594	35,735
New assets originated or purchased	466	25,838	26,304
Assets derecognised or repaid (excluding write-offs)	-	(6,880)	(6,880)
Amount written off	-	(2,620)	(2,620)
Transfer of stages	(498)	498	-
Net remeasurement of allowances	-	23,384	23,384
As at 31 December	109	75,814	75,923

Bank	2025		
	Non-Credit Impaired RM'000	Credit-Impaired RM'000	Total RM'000
<u>ECL allowances</u>			
As at 1 January	109	38,398	38,507
New assets originated or purchased	344	377	721
Assets derecognised or repaid (excluding write-offs)	-	(8,497)	(8,497)
Transfer of stages	(346)	346	-
Net remeasurement of allowances	-	2,260	2,260
As at 31 December	107	32,884	32,991

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

11. OTHER ASSETS (CONT'D.)

11.1 ECL allowance for other debtors are as follows (cont'd.):

Bank	2024		
	Non-Credit Impaired RM'000	Credit-Impaired RM'000	Total RM'000
<u>ECL allowances</u>			
As at 1 January	141	23,861	24,002
New assets originated or purchased	466	979	1,445
Assets derecognised or repaid (excluding write-offs)	-	(6,880)	(6,880)
Amount written off	-	(2,620)	(2,620)
Transfer of stages	(498)	498	-
Net remeasurement of allowances	-	22,560	22,560
As at 31 December	109	38,398	38,507

11.2 ECL allowance for amounts due from subsidiaries are as follows:

Bank	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<u>ECL allowances</u>				
As at 1 January	506	-	-	506
Net remeasurement of allowances	219	-	-	219
As at 31 December	725	-	-	725

Bank	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<u>ECL allowances</u>				
As at 1 January	94	-	-	94
Net remeasurement of allowances	412	-	-	412
As at 31 December	506	-	-	506

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

11. OTHER ASSETS (CONT'D.)

(a) Assets segregated for customers

These represent margin deposits paid by a subsidiary to Bursa Malaysia Derivatives Clearing Berhad.

(b) Amounts due from subsidiaries

Included in the amount due from subsidiaries is a term loan of RM30.0 million to a subsidiary, Kenanga Investors Berhad. The loan is unsecured and bears interest of 1.0% (2024: 1.0%) per annum above cost of funds. The tenure for the loan is 6 years from 1 July 2025.

(c) Amounts due from related companies

Amounts due from all related companies comprised of payments of expenses made on behalf of these related companies and are unsecured, non-interest bearing and repayable on demand.

(d) Other debtors

Included in other debtors are receivables from corporate advisory billings which are non-interest bearing and generally on 30 day (2024: 30 day) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

12. STATUTORY DEPOSIT WITH BANK NEGARA MALAYSIA ("BNM")

The non-interest bearing statutory deposit is maintained with BNM in compliance with Section 26(2)(c) of the Central Bank of Malaysia Act 2009. The amount is determined as a set percentage of net eligible liabilities.

13. INVESTMENT IN SUBSIDIARIES

	Bank	
	2025 RM'000	2024 RM'000
Unquoted shares at cost:		
At 1 January	90,064	73,064
Add: Capital injection into subsidiaries	-	17,000
	90,064	90,064
Less: Accumulated impairment losses	(7,454)	(12,252)
	82,610	77,812

- (i) On 12 December 2024, the Bank injected additional capital of RM15 million to Kenanga Digital Sdn. Bhd., a wholly own subsidiary of the Bank.
- (ii) On 13 December 2024, the Bank injected additional capital of RM2 million to Kenanga Futures Sdn. Bhd., a wholly own subsidiary of the Bank.
- (iii) The Bank carried out an impairment assessment on the subsidiaries in accordance with the accounting policy stated in Note 3.4(l). The recoverable amount is based on higher of an asset's fair value less costs to sell or future cash flows discounted to their present value. Based on management's assessment, the Bank have made adequate provisions for impairment loss on the investment as at the financial year end.

Details of the subsidiaries are as follows:

			Effective equity interest	
Name	Principal place of business	Principal activities	2025 %	2024 %
<u>Local subsidiaries</u>				
Kenanga Futures Sdn Bhd	Malaysia	Futures broker	100	100
Kenanga Nominees (Asing) Sdn Bhd	Malaysia	Provision of nominee services	100	100
Kenanga Nominees (Tempatan) Sdn Bhd	Malaysia	Provision of nominee services	100	100
Kenanga Private Equity Sdn Bhd	Malaysia	Private equity management	100	100
ECML Berhad	Malaysia	Dormant (previously dealing in securities and derivatives, and provision of corporate finance and other advisory services)	100	100

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

13. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows (cont'd.):

			Effective equity interest	
Name	Principal place of business	Principal activities	2025 %	2024 %
Local subsidiaries (cont'd.)				
Kenanga Digital Sdn Bhd	Malaysia	Online digital platform or portal business and provision of information technology services	100	100
Avenue Kestrel Sdn Bhd	Malaysia	Dormant (previously a stockbroking business)	100	100
K & N Kenanga Holdings Berhad	Malaysia	Investment holding	100	100
The subsidiary of K & N Kenanga Holdings Berhad is:				
SSSB Management Services Sdn Bhd	Malaysia	Dormant (previously a stockbroking business)	100	100
Kenanga Management & Services Sdn Bhd	Malaysia	Investment in property and provision of management and maintenance services	100	100
Kenanga Investors Berhad	Malaysia	Promotion and management of collective investment schemes and management of investment funds	100	100
The subsidiaries of Kenanga Investors Berhad are:				
Kenanga Islamic Investors Berhad	Malaysia	Management of Islamic collective investment schemes and Islamic investment funds	100	100
EQ8 Capital Sdn Bhd	Malaysia	Provision of investment management service (previously provision of Shariah-compliant investment)	100	100

13. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows (cont'd.):

			Effective equity interest	
Name	Principal place of business	Principal activities	2025 %	2024 %
Local subsidiaries (cont'd.)				
The subsidiaries of Kenanga Investors Berhad are (cont'd.):				
KUT Nominees (Tempatan) Sdn Bhd	Malaysia	Provision of nominee services	100	100
KUT Nominees (Asing) Sdn Bhd	Malaysia	Provision of nominee services	100	100
Kenanga Trustees Berhad	Malaysia	Provision of trustee services	100	100
Kenanga Capital Sdn Bhd	Malaysia	Licensed money lender	100	100

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

14. INVESTMENT IN ASSOCIATES

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted shares at cost				
At 1 January	88,223	71,618	85,040	68,435
Less: Disposal of associates	(3,183)	-	-	-
Add: Transfer from investment at FVTPL	-	10,000	-	10,000
Add: Subscription of new redeemable convertible preference shares	-	6,605	-	6,605
At 31 December	85,040	88,223	85,040	85,040
Fair value revaluation gain	6,804	6,804	6,804	6,804
Share of post acquisition gain	41,305	39,945	-	-
Share of changes in other comprehensive (loss)/ income	(7,200)	9,242	-	-
Dividends received	(10,646)	(5,729)	-	-
Foreign exchange differences	13,636	25,060	-	-
	128,939	163,545	91,844	91,844
Less: Accumulated impairment losses	(4,549)	(4,549)	-	-
	124,390	158,996	91,844	91,844
Represented by:				
Share of net tangible assets	124,390	158,996		

14. INVESTMENT IN ASSOCIATES (CONT'D.)

(a) Details of the associates are as follows:

Name	Principal place of business	Principal activities	Effective equity interest	
			2025 %	2024 %
Kenanga Investment Corporation Ltd **	Sri Lanka	Investment banking related activities	-	45.0
Al Wasatah Al Maliah Company * ("Wasatah Capital")	Kingdom of Saudi Arabia	Dealing, custody, arranging, managing investment and operating funds	29.6	29.6
Kenanga Capital Islamic Sdn Bhd *^	Malaysia	Islamic factoring and leasing	-	20.0
Kinetic Dax Sdn Bhd (formerly known as Tokenize Technology (M) Sdn Bhd) *	Malaysia	Market Operators for Digital Asset Exchanges	19.0	19.0

* Audited by firms other than Messrs. Ernst & Young PLT.
On 25 March 2025, K & N Kenanga Holdings Berhad ("KNKH"), a wholly-owned subsidiary of the Bank, had fully disposed its 4,500,000 shares in Kenanga Investment Corporation Limited ("KICL") representing 45% of the issued and paid up share capital of KICL for a total consideration of LKR34,470,000. Arising therefrom, KICL ceased to be an associate company of KNKH. The disposal resulted in a net loss of RM99,000 to the Group.

The details of the disposal of KICL is as follows:

	RM'000
Sales proceeds	515
Less: Unquoted shares at cost	1,399
Share of post acquisition losses	(248)
Foreign exchange differences	(435)
Dividend received	(102)
Net assets	614
Net loss on disposal	(99)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

14. INVESTMENT IN ASSOCIATES (CONT'D.)

(a) Details of the associates are as follows (cont'd.):

^ On 29 December 2025, Kenanga Capital Sdn Bhd, a wholly-owned subsidiary of the Bank, had disposed 980,392 ordinary shares representing 20% of the total number of issued shares of Kenanga Capital Islamic Sdn Bhd for a total cash consideration of RM3,696,662 to Bay Amaranite Sdn Bhd. Arising therefrom, Kenanga Capital Islamic Sdn Bhd ceased to be part of the KIBB Group. The disposal resulted in a net gain of RM700,000 to the Group.

The detail of the disposal of Kenanga Capital Islamic Sdn Bhd are as follows:

	RM'000
Sales proceeds	3,697
Less: Unquoted shares at cost	1,784
Share of post acquisition gain	1,213
Net assets	2,997
Net gain on disposal	700

The Group and the Bank carried out an impairment assessment on the associates in accordance with the accounting policy stated in Note 3.4(l). The recoverable amount is based on the Group's share of net assets of the associates or future cash flows discounted to their present value. Based on management's assessment, the Group and the Bank have made adequate provisions for impairment loss on the investments as at the financial year end.

(b) Summarised financial information of the material associate is as follows:

The summarised financial information represents the amounts in the MFRS Accounting Standards financial statements of the material associate and not the Group's share of those amounts.

(i) Summarised statement of financial position

	Wasatah Capital	
	2025 RM'000	2024 RM'000
Current assets	86,026	170,801
Non-current assets	260,855	295,435
Total assets	346,881	466,236
Current liabilities	2,450	27,824
Non-current liabilities	10,576	6,317
Total liabilities	13,026	34,141
Net assets *	333,855	432,095

* The net assets are net of zakat expenses which are not shared by non-Saudi shareholders in accordance with the regulations of Zakat department of Zakat & Income Tax as applicable in the Kingdom of Saudi Arabia. Therefore, the net assets will not represent the Group's and the Bank's share of net assets in Wasatah Capital as disclosed in Note 14(b)(iii) below. The difference will be the total zakat expenses that were fully borne by the Saudi shareholders.

14. INVESTMENT IN ASSOCIATES (CONT'D.)

(b) Summarised financial information of the material associate is as follows (cont'd.):

(ii) Summarised statement of profit or loss and other comprehensive income

	Wasatah Capital	
	2025 RM'000	2024 RM'000
Revenue	31,477	107,938
Profit before taxation	12,747	62,724
Tax expense	(1,044)	(3,835)
Profit after taxation	11,703	58,889
Other comprehensive (loss)/income	(55,582)	21,011
Total comprehensive (loss)/income	(43,879)	79,900

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in the material associate

	Wasatah Capital	
	2025 RM'000	2024 RM'000
Net assets at 1 January	517,772	446,926
Profit before taxation	12,747	62,724
Other comprehensive (loss)/income	(55,582)	21,011
Movement of foreign exchange reserve	(40,047)	(12,889)
Net assets at 31 December	434,890	517,772
Interest in Wasatah Capital	29.60%	29.60%
Share of net assets at 31 December	128,727	153,261
Dividend received	(10,645)	(5,626)
Accumulated Group's share of tax expense	(11,527)	(10,483)
Accumulated impairment losses	(4,549)	(4,549)
Carrying value of the Group's interest in Wasatah	102,006	132,603
Carrying value of other associates	22,372	26,393
Total carrying value of Group's interest in associates	124,378	158,996

(c) Aggregate information of associates that are not individually material

	2025 RM'000	2024 RM'000
The Group's share of results in associates, inclusive of total comprehensive (loss)/income	(819)	337

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

15. INVESTMENT IN JOINT VENTURE

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted shares at cost				
At 1 January	45,706	48,066	45,706	48,066
Add: Subscription of new shares	-	5,706	-	5,706
Less: Disposal of a joint venture company (Note d)	-	(8,066)	-	(8,066)
At 31 December	45,706	45,706	45,706	45,706
Add: Cumulative share of results	(22,044)	(17,996)	-	-
	23,662	27,710	45,706	45,706
Less: Accumulated impairment losses (Note e)	-	-	(4,612)	-
	23,662	27,710	41,094	45,706

(a) The summarised income and expenses of the joint venture are as follows:

	Group	
	2025 RM'000	2024 RM'000
Revenue	33,197	43,623
Loss after taxation	(8,097)	(8,668)

(b) The summarised assets and liabilities of the joint venture are as follows:

	Group	
	2025 RM'000	2024 RM'000
Total assets	79,582	107,388
Total liabilities	33,063	52,331

15. INVESTMENT IN JOINT VENTURE (CONT'D.)

(c) Details of the joint venture held by the Bank are as follows:

Name	Principal place of business	Percentage (%) of equity held		Principal activities
		2025	2024	
Rakuten Trade Sdn Bhd	Malaysia	50	50	Provision of online brokerage services

- (d) On 6 September 2024, the Bank and Rakuten Securities Holdings, Inc. had each disposed 2,500,000 shares in Rakuten Trade Singapore Pte. Ltd. to Rakuten Trade Sdn Bhd for a total consideration of RM11,411,970, via the issuance of 20,021,000 new ordinary shares of Rakuten Trade Sdn Bhd.
- (e) During the financial year ended 31 December 2025, the Company performed an impairment test on its investment in joint venture and recorded an impairment loss of RM4,612,000 as the carrying amount exceeded its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

16. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Building RM'000	Motor vehicles RM'000	Computer hardware RM'000	Office equipment RM'000	Furniture and fittings RM'000	Renovations RM'000	Capital work-in-progress RM'000	Total RM'000
2025									
Cost									
At 1 January 2025	81,910	46,830	5,612	37,521	28,692	25,597	39,724	7,161	273,047
Transfer *	-	-	-	-	-	-	-	(9)	(9)
Additions	-	-	911	2,370	105	329	348	3,517	7,580
Reclassification	-	-	-	87	643	98	1,041	(1,869)	-
Disposals/write-off	-	-	(5)	(865)	(208)	(34)	(17)	-	(1,129)
Adjustment to expenses	-	-	-	(1)	-	-	-	(728)	(729)
At 31 December 2025	81,910	46,830	6,518	39,112	29,232	25,990	41,096	8,072	278,760
Accumulated depreciation									
At 1 January 2025	-	8,183	4,808	31,676	24,040	21,330	28,569	-	118,606
Depreciation charge for the financial year (Note 34)	-	936	358	3,143	2,270	1,335	2,271	-	10,313
Disposals/write-off	-	-	(5)	(862)	(205)	(34)	(17)	-	(1,123)
Adjustment to expenses	-	-	-	(1)	-	-	-	-	(1)
At 31 December 2025	-	9,119	5,161	33,956	26,105	22,631	30,823	-	127,795
Net carrying amount									
At 31 December 2025	81,910	37,711	1,357	5,156	3,127	3,359	10,273	8,072	150,965

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group	Freehold land RM'000	Building RM'000	Motor vehicles RM'000	Computer hardware RM'000	Office equipment RM'000	Furniture and fittings RM'000	Renovations RM'000	Capital work-in-progress RM'000	Total RM'000
2024									
Cost									
At 1 January 2024	81,910	46,830	5,617	38,306	28,592	27,283	38,164	550	267,252
Transfer *	-	-	-	80	194	383	1,780	(2,475)	(38)
Additions	-	-	-	2,635	162	217	604	9,096	12,714
Disposals/write-off	-	-	(5)	(3,498)	(256)	(2,286)	(824)	-	(6,869)
Adjustment to expenses	-	-	-	(2)	-	-	-	(10)	(12)
At 31 December 2024	81,910	46,830	5,612	37,521	28,692	25,597	39,724	7,161	273,047
Accumulated depreciation									
At 1 January 2024	-	7,246	4,373	31,312	22,102	22,259	27,184	-	114,476
Depreciation charge for the financial year (Note 34)	-	937	440	3,833	2,183	1,352	2,180	-	10,925
Disposals/write-off	-	-	(5)	(3,467)	(245)	(2,281)	(795)	-	(6,793)
Adjustment to expenses	-	-	-	(2)	-	-	-	-	(2)
At 31 December 2024	-	8,183	4,808	31,676	24,040	21,330	28,569	-	118,606
Net carrying amount									
At 31 December 2024	81,910	38,647	804	5,845	4,652	4,267	11,155	7,161	154,441

* Transfer to intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Bank	Freehold land RM'000	Building RM'000	Motor vehicles RM'000	Computer hardware RM'000	Office equipment RM'000	Furniture and fittings RM'000	Renovations RM'000	Capital work-in-progress RM'000	Total RM'000
2025									
Cost									
At 1 January 2025	81,910	46,830	5,101	34,209	26,869	22,688	30,138	7,121	254,866
Additions	-	-	676	2,192	96	315	330	3,458	7,067
Reclassification	-	-	-	-	643	98	1,041	(1,782)	-
Disposals/write-off	-	-	-	(543)	(3)	(8)	-	-	(554)
Adjustment to expenses	-	-	-	(1)	-	-	-	(728)	(729)
At 31 December 2025	81,910	46,830	5,777	35,857	27,605	23,093	31,509	8,069	260,650
Accumulated depreciation									
At 1 January 2025	-	8,184	4,560	28,817	22,888	20,195	25,174	-	109,818
Depreciation charge for the financial year (Note 34)	-	937	259	2,807	2,095	924	1,389	-	8,411
Disposals/write-off	-	-	-	(542)	(3)	(8)	-	-	(553)
Adjustment to expenses	-	-	-	(1)	-	-	-	-	(1)
At 31 December 2025	-	9,121	4,819	31,081	24,980	21,111	26,563	-	117,675
Net carrying amount									
At 31 December 2025	81,910	37,709	958	4,776	2,625	1,982	4,946	8,069	142,975

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Bank	Freehold land RM'000	Building RM'000	Motor vehicles RM'000	Computer hardware RM'000	Office equipment RM'000	Furniture and fittings RM'000	Renovations RM'000	Capital work-in-progress RM'000	Total RM'000
2024									
Cost									
At 1 January 2024	81,910	46,830	5,101	34,943	26,893	24,190	30,474	186	250,527
Additions	-	-	-	2,479	100	37	232	6,935	9,783
Disposals/write-off	-	-	-	(3,211)	(124)	(1,539)	(568)	-	(5,442)
Adjustment to expenses	-	-	-	(2)	-	-	-	-	(2)
At 31 December 2024	81,910	46,830	5,101	34,209	26,869	22,688	30,138	7,121	254,866
Accumulated depreciation									
At 1 January 2024	-	7,247	4,219	28,532	20,984	20,694	24,345	-	106,021
Depreciation charge for the financial year (Note 34)	-	937	341	3,476	2,020	1,037	1,398	-	9,209
Disposals/write-off	-	-	-	(3,189)	(116)	(1,536)	(569)	-	(5,410)
Adjustment to expenses	-	-	-	(2)	-	-	-	-	(2)
At 31 December 2024	-	8,184	4,560	28,817	22,888	20,195	25,174	-	109,818
Net carrying amount									
At 31 December 2024	81,910	38,646	541	5,392	3,981	2,493	4,964	7,121	145,048

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

17. INTANGIBLE ASSETS

		Group		Bank	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Total intangible assets					
With indefinite useful life					
Goodwill	(a)	241,027	241,027	252,909	252,909
Merchant banking licence	(b)	52,500	52,500	52,500	52,500
Fund management contracts	(c)	4,169	4,169	-	-
Trading and clearing rights for derivatives broking	(e)	416	416	-	-
With definite useful life					
Computer software and work-in-progress	(d)	40,031	40,969	24,277	28,167
Client relationships	(f)	1,535	1,959	-	-
		339,678	341,040	329,686	333,576
(a) Goodwill					
Cost					
At 1 January/31 December		276,794	276,794	288,676	288,676
Accumulated impairment loss					
At 1 January/31 December		35,767	35,767	35,767	35,767
Net carrying amount		241,027	241,027	252,909	252,909
(b) Merchant banking licence					
Carrying amount					
At 1 January/31 December		52,500	52,500	52,500	52,500
(c) Fund management contracts					
Carrying amount					
At 1 January/31 December		4,169	4,169	-	-

17. INTANGIBLE ASSETS (CONT'D.)

		Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(d) Computer software and work-in-progress					
(i) Computer software					
Cost					
At 1 January		90,188	75,882	75,995	70,677
Transfer *		-	38	-	-
Additions		5,561	17,728	3,266	8,224
Reclassification		4,237	4,081	2,001	4,081
Disposals/write-off		(707)	(7,541)	(707)	(6,987)
Adjustment to expenses		(812)	-	(562)	-
At 31 December		98,467	90,188	79,993	75,995
Accumulated amortisation					
At 1 January		55,964	49,319	50,412	44,771
Amortisation (Note 34)		9,561	8,640	6,704	7,082
Disposals/write-off		(494)	(1,995)	(494)	(1,441)
Adjustment to expenses		(107)	-	(107)	-
At 31 December		64,924	55,964	56,515	50,412
Net carrying amount		33,543	34,224	23,478	25,583
* Transfer from/(to) property, plant and equipment.					
(ii) Work-in-progress					
Cost					
At 1 January		6,940	6,724	2,779	4,800
Transfer *		9	-	-	-
Addition		3,971	5,979	216	3,742
Reclassification		(4,237)	(4,081)	(2,001)	(4,081)
Disposals/write-off		(195)	(1,682)	(195)	(1,682)
At 31 December		6,488	6,940	799	2,779
Accumulated impairment loss					
At 1 January		195	195	195	195
Reversal of impairment loss		(195)	-	(195)	-
At 31 December		-	195	-	195
Net carrying amount		6,488	6,745	799	2,584

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

17. INTANGIBLE ASSETS (CONT'D.)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(e) Trading and clearing rights for derivatives broking				
Carrying amount				
At 1 January/31 December	416	416	-	-
(f) Client relationships				
Carrying amount				
At 1 January	1,959	2,405	-	-
Amortisation (Note 34)	(424)	(446)	-	-
At 31 December	1,535	1,959	-	-

(g) Impairment test on intangible assets

Goodwill and client relationships

Goodwill and client relationships have been allocated to the following CGUs:

	Group	
	2025 RM'000	2024 RM'000
Stockbroking	147,459	147,459
Investment banking	55,651	55,651
Investment management	39,452	39,876
	242,562	242,986

Clients relationships

- Intangible asset relating to client relationships arising from the acquisition of one of the Bank's subsidiary operations is allocated to the unit trust and asset management (investment management) CGU.

Merchant banking licence

- Merchant banking licence which is allocated to the Bank's stockbroking and investment banking CGUs represents contribution to BNM for a licence to carry on merchant banking business to transform the Bank from a Universal Broker into an Investment Bank.

17. INTANGIBLE ASSETS (CONT'D.)

(g) Impairment test on intangible assets (cont'd.)

Fund management contracts

- Intangible asset relating to fund management contracts arising from the acquisition of one of the Bank's subsidiary operations is allocated to the unit trust and asset management (investment management) CGU.

Trading and clearing rights

- The value of trading and clearing rights issued by Bursa Malaysia Derivatives Berhad which is allocated to the futures broking CGU.

Key assumptions used in value-in-use calculations

For annual impairment testing purposes, the recoverable amounts of the CGUs, which are reportable business segments, are determined based on their value-in-use. The value-in-use is computed by discounting the future cash flows of the unit, based on financial budget and projections approved by the Board.

The following describes the key assumptions on which management has based its cash flow projections to undertake impairment testing of intangible assets:

(i) Cash flow projections and growth rates

Cash flow projections for the first to third year are based on the most recent three-year financial budget and business plan approved by the Board, taking into account projected regulatory capital requirements. Cash flows for the fourth and fifth years are extrapolated using growth rates of 5% to 10% in revenue and expenses of the business. Cash flows beyond the fifth year are projected to remain constant and are estimated as a terminal value by discounting future cash flows to present value.

(ii) Discount rate

The discount rate used is based on the business units' pre-tax weighted average cost of capital plus an appropriate risk premium at the date of assessment is 8.28% (2024: 8.57%) per annum.

(h) Sensitivity to changes in assumptions

Management believes that a reasonably possible change in any of the above key assumptions would not cause, on overall basis, the recoverable amounts of the intangible assets to be lower than the carrying values of the CGUs.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

18. RIGHT-OF-USE ASSETS

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Building				
Cost				
At 1 January	33,505	32,285	29,038	28,938
Additions	19,218	9,091	16,615	4,484
Derecognition	(20,981)	(7,871)	(17,612)	(4,384)
At 31 December	31,742	33,505	28,041	29,038
Accumulated amortisation				
At 1 January	10,962	8,059	12,393	8,691
Amortisation for the financial year (Note 34)	7,320	8,054	5,888	6,432
Derecognition	(13,389)	(5,151)	(11,681)	(2,730)
At 31 December	4,893	10,962	6,600	12,393
Net carrying amount				
At 31 December	26,849	22,543	21,441	16,645

19. DEFERRED TAXATION

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	32,901	25,444	11,169	6,807
Recognised in profit or loss (Note 41)	(11,499)	6,942	(11,877)	3,847
Recognised in other comprehensive income	(2,306)	515	(2,306)	515
At 31 December	19,096	32,901	(3,014)	11,169

Deferred tax assets and liabilities on the statements of financial position are as follows:

Deferred tax assets	22,150	32,949	-	11,169
Deferred tax liabilities	(3,054)	(48)	(3,014)	-
	19,096	32,901	(3,014)	11,169

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	39,503	44,572	14,895	20,457
Deferred tax liabilities	(20,407)	(11,671)	(17,909)	(9,288)
	19,096	32,901	(3,014)	11,169

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

19. DEFERRED TAXATION (CONT'D.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Fair value reserve RM'000	Excess of capital allowances over depreciation RM'000	Intangible assets/ Right-of-use assets RM'000	Total RM'000
At 1 January 2025	-	(6,166)	(5,505)	(11,671)
Recognised in profit or loss	(152)	(5,623)	(883)	(6,658)
Recognised in other comprehensive income	(2,078)	-	-	(2,078)
At 31 December 2025	(2,230)	(11,789)	(6,388)	(20,407)
At 1 January 2024	(287)	(7,401)	(6,041)	(13,729)
Recognised in profit or loss	-	1,235	536	1,771
Recognised in other comprehensive income	287	-	-	287
At 31 December 2024	-	(6,166)	(5,505)	(11,671)

Deferred tax assets of the Group:

	Fair value reserve RM'000	Impairment allowance and provisions RM'000	Unabsorbed capital allowances and tax losses RM'000	Intangible assets/ Lease liabilities RM'000	Total RM'000
At 1 January 2025	228	32,244	2,205	9,895	44,572
Recognised in profit or loss	-	(380)	(965)	(3,496)	(4,841)
Recognised in other comprehensive income	(228)	-	-	-	(228)
At 31 December 2025	-	31,864	1,240	6,399	39,503

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

19. DEFERRED TAXATION (CONT'D.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows (cont'd.):

Deferred tax assets of the Group:

	Fair value reserve RM'000	Impairment allowance and provisions RM'000	Unabsorbed capital allowances and tax losses RM'000	Intangible assets/ Lease liabilities RM'000	Total RM'000
At 1 January 2024	-	27,490	4,238	7,445	39,173
Recognised in profit or loss	-	4,754	(2,033)	2,450	5,171
Recognised in other comprehensive income	228	-	-	-	228
At 31 December 2024	228	32,244	2,205	9,895	44,572

Deferred tax liabilities of the Bank:

	Fair value reserve RM'000	Excess of capital allowances over depreciation RM'000	Right-of-use assets RM'000	Total RM'000
At 1 January 2025	-	(5,294)	(3,994)	(9,288)
Recognised in profit or loss	-	(5,239)	(1,152)	(6,391)
Recognised in other comprehensive income	(2,230)	-	-	(2,230)
At 31 December 2025	(2,230)	(10,533)	(5,146)	(17,909)
At 1 January 2024	(439)	(6,809)	(4,859)	(12,107)
Recognised in profit or loss	-	1,515	865	2,380
Recognised in other comprehensive income	439	-	-	439
At 31 December 2024	-	(5,294)	(3,994)	(9,288)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

19. DEFERRED TAXATION (CONT'D.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows (cont'd.):

Deferred tax assets of the Bank:

	Fair value reserve RM'000	Unabsorbed capital allowances and tax losses RM'000	Impairment allowance and provisions RM'000	Lease liabilities RM'000	Total RM'000
At 1 January 2025	76	-	12,052	8,329	20,457
Recognised in profit or loss	-	-	(2,397)	(3,089)	(5,486)
Recognised in other comprehensive income	(76)	-	-	-	(76)
At 31 December 2025	-	-	9,655	5,240	14,895
At 1 January 2024	-	2,285	10,783	5,846	18,914
Recognised in profit or loss	-	(2,285)	1,269	2,483	1,467
Recognised in other comprehensive income	76	-	-	-	76
At 31 December 2024	76	-	12,052	8,329	20,457

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2025 RM'000	2024 RM'000
Unutilised tax losses carried forward	38,480	23,286
Unutilised capital allowances carried forward	3,520	2,727
	42,000	26,013

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

19. DEFERRED TAXATION (CONT'D.)

	Group	
	2025 RM'000	2024 RM'000
Year of expiry of unutilised tax losses is analysed as follows:		
- 2028	9,754	9,754
- 2029	3,218	3,218
- 2030	2,937	2,937
- 2031	1,858	1,858
- 2032	2,575	2,575
- 2033	1,089	1,089
- 2034	1,855	1,855
- 2035	15,194	-
	38,480	23,286

On 27 December 2018, the Finance Act 2018 was gazetted and section 10 of the Finance Act 2018 made amendments to Section 44 of Income Tax Act 1967 ("ITA"). Effective year of assessment ("YA") 2019, the ability to carry forward the unabsorbed losses is restricted to a maximum period of ten (10) consecutive years. The unabsorbed capital allowances for the Group are not subject to ten (10) year limitation period and available for offsetting against future taxable profits of the Group. These utilisation of carried forward tax losses and allowances are also subject to the condition of no substantial change in shareholding of the companies under the Income Tax Act 1967 and guidelines issued by the tax authority.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

20. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fixed term deposits	2,520,569	3,037,129	2,607,064	3,097,356
Short term money deposits	714,285	509,206	797,501	591,201
Negotiable instruments of deposits	124,081	131,431	124,081	131,431
Call money deposits	36,584	84,828	36,584	84,828
	3,395,519	3,762,594	3,565,230	3,904,816
(i) The maturity structure is as follows:				
On demand	36,584	84,828	36,584	84,828
Due within six months	2,084,173	3,029,175	2,249,384	3,170,897
Six months to one year	1,224,730	466,179	1,229,230	466,679
More than one year	50,032	182,412	50,032	182,412
	3,395,519	3,762,594	3,565,230	3,904,816
(ii) The deposits are sourced from the following types of customers:				
Government and statutory bodies	649,981	524,913	649,981	524,913
Individuals	191,004	191,916	191,004	191,916
Business enterprises	688,059	706,126	688,059	706,126
Non-bank financial institutions	1,866,475	2,339,639	1,866,475	2,339,639
Subsidiaries and related companies	-	-	169,711	142,222
	3,395,519	3,762,594	3,565,230	3,904,816

21. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group and Bank	
	2025 RM'000	2024 RM'000
Licensed banks	165,000	210,000
Licensed investment banks	125,000	90,000
Other financial institutions	300,000	140,157
Other related companies	213,996	289,678
	803,996	729,835

22. BALANCES DUE TO CLIENTS AND BROKERS

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Balances due to clients and brokers	935,516	1,012,438	352,093	360,633

Balances due to clients and brokers represent amounts payable in respect of outstanding contracts entered into on behalf of these clients where settlements have yet to be made. These balances are generally on 1 to 2 trading days (2024: 1 to 2 trading days) term.

23. DERIVATIVE FINANCIAL LIABILITIES

	Group and Bank	
	2025 RM'000	2024 RM'000
At fair value		
Dual currency investment - Options	-	23
Foreign exchange related contracts	20	780
Equity related contracts - Options	40,088	56,703
Equity related contract - Forward	2,122	2,627
	42,230	60,133
Contract/notional amount		
Dual currency investment - Options	541	16,410
Foreign exchange related contracts	22,584	139,780
Equity related contracts - Options	404,200	1,038,858
Equity related contract - Forward	65,375	50,007
	492,700	1,245,055

The contractual or underlying notional amounts of derivative financial liabilities held at fair value through profit or loss reflect the value of transactions outstanding as at reporting date, and do not represent amounts at risk.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

24. OTHER LIABILITIES

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest/income payable		31,945	34,929	32,364	35,307
Retention for contra losses		17	17	17	17
Structured products		7,207	16,410	7,207	16,410
Treasury trade payables		-	29,904	-	29,904
Accruals and provisions	(i)	106,030	265,043	40,130	66,618
Amount held in trust on behalf of dealers' representatives		80,679	87,590	80,679	87,590
Securities borrowing and lending		18,347	29,205	18,347	29,206
Deposits and other creditors		198,980	91,142	99,134	72,746
Allowances for impairment losses on loan commitments	(ii)	-	-	-	13
Amount due to trustees		-	105,477	-	-
Amount due to subsidiaries		-	-	153	267
		443,205	659,717	278,031	338,078

(i) The movements of provisions included in accruals and provisions are as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
As at 1 January	49,450	40,457	28,298	17,566
Provisions made, net	21,499	44,941	3,517	28,788
Utilisations	(40,009)	(35,948)	(21,533)	(18,056)
As at 31 December	30,940	49,450	10,282	28,298

The nature of the provisions made above are for provision for annual leave, bonus, directors' fee and other expenses.

(ii) The movements in allowances for impairment losses on loan commitments are as follows:

Group ECL allowances	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January / 31 December	-	-	-	-

24. OTHER LIABILITIES (CONT'D.)

(ii) The movements in allowances for impairment losses on loan and bank guarantee commitments are as follows (cont'd.):

Group (cont'd.) ECL allowances	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	42	-	-	42
Exposures derecognised or repaid (excluding write-offs)	(42)	-	-	(42)
As at 31 December	-	-	-	-

Bank ECL allowances	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	13	-	-	13
Net remeasurement of allowances	(13)	-	-	(13)
As at 31 December	-	-	-	-

Bank ECL allowances	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	81	-	-	81
Exposures derecognised or repaid (excluding write-offs)	(64)	-	-	(64)
Net remeasurement of allowances	(4)	-	-	(4)
As at 31 December	13	-	-	13

25. OBLIGATIONS ON SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

	Group and Bank	
	2025 RM'000	2024 RM'000
Financial investments at FVOCI	100,682	-
Financial investments at amortised cost	125,949	69,514
	226,631	69,514

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

26. BORROWINGS

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unsecured:					
Revolving bank loans	(a)	15,000	9,000	-	-
Subordinated notes	(b)	83,500	180,500	83,500	180,500
Additional Tier 1 Capital Securities	(c)	40,000	-	40,000	-
		138,500	189,500	123,500	180,500

- (a) For financial year ended 2025, the revolving bank loans bore interest of 1.60% to 2.00% p.a. over cost of funds plus cost of maintaining statutory reserve and liquidity requirements. The loans were payable on maturity and the maximum tenure was three (3) months.
- (b) On 27 March 2017, the Bank established a RM250.0 million Tier 2 Subordinated Note Programme in nominal value which has a tenure of up to thirty (30) years.

The outstanding Subordinated Notes under this programme as at 31 December 2025 are as follows:

Issue date	Tranches	RM'000	Rate (p.a.)	Tenure
28 May 2021	6	63,500	4.48%	10 years (non-callable 5 years)
10 February 2023	7	20,000	5.60%	
		83,500		

The Bank has fully redeemed the tranche 4 and tranche 5 of its Subordinated Notes with nominal value of RM50.0 million and RM47.0 million on 20 March 2025 and 28 August 2025, respectively.

- (c) On 11 June 2025, the Bank had established the Additional Tier 1 Capital Securities ("AT1CS") Programme of up to RM500 million in nominal value.

The details of the first tranche of the AT1CS are as follows:

Issue date	Tranche	Amount RM'000	Call date	Maturity date	Rate (p.a.)	Tenure
22 August 2025	1	40,000	22 August 2030	Not Applicable	5.75%	Perpetual

27. LEASE LIABILITIES

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
As at 1 January	23,274	24,750	17,161	20,594
Additions	19,218	9,091	16,615	4,484
Accretion of interest	1,146	1,344	811	1,011
Payments	(8,521)	(9,112)	(6,866)	(7,344)
Derecognition	(7,691)	(2,799)	(5,914)	(1,584)
As at 31 December	27,426	23,274	21,807	17,161

The maturity analysis of lease liabilities is disclosed as below:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Within 1 year	6,748	7,498	5,399	6,116
Between one and five years	20,678	15,776	16,408	11,045
	27,426	23,274	21,807	17,161

Amounts recognised in statement of cash flows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Total cash outflow for leases	8,521	9,112	6,866	7,344

28. (I) SHARE CAPITAL

	Group and Bank			
	Number of Ordinary Shares		Amount	
	2025 '000	2024 '000	2025 RM'000	2024 RM'000
Issued and fully paid, at no par value:				
Ordinary shares				
As at 1 January/31 December	735,762	735,762	253,834	253,834

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

28. (II) TREASURY SHARES

	Group and Bank			
	Number of Ordinary Shares		Amount	
	2025 '000	2024 '000	2025 RM'000	2024 RM'000
At 1 January	7,458	11,693	7,441	11,739
Share buy-back	817	620	696	576
Transfer to staff pursuant to ESS exercise	(699)	(4,855)	(691)	(4,874)
At 31 December	7,576	7,458	7,446	7,441

The shareholders of the Bank, via an ordinary resolution passed at the Annual General Meeting held on 30 May 2024, had approved its plan to purchase its own shares up to 10% of the total number of issued shares of the Bank.

During the financial year, the Bank bought back 816,700 (2024: 620,000) ordinary shares at an average price of RM0.853 (2024: RM0.929) from the open market. The share buy-back transactions were financed by internally generated funds. As at 31 December 2025, the total number of shares held as treasury shares in accordance with the provisions of Section 127 of the Companies Act 2016 was 7,576,000. Accordingly the adjusted issued and paid-up share capital of the Bank (excluding 7,576,000 treasury shares) as at 31 December 2025 was RM246,387,934 (2024: RM246,392,920) comprising 728,186,599 (2024: 728,304,799) shares.

29. RESERVES

		Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
	Note				
Non-distributable:					
Capital reserve		88,938	88,938	153,863	153,863
Fair value reserve	(a)	98	9,552	7,503	309
Exchange reserve	(b)	13,636	25,062	-	-
Regulatory reserve	(c)	17,788	16,748	17,788	16,748
ESS reserve		219	448	219	448
		120,679	140,748	179,373	171,368
Distributable:					
Retained profits		721,396	730,701	615,257	628,109
		842,075	871,449	794,630	799,477

The nature and purpose of each category of reserves are as follows:

- (a) Fair value reserve is in respect of unrealised fair value gains and losses on financial investments at FVOCI, net of tax.

29. RESERVES (CONT'D.)

- (b) The exchange reserve represents foreign exchange differences arising from the translation of the financial statements of the associated companies.
- (c) Regulatory reserve is maintained in addition to the impairment allowance for non-impaired credit exposures that has been assessed and recognised in accordance with MFRS in compliance with BNM requirements.

30. OPERATING REVENUE

Revenue of the Group comprises all types of revenue derived from brokerage, lending, treasury, investment, trading and investment management and other banking activities undertaken by the Group.

Revenue of the Bank comprises all types of revenue derived from brokerage, lending, treasury, investment, trading and other banking activities undertaken by the Bank.

31. INTEREST INCOME

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Loans, advances and financing				
- Interest income other than recoveries from impaired loans	128,093	124,132	130,672	126,827
Money at call and deposit placements with financial institutions	87,917	88,479	73,732	74,826
Financial investments measured at FVOCI	23,030	25,951	23,030	25,951
Financial investments at amortised cost	17,697	17,353	17,697	17,353
Others	10,641	12,595	10,617	12,547
	267,378	268,510	255,748	257,504

32. INTEREST EXPENSE

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits from customers	130,032	146,218	134,297	150,551
Deposits and placements from banks and other financial institutions	21,349	12,303	21,349	12,303
Borrowings	7,309	8,783	6,712	8,658
Lease interest expenses	1,146	1,344	811	1,011
Monies held in trust	23,133	26,582	23,133	26,582
Others	3,548	4,351	5,288	5,357
	186,517	199,581	191,590	204,462

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

33. OTHER OPERATING INCOME

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(a) Fee income:				
Brokerage fees	145,405	210,912	145,405	210,912
Corporate advisory fees	11,713	11,323	11,788	11,398
Processing fees on loans, advances and financing	283	454	490	685
Underwriting commissions	706	1,258	706	1,258
Placement fees	9,771	13,331	9,771	13,331
Commissions	13,192	12,817	-	-
Management fee income	259,601	232,132	149	260
Other fee income	6,253	58,452	5,647	6,098
Others	3,292	4,099	840	3,729
	450,216	544,778	174,796	247,671

The timing of revenue recognition for fee income is as follows:

Fee income from providing financial services at a point in time:				
Brokerage fees	145,405	210,912	145,405	210,912
Corporate advisory fees	6,669	-	6,819	-
Processing fees on loans, advances and financing	283	454	490	685
Underwriting commissions	706	1,258	706	1,258
Placement fees	5,460	9,152	5,460	9,152
Commissions	13,192	12,817	-	-
Management fee income	70,403	28,966	24	-
Other fee income	(105)	53,812	5,647	6,098
Others	3,292	4,099	840	3,729
	245,305	321,470	165,391	231,834

33. OTHER OPERATING INCOME (CONT'D.)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fee income from providing financial services over time:				
Corporate advisory fees	5,044	11,323	4,969	11,398
Placement fees	4,311	4,179	4,311	4,179
Management fee income	189,198	203,166	125	260
Other fee income	6,358	4,640	-	-
	204,911	223,308	9,405	15,837
Total fee income from contracts with customers	450,216	544,778	174,796	247,671
(b) Investment and trading income:				
Net gain from sale of financial assets at fair value through profit or loss and derivatives	97,467	33,431	94,875	30,821
Unrealised (loss)/gain on revaluation of financial assets at fair value through profit or loss and derivatives	(28,791)	89,048	(28,450)	90,950
Net gain from sale of financial investments at FVOCI	7,736	3,255	7,736	3,255
Gross dividend income from:				
- Financial assets at FVTPL	2,060	3,454	2,060	3,447
- Financial investments at FVOCI	49	49	49	49
- Subsidiaries and associates	-	-	33,017	41,997
Interest income from financial assets at FVTPL	1,466	1,437	1,466	1,437
	79,987	130,674	110,753	171,956
(c) Other income:				
Foreign exchange gain, net	12,588	10,817	13,285	11,138
Gain on disposal of property, plant and equipment	24	-	24	-
Other operating income	3,154	2,649	23	15,351
Other non-operating income				
- Rental income	2,302	2,339	4,658	4,659
- Gain/(Loss) on disposal of a joint venture	-	479	-	(2,360)
- Gain on disposal of associates (Note 44(a))	601	-	-	-
- Others	4,188	11,202	3,715	8,192
	22,857	27,486	21,705	36,980
Total other operating income	553,060	702,938	307,254	456,607

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

34. OTHER OPERATING EXPENSES

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Personnel costs				
- Salaries, allowances and bonuses	189,506	196,088	127,603	141,128
- EPF	22,429	25,144	16,780	19,949
- ESS reversal	(122)	(313)	(91)	(319)
- Others	33,576	36,111	14,139	16,990
	245,389	257,030	158,431	177,748
Establishment costs				
- Depreciation of property, plant and equipment (Note 16)	10,313	10,925	8,411	9,209
- Amortisation of intangible assets (Note 17(d) and (f))	9,985	9,086	6,704	7,082
- Amortisation of right-of-use assets (Note 18)	7,320	8,054	5,888	6,432
- Rental of premises	710	5,558	565	5,493
- Rental of equipment	876	898	515	584
- Repairs and maintenance	4,188	5,288	3,810	4,030
- Information technology expenses	46,853	38,335	30,854	28,302
- Others	3,601	3,807	3,400	3,533
	83,846	81,951	60,147	64,665
Marketing expenses				
- Promotion and advertisements	26,375	19,716	5,237	4,684
- Travel and entertainment	4,343	5,128	3,085	2,630
- Others	70	1,102	90	1,052
	30,788	25,946	8,412	8,366
Administration and general expenses				
- Communication expenses	2,383	4,873	1,492	3,959
- Regulatory charges	18,393	20,862	17,052	19,537
- Publication and research material	11,428	12,447	9,349	10,038
- Administrative expenses	16,349	18,309	13,958	13,492
- Professional fees and legal fees	2,805	4,797	2,322	3,504
- Fees and brokerage	179,714	217,806	75,755	126,416
	231,072	279,094	119,928	176,946
Total other operating expenses	591,095	644,021	346,918	427,725
Included in the other operating expenses are the following:				
Auditors' remuneration				
- Statutory audit	580	577	380	380
- Assurance related	59	58	59	58
- Other services	82	141	40	91

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

34. OTHER OPERATING EXPENSES (CONT'D.)

Included in the other operating expenses are the following (cont'd.):

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors' remuneration (Note 40)	4,287	4,131	3,831	3,653
Property, plant and equipment and computer software written off	199	51	195	16

35. CREDIT LOSS REVERSAL/(EXPENSE)

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ECL on debt instruments and loans, advances and financing	(a)	(389)	4,075	322	2,915
ECL on other financial assets	(b)	5,007	(58,352)	2,007	(32,669)
		4,618	(54,277)	2,329	(29,754)

The table below shows the ECL charges on financial instruments for the financial year recorded in the statement of profit or loss:

Group

(a) Movements in ECL on debt instruments and loans, advances and financing:

2025	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Debts instruments at FVOCI (Note 7(a))	106	-	-	106
Debts instruments at amortised cost (Note 7(b))	807	-	-	807
Loans, advances and financing (Note 9.2)	323	750	(10,684)	(9,611)
Recoveries from share margin financing	-	-	8,309	8,309
Credit loss reversal/(expense)	1,236	750	(2,375)	(389)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

35. CREDIT LOSS (EXPENSE)/REVERSAL (CONT'D.)

Group (cont'd.)

(a) Movements in ECL on debt instruments and loans, advances and financing (cont'd.):

2024	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Debts instruments at FVOCI (Note 7(a))	921	-	-	921
Debts instruments at amortised cost (Note 7(b))	(1,154)	-	-	(1,154)
Loans, advances and financing (Note 9.2)	(266)	1,991	(2,396)	(671)
Loan commitments	42	-	-	42
Recoveries from share margin financing	-	-	4,937	4,937
Credit loss (expense)/reversal	(457)	1,991	2,541	4,075

(b) Movements in ECL on other financial assets:

	Non- Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
2025			
Balances due from clients and brokers (Note 10.1)	(31)	(3,478)	(3,509)
Other debtors (Note 11.1)	(344)	8,860	8,516
Credit loss (expense)/reversal	(375)	5,382	5,007

	Non- Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
2024			
Balances due from clients and brokers (Note 10.1)	28	(15,572)	(15,544)
Other debtors (Note 11.1)	(466)	(42,342)	(42,808)
Credit loss expense	(438)	(57,914)	(58,352)

35. CREDIT LOSS (EXPENSE)/REVERSAL (CONT'D.)

Bank

(a) Movements in ECL on debt instruments, loan commitments, loans, advances and financing and amount due from subsidiaries:

2025	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Debts instruments at FVOCI (Note 7(a))	106	-	-	106
Debts instruments at amortised cost (Note 7(b))	807	-	-	807
Loans, advances and financing (Note 9.2)	1,240	750	(10,684)	(8,694)
Loan commitments	13	-	-	13
Recoveries from share margin financing	-	-	8,309	8,309
Amount due from subsidiaries (Note 11.2)	(219)	-	-	(219)
Credit loss reversal/(expense)	1,947	750	(2,375)	322

2024	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Debts instruments at FVOCI (Note 7(a))	921	-	-	921
Debts instruments at amortised cost (Note 7(b))	(1,154)	-	-	(1,154)
Loans, advances and financing (Note 9.2)	(1,040)	1,991	(2,396)	(1,445)
Loan commitments	68	-	-	68
Recoveries from share margin financing	-	-	4,937	4,937
Amount due from subsidiaries (Note 11.2)	(412)	-	-	(412)
Credit loss (expense)/reversal	(1,617)	1,991	2,541	2,915

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

35. CREDIT LOSS (EXPENSE)/REVERSAL (CONT'D.)

Bank

(b) Movements in ECL on other financial assets:

	Non- Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
2025			
Balances due from clients and brokers (Note 10.1)	(31)	(3,478)	(3,509)
Other debtors (Note 11.1)	(344)	5,860	5,516
Credit loss (expense)/reversal	(375)	2,382	2,007
2024			
Balances due from clients and brokers (Note 10.1)	28	(15,572)	(15,544)
Other debtors (Note 11.1)	(466)	(16,659)	(17,125)
Credit loss expense	(438)	(32,231)	(32,669)

36. BAD DEBTS (WRITTEN OFF)/RECOVERED

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Loans, advances and financing	1,483	5,288	1,483	5,288
Balances due from clients and brokers	79	49	79	56
Other debtors	-	(4)	-	-
	1,562	5,333	1,562	5,344

37. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Bank had the following transactions with related parties during the financial year.

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Transactions				
Income earned:				
Brokerage fees:				
- Key management personnel	-	1	-	1
- Related company	1,488	1,779	1,488	1,779
Corporate advisory fees:				
- Subsidiaries	-	-	75	75
Processing fees on loans, advances and financing:				
- Subsidiaries	-	-	290	323
Management fee income:				
- Subsidiary	-	-	16	17
Other income:				
- Subsidiary	-	-	218	166
- Related company	83	481	83	481
Interest on loans, advances and financing:				
- Subsidiaries	-	-	5,291	4,821
Interest on others:				
- Subsidiaries	-	-	8	8
Group support services charged:				
- Subsidiaries	-	-	9,177	8,621
- Related company	143	138	143	138
Dividend income:				
- Subsidiaries (Note 33)	-	-	28,000	38,450
- Related company	-	-	5,017	3,547

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

37. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D.)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Transactions (cont'd.)				
Income earned (cont'd.):				
Rental of premises:				
- Subsidiaries	-	-	2,068	2,046
- Related company	348	348	348	348
Rental of car park:				
- Subsidiaries	-	-	288	275
- Related company	20	20	20	20
Referral and cost sharing fees:				
- Subsidiary	-	-	359	261
Expenditure incurred:				
Interest on deposits and placements:				
- Subsidiaries	-	-	4,265	4,334
- Key management personnel	98	71	98	71
- Related companies	10,242	11,986	10,242	11,986
Rollover fees				
- Related company	100	107	100	107
Interest on debt securities products:				
- Subsidiary	-	-	1,727	954
Staff training cost:				
- Subsidiaries	-	-	36	111
Management fees expenses				
- Subsidiary	-	-	2,619	2,610
Other expenses:				
- Subsidiary	-	-	1	1

37. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D.)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Transactions (cont'd.)				
Expenditure incurred (cont'd.):				
Incentive fees- management fees income:				
- Subsidiary	-	-	1,490	1,222
Incentive fees- agent:				
- Subsidiary	-	-	1,132	1,215
Service charge:				
- Subsidiary	-	-	342	367
Balances				
Amount due from:				
Loans, advances and financing:				
- Subsidiaries	-	-	57,000	58,000
Commitment and guarantee fees receivables:				
- Subsidiaries	-	-	26	21
Other receivables:				
- Subsidiaries	-	-	45,262	33,866
- Related companies	99	79	99	79
Deposit for Index trading:				
- Subsidiary	-	-	402	496
Amount due to:				
Deposits and placements:				
- Subsidiaries	-	-	169,711	142,222
- Related companies	241,932	289,678	241,932	289,678
- Key management personnel	2,355	2,071	2,355	2,071
Balances due to clients and brokers:				
- Key management personnel	(5)	68	(5)	68
Interest receivable on loan, advances and financing:				
- Subsidiaries	-	-	130	169
Interest payable on deposits:				
- Subsidiaries	-	-	420	379
- Related company	1,356	2,084	1,356	2,084

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

37. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D.)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Balances (cont'd.)				
Other payables:				
- Subsidiaries	-	-	153	267

Parties are considered to be related if one party has the ability to 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 Bank are:

- (i) Subsidiaries
Details of the subsidiaries are shown in Note 13.
- (ii) Associates
Details of the associates are as disclosed in Note 14.
- (iii) Joint Venture
Details of the joint venture are disclosed in Note 15.
- (iv) Other related parties

Name	Relationship
Cahya Mata Capital Sdn Bhd	Substantial shareholder of the Bank
Cahya Mata Sarawak Berhad	Holding company of a substantial shareholder of the Bank

The Directors are of the opinion that the above transactions were entered into in the normal course of business and have been established under terms that are no less favourable than those obtainable in transactions with unrelated parties.

38. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

Credit transactions and exposures to connected parties as disclosed below include the extension of credit facilities and/or off-balance sheet credit exposures such as loan commitments:

	Group and Bank	
	2025 RM'000	2024 RM'000
Outstanding credit exposures with connected parties	190,927	192,530

38. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES (CONT'D.)

	Group and Bank	
	2025 RM'000	2024 RM'000
Percentage of outstanding credit exposures to connected parties:		
- as a proportion of total credit exposures	5.79%	5.55%
- which is impaired or in default	-	-

The disclosure on Credit Transactions and Exposures with Connected Parties above is presented in accordance with paragraph 9.1 of BNM's revised Guidelines on Credit Transactions and Exposures with Connected Parties issued on 16 July 2014, which will be effective from 1 January 2008.

Based on these guidelines, connected parties refer to the following:

- (i) Directors of the Bank and their close relatives;
- (ii) Controlling shareholder and his close relatives;
- (iii) Executive officer, being a member of management having authority and responsibility for planning, directing and/or controlling the activities of the Bank, and his close relatives;
- (iv) Officers who are responsible for or have the authority to appraise and/or approve credit transactions or review the status of existing credit transactions, either as a member of a committee or individually, and their close relatives;
- (v) Firms, partnerships, companies or any legal entities which control, or are controlled by any person listed in (i) to (iv) above, or in which they have an interest, as a director, partner, executive officer, agent or guarantor, and their subsidiaries or entities controlled by them;
- (vi) Any person for whom the persons listed in (i) to (iv) above is a guarantor; and
- (vii) Subsidiary of or an entity controlled by the Bank and its connected parties.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

39. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of Directors and other members of key management during the financial year was as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group Managing Director				
- Short term employee benefits	5,545	4,403	5,545	4,403
- Post-employment benefits: EPF	874	600	874	600
Senior Management				
- Short term employee benefits	22,520	21,757	13,531	12,998
- Post-employment benefits: EPF	3,428	3,269	2,082	1,967
	32,367	30,029	22,032	19,968

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Bank either directly or indirectly including all executive directors and senior management.

40. DIRECTORS' REMUNERATION

Remuneration in aggregate for Directors for the financial year is as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors of the Bank:				
Non-executive directors' remuneration:				
- Fees	3,573	3,530	3,225	3,166
- Other remuneration, including meeting allowance	606	570	498	456
Total directors' remuneration	4,179	4,100	3,723	3,622
Estimated money value of benefits-in-kind	108	31	108	31
Total for directors of the Bank (Note 34)	4,287	4,131	3,831	3,653

40. DIRECTORS' REMUNERATION (CONT'D.)

The total remuneration (including benefits-in-kind) of the Directors of the Bank are as follows:

	Remuneration received from the Group			
	Fees RM'000	Other emolument RM'000	Benefits- in-kind RM'000	Total RM'000
31 December 2025				
Non-Executive Directors:				
Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail	520	26	108	654
Ismail Harith Merican	300	44	-	344
Luk Wai Hong, William	381	82	-	463
Jeremy Bin Nasrulhaq	390	74	-	464
Norazian Binti Ahmad Tajuddin	522	126	-	648
Kanagaraj Lorenz	370	68	-	438
Choy Khai Choon	450	88	-	538
Chin Siew Siew	340	58	-	398
Angeline-Ong Su Ming	300	40	-	340
Total Directors' remuneration	3,573	606	108	4,287

31 December 2024

Non-Executive Directors:				
Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail	520	26	31	577
Ismail Harith Merican	300	34	-	334
Luk Wai Hong, William	454	98	-	552
Jeremy Bin Nasrulhaq	390	66	-	456
Norazian Binti Ahmad Tajuddin	520	118	-	638
Kanagaraj Lorenz	370	66	-	436
Choy Khai Choon	450	82	-	532
Chin Siew Siew	358	60	-	418
Angeline-Ong Su Ming	168	20	-	188
Total Directors' remuneration	3,530	570	31	4,131

41. TAXATION AND ZAKAT

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current income tax:				
Tax expense for the financial year	13,330	31,409	2,724	16,454
Over provision in prior years	(1,808)	(3,590)	(6,951)	-
	11,522	27,819	(4,227)	16,454

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

41. TAXATION AND ZAKAT (CONT'D.)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax (Note 19):				
Relating to origination and reversal of temporary differences	10,316	(5,744)	5,515	(2,872)
Under/(over) provision of deferred tax assets in prior years	1,183	(1,198)	6,362	(975)
	11,499	(6,942)	11,877	(3,847)
Zakat	578	617	578	617
Total income tax expense	23,599	21,494	8,228	13,224

Domestic income tax is calculated at the statutory tax rate of 24% (2024: 24%) on the estimated chargeable profit for the financial year.

A reconciliation of taxation applicable to profit before taxation at the statutory income tax rate to taxation at the effective tax rate of the Group and of the Bank is as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before taxation and zakat	73,564	117,249	54,852	85,212
Taxation at Malaysian statutory income tax rate of 24% (2024: 24%)	17,655	28,140	13,164	20,451
Effect of income not subject to tax	(8,944)	(11,534)	(10,047)	(10,058)
Effect of expenses not deductible for tax purposes	11,759	8,129	5,122	3,189
Utilisation of previously unrecognised tax loss and unabsorbed capital allowances	(661)	-	-	-
Deferred tax asset not recognised on unutilised business losses and unabsorbed capital allowances	3,837	930	-	-
Under/(over) provision of deferred tax assets in prior years	1,183	(1,198)	6,362	(975)
Over provision of income tax expense in prior years	(1,808)	(3,590)	(6,951)	-
Tax expense for the year	23,021	20,877	7,650	12,607
Zakat	578	617	578	617
Tax expense and zakat for the financial year	23,599	21,494	8,228	13,224

42. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share amounts are calculated by dividing profit for the financial year attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2025	2024
Profit for the financial year attributable to equity holders of the Bank (RM'000)	49,965	95,755
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	728,183	726,623
Effects of dilution ('000)	-	106
Adjusted weighted average number of ordinary shares in issue ('000)	728,183	726,729
Earnings per share (sen)		
- basic	6.86	13.18
- fully diluted	6.86	13.18

There were no potential dilutive ordinary shares outstanding as at 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

43. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group and the Bank enter into various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

As at reporting date, the commitments and contingencies are as follows:

	Group		Bank	
	2025 Principal amount RM'000	2024 Principal amount RM'000	2025 Principal amount RM'000	2024 Principal amount RM'000
Commitments to extend credit with maturity of less than 1 year:				
- share margin financing	2,674,740	2,953,118	2,674,740	2,953,118
- foreign exchange related contracts	-	171,468	-	171,468
Other commitments with an original maturity of less than 1 year:				
- corporate loans	103,473	74,817	156,473	131,817
Other commitments with an original maturity of more than 1 year:				
- corporate loans	27,000	74,250	47,000	89,250
Monies held in trust on behalf of client (Note 5)	1,111,265	1,734,642	1,111,265	1,734,642
Securities borrowing and lending	17,669	27,893	17,669	27,893
Derivative financial assets (Note 8):				
- dual currency investment - options	541	16,410	541	16,410
- equity related contracts - options	6,666	-	6,666	-
- equity related contracts - swap	-	26,974	-	26,974
- equity related contracts - forward	32,001	79,445	32,001	79,445
- foreign exchange related contracts	34,427	31,688	34,427	31,688
Derivative financial liabilities (Note 23):				
- dual currency investment - options	541	16,410	541	16,410
- equity related contracts - options	404,200	1,038,858	404,200	1,038,858
- equity related contracts - forward	65,375	50,007	65,375	50,007
- foreign exchange related contracts	22,584	139,780	22,584	139,780
Capital commitment:				
- Authorised and contracted for	6,312	7,148	5,696	6,796
Investment in equity funds	-	-	10,628	24,175
	4,506,794	6,442,908	4,589,806	6,538,731

44. SIGNIFICANT AND SUBSEQUENT EVENTS

- (a) There was no significant event during the financial year ended 31 December 2025, other than the followings:
- (i) On 25 March 2025, KNKH, a wholly owned subsidiary of the Bank, had fully disposed its 4,500,000 shares in KICL representing 45% of the issued and paid-up share capital of KICL for a total consideration of LKR34,470,000 (equivalent to RM517,000). Arising therefrom, KICL ceased to be an associate company of KNKH. The disposal resulted in a net loss of RM99,000 to the Group.
 - (ii) On 29 December 2025, Kenanga Capital Sdn Bhd, a wholly-owned subsidiary of the Bank, had disposed off 980,392 ordinary shares representing 20% of the total number of issued shares of Kenanga Capital Islamic Sdn Bhd for a total cash consideration of RM3,696,662. Arising therefrom, Kenanga Capital Islamic Sdn Bhd has ceased to be part of the KIBB Group.
- (b) There was no significant event subsequent to the financial year ended 31 December 2025, other than the followings:
- (i) On 13 January 2026, the Bank injected additional capital of RM2.5 million to Rakuten Trade Sdn Bhd, a joint venture company of the Bank.
 - (ii) On 26 January 2026, the Bank had converted all its redeemable convertible preference shares ("RCPS") held in its associate company, Kinetic Dax Sdn. Bhd. ("KDX"), into ordinary share capital which represents 66% of the total issued RCPS of KDX. As a result of the additional equity interest obtained by the Bank arising from this conversion, KDX has become a subsidiary of the Bank with a total stakeholding of 56.36%.
 - (iii) On 26 February 2026, the Bank injected additional capital of RM3 million to Kenanga Futures Sdn Bhd, a wholly own subsidiary of the Bank.

45. OPERATING LEASE ARRANGEMENTS

A summary of the sub-lease receipts expected to be received under non-cancellable sublease are as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Future minimum sub-lease receipts:				
Subsidiaries	-	-	3,486	2,499
External parties	812	406	812	406
	812	406	4,298	2,905

46. DIVIDEND

During the financial year, an interim single tier dividend of 8.0 sen (2024 interim single tier dividend: 7.0 sen) per ordinary share on 728,341,799 ordinary shares (2024: 725,083,299 ordinary shares) in respect of the financial year ended 31 December 2024 (2024: in respect of the financial year ended 31 December 2023), which amounted to RM58,267,344 (2024: RM50,755,831) was paid on 16 April 2025 (2024: 16 April 2024).

Subsequent to the financial year end, on 26 February 2026, the Directors declared an interim single tier dividend of 5.0 sen per ordinary share in respect of the financial year ended 31 December 2025 which amounted to total dividend payable of approximately RM36,788,130. This is computed based on issued and paid-up capital as at 31 December 2025 of 735,762,599 ordinary shares. The actual amount of dividend to be paid will depend on the number of shares in issue at the date of entitlement.

The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

47. OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements are as follows:

	Net amounts of					Net amount RM'000
	Gross amounts of recognised financial asset/liability set off in the statements of financial position RM'000	Gross amounts of recognised financial asset/liability RM'000	Net amounts of recognised financial assets presented in the statements of financial position RM'000	Related accounts not set off in the statements of financial position		
				Financial instruments RM'000	Cash collateral received RM'000	
Group 2025						
Balances due from clients and brokers (Note 10)	763,948	(283,260)	480,688	3,855,081	154,669	-
Balances due to clients and brokers (Note 22)	1,570,869	(635,353)	935,516	-	-	935,516
2024						
Balances due from clients and brokers (Note 10)	874,402	(419,455)	454,947	2,572,085	195,966	-
Balances due to clients and brokers (Note 22)	1,792,527	(780,089)	1,012,438	-	-	1,012,438
Bank 2025						
Balances due from clients and brokers (Note 10)	763,765	(283,260)	480,505	3,855,081	154,669	-
Balances due to clients and brokers (Note 22)	987,446	(635,353)	352,093	-	-	352,093
2024						
Balances due from clients and brokers (Note 10)	874,292	(419,455)	454,837	2,572,085	195,966	-
Balances due to clients and brokers (Note 22)	1,140,721	(780,088)	360,633	-	-	360,633

48. CAPITAL MANAGEMENT AND CAPITAL ADEQUACY

Capital management

The Group and the Bank maintain an actively managed capital base to cover risks inherent in the business. The adequacy of the Group's and the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision and adopted by BNM in supervising the Bank.

The primary objectives of the Group's and the Bank's capital management are to ensure that the Group and the Bank comply with regulatory capital requirements maintain strong credit ratings and healthy capital ratios in order to support their businesses and to maximise shareholders' value.

The Group and the Bank manage their capital structure and make adjustments to it in light of changes in economic conditions and the risk characteristics of their activities. In order to maintain or adjust the capital structure, the Group and the Bank may adjust the amount of dividend payments to their shareholders, return capital to their shareholders or issue capital securities. Nevertheless, this is under constant scrutiny of the Board.

Capital adequacy

The capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's revised Risk-Weighted Capital Adequacy Framework. The Bank has adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk (Basel II). The minimum regulatory capital adequacy requirements for Common Equity Tier 1 ("CET 1"), Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total risk weighted assets.

Components of Tier 1 and Tier 2 capital:

The capital adequacy ratios of the Group and of the Bank are as follows:

	Group		Bank	
	2025	2024	2025	2024
Before deducting interim dividends *				
CET 1 capital ratio	17.338%	16.671%	18.639%	17.264%
Tier 1 capital ratio	18.575%	16.671%	20.212%	17.264%
Total capital ratio	21.797%	22.967%	24.328%	24.736%

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

48. CAPITAL MANAGEMENT AND CAPITAL ADEQUACY (CONT'D.)

Capital adequacy (cont'd.)

Components of Tier 1 and Tier 2 capital (cont'd.):

	Group		Bank	
	2025	2024	2025	2024
After deducting interim dividends *				
CET 1 capital ratio	16.238%	14.892%	17.243%	15.164%
Tier 1 capital ratio	17.477%	14.892%	18.820%	15.164%
Total capital ratio	20.707%	21.211%	22.944%	22.662%

* Refer to interim dividends declared subsequent to the financial year end.

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CET 1 capital				
Paid-up share capital	253,834	253,834	253,834	253,834
Retained profits	721,396	730,701	615,257	628,109
Other reserves	120,679	140,748	179,373	171,368
Less: Goodwill	(241,027)	(241,027)	(252,909)	(252,909)
55% of cumulative gains on financial investments at FVOCI	(54)	(5,254)	(4,127)	(170)
Deferred tax assets	(22,150)	(32,949)	-	(11,169)
Other intangibles	(98,651)	(100,013)	(76,777)	(80,667)
Regulatory reserve	(17,788)	(16,748)	(17,788)	(16,748)
Treasury shares	(7,446)	(7,441)	(7,446)	(7,441)
Investment in ordinary shares of unconsolidated financial entities	(148,052)	(186,706)	(215,348)	(215,162)
Total CET 1	560,741	535,145	474,069	469,045
Additional Tier 1 capital				
Capital securities	40,000	-	40,000	-
Total Tier 1 capital	600,741	535,145	514,069	469,045
Tier 2 Capital				
Subordinated obligations capital	83,500	180,500	83,500	180,500
General provisions ^	20,712	21,628	21,187	22,478
Total Tier 2 capital *	104,212	202,128	104,687	202,978
Total Capital	704,953	737,273	618,756	672,023

48. CAPITAL MANAGEMENT AND CAPITAL ADEQUACY (CONT'D.)

Capital adequacy (cont'd.)

Components of Tier 1 and Tier 2 capital (cont'd.):

^ Refers to loss allowances measured at an amount equal to 12-month and lifetime expected credit losses and regulatory reserve, to the extent they are ascribed to non-credit impaired exposures, determined under the Standardised Approach for credit risk.

* The portion of regulatory adjustments not deducted from Tier 2 (as the Group and the Bank do not have enough Tier 2 to satisfy the deduction) is deducted from the next higher level of capital; in accordance with paragraph 31.1 of the BNM's Capital Adequacy Framework (Capital Components).

Breakdown of risk weighted assets in the various categories of risks are as follows:

	2025		2024	
	Notional RM'000	Risk-weighted RM'000	Notional RM'000	Risk-weighted RM'000
Group				
Credit risk	6,030,600	1,928,570	7,160,027	1,911,823
Market risk	-	144,177	-	284,753
Operational risk	-	1,062,597	-	927,031
Large exposure risk	-	98,803	-	86,524
Total Risk Weighted Assets	6,030,600	3,234,147	7,160,027	3,210,131
Bank				
Credit risk	5,403,220	1,694,949	6,275,954	1,798,236
Market risk	-	141,314	-	282,104
Operational risk	-	608,351	-	549,963
Large exposure risk	-	98,803	-	86,524
Total Risk Weighted Assets	5,403,220	2,543,417	6,275,954	2,716,827

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

49. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts and the fair values of the financial assets and liabilities of the Group and of the Bank are as follows:

Group	2025		2024	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets				
Cash and bank balances	2,173,371	2,173,371	2,098,059	2,098,059
Financial assets at fair value through profit or loss	507,075	507,075	552,301	552,301
Financial investments at fair value through other comprehensive income	675,261	675,261	868,573	868,573
Financial investments at amortised cost	454,420	471,557	521,018	534,125
Derivative financial assets	11,164	11,164	49,697	49,697
Loans, advances and financing	1,750,160	1,765,447	1,823,852	1,835,276
Balances due from clients and brokers	480,688	480,688	454,947	454,947
Other assets, excluding prepayments and deposits	289,935	289,935	419,713	419,713
Statutory deposit with Bank Negara Malaysia	36,484	36,484	73,768	73,768
Financial liabilities				
Deposits from customers	3,395,519	3,395,519	3,762,594	3,762,594
Deposits and placements of banks and other financial institutions	803,996	803,996	729,835	729,835
Balances due to clients and brokers	935,516	935,516	1,012,438	1,012,438
Derivative financial liabilities	42,230	42,230	60,133	60,133
Other liabilities, excluding deposits	331,569	331,569	522,660	522,660
Obligations on securities sold under repurchase agreements	226,631	226,631	69,514	69,514
Borrowings	138,500	134,494	189,500	182,998

49. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT'D.)

The carrying amounts and the fair values of the financial assets and liabilities of the Group and of the Bank are as follows:
(cont'd.)

Bank	2025		2024	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets				
Cash and bank balances	1,634,200	1,634,200	1,386,786	1,386,786
Financial assets at fair value through profit or loss	508,622	508,622	553,541	553,541
Financial investments at fair value through other comprehensive income	675,261	675,261	868,573	868,573
Financial investments at amortised cost	454,420	471,557	521,018	534,125
Derivative financial assets	11,164	11,164	49,697	49,697
Loans, advances and financing	1,765,426	1,781,463	1,849,731	1,861,726
Balances due from clients and brokers	480,505	480,505	454,837	454,837
Other assets, excluding prepayments and deposits	143,043	143,043	203,702	203,702
Statutory deposit with Bank Negara Malaysia	36,484	36,484	73,768	73,768
Financial liabilities				
Deposits from customers	3,565,230	3,565,230	3,904,816	3,904,816
Deposits and placements of banks and other financial institutions	803,996	803,996	729,835	729,835
Balances due to clients and brokers	352,093	352,093	360,633	360,633
Derivative financial liabilities	42,230	42,230	60,133	60,133
Other liabilities, excluding deposits	187,053	187,053	222,173	222,173
Obligations on securities sold under repurchase agreements	226,631	226,631	69,514	69,514
Borrowings	123,500	119,495	180,500	173,998

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

49. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT'D.)

The methods and assumptions used in estimating the fair values of financial instruments are as follows:

(i) Financial assets/liabilities for which fair value approximates carrying value

The carrying amounts of financial assets and financial liabilities that have a short-term maturity and deposits/accounts without a specific maturity, approximate their fair values.

(ii) Financial assets at FVTPL, FVOCI and Amortised Cost

The fair values are estimated based on quoted or observable market prices at the reporting date. Where such quoted or observable market prices are not available, the fair values are estimated using pricing models or discounted cash flow techniques. Where a discounted cash flow technique is used, the expected future cash flows are discounted using prevailing market rates for a similar instrument at the reporting date.

(iii) Derivatives

Fair values are estimated based on quoted or observable market prices at the reporting date.

Options are valued using the Black-Scholes model and swaps are valued using discounted cash flows. These valuation techniques incorporate various market and observable assumptions including market rate volatility.

(iv) Loans, advances and financing

The fair values of fixed rate loans with remaining maturities of less than one year and variable rate loans are estimated to approximate their carrying values. For fixed rate loans, advances and financing with remaining maturities of more than one year, the fair values are estimated based on the expected future cash flows of contractual installment payments and discounted at applicable prevailing rates at the reporting date offered to new borrowers/customers with similar credit profiles.

(v) Deposits from customers

The fair values of deposit liabilities payable on demand (demand and savings deposits), or deposits with maturities of less than one year are estimated to approximate their carrying amounts. The fair values of fixed deposits with remaining maturities of more than one year are estimated based on expected future cash flows discounted at applicable prevailing rates offered for deposits of similar remaining maturities. The fair values of Islamic deposits are deemed to approximate their carrying amounts as profit rates are determined at the end of their holding periods based on the profits generated from the assets invested.

49. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT'D.)

The methods and assumptions used in estimating the fair values of financial instruments are as follows (cont'd.):

(vi) Deposits and placements of banks and other financial institutions

The carrying values of these financial instruments with remaining maturities of less than one year are expected to approximate their fair values due to the relatively short maturity of the financial instruments. For deposits and placements with maturities of one year and above, the estimated fair values are based on discounted cash flows using prevailing money market interest rates at which similar deposits and placements would be made with financial institutions of similar credit risk and remaining period to maturities.

(vii) Borrowings

The fair values of borrowings are estimated based on expected future cash flows discounted at prevailing variable rates offered for similar borrowings.

50. SEGMENTAL REPORTING

The business segment results are prepared based on the Group's internal management reporting, which reflects the Group's management reporting structure. The Group is organised into six major operating divisions. The divisions form the basis on which the Group reports its segment information.

- (i) Investment banking - Investment banking business, treasury and related financial services;
- (ii) Stockbroking - Dealings in securities and investment related services;
- (iii) Listed derivatives - Futures broking;
- (iv) Asset and Wealth Management - Management of funds, unit trusts and robo-advisory; and
- (v) Corporate and others - Money lending and financing, e-services management platform and support services comprising all middle and back office functions, the costs of which are not allocated out to business segments and include business operations conducted by the Group's associates in the Kingdom of Saudi Arabia, Malaysia and Sri Lanka and joint venture, Rakuten Trade Sdn Bhd. Rakuten Trade Singapore Pte. Ltd was disposed on 6 September 2024 and has since become a wholly-owned subsidiary of Rakuten Trade Sdn Bhd. The Group has disposed two associates during the financial year. Please refer to Note 44.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss that is reported in the consolidated financial statements. Group income taxes are managed on group basis and are not allocated to operating segments. Transfer prices between operating segments are determined on an arm's length basis in a manner consistent with transactions with third parties.

50. SEGMENTAL REPORTING (CONT'D.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segments:

2025	Investment banking RM'000	Stock broking RM'000	Listed derivatives RM'000	Asset and wealth management RM'000	Corporate and Others RM'000	Eliminations/ consolidation adjustments RM'000	Total RM'000
Revenue							
External sales	200,813	355,873	27,183	278,137	3,318	-	865,324
- Interest income	145,359	130,370	14,094	15,046	3,275	-	308,144
- Fee income	23,897	155,350	13,134	262,855	1	-	455,237
- Trading and investment income	24,627	59,201	-	11	2,081	-	85,920
- Other operating income/(expense)	6,930	10,952	(45)	225	(2,039)	-	16,023
Inter-segment sales	50,897	(59,836)	2,073	9,461	12,188	(14,783)	-
Total revenue	251,710	296,037	29,256	287,598	15,506	(14,783)	865,324
Result							
Net income	84,044	272,620	26,720	269,573	48,060	(40,815)	660,202
Other operating expenses	(65,025)	(265,061)	(18,085)	(229,965)	(21,967)	9,008	(591,095)
Credit loss reversal/(expense)	3,376	(8,120)	-	6,498	7,073	(4,209)	4,618
Net impairment of investment in subsidiaries and joint venture	-	-	-	-	186	(186)	-
Bad debt recovered	-	611	-	-	951	-	1,562
Share of results in associates and joint ventures	-	-	-	-	(1,723)	-	(1,723)
Profit before taxation and zakat	22,395	50	8,635	46,106	32,580	(36,202)	73,564
Taxation and zakat							(23,599)
Net profit for the financial year							49,965

50. SEGMENTAL REPORTING (CONT'D.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segments: (cont'd.)

2025	Investment banking RM'000	Stock broking RM'000	Listed derivatives RM'000	Asset and wealth management RM'000	Corporate and Others RM'000	Eliminations/ consolidation adjustments RM'000	Total RM'000
Other information							
Net interest and finance income	31,001	44,113	13,500	(1,359)	7,248	1,835	96,338
Depreciation and amortisation	(974)	(10,274)	(428)	(7,887)	(9,911)	1,856	(27,618)
Disposal of associates	-	-	-	-	1,961	(1,360)	601
Non cash items							
- Unrealised gain/(loss) on revaluation of financial assets at fair value through profit or loss and derivatives	4	(30,508)	-	24	2,074	(385)	(28,791)

2025	Investment banking RM'000	Stock broking RM'000	Listed derivatives RM'000	Asset and wealth management RM'000	Corporate and Others RM'000	Eliminations/ consolidation adjustments RM'000	Total RM'000
Assets							
Investments in associates	-	-	-	-	124,390	-	124,390
Investment in a joint venture	-	-	-	-	23,662	-	23,662
Additions to property, plant and equipment and intangible assets	920	2,222	229	3,075	10,666	-	17,112
Segment assets	3,709,227	2,094,150	660,567	369,956	735,273	(459,003)	7,110,170
Liabilities							
Segment liabilities	4,692,084	570,720	630,580	255,416	204,145	(331,238)	6,021,707

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

50. SEGMENTAL REPORTING (CONT'D.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segments: (cont'd.)

2024	Investment banking RM'000	Stock broking RM'000	Listed derivatives RM'000	Asset and wealth management RM'000	Corporate and Others RM'000	Eliminations/ consolidation adjustments RM'000	Total RM'000
Revenue							
External sales	187,906	430,838	25,989	295,438	63,626	-	1,003,797
- Interest income	142,557	135,810	13,447	10,205	2,167	-	304,186
- Fee income	30,168	221,931	12,649	285,415	-	-	550,163
- Trading and investment income	8,609	66,291	-	20	61,167	-	136,087
- Other operating income/ (expense)	6,572	6,806	(107)	(202)	292	-	13,361
Inter-segment sales	58,527	(67,221)	1,597	8,468	15,139	(16,510)	-
Total revenue	246,433	363,617	27,586	303,906	78,765	(16,510)	1,003,797
Result							
Net income	74,487	338,618	25,414	293,398	115,524	(47,876)	799,565
Other operating expenses	(58,672)	(321,396)	(17,651)	(208,267)	(45,009)	6,974	(644,021)
Credit loss (expense)/reversal	(9,599)	(5,740)	-	(38,091)	(2,006)	1,159	(54,277)
Bad debt recovered/(written off)	11	3,923	(11)	-	1,410	-	5,333
Share of results in associates and joint ventures	-	-	-	-	10,649	-	10,649
Profit/(loss) before taxation and zakat	6,227	15,405	7,752	47,040	80,568	(39,743)	117,249
Taxation and zakat							(21,494)
Net profit for the financial year							95,755

50. SEGMENTAL REPORTING (CONT'D.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segments: (cont'd.)

2024	Investment banking RM'000	Stock broking RM'000	Listed derivatives RM'000	Asset and wealth management RM'000	Corporate and Others RM'000	Eliminations/ consolidation adjustments RM'000	Total RM'000
Other information							
Net interest and finance income	27,325	37,753	12,856	(728)	7,532	1,198	85,936
Depreciation and amortisation	(914)	(11,291)	(429)	(7,208)	(10,024)	1,801	(28,065)
Disposal of associates	-	-	-	-	(2,360)	2,839	479
Non cash items							
- Unrealised gain/(loss) on revaluation of financial assets at fair value through profit or loss and derivatives	(15)	30,480	-	20	60,393	(1,830)	89,048
Assets							
Investments in associates	-	-	-	-	158,996	-	158,996
Investment in a joint venture	-	-	-	-	27,710	-	27,710
Additions to property, plant and equipment and intangible assets	522	5,424	51	9,094	21,330	-	36,421
Segment assets	3,754,116	2,320,030	731,685	490,095	724,749	(363,762)	7,656,913
Liabilities							
Segment liabilities	4,820,817	604,513	705,207	388,898	293,459	(273,823)	6,539,071

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

50. SEGMENTAL REPORTING (CONT'D.)

Notes

A Additions to non-current assets consist of:

	2025 RM'000	2024 RM'000
Property, plant and equipment		
- Additions during the financial year (Note 16)	7,580	12,714
Intangible assets		
- Additions during the financial year (Note 17)	9,532	23,707
	17,112	36,421

B The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2025 RM'000	2024 RM'000
Investments in subsidiaries	(100,898)	(96,100)
Investments in associates and joint ventures	15,114	46,906
Intangible assets	(39,683)	(39,650)
Inter-segment assets	(333,536)	(274,918)
	(459,003)	(363,762)

C The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2025 RM'000	2024 RM'000
Deposits accepted from subsidiaries	(169,712)	(142,222)
Inter-segment liabilities	(161,526)	(131,601)
	(331,238)	(273,823)

51. FINANCIAL RISK MANAGEMENT

The Group and the Bank adopt a proactive and continuous approach in managing risks and have established a risk management framework to ensure that adequate policies and processes are in place to identify and manage the risks within the defined policies and guidelines as approved by the Board of Directors.

The Group's and the Bank's financial risks are centrally managed by various committees within the delegated authority by the Board of Directors. These committees formulate, review and approve policies and limits to monitor and manage risk exposures under their respective supervision. The major policy decisions and proposals approved by these committees are subject to further review by the Group Board Risk Committee and the Board of Directors.

The Group Risk Management function assumes the independent oversight of risks undertaken by the Group and the Bank, and takes the lead in the formulation of risk policies, controls and processes. This is further enhanced by the periodic risk assessment audits carried out by the Group's and the Bank's Internal Audit.

The main risk areas faced by the Group and the Bank and the guidelines and policies adopted to manage them are as follows:

(a) Credit risk

Credit risk, being the risk of counterparties defaulting, is minimised by the application of credit approvals, limits, and monitoring procedures. Balances due from clients and brokers are monitored on an ongoing basis via periodic management reporting. The Group and the Bank through their directors and management, review all significant exposures to customers and counterparties as well as any major concentration of credit risk related to any financial instruments.

The Group and the Bank have risk management procedures in place to manage these risks and to ensure that all the risk management procedures are adhered to.

Credit-related commitments risks

The Group and the Bank enter into various commitments which include commitments to extend credit lines and obligations under underwriting agreements. Such commitments expose the Group and the Bank to similar risks to loans and financing and are mitigated by the same processes and policies.

Impairment assessment

For the purpose of determining the risk of default occurring, default is defined based on the credit risk management practices.

Portfolio	Default
Loans, advances and financing	Declaration of event of default with rating "D" and below
Share margin financing	Margin of financing below 100% or declaration of event of default
Trade receivables- stockbroking	More than 30 days past due from contra losses
Other receivables- asset management	More than 30 days past due
Other receivables- advisory fees	More than 30 days past due
Other receivables- securities lending	Value of Loaned Securities including fee due > collateral value or declaration of event of default.
Debt securities at amortised cost or FVOCI	Declaration of event of default with rating "D" and below

In the context of the Group and of the Bank, two approaches as specified in MFRS 9 are applied in the measurement of ECL i.e. the general approach and the simplified approach.

The general approach recognises impairment based on a three-stages approach which is intended to reflect the deterioration in credit quality of a financial instrument.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Impairment assessment (cont'd.)

General approach

- Stage 1 covers financial instruments that have not deteriorated significantly in credit quality since initial recognition or (where the optional low credit risk simplification is applied) that have low credit risk.
- Stage 2 covers financial instruments that have deteriorated significantly in credit quality since initial recognition (unless the low credit risk simplification has been applied and is relevant) but that do not have objective evidence of a credit loss event.
- Stage 3 covers financial instruments that have objective evidence of impairment at the reporting date.

Low Credit Risk

The Group and the Bank shall adopt practical expedients for its applicable portfolios as detailed in the table below:

Practical Expedient	Low Credit Risk
Applicable portfolio	Government and quasi-government bonds, commercial paper, interbank deposit placement/lending.
Criteria	• the financial instrument has a low risk of default; • the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and • adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.
Measurement	12-month ECL
Methodology	PD x LGD x EAD formula

Definition of 12-month ECL

12-month ECL is a portion of the lifetime ECLs that represent the ECLs that resulting from probable default events on a financial instrument occurring in the next 12 months. They are weighted by the probability of such a default occurring.

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Impairment assessment (cont'd.)

General approach (cont'd.)

Measurement of ECL by General Approach:

Stage 1

- For financial instruments in Stage 1, the Group and the Bank are required to recognise 12 month ECL. For financial instruments that are deemed as low credit risk, 12 month ECL is recognised.

Stage 2

- When a financial instrument transfers to Stage 2, the Group and the Bank are required to recognise lifetime ECL.

Stage 3

- For financial instruments in Stage 3, the Group and the Bank will continue to recognise lifetime ECL but based on specific provision approach.

The ECL under general approach can be written in the formula below:

$$ECL = PD \times LGD \times EAD$$

Key Components of ECL Measurement

Probability of Default ("PD")

PD is an estimate of the likelihood of default over a given time horizon. It is estimated at a point in time. The calculation is based on the internal credit risk rating model, comprising both quantitative and qualitative factors. The estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact PD.

The Bank has adopted external PD published by local rating agency i.e. RAM Rating Services Berhad ("RAM") as proxy, following adequate assessment and analysis on the suitability of data application i.e. through a rating mapping exercise due to the lack of sufficient size and history of internal data.

The rating mapping exercise involves the process whereby the Group's and the Bank's existing Internal Credit Risk Rating ("ICRR") is mapped against the RAM rating. The Group and the Bank assess the definition of each ICRR rating band and make reference to the definition of the RAM rating band. Overall, both the rating models have the same rating band i.e. AAA, AA, A, BBB, BB, B, C & D with BBB as the lowest investment grade and BB and below as non-investment grade. The detailed rating characteristic for each rating band is similar in which AAA indicates superior or extremely high repayment capability and is rated 'D' upon default. For unrated corporate loans, a default rating of 'BBB2' is applied (as per existing computation).

Details on mapping between the Group's and the Bank's ICRR and the external ratings are presented in Note 51(a)(i).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Impairment assessment (cont'd.)

General approach (cont'd.)

Loss Given Default ("LGD")

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and the amounts the Group and the Bank would expect to receive, taking into account cash flows from any collateral.

Exposure at Default ("EAD")

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

Simplified approach

The Group and the Bank adopt two practical expedients for their applicable portfolios as detailed in the table below:

Practical Expedient	Provision Matrix
Applicable portfolio	Trade receivables, contract assets and lease receivables, balances due from clients and brokers.
Criteria	- Contract assets without significant financing component - Trade receivables without a significant financing component
Measurement	Lifetime ECL
Methodology	Based on the 'age' of receivables i.e. ageing bucket

Definition of Lifetime ECL

Lifetime ECL is the losses that result from all possible events of default at any point during the expected life of the financial instrument.

Measurement of ECL by Simplified Approach

For financial instruments that apply the provision matrix, ageing bucket based on the definition of default is established and incorporates a forward-looking element.

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Impairment assessment (cont'd.)

Period over which ECL is measured

The Group and the Bank measure ECL considering the risk of default over the maximum contractual period (including extension options) over which the Group and the Bank are exposed to credit risk and not over a longer period, even if contract extension or renewal is a common business practice. However, for financial instruments such as revolving credit facilities that include both a loan and an undrawn commitment component, the Group's and the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group's and the Bank's exposure to credit losses to the contractual notice period. For such financial instruments, the Group and the Bank measures ECL over the period which they are exposed to credit risk and credit loss would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. These financial instruments do not have a fixed term or repayment structure and have a short contractual cancellation period.

Significant increase in credit risk ("SICR")

SICR is defined as a significant change in the estimated default risk over the remaining expected life of the financial instrument. A SICR event triggers the measurement of a loss allowance at an amount equal to lifetime ECL instead of the 12-month ECL estimate.

The indicators for SICR are established to facilitate the staging assessment (from Stage 1 to Stage 2) for portfolios that apply the general approach in the measurement of ECL. An asset moves from 12-month ECL (Stage 1) to lifetime ECL (Stage 2) when there is a significant deterioration in credit quality after initial recognition. In assessing whether the credit risk of an asset has significantly increased, the Group and the Bank take into account qualitative and quantitative reasonable and supportable forward looking information.

An asset classified under Stage 2 can potentially be transferred to Stage 3 if the credit quality deteriorates further. It is also possible that an asset classified under Stage 1 experiences drastic credit deterioration and is required to be directly transferred to Stage 3. Accordingly, different stage transfer criteria/triggers are established to satisfy the above staging assessment.

The assessment of SICR incorporates forward-looking information and is performed on a quarterly basis at a portfolio level for all the above portfolios. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the Group Risk Management.

Grouping financial assets measured on a collective basis

Asset classes where the Bank calculates ECL on a collective basis include:

- Debt instruments at fair value through other comprehensive income
 - Debt instruments at amortised cost
 - Loans, advances and financing
 - Balances due from clients and brokers
 - Other receivables

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Impairment assessment (cont'd.)

Grouping financial assets measured on a collective basis (cont'd.)

The Group and the Bank classify these exposures into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the financial assets, as described below:

For debt instruments these are:

- Internal grade
- Exposure value

For loan, advances and financing these are:

- Product type (corporate loan and share margin)
- Internal credit rating
- Exposure value
- Collateral type
- Borrower's industry

For balance due from clients and broker and other receivables these are:

- Exposure value
- Collateral type

Forward-looking and probability-weighted

To determine an unbiased probability-weighted amount of ECL which considers a range of possible outcomes and the use of information about economic conditions, the Group and the Bank use external and internal information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

The Group and the Bank apply probabilities to the forecast scenarios. The Group and the Bank have identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data to estimate the relationships between macro-economic variables and credit risk and credit losses. These are reviewed and monitored for appropriateness on a quarterly basis.

Linear Regression Analysis

Linear Regression analysis is used to determine which macro-economic variables are predictive of the portfolio PD over time and how to weigh the macro-economic variables against each other in the model. A variety of variable selection methods i.e. univariate and multivariate factor selections are used in the Linear Regression process to eliminate non-predictive macroeconomic variables.

Multiple-scenario Analysis

The Group and the Bank generate a 'base case' scenario of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. The Group and the Bank then use these forecasts, which are probability-weighted, to adjust their estimates of PDs.

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Impairment assessment (cont'd.)

Forward-looking and probability-weighted (cont'd.)

Multiple-scenario Analysis (cont'd.)

The scenarios by state of economy namely, "Booming", "Normal" and "Downturn" were used as defined in below table:

State of Economy	GDP Growth Rate (annual)	Imports (Billions in USD)
Downturn (D)	<3.5%	<200
Normal (N)	3.5%-5.0%	200-250
Booming (B)	>5.0%	>250

The assumptions used for the ECL estimates as at 31 December 2025 are set out below:

Economic Factor	Scenario	2025	2026	2027
GDP Growth Rate	1	N	N	B
	2	N	N	N
	3	N	D	N
Imports (Billions in USD)	1	B	B	B
	2	B	B	B
	3	B	B	B

The assumptions used for the ECL estimates as at 31 December 2024 are set out below:

Economic Factor	Scenario	2024	2025	2026
GDP Growth Rate	1	N	B	N
	2	N	N	N
	3	N	N	D
Imports (Billions in USD)	1	N	B	B
	2	B	B	B
	3	B	B	B

The weightings assigned to each state of economy as at 31 December 2025 were as follows:

	State of Economy	Weighting
	B	20%
	N	60%
	D	20%

The weightings assigned to each state of economy as at 31 December 2024 were as follows:

	State of Economy	Weighting
	B	10%
	N	60%
	D	30%

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Impairment assessment (cont'd.)

Expert judgement

Expert credit judgement is used to complement the assumptions made in the absence of sufficient data during the model development process and the incorporation of forward-looking elements over a range of possible scenarios into the ECL. The exercise of such judgement, together with any separately-calculated adjustments to the results to address limitations in the core modelling approach - will require particular attention in the governance process.

Therefore, the use of expert judgement shall be applied as and when necessary and shall be governed by the following:

- I. All expert judgements need to be properly documented and backed by reasonable and supportable information that is available without undue cost or effort.
- II. Any expert judgement including new proposal, changes or updates, are required to be endorsed in accordance with the governance process as stipulated in this Framework.
- III. The Group and the Bank intend to apply expert judgement including but not limited to below areas:

a. Definition of macroeconomic scenario and its probability for ECL measurement;

b. Assumptions made during the modelling process in relation to ECL due to data limitations; and

c. Others as decided by the relevant committee.
- IV. Any management adjustment made shall be tabled to Group Credit Committee for concurrence.

Risk concentration: maximum exposure to credit risk without taking account of any collateral and other credit enhancement

The Group's and the Bank's concentration risk is managed by counterparty and by industry sector. The Group and the Bank apply single counterparty exposure limits to protect against unacceptably large exposures to single counterparty risk.

The following table shows the maximum exposure to credit risk for the components of the statement of financial position, including derivatives, by industry before the effect of mitigation through the use of master netting and collateral agreements. Where financial instruments are recorded at fair value, the amounts shown represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

The maximum exposure to credit risk for the components of the statement of financial position, including derivatives, by geography before the effect of mitigation through the use of master netting and collateral agreements is not presented as the Group's and the Bank's activities are principally conducted in Malaysia.

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Industry analysis as at 31 December 2025

Group	Primary agriculture RM'000	Manufacturing (incl. agri-based) RM'000	Electricity, gas & water supply RM'000	Wholesale & retail trade, and hotel & restaurant RM'000	Real estate RM'000	Transport, storage and communications RM'000	Finance and insurance RM'000	Household RM'000	Others RM'000	Total RM'000
Financial assets										
Cash and bank balances	-	-	-	-	-	-	2,173,371	-	-	2,173,371
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	36,484	-	-	36,484
Balances due from clients and brokers	364	505	-	922	3,710	126	242,411	227,987	4,663	480,688
Financial assets at FVTPL										
Unquoted shares and funds in Malaysia	-	10,000	26,662	-	-	-	128,462	-	97,413	262,537
Unquoted fund outside Malaysia	-	-	-	-	-	-	8,788	-	-	8,788
Derivative financial assets	-	-	-	27	-	-	133	11,004	-	11,164
Net loans, advances and financing										
Term loans	-	-	-	30,135	24,939	-	-	174,210	323,059	552,343
Islamic term financing	-	-	-	-	21,061	-	-	39,059	56,874	116,994
Share margin financing	3,896	4,834	1,681	25,000	56,502	-	996	779,340	165,775	1,038,024
Islamic share margin financing	-	-	-	-	-	-	-	935	-	935
Others	6,500	-	-	-	-	-	8,342	27,022	-	41,864
Financial investments at FVOCI										
Malaysian Government Securities	-	-	-	-	-	-	165,842	-	-	165,842
Malaysian Government Investment Certificates	-	-	-	-	-	-	303,540	-	-	303,540
Corporate Bonds	-	-	15,512	-	-	-	-	-	15,121	30,633
Islamic Corporate Sukuk	-	15,326	50,442	-	57,020	15,141	35,935	-	-	173,864
Unquoted equities	-	-	-	-	-	-	-	-	1,382	1,382
Financial investments at AC										
Malaysian Government Securities	-	-	-	-	-	-	105,260	-	-	105,260
Malaysian Government Investment Certificates	-	-	-	-	-	-	250,382	-	-	250,382
Islamic Corporate Sukuk	-	-	-	-	-	9,357	66,768	-	22,653	98,778
Other assets, excluding prepayments and deposits	-	-	-	-	-	-	-	-	289,935	289,935
	10,760	30,665	94,297	56,084	163,232	24,624	3,526,714	1,259,557	976,875	6,142,808

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Industry analysis as at 31 December 2024

Group	Primary agriculture RM'000	Manufacturing (incl. agri- based) RM'000	Electricity, gas & water supply RM'000	Wholesale & retail trade, restaurant RM'000	Real estate RM'000	Transport, storage and communications RM'000	Finance and insurance RM'000	Household RM'000	Others RM'000	Total RM'000
Financial assets										
Cash and bank balances	-	-	-	-	-	-	2,098,059	-	-	2,098,059
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	73,768	-	-	73,768
Balances due from clients and brokers	1,112	-	-	2,535	5,301	15	210,206	226,682	9,096	454,947
Financial assets at FVTPL										
Unquoted shares and funds in Malaysia	-	-	26,662	-	-	-	121,050	-	97,797	245,509
Unquoted fund outside Malaysia	-	-	-	-	-	-	9,508	-	-	9,508
Derivative financial assets	-	59	-	2	-	-	142	7,943	41,551	49,697
Net loans, advances and financing										
Term loans	-	-	-	30,136	45,021	-	-	141,743	310,624	527,524
Islamic term financing	-	-	-	-	26,076	-	-	48,986	47,014	122,076
Share margin financing	3,562	1,826	4,146	27,025	27,064	-	999	916,116	161,725	1,142,463
Islamic share margin financing	-	-	-	-	-	-	-	416	-	416
Others	12,506	-	-	-	-	-	2,012	16,855	-	31,373
Financial investments at FVOCI										
Malaysian Government Securities	-	-	-	-	-	-	291,869	-	-	291,869
Malaysian Government Investment Certificates	-	-	-	-	-	-	402,651	-	-	402,651
Corporate Bonds	-	-	15,532	-	-	-	5,036	-	14,826	35,394
Islamic Corporate Sukuk	-	-	34,775	-	51,824	15,209	35,430	-	-	137,238
Unquoted equities	-	-	-	-	-	-	-	-	1,421	1,421
Financial investments at AC										
Malaysian Government Securities	-	-	-	-	-	-	125,560	-	-	125,560
Malaysian Government Investment Certificates	-	-	-	-	-	-	260,201	-	-	260,201
Islamic Corporate Sukuk	-	-	5,000	-	14,996	9,300	67,115	-	38,846	135,257
Other assets, excluding prepayments and deposits	-	-	-	-	-	-	17,948	-	401,765	419,713
	17,180	1,885	86,115	59,698	170,282	24,524	3,721,554	1,358,741	1,124,665	6,564,644

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Industry analysis as at 31 December 2025

Bank	Primary agriculture RM'000	Manufacturing (incl. agri- based) RM'000	Electricity, gas & water supply RM'000	Wholesale & retail trade, restaurant RM'000	Real estate RM'000	Transport, storage and communications RM'000	Finance and insurance RM'000	Household RM'000	Others RM'000	Total RM'000
Financial assets										
Cash and bank balances	-	-	-	-	-	-	1,634,200	-	-	1,634,200
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	36,484	-	-	36,484
Balances due from clients and brokers	364	505	-	922	3,710	126	242,229	227,987	4,662	480,505
Financial assets at FVTPL										
Unquoted shares and funds in Malaysia	-	10,000	26,662	-	-	-	128,462	-	100,000	265,124
Unquoted fund outside Malaysia	-	-	-	-	-	-	8,788	-	-	8,788
Derivative financial assets	-	-	-	27	-	-	133	11,004	-	11,164
Net loans, advances and financing										
Term loans	-	-	-	30,135	24,939	-	57,130	174,210	323,059	609,473
Islamic term financing	-	-	-	-	21,061	-	-	39,059	56,874	116,994
Share margin financing	3,896	4,834	1,681	25,000	56,502	-	996	779,340	165,775	1,038,024
Islamic share margin financing	-	-	-	-	-	-	-	935	-	935
Financial investments at FVOCI										
Malaysian Government Securities	-	-	-	-	-	-	165,842	-	-	165,842
Malaysian Government Investment Certificates	-	-	-	-	-	-	303,540	-	-	303,540
Corporate Bonds	-	-	15,512	-	-	-	-	-	15,121	30,633
Islamic Corporate Sukuk	-	15,326	50,442	-	57,020	15,141	35,935	-	-	173,864
Unquoted equities	-	-	-	-	-	-	-	-	1,382	1,382
Financial investments at AC										
Malaysian Government Securities	-	-	-	-	-	-	105,260	-	-	105,260
Malaysian Government Investment Certificates	-	-	-	-	-	-	250,382	-	-	250,382
Islamic Corporate Sukuk	-	-	-	-	-	9,357	66,768	-	22,653	98,778
Other assets, excluding prepayments and deposits	-	-	-	-	-	-	-	-	143,043	143,043
	4,260	30,665	94,297	56,084	163,232	24,624	3,036,149	1,232,535	832,569	5,474,415

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)
(a) Credit risk (cont'd.)
Industry analysis as at 31 December 2024

Bank	Primary agriculture RM'000	Manufacturing (incl. agri-based) RM'000	Electricity, gas & water supply RM'000	Wholesale & retail trade, restaurant RM'000	Real estate RM'000	Transport, storage and communications RM'000	Finance and insurance RM'000	Household RM'000	Others RM'000	Total RM'000
Financial assets										
Cash and bank balances	-	-	-	-	-	-	1,386,786	-	-	1,386,786
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	73,768	-	-	73,768
Balances due from clients and brokers	1,112	-	-	2,535	5,301	15	210,206	226,682	8,986	454,837
Financial assets at FVTPL										
Unquoted shares and funds in Malaysia	-	-	26,662	-	-	-	121,050	-	100,000	247,712
Unquoted fund outside Malaysia	-	-	-	-	-	-	9,508	-	-	9,508
Derivative financial assets	-	59	-	2	-	-	142	7,943	41,551	49,697
Net loans, advances and financing										
Term loans	-	-	-	30,136	45,021	-	27,817	141,743	340,059	584,776
Islamic term financing	-	-	-	-	26,076	-	-	48,986	47,014	122,076
Share margin financing	3,562	1,826	4,146	27,025	27,064	-	999	916,116	161,725	1,142,463
Islamic share margin financing	-	-	-	-	-	-	-	416	-	416
Financial investments at FVOCI										
Malaysian Government Securities	-	-	-	-	-	-	291,869	-	-	291,869
Malaysian Government Investment Certificates	-	-	-	-	-	-	402,651	-	-	402,651
Corporate Bonds	-	-	15,532	-	-	-	5,036	-	14,826	35,394
Islamic Corporate Sukuk	-	-	34,775	-	51,824	15,209	35,430	-	-	137,238
Unquoted equities	-	-	-	-	-	-	-	-	1,421	1,421
Financial investments at AC										
Malaysian Government Securities	-	-	-	-	-	-	125,560	-	-	125,560
Malaysian Government Investment Certificates	-	-	-	-	-	-	260,201	-	-	260,201
Islamic Corporate Sukuk	-	-	5,000	-	14,996	9,300	67,115	-	38,846	135,257
Other assets, excluding prepayments and deposits	-	-	-	-	-	-	17,948	-	185,754	203,702
	4,674	1,885	86,115	59,698	170,282	24,524	3,036,086	1,341,886	940,182	5,665,332

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Collateral and other credit enhancements

The amount and type of collateral required depend on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

- (i) Cash;
- (ii) Charges over financial instruments;
- (iii) Securities;
- (iv) Charges over real estate properties, inventory and trade receivables;
- (v) Mortgages over properties; or
- (vi) Financial guarantees.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses.

(i) Internal Credit Risk Ratings

The table below provides a mapping of the Group's and of the Bank's internal credit risk grades to external ratings:

Notches	KIBB Obligor Rating	External Rating	Classification of Credit Risk Grade	Description
1	AAA	AAA	Investment Grade	Superior capacity to meet its financial obligation.
2	AA1	AA		Strong capacity to meet its financial obligations. The entity is resilient against adverse changes in circumstances, economic conditions and/or operating environments.
3	AA2			
4	AA3			
5	A1	A		Adequate capacity to meet its financial obligations. The entity is more susceptible to adverse changes in circumstances, economic and/or operating environments.
6	A2			
7	A3			
8	BBB1	BBB		Moderate capacity to meet its financial obligations. The entity is more likely to be weakened by adverse changes in circumstances, economic conditions and/or operating environments than those in higher-rated categories.
9	BBB2			
10	BBB3			

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(i) Internal Credit Risk Ratings (cont'd.)

The table below provides a mapping of the Group's and of the Bank's internal credit risk grades to external ratings (cont'd.):

Notches	KIBB Obligor Rating	External Rating	Classification of Credit Risk Grade	Description
11 12 13	BB1 BB2 BB3	BB	Non-Investment Grade	Weak capacity to meet its financial obligations. The entity is highly vulnerable to adverse changes in circumstances, economic conditions and/or operating environments.
14 15 16	B1 B2 B3	B		Very weak capacity to meet its financial obligations. The entity has a limited ability to withstand adverse changes in circumstances, economic conditions and/or operating environments.
17 18 19	C1 C2 C3	C		High likelihood of defaulting on its financial obligations. The entity is highly dependent on favourable changes in circumstances, economic conditions and/or operating environments, the lack of which would likely result in it defaulting on its financial obligations.
20	D	D	Default	Currently in default on either all or a substantial portion of its financial obligations, whether or not formally declared. The D rating may also reflect the filing of bankruptcy and/or other actions pertaining to the entity that could jeopardise the payment of financial obligations.

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(ii) Credit quality by class of financial assets

The credit quality of financial assets is managed by the Group and the Bank using internal credit ratings. The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's and the Bank's internal credit rating system.

Credit quality of financial assets neither past due nor impaired

The credit quality of financial assets is managed by the Group and the Bank using internal ratings which aim to reflect the relative ability of counterparties to fulfill, on time, their credit-related obligations, and is based on their current probability of default.

Internal rating grade	
Strong credit profile	Customers that have demonstrated superior stability in their operating and financial performance over the long-term, and whose debt servicing capacity is not significantly vulnerable to foreseeable events. This rating broadly corresponds to ratings "AAA" to "AA" of RAM Rating Services Berhad ("RAM") and Malaysian Rating Corporation Berhad ("MARC") respectively.
Satisfactory risk	Customers that have consistently demonstrated sound operational and financial stability over the medium to long term, even though some may be susceptible to cyclical trends or variability in earnings. This rating broadly corresponds to ratings "A" to "BBB" of RAM and MARC respectively.
Substandard	Customers that have demonstrated some operational and financial instability, with variability and uncertainty in profitability and liquidity projected to continue over the short and possibly medium term. This rating broadly corresponds to ratings "BB" to "C" of RAM and MARC respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(ii) Credit quality by class of financial assets (cont'd.)

Group	Neither past due nor impaired							Default/ impaired Stage 3 RM'000	Stage 2 RM'000	Non rated Stage 1 RM'000	Sub- standard Stage 1 RM'000	ECL on individually impaired RM'000	ECL on collectively impaired RM'000	Total RM'000
	Strong credit profile Stage 1 RM'000	Satisfactory risk Stage 1 RM'000	Sub- standard Stage 1 RM'000	Non rated Stage 1 RM'000	Stage 2 RM'000	Default/ impaired Stage 3 RM'000	Stage 2 RM'000							
31 December 2025														
Cash and bank balances	2,173,371	-	-	-	-	-	-	-	-	-	-	-	-	2,173,371
Statutory deposit with Bank Negara Malaysia	36,484	-	-	-	-	-	-	-	-	-	-	-	-	36,484
Financial assets at FVTPL														
Unquoted shares and funds in Malaysia	126,205	136,332	-	-	-	-	-	-	-	-	-	-	-	262,537
Unquoted fund outside Malaysia	8,788	-	-	-	-	-	-	-	-	-	-	-	-	8,788
Net loans, advances and financing														
Term loans	85,281	363,346	91,618	-	-	13,000	-	(902)	-	-	-	-	-	552,343
Islamic financing	-	117,474	-	-	-	-	-	-	-	-	-	(480)	-	116,994
Share margin financing	255,493	674,403	18,156	-	18,627	86,819	-	(15,474)	-	-	-	-	-	1,038,024
Islamic share margin financing	803	132	-	-	-	-	-	-	-	-	-	-	-	935
Others	10,070	8,342	-	-	-	23,452	-	-	-	-	-	-	-	41,864
Carried forward	2,696,495	1,300,029	109,774	-	18,627	123,271	-	(16,376)	-	-	-	(480)	-	4,231,340

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(ii) Credit quality by class of financial assets (cont'd.)

Group	Neither past due nor impaired							Default/ impaired Stage 3 RM'000	Stage 2 RM'000	Non rated Stage 1 RM'000	Sub- standard Stage 1 RM'000	ECL on individually impaired RM'000	ECL on collectively impaired RM'000	Total RM'000
	Strong credit profile Stage 1 RM'000	Satisfactory risk Stage 1 RM'000	Sub- standard Stage 1 RM'000	Non rated Stage 1 RM'000	Stage 2 RM'000	Default/ impaired Stage 3 RM'000	Stage 2 RM'000							
31 December 2025														
Brought forward	2,696,495	1,300,029	109,774	-	18,627	123,271	-	(480)	-	-	-	-	-	4,231,340
Financial investments at FVOCI														
Debt instruments:														
Malaysian Government Securities	165,842	-	-	-	-	-	-	-	-	-	-	-	-	165,842
Malaysian Government Investment Certificates	303,540	-	-	-	-	-	-	-	-	-	-	-	-	303,540
Islamic Corporate Sukuk	173,864	-	-	-	-	-	-	-	-	-	-	-	-	173,864
Corporate Bonds	30,633	-	-	-	-	-	-	-	-	-	-	-	-	30,633
Equity instrument:														
Unquoted equities	-	-	-	1,382	-	-	-	-	-	-	-	-	-	1,382
Financial investments at AC														
Debt instruments:														
Malaysian Government Securities	105,260	-	-	-	-	-	-	-	-	-	-	-	-	105,260
Malaysian Government Investment Certificates	250,382	-	-	-	-	-	-	-	-	-	-	-	-	250,382
Islamic Corporate Sukuk	76,125	23,000	-	-	-	-	-	-	-	-	-	-	(347)	98,778
Derivative financial assets	60	72	-	11,032	-	-	-	-	-	-	-	-	-	11,164
Balances due from clients and brokers	409,381	-	-	-	4,900	87,967	-	(20,004)	-	-	-	(1,556)	-	480,688
Other assets, excluding prepayments and deposits	282,157	-	-	-	1,886	62,448	-	(56,449)	-	-	-	(107)	-	289,935
Total	4,493,739	1,323,101	109,774	12,414	25,413	273,686	-	(2,490)	-	-	-	(480)	-	6,142,808

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(ii) Credit quality by class of financial assets (cont'd.)

Group	Neither past due nor impaired						Default/ impaired Stage 3 RM'000	Stage 2 RM'000	ECL on individually impaired RM'000	ECL on collectively impaired RM'000	Total RM'000	
	Strong credit profile Stage 1 RM'000	Satisfactory risk Stage 1 RM'000	Sub- standard Stage 1 RM'000	Non rated Stage 1 RM'000								
31 December 2024												
Cash and bank balances	2,098,059	-	-	-	-	-	-	-	-	-	2,098,059	
Statutory deposit with Bank Negara Malaysia	73,768	-	-	-	-	-	-	-	-	-	73,768	
Financial assets at FVTPL												
Unquoted shares and funds in Malaysia	120,679	134,338	-	-	-	-	-	-	-	-	255,017	
Net loans, advances and financing												
Term loans	50,017	356,331	108,691	-	13,235	-	-	-	(750)	527,524		
Islamic financing	-	114,377	8,502	-	-	-	-	-	(803)	122,076		
Share margin financing	303,566	721,041	20,898	-	8,498	94,152	(5,692)	-	-	1,142,463		
Islamic share margin financing	-	334	82	-	-	-	-	-	-	416		
Others	-	13,194	13,914	-	-	4,265	-	-	-	31,373		
Carried forward	2,646,089	1,339,615	152,087	-	21,733	98,417	(5,692)	(1,553)	4,250,696			

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(ii) Credit quality by class of financial assets (cont'd.)

Group	Neither past due nor impaired						Default/ impaired Stage 3 RM'000	Stage 2 RM'000	Non rated Stage 1 RM'000	ECL on individually impaired RM'000	ECL on collectively impaired RM'000	Total RM'000
	Strong credit profile Stage 1 RM'000	Satisfactory risk Stage 1 RM'000	Sub- standard Stage 1 RM'000									
31 December 2024												
Brought forward	2,646,089	1,339,615	152,087	-	21,733	98,417	(5,692)	(1,553)	4,250,696			
Financial investments at FVOCI												
Debt instruments:												
Malaysian Government Securities	291,869	-	-	-	-	-	-	-	-	-	-	291,869
Malaysian Government Investment Certificates	402,651	-	-	-	-	-	-	-	-	-	-	402,651
Islamic Corporate Sukuk	137,238	-	-	-	-	-	-	-	-	-	-	137,238
Corporate Bonds	35,394	-	-	-	-	-	-	-	-	-	-	35,394
Equity instrument:												
Unquoted equities	-	-	-	1,421	-	-	-	-	-	-	-	1,421
Financial investments at AC												
Debt instruments:												
Malaysian Government Securities	125,560	-	-	-	-	-	-	-	-	-	-	125,560
Malaysian Government Investment Certificates	260,201	-	-	-	-	-	-	-	-	-	-	260,201
Islamic Corporate Sukuk	135,257	-	-	-	-	-	-	-	-	-	-	135,257
Derivative financial assets	-	-	-	49,697	-	-	-	-	-	-	-	49,697
Balances due from clients and brokers	378,879	-	-	-	5,009	89,411	(16,827)	(1,525)	454,947			
Other assets, excluding prepayments and deposits	408,342	-	-	-	2,297	84,998	(75,815)	(109)	419,713			
Total	4,821,480	1,339,615	152,087	51,118	29,039	272,826	(98,334)	(3,187)	6,564,644			

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(ii) Credit quality by class of financial assets (cont'd.)

	Neither past due nor impaired						Default/ impaired Stage 3 RM'000	Stage 2 RM'000	ECL on individually impaired RM'000	ECL on collectively impaired RM'000	Total RM'000
	Strong credit profile Stage 1 RM'000	Satisfactory risk Stage 1 RM'000	Sub- standard Stage 1 RM'000	Non rated Stage 1 RM'000							
Bank											
31 December 2025											
Cash and bank balances	1,634,200	-	-	-	-	-	-	-	-	-	1,634,200
Statutory deposit with Bank Negara Malaysia	36,484	-	-	-	-	-	-	-	-	-	36,484
Financial assets at FVTPL											
Unquoted shares and funds in Malaysia	128,792	136,332	-	-	-	-	-	-	-	-	265,124
Unquoted shares and funds outside Malaysia	8,788	-	-	-	-	-	-	-	-	-	8,788
Net loans, advances and financing											
Term loans	85,281	420,476	91,618	-	-	13,000	(902)	-	-	-	609,473
Islamic financing	-	117,474	-	-	-	-	-	-	(480)	-	116,994
Share margin financing	255,493	674,403	18,156	-	-	86,819	(15,474)	-	-	-	1,038,024
Islamic share margin financing	803	132	-	-	-	-	-	-	-	-	935
Financial investments at FVOCI											
Debt instruments:											
Malaysian Government Securities	165,842	-	-	-	-	-	-	-	-	-	165,842
Malaysian Government Investment Certificates	303,540	-	-	-	-	-	-	-	-	-	303,540
Islamic Corporate Sukuk	173,864	-	-	-	-	-	-	-	-	-	173,864
Corporate Bonds	30,633	-	-	-	-	-	-	-	-	-	30,633
Equity instrument:											
Unquoted equities	-	-	-	1,382	-	-	-	-	-	-	1,382
Financial investments at AC											
Debt instruments:											
Malaysian Government Securities	105,260	-	-	-	-	-	-	-	-	-	105,260
Malaysian Government Investment Certificates	250,382	-	-	-	-	-	-	-	-	-	250,382
Islamic Corporate Sukuk	76,125	23,000	-	-	-	-	-	-	(347)	-	98,778
Derivative financial assets	60	72	-	11,032	-	-	-	-	-	-	11,164
Balances due from clients and brokers	409,198	-	-	-	-	87,967	(20,004)	4,900	(1,556)	-	480,505
Other assets, excluding prepayments and deposits	136,017	-	-	-	-	38,856	(32,884)	1,886	(832)	-	143,043
Total	3,800,762	1,371,889	109,774	12,414	25,413	226,642	(69,264)	25,413	(3,215)	(3,215)	5,474,415

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(ii) Credit quality by class of financial assets (cont'd.)

	Neither past due nor impaired										Total RM'000
	Strong credit profile Stage 1 RM'000	Satisfactory risk Stage 1 RM'000	Sub- standard Stage 1 RM'000	Non rated Stage 1 RM'000	Stage 2 RM'000	Default/ impaired Stage 3 RM'000	ECL on individually impaired RM'000	ECL on collectively impaired RM'000			
Bank											
31 December 2024											
Cash and bank balances	1,386,786	-	-	-	-	-	-	-	-	-	1,386,786
Statutory deposit with Bank Negara Malaysia	73,768	-	-	-	-	-	-	-	-	-	73,768
Financial assets at FVTPL											
Unquoted shares and funds in Malaysia	122,882	134,338	-	-	-	-	-	-	-	-	257,220
Net loans, advances and financing											
Term loans	50,017	414,501	108,691	-	13,235	-	-	(1,668)	-	-	584,776
Islamic financing	-	114,376	8,502	-	-	-	-	(802)	-	-	122,076
Share margin financing	303,566	721,043	20,898	-	8,498	94,150	(5,692)	-	-	-	1,142,463
Islamic share margin financing	-	334	82	-	-	-	-	-	-	-	416
Financial investments at FVOCI											
Debt instruments:											
Malaysian Government Securities	291,869	-	-	-	-	-	-	-	-	-	291,869
Malaysian Government Investment Certificates	402,651	-	-	-	-	-	-	-	-	-	402,651
Islamic Corporate Sukuk	137,238	-	-	-	-	-	-	-	-	-	137,238
Corporate Bonds	35,394	-	-	-	-	-	-	-	-	-	35,394
Equity instrument:											
Unquoted equities	-	-	-	1,421	-	-	-	-	-	-	1,421
Financial investments at AC											
Debt instruments:											
Malaysian Government Securities	125,560	-	-	-	-	-	-	-	-	-	125,560
Malaysian Government Investment Certificates	260,201	-	-	-	-	-	-	-	-	-	260,201
Islamic Corporate Sukuk	135,257	-	-	-	-	-	-	-	-	-	135,257
Derivative financial assets	-	-	-	49,697	-	-	-	-	-	-	49,697
Balances due from clients and brokers	378,769	-	-	-	5,009	89,411	(16,827)	(1,525)	-	-	454,837
Other assets, excluding prepayments and deposits	195,395	-	-	-	2,297	45,023	(38,398)	(615)	-	-	203,702
Total	3,899,353	1,384,592	138,173	51,118	29,039	228,584	(60,917)	(4,610)	-	-	5,665,332

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(iii) Credit risk exposure for each internal credit risk rating

	Group Total 2025 RM'000	Bank Total 2025 RM'000
Internal credit rating		
Strong		
AAA	3,942,435	3,256,940
AA	552,195	544,712
Satisfactory		
A	1,002,645	1,042,728
BBB	337,365	346,071
Substandard		
BB	91,968	91,968
B	17,286	17,286
C	520	520
Default		
D	180,857	157,378
Non-rated	17,537	16,812
	6,142,808	5,474,415

	Group Total 2024 RM'000	Bank Total 2024 RM'000
Internal credit rating		
Strong		
AAA	4,278,206	3,353,878
AA	543,274	545,475
Satisfactory		
A	978,665	1,022,885
BBB	368,645	368,485
Substandard		
BB	143,715	129,801
B	20,321	20,321
C	536	536
Default		
D	174,492	167,667
Non-rated	56,790	56,284
	6,564,644	5,665,332

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(iv) Ageing analysis of financial assets which are past due but not impaired

	Less than 1 month RM'000	1 to 12 months RM'000	>12 months RM'000	Total RM'000
Group and Bank 2025				
Share margin financing	-	18,627	-	18,627
Other assets	-	-	3,005	3,005
Total	-	18,627	3,005	21,632
2024				
Share margin financing	-	8,498	-	8,498
Corporate loans	13,247	-	-	13,247
Other assets	-	-	3,005	3,005
Total	13,247	8,498	3,005	24,750

(v) Estimated value of collateral and other charges related to financial assets that are past due and individually impaired

	Cash and securities RM'000	Real estate RM'000	Other RM'000	Total value of collateral RM'000	Credit exposure RM'000	Unsecured portion of credit exposure RM'000
Group 2025						
Loans, advances and financing						
Term loans	6,051	10,000	-	16,051	13,000	-
Share margin financing	22,444	355	-	22,799	38,273	15,474
Others	87,720	50,237	-	137,957	23,452	-
Balances due from clients and brokers	27,555	27,670	-	55,225	68,616	13,391
Other assets	-	-	5,999	5,999	62,448	56,449
	143,770	88,262	5,999	238,031	205,789	85,314
2024						
Loans, advances and financing						
Share margin financing	32,191	761	-	32,952	38,644	5,692
Balances due from clients and brokers	20,703	15,862	-	36,565	70,727	34,162
Other assets	-	-	9,183	9,183	84,998	75,815
	52,894	16,623	9,183	78,700	194,369	115,669

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(v) Estimated value of collateral and other charges related to financial assets that are past due and individually impaired (cont'd.)

	Cash and securities RM'000	Real estate RM'000	Other RM'000	Total value of collateral RM'000	Credit exposure RM'000	Unsecured portion of credit exposure RM'000
Bank 2025						
Loans, advances and financing						
Term loans	6,051	10,000	-	16,051	13,000	-
Share margin financing	22,444	355	-	22,799	38,273	15,474
Balances due from clients and brokers	27,555	27,670	-	55,225	68,616	13,391
Other assets	-	-	5,972	5,972	38,856	32,884
	56,050	38,025	5,972	100,047	158,745	61,749
2024						
Loans, advances and financing						
Share margin financing	32,191	761	-	32,952	38,644	5,692
Balances due from clients and brokers	20,703	15,862	-	36,565	70,727	34,162
Other assets	-	-	6,625	6,625	45,023	38,398
	52,894	16,623	6,625	76,142	154,394	78,252

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk

Market risk is the risk of loss arising from changes in prices of equity instruments and other financial instruments in the markets in which the Group and the Bank operate. The Group and the Bank also engage in bond proprietary trading to generate revenue in anticipation of changes in prices that may occur in the debt capital market.

The Group and the Bank manage the risk of unfavourable price changes by conducting prudent reviews of investments and collaterals held with continuous monitoring of their performance and risk profiles by qualified personnel.

(i) Interest rate risk

In macro terms, interest rate risk refers to the overall sensitivity of the Group's and of the Bank's earnings and/or economic values of the Group's and of the Bank's portfolio to changes in interest rates. Interest rate risk is managed through various risk management techniques including re-pricing gap, net interest income simulation and stress testing.

The Group and the Bank are exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial position and cash flows. The effect of changes in the levels of interest rates on the market value of securities is monitored regularly and the outcome of mark-to-market valuations is reported to management regularly. The table below summarises the effective interest rates at the reporting date and the periods in which the financial instruments will reprice or mature, whichever is the earlier.

Interest rate sensitivity analysis

The Board has established limits on the trading and non-trading interest rate gaps positions. In accordance with the Group's and the Bank's policy, positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

The sensitivity of interest rate on the statements of profit and loss and other comprehensive income and equity is measured as the effect of assumed changes in interest rate levels on the profit and loss for the financial year, based on the financial assets and financial liabilities held as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Group 2025	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Assets									
Cash and bank balances	1,291,294	300,581	70,100	-	-	511,396	-	2,173,371	3.25
Financial assets at FVTPL	-	-	-	-	-	-	507,075	507,075	4.01
Financial instruments at FVOCI	5,001	5,007	10,059	144,932	508,880	1,382	-	675,261	4.21
Financial instruments at AC	-	22,653	10,063	158,484	263,220	-	-	454,420	4.52
Derivative financial assets	-	-	-	-	-	11,164	-	11,164	
Loans, advances and financing	1,659,754	59,240	16,276	14,890	-	-	-	1,750,160	8.58
Balances due from clients and brokers	-	-	-	-	-	480,688	-	480,688	
Other assets	118,765	-	-	-	-	190,905	-	309,670	
Other non interest sensitive balances	-	-	-	-	-	748,361	-	748,361	
Total assets	3,074,814	387,481	106,498	318,306	772,100	1,943,896	507,075	7,110,170	

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Group (cont'd.) 2025 (cont'd.)	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Liabilities									
Deposits from customers	1,701,865	645,503	1,048,151	-	-	-	-	3,395,519	3.18
Deposits and placement of banks and other financial institutions	482,346	156,050	165,600	-	-	-	-	803,996	3.18
Borrowings	15,000	-	-	40,000	83,500	-	-	138,500	5.11
Obligations on securities sold under repurchase agreements	226,631	-	-	-	-	-	-	226,631	
Derivative financial liabilities	-	-	-	-	-	42,230	-	42,230	
Balances due to clients and brokers	-	-	-	-	-	935,516	-	935,516	
Other non interest sensitive balances	2,843	-	3,064	1,300	-	472,108	-	479,315	
Total liabilities	2,428,685	801,553	1,216,815	41,300	83,500	1,449,854	-	6,021,707	
Equity	-	-	-	-	-	1,088,463	-	1,088,463	
Non-controlling interest	-	-	-	-	-	-	-	-	
Total liabilities and shareholders' equity	2,428,685	801,553	1,216,815	41,300	83,500	2,538,317	-	7,110,170	
On-balance sheet interest sensitivity gap	646,129	(414,072)	(1,110,317)	277,006	688,600	(594,421)	507,075	-	
Cumulative interest sensitivity gap	646,129	232,057	(878,260)	(601,254)	87,346	(507,075)	-	-	

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Group (cont'd.) 2024	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Assets									
Cash and bank balances	1,069,817	205,467	100	-	-	822,675	-	2,098,059	3.51
Financial assets at FVTPL	-	-	-	-	-	-	552,301	552,301	4.04
Financial instruments at FVOCI	-	-	10,000	96,820	760,332	1,421	-	868,573	4.09
Financial instruments at AC	-	14,996	51,576	171,780	282,666	-	-	521,018	4.54
Derivative financial assets	-	-	-	-	-	49,697	-	49,697	
Loans, advances and financing	1,724,994	68,090	18,179	12,589	-	-	-	1,823,852	8.72
Balances due from clients and brokers	-	-	-	-	-	454,947	-	454,947	
Other assets	225,773	-	-	-	-	213,995	-	439,768	
Other non interest sensitive balances	-	-	-	-	-	848,698	-	848,698	
Total assets	3,020,584	288,553	79,855	281,189	1,042,998	2,391,433	552,301	7,656,913	

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Group (cont'd.) 2024 (cont'd.)	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Liabilities									
Deposits from customers	2,049,214	1,070,630	642,750	-	-	-	-	3,762,594	3.34
Deposits and placement of banks and other financial institutions	249,679	330,156	150,000	-	-	-	-	729,835	3.34
Borrowings	9,000	-	-	-	180,500	-	-	189,500	4.84
Obligations on securities sold under repurchase agreements	69,514	-	-	-	-	-	-	69,514	
Derivative financial liabilities	-	-	-	-	-	60,133	-	60,133	
Balances due to clients and brokers	-	-	-	-	-	1,012,438	-	1,012,438	
Other non interest sensitive balances	16,410	-	-	-	-	698,647	-	715,057	
Total liabilities	2,393,817	1,400,786	792,750	-	180,500	1,771,218	-	6,539,071	
Equity	-	-	-	-	-	1,117,842	-	1,117,842	
Total liabilities and shareholders' equity	2,393,817	1,400,786	792,750	-	180,500	2,889,060	-	7,656,913	
On-balance sheet interest sensitivity gap	626,767	(1,112,233)	(712,895)	281,189	862,498	(497,627)	552,301	-	
Cumulative interest sensitivity gap	626,767	(485,466)	(1,198,361)	(917,172)	(54,674)	(552,301)	-	-	

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Bank 2025	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Assets									
Cash and bank balances	1,085,041	280,575	50,000	-	-	218,584	-	1,634,200	3.25
Financial assets at FVTPL	-	-	-	-	-	-	508,622	508,622	4.01
Financial instruments at FVOCI	5,001	5,007	10,059	144,932	508,880	1,382	-	675,261	4.21
Financial instruments at AC	-	22,653	10,063	158,484	263,220	-	-	454,420	4.52
Derivative financial assets	-	-	-	-	-	11,164	-	11,164	
Loans, advances and financing	1,706,186	59,240	-	-	-	-	-	1,765,426	7.94
Balances due from clients and brokers	-	-	-	-	-	480,505	-	480,505	
Other assets	-	-	-	29,275	-	128,947	-	158,222	
Other non interest sensitive balances	-	-	-	-	-	770,308	-	770,308	
Total assets	2,796,228	367,475	70,122	332,691	772,100	1,610,890	508,622	6,458,128	

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Bank (cont'd.) 2025 (cont'd.)	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Liabilities									
Deposits from customers	1,807,059	679,503	1,078,668	-	-	-	-	3,565,230	3.18
Deposits and placement of banks and other financial institutions	482,346	156,050	165,600	-	-	-	-	803,996	3.18
Borrowings	-	-	-	40,000	83,500	-	-	123,500	5.07
Obligations on securities sold under repurchase agreements	226,631	-	-	-	-	-	-	226,631	
Derivative financial liabilities	-	-	-	-	-	42,230	-	42,230	
Balances due to clients and brokers	-	-	-	-	-	352,093	-	352,093	
Other non interest sensitive balances	2,843	-	3,064	1,300	-	296,223	-	303,430	
Total liabilities	2,518,879	835,553	1,247,332	41,300	83,500	690,546	-	5,417,110	
Equity	-	-	-	-	-	1,041,018	-	1,041,018	
Total liabilities and shareholders' equity	2,518,879	835,553	1,247,332	41,300	83,500	1,731,564	-	6,458,128	
On-balance sheet interest sensitivity gap	277,349	(468,078)	(1,177,210)	291,391	688,600	(120,674)	508,622	-	
Cumulative interest sensitivity gap	277,349	(190,729)	(1,367,939)	(1,076,548)	(387,948)	(508,622)	-	-	

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Bank (cont'd.) 2024	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Assets									
Cash and bank balances	985,735	194,750	-	-	-	206,301	-	1,386,786	3.51
Financial assets at FVTPL	-	-	-	-	-	-	553,541	553,541	4.04
Financial instruments at FVOCI	-	-	10,000	96,820	760,332	1,421	-	868,573	4.09
Financial instruments at AC	-	14,996	51,576	171,780	282,666	-	-	521,018	4.54
Derivative financial assets	-	-	-	-	-	49,697	-	49,697	
Loans, advances and financing	1,781,641	68,090	-	-	-	-	-	1,849,731	8.08
Balances due from clients and brokers	-	-	-	-	-	454,837	-	454,837	
Other assets	-	-	-	29,495	-	189,649	-	219,144	
Other non interest sensitive balances	-	-	-	-	-	820,284	-	820,284	
Total assets	2,767,376	277,836	61,576	298,095	1,042,998	1,722,189	553,541	6,723,611	

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Bank (cont'd.) 2024 (cont'd.)	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Liabilities									
Deposits from customers	2,155,936	1,080,630	668,250	-	-	-	-	3,904,816	3.34
Deposits and placement of banks and other financial institutions	249,679	330,156	150,000	-	-	-	-	729,835	3.34
Borrowings	-	-	-	-	180,500	-	-	180,500	4.80
Obligations on securities sold under repurchase agreements	69,514	-	-	-	-	-	-	69,514	
Derivative financial liabilities	-	-	-	-	-	60,133	-	60,133	
Balances due to clients and brokers	-	-	-	-	-	360,633	-	360,633	
Other non interest sensitive balances	16,410	-	-	-	-	355,900	-	372,310	
Total liabilities	2,491,539	1,410,786	818,250	-	180,500	776,666	-	5,677,741	
Equity	-	-	-	-	-	1,045,870	-	1,045,870	
Total liabilities and shareholders' equity	2,491,539	1,410,786	818,250	-	180,500	1,822,536	-	6,723,611	
On-balance sheet interest sensitivity gap	275,837	(1,132,950)	(756,674)	298,095	862,498	(100,347)	553,541	-	
Cumulative interest sensitivity gap	275,837	(857,113)	(1,613,787)	(1,315,692)	(453,194)	(553,541)	-	-	

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Interest rate sensitivity analysis

The following table demonstrates the impact of a +/- 150 basis points change in interest rates, ceteris paribus, on the Group's profit or loss and equity.

Change in interest rates 2025	Impact on profit or loss 2025 RM'000	Impact on equity * 2025 RM'000	Change in interest rates 2024	Impact on profit or loss 2024 RM'000	Impact on equity * 2024 RM'000
+150	(4,187)	(86,772)	+150	(9,969)	(115,905)
-150	4,187	86,772	-150	9,969	115,905

* exclude tax impact

(ii) Foreign currency exchange risk

Foreign currency risk is the risk of financial loss due to adverse movements in foreign exchange rates.

The Group and the Bank are exposed to currency risk primarily through trading activities that are governed by the Foreign Exchange Proprietary Trading Policy.

Currency rate sensitivity analysis

The following table shows the impact of a 5% movement of MYR, ceteris paribus, on the Group's profit or loss and equity:

Foreign currency is denoted in the table below:

Currency	Abbreviation	Currency	Abbreviation	Currency	Abbreviation
AUD	Australian Dollar	EUR	Euro	IDR	Indonesian Rupiah
CHF	Swiss Franc	GBP	British Pound	JPY	Japanese Yen
CNY	Chinese Yuan	HKD	Hong Kong Dollar	NZD	New Zealand Dollar
PHP	Philippine Peso	THB	Thai Baht	SAR	Saudi Riyal
SGD	Singapore Dollar	USD	US Dollar		

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(ii) Foreign currency exchange risk (cont'd.)

Currency rate sensitivity analysis (cont'd.)

The net foreign currency exposures as at reporting date are as below:

Currency	2025 RM'000	2024 RM'000
USD	(348)	(393)
SGD	1,225	(225)
GBP	1,626	247
JPY	(1,477)	(2,365)
HKD	1,178	(8,420)
CNY	70	3,033
Others	770	(1,205)
	3,044	(9,328)

Currency	Changes in foreign exchange rates	Impact on profit or loss 2025 RM'000	Impact on equity 2025 RM'000	Changes in foreign exchange rates	Impact on profit or loss 2024 RM'000	Impact on equity 2024 RM'000
AUD	5%	20	-	5%	(61)	-
CHF	5%	7	-	5%	(15)	-
CNY	5%	3	-	5%	152	-
EUR	5%	11	-	5%	(2)	-
GBP	5%	81	-	5%	12	-
HKD	5%	59	-	5%	(421)	-
IDR	5%	1	-	5%	9	-
JPY	5%	(74)	-	5%	(118)	-
NZD	5%	-	-	5%	7	-
PHP	5%	-	-	5%	2	-
SGD	5%	61	-	5%	(11)	-
USD	5%	(17)	-	5%	(20)	-

Arising from the Group's investment in the associate company in Saudi Arabia, there is a natural position held in foreign currency exposure in Saudi Riyal. The following shows the impact of a 5% price movement on this position:

Currency	Changes in foreign exchange rates	Impact on profit or loss 2025 RM'000	Impact on equity 2025 RM'000	Changes in foreign exchange rates	Impact on profit or loss 2024 RM'000	Impact on equity 2024 RM'000
SAR	5%	-	(5,111)	5%	-	(6,820)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(iii) Equity price sensitivity analysis

Equity price risk is the risk of financial loss arising from adverse changes in prices of equities and equity derivatives.

The following table demonstrates the impact of a +/- 30% change in equity prices across the board on the Group's profit or loss and equity.

	Change in equity price 2025	Impact on profit or loss 2025 RM'000	Impact on equity 2025 RM'000	Change in equity price 2024	Impact on profit or loss 2024 RM'000	Impact on equity 2024 RM'000
Equity-	+30%	(17,771)	-	+30%	(32,331)	-
investments	-30%	(23,499)	-	-30%	(45,968)	-

From risk management perspective, a risk limits framework governing the activities of equity and equity derivatives trading has been established, primarily intended to:

- 1) Prevent excessive exposures to a single risk factor or a group of risk factors; and
- 2) Constrain the general level of risk taking for a business.

Additionally, other components of the limit framework including stop-loss triggers, issuance size, permitted products, management oversights etc were put in place for better governance as well as to embrace best practices of market risk management. The risk framework was designed in accordance to the Group's and the Bank's risk appetite and a closely controlled risk parameter, e.g. a stop-loss trigger, will ensure that losses arising from the course of trading are limited.

In addition, the Group's associate company has made some equity investments in Saudi Arabia. The impact of a +/- 30% change in equity prices on the Group arising from these investments are shown as follows:

	Change in equity price 2025	Impact on profit or loss 2025 RM'000	Impact on equity 2025 RM'000	Change in equity price 2024	Impact on profit or loss 2024 RM'000	Impact on equity 2024 RM'000
Equity-	+30%	-	25,118	+30%	-	28,869
investments	-30%	-	(25,118)	-30%	-	(28,869)

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Liquidity risk

Liquidity risk is the risk of loss as a result of the Group's or of the Bank's inability to meet cash flow obligations in a timely and cost effective manner. Liquidity risk is managed through the Liquidity Coverage Ratio Framework issued by BNM, internal policies and management oversight by the Group Risk Committee. A Contingency Funding Plan has been formulated which covers the policies, procedures, roles and responsibilities, funding strategies and notwithstanding, the deployment of such during a liquidity event.

The Group and the Bank actively manage their operating cash flows and the availability of funding so as to ensure that all funding needs are met. As part of their overall prudent liquidity management, the Group and the Bank maintain sufficient levels of cash or cash convertible investments to meet their working capital requirements in addition to maintaining available banking facilities, to meet any immediate operating cash flow requirements.

In accordance with BNM's Liquidity Coverage Ratio guideline, the Group and the Bank maintain a portfolio of highly marketable and diversified assets which are assumed to be easily liquidated in the event of an unforeseen interruption of cash flow. In addition, the Group and the Bank maintain a statutory deposit with BNM equal to 1.0% of net eligible liabilities. Both the Group and the Bank have consistently maintained sufficient level of liquidity with an average LCR of 222% and 194% for the past 12 months.

(i) Analysis of assets and liabilities by remaining contractual maturities

The table below summarises the contractual maturity profile of the Group's assets and liabilities as at 31 December 2025. The contractual maturity profile may often not reflect the actual behavioural patterns.

Group 2025	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Assets								
Cash and bank balances	511,396	1,291,294	300,581	70,100	-	-	-	2,173,371
Financial assets at FVTPL	-	-	-	-	-	-	507,075	507,075
Financial instruments at FVOCI	-	5,001	5,007	-	10,059	653,812	1,382	675,261
Financial instruments at AC	-	-	4,970	15,989	11,757	421,704	-	454,420
Derivative financial assets	-	206	6,389	260	4,030	279	-	11,164
Loans, advances and financing	340,497	1,061,755	-	-	57,863	290,045	-	1,750,160
Balances due from clients and brokers	-	480,688	-	-	-	-	-	480,688
Other assets	6,133	181,260	3,942	4,553	-	-	113,782	309,670
Others	-	1,689	1,129	1,694	3,384	18,953	721,512	748,361
Total assets	858,026	3,021,893	322,018	92,596	87,093	1,384,793	1,343,751	7,110,170

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Liquidity risk (cont'd.)

(c) Liquidity risk (cont'd.)

(i) Analysis of assets and liabilities by remaining contractual maturities (cont'd.)

(i) Analysis of assets and liabilities by remaining contractual maturities (cont'd.)

The table below summarises the contractual maturity profile of the Group's assets and liabilities as at 31 December 2025. The contractual maturity profile may often not reflect the actual behavioural patterns. (cont'd.)

The table below summarises the contractual maturity profile of the Group's assets and liabilities as at 31 December 2024. The contractual maturity profile often may not reflect the actual behavioural patterns.

Group (cont'd.) 2025	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Liabilities								
Deposits from customers	36,584	1,665,281	645,503	646,292	401,859	-	-	3,395,519
Deposits and placements of banks and other financial institutions	-	482,346	156,050	135,600	30,000	-	-	803,996
Obligations on securities sold under repurchase agreements	-	226,631	-	-	-	-	-	226,631
Derivative financial liabilities	-	1,441	8,002	3,708	28,800	279	-	42,230
Balances due to clients and brokers	-	935,516	-	-	-	-	-	935,516
Borrowings	-	15,000	-	-	-	123,500	-	138,500
Other liabilities balances	-	102,588	10,202	9,124	9,199	22,556	325,646	479,315
Total liabilities	36,584	3,428,803	819,757	794,724	469,858	146,335	325,646	6,021,707
Net maturity mismatch	821,442	(406,910)	(497,739)	(702,128)	(382,765)	1,238,458	1,018,105	1,088,463

Group 2024	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Assets								
Cash and bank balances	822,675	1,069,817	205,467	100	-	-	-	2,098,059
Financial assets at FVTPL	-	-	-	-	-	-	552,301	552,301
Financial instruments at FVOCI	-	-	-	-	10,000	857,152	1,421	868,573
Financial instruments at AC	-	-	14,996	10,902	40,675	454,445	-	521,018
Derivative financial assets	-	41,768	962	3,095	3,872	-	-	49,697
Loans, advances and financing	290,489	1,155,968	-	4,265	22,416	350,714	-	1,823,852
Balances due from clients and brokers	-	454,947	-	-	-	-	-	454,947
Other assets	6,682	294,555	3,769	5,749	-	-	129,013	439,768
Others	-	1,672	1,221	1,831	3,659	14,159	826,156	848,698
Total assets	1,119,846	3,018,727	226,415	25,942	80,622	1,676,470	1,508,891	7,656,913

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments:

Group 2025	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Commitments to extend credit:								
- share margin financing	2,674,740	-	-	-	-	-	-	2,674,740
Miscellaneous commitments - monies held in trust on behalf of client	1,111,265	-	-	-	-	-	-	1,111,265
Other commitments - corporate loan	103,473	-	-	-	-	-	27,000	130,473
Securities borrowing and lending	17,669	-	-	-	-	-	-	17,669
Total commitments and guarantees	3,907,147	-	-	-	-	-	27,000	3,934,147

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Liquidity risk (cont'd.)

(c) Liquidity risk (cont'd.)

(i) Analysis of assets and liabilities by remaining contractual maturities (cont'd.)

(i) Analysis of assets and liabilities by remaining contractual maturities (cont'd.)

The table below summarises the contractual maturity profile of the Group's assets and liabilities as at 31 December 2024. The contractual maturity profile often may not reflect the actual behavioural patterns. (cont'd.)

The table below summarises the contractual maturity profile of the Bank's assets and liabilities as at 31 December 2025. The contractual maturity profile often may not reflect the actual behavioural patterns.

Group (cont'd.) 2024	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Liabilities								
Deposits from customers	84,828	1,964,387	1,070,629	372,224	270,526	-	-	3,762,594
Deposits and placements of banks and other financial institutions	-	249,679	330,156	130,000	20,000	-	-	729,835
Obligations on securities sold under repurchase agreements	-	69,514	-	-	-	-	-	69,514
Derivative financial liabilities	-	4,661	16,862	14,051	24,559	-	-	60,133
Balances due to clients and brokers	-	1,012,438	-	-	-	-	-	1,012,438
Borrowings	-	9,000	-	-	-	180,500	-	189,500
Other liabilities balances	-	160,730	12,486	5,341	5,622	32,847	498,031	715,057
Total liabilities	84,828	3,470,409	1,430,133	521,616	320,707	213,347	498,031	6,539,071
Net maturity mismatch	1,035,018	(451,682)	(1,203,718)	(495,674)	(240,085)	1,463,123	1,010,860	1,117,842

Bank 2025	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Assets								
Cash and bank balances	218,584	1,085,041	280,575	50,000	-	-	-	1,634,200
Financial assets at FVTPL	-	-	-	-	-	-	508,622	508,622
Financial instruments at FVOCI	-	5,001	5,007	-	10,059	653,812	1,382	675,261
Financial instruments at AC	-	-	4,970	15,989	11,757	421,704	-	454,420
Derivative financial assets	-	206	6,389	260	4,030	279	-	11,164
Loans, advances and financing	357,545	1,051,057	-	-	41,587	315,237	-	1,765,426
Balances due from clients and brokers	-	480,505	-	-	-	-	-	480,505
Other assets	21,395	37,038	3,942	4,553	-	29,275	62,019	158,222
Others	-	1,572	894	1,341	2,683	14,951	748,867	770,308
Total assets	597,524	2,660,420	301,777	72,143	70,116	1,435,258	1,320,890	6,458,128

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments:

Group 2024	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Commitments to extend credit:								
- share margin financing	2,953,118	-	-	-	-	-	-	2,953,118
- foreign exchange related contracts	-	163,189	8,279	-	-	-	-	171,468
Miscellaneous commitments - monies held in trust on behalf of client	1,734,642	-	-	-	-	-	-	1,734,642
Other commitments - corporate loan	74,817	-	-	34,250	-	-	40,000	149,067
Securities borrowing and lending	27,893	-	-	-	-	-	-	27,893
Total commitments and guarantees	4,790,470	163,189	8,279	34,250	-	-	40,000	5,036,188

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Liquidity risk (cont'd.)

(c) Liquidity risk (cont'd.)

(i) Analysis of assets and liabilities by remaining contractual maturities (cont'd.)

(i) Analysis of assets and liabilities by remaining contractual maturities (cont'd.)

The table below summarises the contractual maturity profile of the Bank's assets and liabilities as at 31 December 2025. The contractual maturity profile often may not reflect the actual behavioural patterns. (cont'd.)

The table below summarises the contractual maturity profile of the Bank's assets and liabilities as at 31 December 2024. The contractual maturity profile often may not reflect the actual behavioural patterns.

Bank (cont'd.) 2025	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Liabilities								
Deposits from customers	36,584	1,770,475	679,503	676,809	401,859	-	-	3,565,230
Deposits and placements of banks and other financial institutions	-	482,346	156,050	135,600	30,000	-	-	803,996
Obligations on securities sold under repurchase agreements	-	226,631	-	-	-	-	-	226,631
Derivative financial liabilities	-	1,441	8,002	3,708	28,800	279	-	42,230
Balances due to clients and brokers	-	352,093	-	-	-	-	-	352,093
Borrowings	-	-	-	-	-	123,500	-	123,500
Other liabilities balances	-	102,898	9,981	8,788	8,517	18,286	154,960	303,430
Total liabilities	36,584	2,935,884	853,536	824,905	469,176	142,065	154,960	5,417,110
Net maturity mismatch	560,940	(275,464)	(551,759)	(752,762)	(399,060)	1,293,193	1,165,930	1,041,018

Bank 2024	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Assets								
Cash and bank balances	206,301	985,735	194,750	-	-	-	-	1,386,786
Financial assets at FVTPL	-	-	-	-	-	-	553,541	553,541
Financial instruments at FVOCI	-	-	-	-	10,000	857,152	1,421	868,573
Financial instruments at AC	-	-	14,996	10,902	40,675	454,445	-	521,018
Derivative financial assets	-	41,768	962	3,095	3,872	-	-	49,697
Loans, advances and financing	303,518	1,155,364	-	-	8,502	382,347	-	1,849,731
Balances due from clients and brokers	-	454,837	-	-	-	-	-	454,837
Other assets	10,548	68,615	3,769	5,749	-	29,495	100,968	219,144
Others	-	1,552	980	1,470	2,941	9,701	803,640	820,284
Total assets	520,367	2,707,871	215,457	21,216	65,990	1,733,140	1,459,570	6,723,611

The table below shows the contractual expiry by maturity of the Bank's contingent liabilities and commitments:

Bank 2025	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Commitments to extend credit:								
- share margin financing	2,674,740	-	-	-	-	-	-	2,674,740
Miscellaneous commitments - monies held in trust on behalf of client	1,111,265	-	-	-	-	-	-	1,111,265
Other commitments - corporate loan	156,473	-	-	-	-	20,000	27,000	203,473
Securities borrowing and lending	17,669	-	-	-	-	-	-	17,669
Total commitments and guarantees	3,960,147	-	-	-	-	20,000	27,000	4,007,147

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Liquidity risk (cont'd.)

(i) Analysis of assets and liabilities by remaining contractual maturities (cont'd.)

The table below summarises the contractual maturity profile of the Bank's assets and liabilities as at 31 December 2024. The contractual maturity profile often may not reflect the actual behavioural patterns. (cont'd.)

Bank (cont'd.) 2024	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Liabilities								
Deposits from customers	84,828	2,071,109	1,080,629	397,724	270,526	-	-	3,904,816
Deposits and placements of banks and other financial institutions	-	249,679	330,156	130,000	20,000	-	-	729,835
Obligations on securities sold under repurchase agreements	-	69,514	-	-	-	-	-	69,514
Derivative financial liabilities	-	4,661	16,862	14,051	24,559	-	-	60,133
Balances due to clients and brokers	-	360,633	-	-	-	-	-	360,633
Borrowings	-	-	-	-	-	180,500	-	180,500
Other liabilities balances	-	160,996	12,259	4,997	4,924	28,116	161,018	372,310
Total liabilities	84,828	2,916,592	1,439,906	546,772	320,009	208,616	161,018	5,677,741
Net maturity mismatch	435,539	(208,721)	(1,224,449)	(525,556)	(254,019)	1,524,524	1,298,552	1,045,870

The table below shows the contractual expiry by maturity of the Bank's contingent liabilities and commitments:

Bank 2024	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Commitments to extend credit:								
- share margin financing	2,953,118	-	-	-	-	-	-	2,953,118
- foreign exchange related contracts	-	163,189	8,279	-	-	-	-	171,468
Miscellaneous commitments - monies held in trust on behalf of client	1,734,642	-	-	-	-	-	-	1,734,642
Other commitments - corporate loan	131,817	-	-	34,250	-	15,000	40,000	221,067
Securities borrowing and lending	27,893	-	-	-	-	-	-	27,893
Total commitments and guarantees	4,847,470	163,189	8,279	34,250	-	15,000	40,000	5,108,188

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Liquidity risk (cont'd.)

(ii) Maturity analysis of financial liabilities on an undiscounted basis

The following tables show the contractual undiscounted cash flows payable for financial liabilities by remaining contractual maturities. The financial liabilities in the tables below will not agree to the balances reported in the statements of financial position as the tables incorporate all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments. The contractual maturity profile does not necessarily reflect the behavioural cash flows.

Group 2025	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Financial liabilities							
Deposits from customers	1,710,387	657,760	661,376	414,709	-	-	3,444,232
Deposits and placements of banks and other financial institutions	484,959	157,573	138,371	30,714	-	-	811,617
Obligations on securities sold under repurchase agreements	226,953	-	-	-	-	-	226,953
Derivative financial liabilities	1,441	8,002	3,708	28,800	279	-	42,230
Balances due to clients and brokers	935,516	-	-	-	-	-	935,516
Borrowings	15,071	-	-	-	173,859	-	188,930
Other liabilities balances	102,588	10,202	9,124	9,199	22,556	325,646	479,315
Total undiscounted financial liabilities	3,476,915	833,537	812,579	483,422	196,694	325,646	6,128,793

Group 2024	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Financial liabilities							
Deposits from customers	2,065,054	1,086,658	380,100	280,681	-	-	3,812,493
Deposits and placements of banks and other financial institutions	251,236	333,797	132,666	20,485	-	-	738,184
Obligations on securities sold under repurchase agreements	69,555	-	-	-	-	-	69,555
Derivative financial liabilities	4,661	16,862	14,051	24,559	-	-	60,133
Balances due to clients and brokers	1,012,438	-	-	-	-	-	1,012,438
Borrowings	9,130	-	-	-	268,926	-	278,056
Other liabilities balances	160,730	12,486	5,341	5,622	32,847	498,031	715,057
Total undiscounted financial liabilities	3,572,804	1,449,803	532,158	331,347	301,773	498,031	6,685,916

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Liquidity risk (cont'd.)

(ii) Maturity analysis of financial liabilities on an undiscounted basis (cont'd.)

Bank 2025	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Financial liabilities							
Deposits from customers	1,815,791	692,050	692,365	414,709	-	-	3,614,915
Deposits and placements of banks and other financial institutions	484,958	157,573	138,371	30,714	-	-	811,616
Obligations on securities sold under repurchase agreements	226,953	-	-	-	-	-	226,953
Derivative financial liabilities	1,441	8,002	3,708	28,800	279	-	42,230
Balances due to clients and brokers	352,093	-	-	-	-	-	352,093
Borrowings	-	-	-	-	173,859	-	173,859
Other liabilities balances	102,898	9,981	8,788	8,517	18,286	154,960	303,430
Total undiscounted financial liabilities	2,984,134	867,606	843,232	482,740	192,424	154,960	5,525,096

Bank 2024	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Financial liabilities							
Deposits from customers	2,172,110	1,096,740	406,026	280,681	-	-	3,955,557
Deposits and placements of banks and other financial institutions	251,236	333,797	132,666	20,485	-	-	738,184
Obligations on securities sold under repurchase agreements	69,555	-	-	-	-	-	69,555
Derivative financial liabilities	4,661	16,862	14,051	24,559	-	-	60,133
Balances due to clients and brokers	360,633	-	-	-	-	-	360,633
Borrowings	-	-	-	-	268,926	-	268,926
Other liabilities balances	160,996	12,259	4,997	4,924	28,116	161,018	372,310
Total undiscounted financial liabilities	3,019,191	1,459,658	557,740	330,649	297,042	161,018	5,825,298

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(d) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or resulting from external events.

Operational risk is managed through an effective operational risk management framework which includes the development of policies, processes and procedures for managing operational risk in the Group, independent review of the risk management function by internal audit and oversight by the Management and Board of Directors.

The operational risk management processes include identifying and assessing operational risks of the Group and the collection of operational risk loss data to track factual information which can assist the organisation and business and support units to effectively understand where their real risks exist, identify control weaknesses, underlying causes and introduce controls to strengthen the weaknesses.

Any actual, near-miss or potential losses from any operational risk loss events are to be reported to Management.

52. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value measurement

The Group and the Bank use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1
- quoted (unadjusted) market prices in active for identical assets or liabilities.
- Level 2
- valuation techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3
- valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

52. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D.)

52. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D.)

Fair value measurement (cont'd.)

Fair value measurement (cont'd.)

Group 2025	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Financial assets at FVTPL				
- Fund	-	97,412	-	97,412
- Equity securities	235,751	-	173,912	409,663
Financial investments at FVOCI				
- Debt securities	-	673,879	-	673,879
- Equity securities	-	-	1,382	1,382
Derivative financial assets	160	11,004	-	11,164
Financial assets for which fair values are disclosed				
Financial investments at AC	-	471,557	-	471,557
Loans, advances and financing	-	-	1,765,447	1,765,447
	235,911	1,253,852	1,940,741	3,430,504
Financial liability measured at fair value				
Derivative financial liabilities	18,213	24,017	-	42,230
Financial liabilities for which fair values are disclosed				
Obligations on securities sold under repurchase agreements	-	226,631	-	226,631
Borrowings	-	134,494	-	134,494
Deposits from customers	-	3,395,519	-	3,395,519
Deposits and placements of banks and other financial institutions	-	803,996	-	803,996
Others	-	1,267,085	-	1,267,085
	18,213	5,851,742	-	5,869,955

Group 2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Financial assets at FVTPL				
- Fund	-	97,797	-	97,797
- Equity securities	297,284	-	157,220	454,504
Financial investments at FVOCI				
- Debt securities	-	867,152	-	867,152
- Equity securities	-	-	1,421	1,421
Derivative financial assets	203	49,494	-	49,697
Financial assets for which fair values are disclosed				
Financial investments at AC	-	534,125	-	534,125
Loans, advances and financing	-	-	1,835,276	1,835,276
	297,487	1,548,568	1,993,917	3,839,972
Financial liability measured at fair value				
Derivative financial liabilities	40,567	19,566	-	60,133
Financial liabilities for which fair values are disclosed				
Obligations on securities sold under repurchase agreements	-	69,514	-	69,514
Borrowings	-	182,998	-	182,998
Deposits from customers	-	3,762,594	-	3,762,594
Deposits and placements of banks and other financial institutions	-	729,835	-	729,835
Others	-	1,535,098	-	1,535,098
	40,567	6,299,605	-	6,340,172

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

52. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D.)

52. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D.)

Fair value measurement (cont'd.)

Fair value measurement (cont'd.)

Bank 2025	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Financial assets at FVTPL				
- Fund	-	100,000	-	100,000
- Equity securities	234,710	-	173,912	408,622
Financial investments at FVOCI				
- Debt securities	-	673,879	-	673,879
- Equity securities	-	-	1,382	1,382
Derivative financial assets	160	11,004	-	11,164
Financial assets for which fair values are disclosed				
Financial investments at AC	-	471,557	-	471,557
Loans, advances and financing	-	-	1,781,463	1,781,463
	234,870	1,256,440	1,956,757	3,448,067
Financial liability measured at fair value				
Derivative financial liabilities	18,213	24,017	-	42,230
Financial liabilities for which fair values are disclosed				
Obligations on securities sold under repurchase agreements	-	226,631	-	226,631
Borrowings	-	119,495	-	119,495
Deposits from customers	-	3,565,230	-	3,565,230
Deposits and placements of banks and other financial institutions	-	803,996	-	803,996
Others	-	539,146	-	539,146
	18,213	5,278,515	-	5,296,728

Bank 2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Financial assets at FVTPL				
- Fund	-	100,000	-	100,000
- Equity securities	296,321	-	157,220	453,541
Financial investments at FVOCI				
- Debt securities	-	867,152	-	867,152
- Equity securities	-	-	1,421	1,421
Derivative financial assets	203	49,494	-	49,697
Financial assets for which fair values are disclosed				
Financial investments at AC	-	534,125	-	534,125
Loans, advances and financing	-	-	1,861,726	1,861,726
	296,524	1,550,771	2,020,367	3,867,662
Financial liability measured at fair value				
Derivative financial liabilities	40,567	19,566	-	60,133
Financial liabilities for which fair values are disclosed				
Obligations on securities sold under repurchase agreements	-	69,514	-	69,514
Borrowings	-	173,998	-	173,998
Deposits from customers	-	3,904,816	-	3,904,816
Deposits and placements of banks and other financial institutions	-	729,835	-	729,835
Others	-	582,806	-	582,806
	40,567	5,480,535	-	5,521,102

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

52. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D.)

Fair value measurement (cont'd.)

There have been no transfers between Level 1 and Level 2 during the financial years.

The methods and assumptions used to estimate the fair value of the financial instruments not measured at fair value are as disclosed in Note 49.

Movements in Level 3 financial instruments measured at fair value

The level of the fair value hierarchy of financial instruments is determined at the beginning of each reporting period. The following table shows a reconciliation of the opening and closing amounts of Level 3 financial assets that were recorded at fair value:

	Group and Bank	
	Equity securities at FVTPL RM'000	Equity securities at FVOCI RM'000
2025		
Balance at the beginning of the financial year	157,220	1,421
Acquisition of investments during the financial year	16,600	-
Revaluation gain during the financial year	92	(39)
Balance at the end of the financial year	173,912	1,382
2024		
Balance at the beginning of the financial year	71,203	1,343
Acquisition of investments during the financial year	43,539	-
Disposal/reclassification of investments during the financial year	(10,000)	-
Revaluation gain during the financial year	52,478	78
Balance at the end of the financial year	157,220	1,421

53. OPERATIONS OF ISLAMIC BANKING

The Islamic banking operations of the Bank are as follows:

(a) Statements of financial position as at 31 December 2025

	Note	Group and Bank	
		2025 RM'000	2024 RM'000
Assets			
Cash and bank balances	(e)	929,540	449,464
Financial assets at FVTPL	(f)	100,000	100,000
Financial investments at FVOCI	(g)(i)	171,460	184,671
Financial investments at AC	(g)(ii)	96,627	106,904
Financing and advances	(h)	117,929	122,947
Balances due from clients and brokers		1,125	1,386
Other assets	(i)	9,164	7,091
Property, plant and equipment		16	13
Intangible assets		1	1
Total assets		1,425,862	972,477
Liabilities			
Deposits from customers	(j)	758,128	345,164
Deposits and placements of banks and other financial institutions	(k)	-	10,000
Balances due to clients and brokers		2,972	3,842
Other liabilities	(l)	417,776	385,434
Deferred tax liabilities		871	168
Provision for taxation and zakat		5,966	6,390
Total liabilities		1,185,713	750,998
Islamic banking capital funds			
Islamic banking funds		120,000	120,000
Reserves		120,149	101,479
Total Islamic banking capital funds		240,149	221,479
Total liabilities and Islamic banking capital funds		1,425,862	972,477
Commitments and contingencies		60,665	91,915

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(b) Statements of profit or loss and other comprehensive income
For the financial year ended 31 December 2025

	Note	Group and Bank	
		2025 RM'000	2024 RM'000
Income derived from investment of depositors' funds	(m)	44,483	37,194
Income derived from investment of shareholders' funds	(n)	7,087	9,174
Credit loss expense		(274)	(111)
Total attributable income		51,296	46,257
Profit distributed to depositors	(o)	(23,617)	(17,160)
Net Income		27,679	29,097
Finance cost		(1,672)	(1,510)
Personnel expenses	(p)(i)	(815)	(768)
Other overhead expenses	(p)(ii)	(2,784)	(2,896)
Profit before taxation and zakat		22,408	23,923
Taxation and zakat		(5,966)	(6,390)
Profit for the financial year		16,442	17,533
Other comprehensive income/(loss)			
Items that will be reclassified subsequently to profit or loss:			
Net change in revaluation of debt instruments at FVOCI		2,931	(880)
Income tax impact		(703)	227
Total other comprehensive income for the financial year, net of tax		18,670	16,880

For consolidation with the conventional banking operations, income from Islamic Banking Window as shown on the face of the statements of profit or loss of the Group and of the Bank comprise of the following items:

	Group and Bank	
	2025 RM'000	2024 RM'000
Income derived from investment of depositors' funds	44,483	37,194
Income derived from investment of shareholders' funds	7,087	9,174
Total income before impairment allowances and overhead expenses	51,570	46,368
Profit distributed to depositors	(23,617)	(17,160)
Finance cost	(1,672)	(1,510)
Income from Islamic Banking Window operations reported in the statements of profit or loss	26,281	27,698

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(c) Statements of cash flows
For the financial year ended 31 December 2025

	Group and Bank	
	2025 RM'000	2024 RM'000
Cash flows from operating activities		
Profit before taxation and zakat	22,408	23,923
Adjustments for:		
Depreciation of plant and equipment (Note 53(p)(ii))	8	6
Credit loss expense	274	111
Realised gain from sale of financial assets at FVTPL (Note 53(m))	(505)	(54)
Realised gain from sale of financial investments at FVOCI (Note 53(m))	(889)	(940)
Operating profit before working capital changes	21,296	23,046
Changes in operating assets:		
Financing and advances	4,885	16,378
Balances due from clients and brokers	127	619
Other assets	(2,074)	(612)
Changes in operating liabilities:		
Deposits from customers	412,964	3,587
Deposits and placements of banks and other financial institutions	(10,000)	-
Balances due to clients and brokers	(870)	(1,647)
Other liabilities	26,569	(13,778)
Cash generated from operating activities	452,897	27,593
Zakat paid	(617)	(427)
Net cash generated from operating activities	452,280	27,166
Cash flows from investing activities		
Purchase of property, plant and equipment	(11)	(8)
Net sales of securities	27,807	79,919
Net cash generated from investing activities	27,796	79,911
Net change in cash and cash equivalents	480,076	107,077
Cash and cash equivalents at beginning of the financial year	449,464	342,387
Cash and cash equivalents at end of the financial year	929,540	449,464

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(d) Statements of changes in Islamic banking funds
For the financial year ended 31 December 2025

Group and Bank	Non-distributable				Distributable		Total RM'000
	Islamic banking fund RM'000	Fair value reserve RM'000	Regulatory reserve RM'000	ESS reserve RM'000	Capital reserve * RM'000	Retained profits RM'000	
At 1 January 2025	120,000	530	1,573	2	5,248	94,126	221,479
Net profit for the financial year	-	-	-	-	-	16,442	16,442
Other comprehensive income for the financial year	-	2,228	-	-	-	-	2,228
Transfer to retained profits	-	-	(582)	-	-	582	-
At 31 December 2025	120,000	2,758	991	2	5,248	111,150	240,149
At 1 January 2024	120,000	1,183	2,654	6	5,248	75,515	204,606
Net profit for the financial year	-	-	-	-	-	17,533	17,533
Other comprehensive loss for the financial year	-	(653)	-	-	-	-	(653)
Share based payment under ESS	-	-	-	(3)	-	(4)	(7)
Transfer to retained profits	-	-	(1,081)	(1)	-	1,082	-
At 31 December 2024	120,000	530	1,573	2	5,248	94,126	221,479

* Capital reserve arose from the merger adjustment to reflect the capital restructuring as a result of the group internal reorganisation exercise.

(e) Cash and bank balances

	Group and Bank	
	2025 RM'000	2024 RM'000
Current account with BNM and banks	20,540	18,214
Money at call and deposit placements with:		
Licensed banks	340,000	51,250
Licensed investments banks	90,000	-
Domestic non-bank financial institutions	479,000	200,000
Bank Negara Malaysia	-	180,000
	929,540	449,464

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(f) Financial assets at FVTPL

	Group and Bank	
	2025 RM'000	2024 RM'000
At fair value		
Unquoted securities in Malaysia:		
Funds	100,000	100,000

(g) Financial investments other than those measured at FVTPL

	Group and Bank	
	2025 RM'000	2024 RM'000
(i) Financial investments at Fair Value through Other Comprehensive Income ("FVOCI"):		
Money market instruments:		
Malaysian Government Investment Certificates	124,933	143,433
Debt instruments:		
Corporate Sukuk	46,527	41,238
Total financial investments at FVOCI	171,460	184,671
(ii) Financial investments at AC:		
Money market instruments:		
Malaysian Government Investment Certificates	50,018	49,966
Debt instruments:		
Corporate Sukuk	46,609	56,938
Total financial investments at AC	96,627	106,904
Total financial investments other than those measured at FVTPL	268,087	291,575

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(g) Financial investment other than those measured at FVTPL (cont'd.)

(iii) Impairment losses on financial investments subject to impairment assessment

FVOCI

An analysis of changes in the ECL is, as follows:

	Group and Bank			
	2025			
	RM'000 Stage 1	RM'000 Stage 2	RM'000 Stage 3	RM'000 Total
<u>ECL allowances</u>				
As at 1 January	61	-	-	61
Net remeasurement of allowances	6	-	-	6
As at 31 December	67	-	-	67

	Group and Bank			
	2024			
	RM'000 Stage 1	RM'000 Stage 2	RM'000 Stage 2	RM'000 Total
<u>ECL allowances</u>				
As at 1 January	-	-	-	-
Net remeasurement of allowances	61	-	-	61
As at 31 December	61	-	-	61

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(h) Financing and advances

	Group and Bank	
	2025 RM'000	2024 RM'000
Commodity Murabahah term financing		
- Shariah contract - others	44,139	72,031
Commodity Murabahah revolving credit		
- Shariah contract - others	73,335	50,847
Commodity Murabahah share margin financing		
- Shariah contract - others	935	416
Gross financing and advances	118,409	123,294
Less: Allowance for ECL	(480)	(347)
Net financing and advances	117,929	122,947
(i) Gross financing and advances analysed by type of customer are as follows:		
Domestic business enterprises	78,414	73,893
Individuals	39,995	49,401
	118,409	123,294
(ii) Gross financing and advances analysed by geographical distribution are as follows:		
In Malaysia	118,409	123,294
(iii) Gross financing and advances analysed by profit rate sensitivity are as follows:		
Fixed rate	935	416
Variable rate- Cost plus	117,474	122,878
	118,409	123,294

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(h) Financing and advances (cont'd.)

(iv) Gross financing and advances analysed by economic purpose are as follows:

	Group and Bank	
	2025 RM'000	2024 RM'000
Purchase of securities	935	8,918
Working capital	32,531	38,739
Others	84,943	75,637
	118,409	123,294

(v) Gross financing and advances analysed by residual contractual maturity are as follows:

	Group and Bank	
	2025 RM'000	2024 RM'000
Within one year	80,797	59,765
More than one year	37,612	63,529
	118,409	123,294

(vi) Impairment allowance for financing and advances are as follows:

Term Financing :

ECL allowances	Group & Bank	
	2025	
	Stage 1 RM'000	Total RM'000
As at 1 January	347	347
New assets originated	116	116
Assets derecognised or repaid (excluding write-offs)	(16)	(16)
Net remeasurement of allowances	33	33
As at 31 December	480	480

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(h) Financing and advances (cont'd.)

(vi) Impairment allowance for financing and advances are as follows: (cont'd.)

ECL allowances	2024	
	Stage 1 RM'000	Total RM'000
As at 1 January	208	208
New assets originated	98	98
Assets derecognised or repaid (excluding write-offs)	(53)	(53)
Net remeasurement of allowances	42	42
Changes in model assumption or methodology	52	52
As at 31 December	347	347

(i) Other assets

	Group and Bank	
	2025 RM'000	2024 RM'000
Income receivables	6,071	4,066
Prepayment	2	1
Other receivables	3,119	3,051
Less: ECL	(28)	(27)
	9,164	7,091

(i) Impairment allowance for other receivables:

ECL allowances	2025		
	Non-credit Impaired RM'000	Credit Impaired RM'000	Total RM'000
As at 1 January	-	27	27
New assets originated	5	30	35
Assets derecognised or repaid (excluding write-offs)	-	(34)	(34)
Transfer of stages during the year	(4)	4	-
As at 31 December	1	27	28

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(i) Other assets (cont'd.)

(i) Impairment allowance for other receivables (cont'd.):

	2024		
	Non-credit Impaired RM'000	Credit Impaired RM'000	Total RM'000
ECL allowances			
As at 1 January	1	26	27
New assets originated	4	31	35
Assets derecognised or repaid (excluding write-offs)	-	(35)	(35)
Transfer of stages during the year	(5)	5	-
As at 31 December	-	27	27

(j) Deposits from customers

	Group and Bank	
	2025 RM'000	2024 RM'000
(i) By type of deposit:		
Tawarruq (Commodity Murabahah deposits)	758,128	345,164
(ii) By type of customers:		
Government and statutory bodies	290,000	50,000
Domestic non-bank institutions	416,316	242,397
Business enterprises	35,574	38,820
Individuals	788	699
Subsidiary companies	15,450	13,248
	758,128	345,164
(iii) By maturity:		
Due within six months	466,077	295,164
Due more than six months	292,051	50,000
	758,128	345,164

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(k) Deposits and placements of banks and other financial institutions

	Group and Bank	
	2025 RM'000	2024 RM'000
Other financial institution	-	10,000

(l) Other liabilities

	Group and Bank	
	2025 RM'000	2024 RM'000
Mudarabah Specific Investment Account	43,736	32,427
Profit payables	5,386	798
Other payables	368,654	352,209
	417,776	385,434

(i) The movements in allowances for impairment losses on financing commitments are as follows:

	Group and Bank	
	2025	
	Stage 1 RM'000	Total RM'000
ECL allowances		
As at 1 January 2025 / 31 December 2025	-	-
	2024	
	Stage 1 RM'000	Total RM'000
ECL allowances		
As at 1 January	93	93
Assets derecognised or repaid (excluding write-offs)	(93)	(93)
As at 31 December	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(m) Income derived from investment of depositors' funds

	Group and Bank	
	2025 RM'000	2024 RM'000
Finance income and hibah		
Financing and advances	3,111	2,768
Deposits and placements with financial institutions	21,802	13,233
Financial investments other than those measured at FVTPL	9,320	11,059
Accretion of discount	(557)	(561)
Others	3	3
	33,679	26,502
Other operating income		
Realised gain on sale of financial assets at FVTPL	505	54
Realised gain on sale of financial investments at FVOCI	889	940
Fees on financing and advances	23	16
Brokerage fee	3,907	4,575
Profit income	4,539	4,426
Advisory fee	239	247
Direct trading expenses	(154)	(113)
Other operating income	852	547
Other non-operating income	4	-
	10,804	10,692
	44,483	37,194

(n) Income derived from investment of shareholders' funds

	Group and Bank	
	2025 RM'000	2024 RM'000
Finance income and hibah		
Financing and advances	5,175	7,606
Financial investments other than those measured at FVTPL	2,109	1,726
Accretion of premium	(197)	(158)
	7,087	9,174

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(o) Profit distributed to depositors

	Group and Bank	
	2025 RM'000	2024 RM'000
Deposits from customers and financial institutions		
- Murabahah Fund	19,784	13,102
Others	3,833	4,058
	23,617	17,160

(p) Other operating expenses

	Group and Bank	
	2025 RM'000	2024 RM'000
(i) Personnel expenses		
- salaries, wages, allowances and bonus	625	586
- EPF	97	95
- other staff related expenses	93	87
	815	768
(ii) Other overhead expenses		
Establishment costs		
- depreciation	8	6
- office rental	59	59
- others	48	32
	115	97
Marketing and trading expenses		
- advertisement and promotions	2	6
- travelling and entertainment expenses	1	2
	3	8
Administration and general expenses		
- Fees and brokerage	440	690
- Support service charges	1,484	1,482
- Shariah committee expenses	225	225
- Others	517	394
	2,666	2,791
Total other overhead expenses	2,784	2,896

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(q) Recognition and measurement by main class of Shariah contracts

The recognition and measurement of each main class of Shariah contracts are dependent on the nature of the products, either financing or deposit products. The accounting policies for each of these products are disclosed in their respective policies.

(r) Shariah Committees' remuneration

Remuneration in aggregate for Shariah Committees for the financial year is as follows:

Group and Bank	Remuneration received		
	Fees	Other emolument	Total
Committees members:			
31 December 2025			
Dr. Ghazali Jaapar	78,000	7,200	85,200
Dr. Mohammad Firdaus Mohammad Hatta	54,000	6,500	60,500
Dr. Fadillah Mansor	48,000	6,500	54,500
	180,000	20,200	200,200
31 December 2024			
Dr. Ghazali Jaapar	78,000	7,200	85,200
Dr. Mohammad Firdaus Mohammad Hatta	54,000	6,000	60,000
Dr. Fadillah Mansor	48,000	5,500	53,500
	180,000	18,700	198,700

(s) Capital adequacy

	Group and Bank	
	2025 RM'000	2024 RM'000
CET 1/Tier 1 capital		
Islamic banking funds	120,000	120,000
Retained profits	111,150	94,126
Reserves	8,999	7,353
Less:		
Intangible assets	(1)	(1)
55% of cumulative gains on financial investments at FVOCI	(1,517)	(291)
Regulatory reserve	(991)	(1,573)
Total CET 1/Tier 1 capital	237,640	219,614
Tier 2 capital		
General provision	1,542	1,860
Total Tier 2 capital	1,542	1,860
Total capital	239,182	221,474

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(s) Capital adequacy (cont'd.)

	Group and Bank	
	2025 RM'000	2024 RM'000
CET 1 capital ratio	60.508%	82.627%
Tier 1 capital ratio	60.508%	82.627%
Total capital ratio	60.900%	83.327%

The breakdown of risk-weighted assets (excluding any deferred tax assets) in the various categories of risk-weights are as follows:

	2025		2024	
	Principal RM'000	Risk-weighted RM'000	Principal RM'000	weighted RM'000
Group and Bank				
Credit risk	1,377,733	354,788	912,672	228,046
Operational risk	-	37,956	-	37,743
Total risk weighted assets	1,377,733	392,744	912,672	265,789

(t) Commitments and contingencies

In the normal course of business, the Group and the Bank enter into various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

As at reporting date, the commitments and contingencies are as follows:

	Group and Bank	
	2025 Principal amount RM'000	2024 Principal amount RM'000
Commitments to extend credit with maturity of less than 1 year:		
- share margin financing	11,212	16,134
- corporate financing	49,453	41,531
Commitments to extend credit with maturity of more than 1 year:		
- corporate financing	-	34,250
	60,665	91,915

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(u) Liquidity risk

Analysis of assets and liabilities by remaining contractual maturities

The table below summarises the contractual maturity profile of the Islamic banking operation's assets and liabilities as at 31 December 2025. The contractual maturity profile often may not reflect the actual behavioural patterns.

Group and Bank 2025	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Assets								
Cash and bank balances	20,540	619,000	290,000	-	-	-	-	929,540
Financial assets at FVTPL	-	-	-	-	-	-	100,000	100,000
Financial instruments at FVOCI	-	-	-	-	5,076	166,384	-	171,460
Financial instruments at AC	-	-	-	10,063	-	86,564	-	96,627
Financing and advances	73,239	935	-	-	-	43,755	-	117,929
Balances due from clients and brokers	-	1,125	-	-	-	-	-	1,125
Other assets	3,004	3,269	2,126	762	-	-	3	9,164
Others	-	-	-	-	-	-	17	17
Total assets	96,783	624,329	292,126	10,825	5,076	296,703	100,020	1,425,862
Liabilities								
Deposits from customers	-	511,927	51,801	120,517	73,883	-	-	758,128
Balances due to clients and brokers	-	2,972	-	-	-	-	-	2,972
Other liabilities balances	-	1,891	814	2,248	434	5,966	413,260	424,613
Total liabilities	-	516,790	52,615	122,765	74,317	5,966	413,260	1,185,713
Net maturity mismatch	96,783	107,539	239,511	(111,940)	(69,241)	290,737	(313,240)	240,149

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(u) Liquidity risk (cont'd.)

Analysis of assets and liabilities by remaining contractual maturities (cont'd.)

The table below summarises the contractual maturity profile of the Islamic banking operation's assets and liabilities as at 31 December 2024. The contractual maturity profile often may not reflect the actual behavioural patterns. (cont'd.)

Group and Bank 2024	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Assets								
Cash and bank balances	18,214	281,250	150,000	-	-	-	-	449,464
Financial assets at FVTPL	-	-	-	-	-	-	100,000	100,000
Financial instruments at FVOCI	-	-	-	-	-	184,671	-	184,671
Financial instruments at AC	-	-	4,998	5,000	-	96,906	-	106,904
Financing and advances	50,820	416	-	-	8,502	63,209	-	122,947
Balances due from clients and brokers	-	1,386	-	-	-	-	-	1,386
Other assets	3,014	1,867	1,259	948	-	-	3	7,091
Others	-	-	-	-	-	-	14	14
Total assets	72,048	284,919	156,257	5,948	8,502	344,786	100,017	972,477
Liabilities								
Deposits from customers	-	284,658	2,467	58,039	-	-	-	345,164
Deposits and placements of banks and other financial institutions	-	10,000	-	-	-	-	-	10,000
Balances due to clients and brokers	-	3,842	-	-	-	-	-	3,842
Other liabilities balances	-	142	11	646	-	6,390	384,803	391,992
Total liabilities	-	298,642	2,478	58,685	-	6,390	384,803	750,998
Net maturity mismatch	72,048	(13,723)	153,779	(52,737)	8,502	338,396	(284,786)	221,479

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

54. DIRECTORS OF SUBSIDIARIES OF THE GROUP

The following is the list of Directors who served on the Boards of the subsidiaries of the Group since the beginning of the financial year to the date of the Directors’ report:

No.	Name of subsidiaries	Name of Directors
1	Kenanga Futures Sdn Bhd	Sree Kumar A/L C K Nayar Emmanuel, Dominique, Martial, Georges, Faure Azila Binti Abdul Aziz Vaithiyanathan A/L Madavan Lem Siow Hui
2	Kenanga Nominees (Asing) Sdn Bhd	Ng Yoke Mun Cheong Boon Kak Ruslan Bin Md Nor Vaithiyanathan A/L Madavan Chan Tuck Kiong (appointed on 7 August 2025) Datuk Lee Kok Khee (resigned on 7 August 2025)
3	Kenanga Nominees (Tempatan) Sdn Bhd	Ng Yoke Mun Cheong Boon Kak Ruslan Bin Md Nor Vaithiyanathan A/L Madavan Chan Tuck Kiong (appointed on 7 August 2025) Datuk Lee Kok Khee (resigned on 7 August 2025)
4	Kenanga Private Equity Sdn Bhd	Datuk Chay Wai Leong Cheong Boon Kak Vaithiyanathan A/L Madavan
5	ECML Berhad	Vaithiyanathan A/L Madavan Chan Tuck Kiong (appointed on 7 August 2025) Datuk Lee Kok Khee (resigned on 7 August 2025)
6	Kenanga Digital Sdn Bhd	Cheong Boon Kak Datuk Wira Ismitz Matthew De Alwis (Appointed on 7 January 2025) Chan Tuck Kiong (appointed on 7 August 2025) Ian Wyatt Lloyd (resigned on 30 June 2025) Datuk Lee Kok Khee (resigned on 7 August 2025)

54. DIRECTORS OF SUBSIDIARIES OF THE GROUP (CONT’D.)

No.	Name of subsidiaries	Name of Directors
7	Avenue Kestrel Sdn Bhd	Vaithiyanathan A/L Madavan Chan Tuck Kiong (appointed on 7 August 2025) Datuk Lee Kok Khee (resigned on 7 August 2025)
8	K & N Kenanga Holdings Berhad	Datuk Chay Wai Leong Datuk Roslan Bin Hj Tik Cheong Boon Kak
9	SSSB Management Services Sdn Bhd	Lem Siow Hui Vaithiyanathan A/L Madavan
10	Kenanga Management & Services Sdn Bhd	Lem Siow Hui Vaithiyanathan A/L Madavan
11	Kenanga Investors Berhad	Norazian Binti Ahmad Tajuddin Datuk Wira Ismitz Matthew De Alwis Choy Khai Choon Norazilla Binti Md Tahir Irene Cheng May May (appointed on 17 November 2025) Luk Wai Hong, William (resigned on 1 November 2025)
12	Kenanga Islamic Investors Berhad	YM Tan Sri Dato’ Paduka Tengku Noor Zakiah Binti Tengku Ismail Datuk Wira Ismitz Matthew De Alwis Megat Mizan Nicholas Denney (Redesignated on 28 August 2025 from Alternate Director to YM Tan Sri Dato’ Paduka Tengku Noor Zakiah Binti Tengku Ismail to Director) Norazian Binti Ahmad Tajuddin Raja Shahrul Azrain Bin Raja Aman
13	KUT Nominees (Tempatan) Sdn Bhd	Datuk Wira Ismitz Matthew De Alwis Chan Tuck Kiong (appointed on 7 August 2025) Datuk Lee Kok Khee (resigned on 7 August 2025)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

54. DIRECTORS OF SUBSIDIARIES OF THE GROUP (CONT'D.)

No.	Name of subsidiaries	Name of Directors
14	KUT Nominees (Asing) Sdn Bhd	Datuk Wira Ismitz Matthew De Alwis Chan Tuck Kiong (appointed on 7 August 2025) Datuk Lee Kok Khee (resigned on 7 August 2025)
15	Kenanga Trustees Berhad	Datuk Wira Ismitz Matthew De Alwis Cheong Boon Kak Tan Ping Ying
16	Kenanga Capital Sdn Bhd	Datuk Roslan Bin Hj Tik Chan Tuck Kiong (appointed on 25 September 2025) Datuk Lee Kok Khee (resigned on 25 September 2025)
17	EQ8 Capital Sdn Bhd	Datuk Wira Ismitz Matthew De Alwis Syed Umar Bin Abdul Rahman Alhadad Norazian Binti Ahmad Tajuddin Norazilla Binti Md Tahir Ong Soon Chong (appointed on 4 March 2025) Luk Wai Hong, William (retired on 1 November 2025)

55. EQUITY COMPENSATION BENEFITS

Kenanga Group's Employees' Share Scheme

The Bank has established and implemented an ESS for the employees of the Bank and its non-dormant subsidiary companies. The ESS consists of two types of awards in the form of ESOS and ESGP.

(1) ESOS

Under the ESOS award, the ESS Committee may, within the period of the Scheme and at its discretion, offer to the eligible employees a certain number of ESOS options to subscribe for the Bank's shares at the respective exercise prices subject to the applicable terms and conditions of the by-laws.

Subject to acceptance, the participants will be vested with the options, which may then be exercised within a period of three years, provided that all the vesting conditions are fulfilled.

Key features of the ESOS awards since the beginning of the scheme until the end of the current financial year are as follow:

First offer

Offer date	Vesting date	Number of options vested ('000)	Exercise price (RM)
2.1.2018	1.3.2018	2,218	0.575
2.1.2018	2.5.2019	13,320	0.575
2.1.2018	1.7.2020	12,231	0.575
2.1.2018	1.12.2020	224	0.575
2.1.2018	2.8.2021	16,560	0.575
2.1.2018	28.10.2021	300	0.575

Second offer

Offer date	Vesting date	Number of options vested ('000)	Exercise price (RM)
31.5.2018	2.5.2019	3,000	0.630
31.5.2018	1.7.2020	3,000	0.630
31.5.2018	2.8.2021	4,000	0.630

Third offer

Offer date	Vesting date	Number of options vested ('000)	Exercise price (RM)
2.5.2019	1.6.2019	386	0.605
2.5.2019	1.7.2020	1,404	0.605
2.5.2019	2.8.2021	1,325	0.605
2.5.2019	1.9.2022	1,272	0.605

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

55. EQUITY COMPENSATION BENEFITS (CONT'D.)

Kenanga Group's Employees' Share Scheme ("ESS") (cont'd.)

(1) ESOS (cont'd.)

Fourth offer

Offer date	Vesting date	Number of options vested ('000)	Exercise price (RM)
17.6.2019	1.7.2020	225	0.595
17.6.2019	2.8.2021	225	0.595

The remaining options of fourth offer were forfeited due to resignation.

Fifth offer

Offer date	Vesting date	Number of options vested ('000)	Exercise price (RM)
1.7.2020	1.8.2020	356	0.580
1.7.2020	2.8.2021	792	0.580
1.7.2020	1.9.2021	17	0.580
1.7.2020	1.9.2022	623	0.580
1.7.2020	1.11.2023	820	0.580

Sixth offer

Offer date	Vesting date	Number of options vested ('000)	Exercise price (RM)
2.8.2021	1.9.2021	308	1.370
2.8.2021	1.9.2022	818	1.370
2.8.2021	1.11.2023	550	1.370
2.8.2021	2.9.2024	672	1.370

55. EQUITY COMPENSATION BENEFITS (CONT'D.)

Kenanga Group's Employees' Share Scheme ("ESS") (cont'd.)

(1) ESOS (cont'd.)

Details of share options granted under ESOS:

Offer date	Vesting date	Number of options granted	Exercise price (RM)	Number of exercisable options	Exercise period
02.01.2018	01.03.2018	2,218,000	0.575	-	01.03.2018-28.02.2021
02.01.2018	02.05.2019	14,161,500	0.575	-	02.05.2019-01.05.2022
02.01.2018	01.07.2020	14,161,500	0.575	-	01.07.2020-30.06.2023
02.01.2018	01.12.2020	224,000	0.575	-	01.12.2020-31.05.2021
02.01.2018	02.08.2021	18,358,000	0.575	-	02.08.2021-01.08.2024
02.01.2018	28.10.2021	300,000	0.575	-	02.08.2021-01.08.2024
31.05.2018	02.05.2019	3,000,000	0.630	-	02.05.2019-01.05.2022
31.05.2018	01.07.2020	3,000,000	0.630	-	01.07.2020-30.06.2023
31.05.2018	02.08.2021	4,000,000	0.630	-	02.08.2021-01.08.2024
02.05.2019	01.06.2019	386,000	0.605	-	01.06.2019-31.05.2022
02.05.2019	01.07.2020	1,588,500	0.605	-	01.07.2020-30.06.2023
02.05.2019	02.08.2021	1,588,500	0.605	-	02.08.2021-01.08.2024
02.05.2019	01.09.2022	2,118,000	0.605	-	01.09.2022-31.08.2025
17.06.2019	01.07.2020	225,000	0.595	-	01.07.2020-30.06.2023
17.06.2019	02.08.2021	225,000	0.595	-	02.08.2021-01.08.2024
17.06.2019	N/A *	300,000	0.595	N/A	N/A
01.07.2020	01.08.2020	356,000	0.580	-	01.08.2020-31.07.2023
01.07.2020	02.08.2021	870,000	0.580	-	02.08.2021-01.08.2024
01.07.2020	01.09.2021	16,500	0.580	-	01.09.2021-31.08.2024
01.07.2020	01.09.2022	886,500	0.580	-	01.09.2022-31.08.2025
01.07.2020	01.11.2023	1,182,000	0.580	430,000	01.11.2023-31.10.2026

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

55. EQUITY COMPENSATION BENEFITS (CONT'D.)

Kenanga Group's Employees' Share Scheme ("ESS") (cont'd.)

(1) ESOS (cont'd.)

Details of share options granted under ESOS (cont'd.):

Offer date	Vesting date	Number of options granted	Exercise price (RM)	Number of exercisable options	Exercise period
02.08.2021	01.09.2021	308,000	1.370	-	01.09.2021-31.08.2024
02.08.2021	01.09.2022	1,281,000	1.370	-	01.09.2022-31.08.2025
02.08.2021	01.11.2023	1,281,000	1.370	463,500	01.11.2023-31.10.2026
02.08.2021	02.09.2024	1,708,000	1.370	566,000	02.09.2024-01.09.2027

* Unvested.

The following table illustrates the number and weighted average exercise price ("WAEP") of, and movement in, share options during the financial year:

ESOS First Offer

The offer was fully exercised and expired in 2024 as shown below.

2024 Offer date	Opening	Movement during the financial year			Outstanding
	As at 1.1.2024	Granted	Exercised	Forfeited/ Cancelled	As at 31.12.2024
02.01.2018	3,356,000	-	3,116,000	240,000	-
WAEP (RM)	0.575	-	0.575	0.575	0.575

ESOS Second Offer

The offer was fully exercised and expired in 2024 as shown below.

2024 Offer date	Opening	Movement during the financial year			Outstanding
	As at 1.1.2024	Granted	Exercised	Forfeited/ Cancelled	As at 31.12.2024
31.05.2018	4,000,000	-	1,000,000	3,000,000	-
WAEP (RM)	0.630	-	0.630	0.630	0.630

55. EQUITY COMPENSATION BENEFITS (CONT'D.)

Kenanga Group's Employees' Share Scheme ("ESS") (cont'd.)

(1) ESOS (cont'd.)

The following table illustrates the number and weighted average exercise price ("WAEP") of, and movement in, share options during the financial year (cont'd.):

ESOS Third Offer

2025 Offer date	Opening	Movement during the financial year			Outstanding
	As at 1.1.2025	Granted	Exercised	Forfeited/ Cancelled	As at 31.12.2025
02.05.2019	677,000	-	515,000	162,000	-
WAEP (RM)	0.605	-	0.605	0.605	0.605

2024 Offer date	Opening	Movement during the financial year			Outstanding
	As at 1.1.2024	Granted	Exercised	Forfeited/ Cancelled	As at 31.12.2024
02.05.2019	860,000	-	148,500	34,500	677,000
WAEP (RM)	0.605	-	0.605	0.605	0.605

ESOS Fourth Offer

The offer was forfeited in 2021 due to resignation of staff.

ESOS Fifth Offer

2025 Offer date	Opening	Movement during the financial year			Outstanding
	As at 1.1.2025	Granted	Exercised	Forfeited/ Cancelled	As at 31.12.2025
01.07.2020	630,000	-	183,500	16,500	430,000
WAEP (RM)	0.580	-	0.580	0.580	0.580

2024 Offer date	Opening	Movement during the financial year			Outstanding
	As at 1.1.2024	Granted	Exercised	Forfeited/ Cancelled	As at 31.12.2024
01.07.2020	1,296,500	-	584,500	82,000	630,000
WAEP (RM)	0.580	-	0.580	0.580	0.580

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

55. EQUITY COMPENSATION BENEFITS (CONT'D.)

55. EQUITY COMPENSATION BENEFITS (CONT'D.)

Kenanga Group's Employees' Share Scheme ("ESS") (cont'd.)

Kenanga Group's Employees' Share Scheme ("ESS") (cont'd.)

(1) ESOS (cont'd.)

(1) ESOS (cont'd.)

The following table illustrates the number and weighted average exercise price ("WAEP") of, and movement in, share options during the financial year (cont'd.):

ESOS Sixth Offer

2025 Offer date	Opening	Movement during the financial year			Outstanding
	As at 1.1.2025	Granted	Exercised	Forfeited/ Cancelled	As at 31.12.2025
02.08.2021	1,607,000	-	-	577,500	1,029,500
WAEP (RM)	1.370	-	1.370	1.370	1.370

2024 Offer date	Opening	Movement during the financial year			Outstanding
	As at 1.1.2024	Granted	Exercised	Forfeited/ Cancelled	As at 31.12.2024
02.08.2021	2,041,000	-	6,000	428,000	1,607,000
WAEP (RM)	1.370	-	1.370	1.370	1.370

The fair values of share options granted were estimated using the Binomial Option Pricing Model, taking into account the terms and conditions upon which the options are granted. The fair values of share options and the key inputs for the share options valuation are as follows:

ESOS First Offer

	Tranches of vesting:			
	First tranche	Second tranche	Third tranche	Fourth tranche
Fair value of share options (RM)	0.0856	0.0963	0.1047	0.1111
Share price at offer date (RM)	0.550	0.550	0.550	0.550
Exercise price (RM)	0.575	0.575	0.575	0.575
Expected volatility (%)	26.92%	26.92%	26.92%	26.92%
Risk free rate (%)	3.688%	3.688%	3.688%	3.688%
Expected dividend yield (%)	4.00%	4.00%	4.00%	4.00%

The exercise period is 3 years from vesting date.

ESOS Second Offer

	Tranches of vesting:		
	First tranche	Second tranche	Third tranche
Fair value of share options (RM)	0.1030	0.1140	0.1220
Share price at offer date (RM)	0.595	0.595	0.595
Exercise price (RM)	0.630	0.630	0.630
Expected volatility (%)	28.07%	28.07%	28.07%
Risk free rate (%)	3.883%	3.883%	3.883%
Expected dividend yield (%)	4.00%	4.00%	4.00%

The exercise period is 3 years from vesting date.

ESOS Third Offer

	Tranches of vesting:			
	First tranche	Second tranche	Third tranche	Fourth tranche
Fair value of share options (RM)	0.1103	0.1251	0.1404	0.1535
Share price at offer date (RM)	0.580	0.580	0.580	0.580
Exercise price (RM)	0.605	0.605	0.605	0.605
Expected volatility (%)	28.10%	28.10%	28.10%	28.10%
Risk free rate (%)	3.610%	3.610%	3.610%	3.610%
Expected dividend yield (%)	1.80%	1.80%	1.80%	1.80%

The exercise period is 3 years from vesting date.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

55. EQUITY COMPENSATION BENEFITS (CONT'D.)

55. EQUITY COMPENSATION BENEFITS (CONT'D.)

Kenanga Group's Employees' Share Scheme ("ESS") (cont'd.)

Kenanga Group's Employees' Share Scheme ("ESS") (cont'd.)

(1) ESOS (cont'd.)

(1) ESOS (cont'd.)

ESOS Fourth Offer

ESOS Sixth Offer

	Tranches of vesting:		
	First tranche	Second tranche	Third tranche
Fair value of share options (RM)	0.1188	0.1338	0.1467
Share price at offer date (RM)	0.570	0.570	0.570
Exercise price (RM)	0.595	0.595	0.595
Expected volatility (%)	27.90%	27.90%	27.90%
Risk free rate (%)	3.460%	3.460%	3.460%
Expected dividend yield (%)	1.80%	1.80%	1.80%

	Tranches of vesting:			
	First tranche	Second tranche	Third tranche	Fourth tranche
Fair value of share options (RM)	0.2105	0.2244	0.2259	0.2205
Share price at offer date (RM)	1.270	1.270	1.270	1.270
Exercise price (RM)	1.370	1.370	1.370	1.370
Expected volatility (%)	35.713%	35.713%	35.713%	35.713%
Risk free rate (%)	2.500%	2.500%	2.500%	2.500%
Expected dividend yield (%)	9.263%	9.263%	9.263%	9.263%

The exercise period is 3 years from vesting date.

The exercise period is 3 years from vesting date.

ESOS Fifth Offer

(2) ESGP

	Tranches of vesting:			
	First tranche	Second tranche	Third tranche	Fourth tranche
Fair value of share options (RM)	0.0981	0.102	0.1046	0.1038
Share price at offer date (RM)	0.550	0.550	0.550	0.550
Exercise price (RM)	0.580	0.580	0.580	0.580
Expected volatility (%)	29.450%	29.450%	29.450%	29.450%
Risk free rate (%)	2.480%	2.480%	2.480%	2.480%
Expected dividend yield (%)	7.220%	7.220%	7.220%	7.220%

Under the ESGP award, the ESS Committee may, within the period of the Scheme and at its discretion, grant to the eligible employees an ESGP awards, in the form of Restricted Share Plan ("RSP") and/or Performance Share Plan ("PSP").

The exercise period is 3 years from vesting date.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

55. EQUITY COMPENSATION BENEFITS (CONT'D.)

Kenanga Group's Employees' Share Scheme ("ESS") (cont'd.)

(2) ESGP (cont'd.)

Key features of the RSP and PSP awards are as follow:

(a) RSP

The RSP is a restricted share incentive plan, in recognition of the loyalty and individual contributions of the eligible employees towards the development, growth and success of the Group.

The vesting conditions are stipulated and determined by the ESS Committee, which may include, amongst others, the achievement of individual performance as measured by both qualitative and quantitative key performance indicators ("KPIs"), during such period as stipulated in the ESGP award.

(b) PSP

The PSP is a performance share plan in recognition of the contributions of the eligible employees as drivers of the growth and performance of the Group.

The PSP is intended to promote alignment between the strategic achievements of the Group and those of the eligible employees to drive the creation of shareholders' value and the growth of long term financial performance of the Group.

The vesting conditions are stipulated and determined by the ESS Committee, which may include, amongst others, the achievement of relevant service objectives and specific performance targets as measured by both qualitative and quantitative KPIs, during such period as stipulated in the ESGP award.

On 2 January 2018, 3,612,735 units of share grant were allocated under the PSP and on 3 May 2021, 3,610,000 units of shares were awarded to eligible Senior Management of the Group and of the Bank.

Details of share options awarded under PSP:

Award date	Number of PSP share awarded	Vesting date
03.05.2021	3,610,000	02.06.2021

PSP Grantee is restricted from selling or transferring the shares issued to him or her for a period of one year from the award date.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, below are the financial data which are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 RM'000	2024 RM'000
Interest income		268,844	269,948
Finance income		45,306	40,102
Fee Income		455,237	550,163
Gain arising from sale of securities		106,597	37,680
Unrealised (loss)/gain on revaluation of financial assets at FVTPL and derivatives		(28,791)	89,048
Dividend Income		2,109	3,502
Other income	Net foreign exchange profit	12,588	10,817
Other income	Rental income	2,302	2,339
Other income	Other operating income	3,000	2,536
Other income	Other non-operating income	4,817	11,682
Share of result of associates		2,325	15,068
Share of result of joint ventures		(4,048)	(4,419)
Total		870,286	1,028,466

Total Assets	Group	
	2025 RM'000	2024 RM'000
Total Assets	7,110,170	7,656,913

(B) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 RM'000	2024 RM'000
Conventional banking & finance and related services		133,929	130,015
Conventional funds management, financial advisory and related services		154,769	184,948
Dividend income received from conventional shares and instruments		2,109	3,503
Gain from investment in conventional instruments		76,422	125,734
Income from disposal of Shariah non-compliant investments/instruments		601	479
Interest income		140,751	145,815
Rental income received from tenants involved in Shariah non-compliant activities		2,302	2,339
Stockbroking and share trading business		145,499	211,581
Other income	Commissions, corporate advisory fee, placement fee, underwriting fee, other fee income	40,650	45,372
Insurance income		2	11
Total		697,034	849,797

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, below are the financial data which are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position. (cont'd.)

(C) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Group	
	2025 RM'000	2024 RM'000
Cash at bank (exclude cash in hand)	666,761	512,816
Deposits with licensed bank	290,000	150,000
Money market instruments	15,450	13,248
Total	972,211	676,064

Conventional Account/Instruments	Remarks	Group	
		2025 RM'000	2024 RM'000
Cash at bank (exclude cash in hand)		848,937	1,207,943
Deposits with licensed bank		40,575	44,750
Money market instruments		311,588	169,242
Other cash equivalents	Cash in hand	59	61
Total		1,201,159	1,421,996

(ii) Debt Component

		Group	
		2025 RM'000	2024 RM'000
Conventional Borrowing	Remarks		
Current			
Repurchase agreements		226,631	69,514
Bank borrowings		15,000	9,000
Non-Current			
Other interest bearing debt	Subordinated debt	83,500	180,500
Other interest bearing debt	Additional Tier 1 Capital Securities	40,000	-
Other interest bearing debt	Amounts held in trust	86,514	95,439
Total		451,645	354,453

ANALYSIS OF SHAREHOLDINGS
AS AT 2 APRIL 2026

SHARE CAPITAL

Total Number of Issued Shares : 735,762,599 Ordinary Shares (including 7,245,000 Treasury Shares)
Class of Shares : Ordinary Shares
Voting Rights : One (1) Vote per Ordinary Share

Size of Holding	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
Less than 100	6,956	29.66	175,551	0.02
100 to 1,000	4,999	21.32	2,282,740	0.31
1,001 to 10,000	8,914	38.01	31,589,875	4.34
10,001 to 100,000	2,222	9.47	67,176,529	9.22
100,001 to Less Than 5% of Issued Shares	359	1.53	421,449,904	57.85
5% and Above of Issued Shares	2	0.01	205,843,000	28.26
TOTAL	23,452	100.00	728,517,599 ⁽¹⁾	100.00

⁽¹⁾ Excluding 7,245,000 Treasury Shares retained by the Company as at 2 April 2026.

LIST OF THIRTY (30) LARGEST SHAREHOLDERS
AS AT 2 APRIL 2026

No.	Name	Holdings	%
1	Cahaya Mata Capital Sdn Bhd	136,823,000	18.78
2	Kenanga Trustees Berhad Tengku Noor Zakiah Family Trust	69,020,000	9.47
3	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Tokai Tokyo Securities Co., Ltd.	34,514,799	4.74
4	Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail	31,949,770	4.39
5	As-Salihin Trustee Berhad Mohamed Yusuf @ Abdul Aziz Bin Hashim	29,753,712	4.08
6	Pui Cheng Wui	27,676,200	3.80
7	Aiza Binti Abdul Aziz	24,798,856	3.40
8	Infotech Mark Sdn Bhd	20,000,040	2.75
9	Lim Kuan Gin	14,459,316	1.99
10	Berjaya Equity Nominees (Tempatan) Sdn Bhd Exempt AN for Berjaya Mutual Berhad	9,613,000	1.32
11	Koon Poh Keong	9,195,000	1.26
12	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Eastspring Investmentssmall-Cap Fund	8,400,000	1.15
13	Maybank Nominees (Tempatan) Sdn Bhd Maybank Private Wealth Management for TEJ Family Capital Sdn Bhd	8,270,000	1.14
14	Datuk Chay Wai Leong	7,820,000	1.07
15	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Bank Julius Baer & Co. Ltd. (Singapore Bch)	7,041,839	0.97
16	Ladies' Own Sdn Bhd	6,800,000	0.93
17	Keong Si Hark	6,300,000	0.87
18	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Redtone Digital Berhad	5,850,000	0.80
19	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for UBS AG Singapore (Foreign)	5,806,700	0.80
20	Hwang Enterprises Sdn Bhd	5,550,000	0.76
21	HSBC Nominees (Asing) Sdn Bhd Exempt AN for The Hongkong And Shanghai Banking Corporation Limited (HBAP-SGDIV-ACCL)	5,320,000	0.73
22	Zenxin Agriculture Sdn Bhd	5,300,000	0.73
23	LTK (Melaka) Sdn Bhd	4,384,200	0.60
24	Vibrant Model Sdn Bhd	4,000,000	0.55
25	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Eastspringesg)	3,965,300	0.54
26	Lim Pei Tiam @ Liam Ahat Kiat	3,900,000	0.54
27	CIMSEC Nominees (Asing) Sdn Bhd CIMB for Ng Koh Lip (PB)	3,000,000	0.41
28	Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Markets Core Equity 2 Portfolio of DFA Investment Dimensions Group Inc.	2,821,700	0.39
29	Pyrocell Sdn Bhd	2,375,000	0.33
30	Gan Teck Yeow Sdn Bhd	2,200,000	0.30
TOTAL		506,908,432	69.59

SUBSTANTIAL SHAREHOLDERS', DIRECTORS' AND GROUP
MANAGING DIRECTOR'S INTEREST IN SECURITIES
AS AT 2 APRIL 2026

Substantial Shareholders' Interest in Shares

Name of Substantial Shareholders	No. of Ordinary Shares			
	Direct Interest	Percentage (%)	Indirect Interest	Percentage (%)
Cahaya Mata Capital Sdn Bhd	136,823,000	18.78	-	-
Cahaya Mata Sarawak Berhad	-	-	136,823,000 ⁽¹⁾	18.78
Kenanga Trustees Berhad - Tengku Noor Zakiah Family Trust	69,020,000	9.47	-	-

⁽¹⁾ Deemed interest pursuant to Section 8(4) of the Companies Act 2016 by virtue of shares held by Cahya Mata Capital Sdn Bhd.

Directors' Shareholdings

Name of Directors	No. of Ordinary Shares			
	Direct Interest	Percentage (%)	Indirect Interest	Percentage (%)
Norazian Ahmad Tajuddin	10,000	*	-	-
Kanagaraj Lorenz	388,000	0.05	-	-

* Negligible

Group Managing Director's Interest in Securities⁽¹⁾

Name of Directors	No. of Ordinary Shares				No. of Options Held under the Employees' Share Option Scheme
	Direct Interest	Percentage (%)	Indirect Interest	Percentage (%)	
Datuk Chay Wai Leong ⁽²⁾	7,820,000	1.07	-	-	-

⁽¹⁾ Securities cover shares and options

⁽²⁾ Datuk Chay Wai Leong is not a Director of the Company

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Second (52nd) Annual General Meeting (“**52nd AGM**”) of Kenanga Investment Bank Berhad (“**the Company**” or “**KIBB**”) will be held at the Grand Ballroom, InterContinental Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Tuesday, 26 May 2026 at 11.00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1.

To receive the Audited Financial Statements for the Financial Year Ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.
2.

To re-elect the following Directors who retire by rotation in accordance with Clause 78 of the Company’s Constitution and who, being eligible, offer themselves for re-election:
- 2.1

Encik Ismail Harith Merican
- 2.2

Mr. Kanagaraj Lorenz
- 2.3

Madam Chin Siew Siew
3.

To approve the payment of the Non-Executive Directors’ fees totalling RM3,224,849.31 in respect of the Financial Year Ended 31 December 2025.
4.

To approve the payment of benefits payable to Non-Executive Directors of up to an amount of RM1,300,000.00 for the period from 27 May 2026 until the next AGM of the Company in 2027.
5.

To re-appoint Ernst & Young PLT as Auditors of the Company for the Financial Year Ending 31 December 2026 and to authorise the Board of Directors to determine their remuneration.

Ordinary Resolution 1
Ordinary Resolution 2
Ordinary Resolution 3

Ordinary Resolution 4

Ordinary Resolution 5

Ordinary Resolution 6

AS SPECIAL BUSINESS

6.

Authority to Directors to Issue Shares

Ordinary Resolution 7

To consider, and if thought fit, to pass the following Ordinary Resolution:

“**THAT** subject always to the Companies Act 2016, the Company’s Constitution and approvals of the relevant governmental and/ or regulatory authorities, the Board of Directors be and is hereby authorised pursuant to Section 75 and Section 76 of the Companies Act 2016, to issue shares in the Company at any time to such persons and upon such terms and conditions and for such purposes as the Board of Directors may, in its absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and the Board of Directors be and is also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued **AND THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

7.

Proposed Renewal of Share Buy-Back Authority

Ordinary Resolution 8

To consider, and if thought fit, to pass the following Ordinary Resolution:

“**THAT** subject to the provisions of the Companies Act 2016, the Company’s Constitution, Bursa Malaysia Securities Berhad’s Main Market Listing Requirements and the approvals of all relevant governmental and/ or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of the Company (“**Proposed Renewal of Share Buy-Back Authority**”) as may be determined by the Board of Directors of the Company from time to time through Bursa Malaysia Securities Berhad, upon such terms and conditions as the Board of Directors may deem fit in the interest of the Company, provided that –

- a.

the aggregate number of shares to be purchased pursuant to this Ordinary Resolution does not exceed ten percent (10%) of the total number of issued shares for the time being of the Company and in compliance with the public security holding spread requirements as stipulated in Paragraph 8.02(1) of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements or other requirements as may be determined by Bursa Malaysia Securities Berhad from time to time;
- b.

the maximum funds to be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority shall not exceed the Company’s latest audited retained profits of RM615,256,804 as at 31 December 2025;
- c.

the authority conferred by this Ordinary Resolution shall commence immediately upon the passing of this Ordinary Resolution and shall continue to be in force until –
- i.

the conclusion of the next AGM of the Company at which time it will lapse, unless by Ordinary Resolution passed at the AGM, the authority is renewed either unconditionally or subject to conditions; or
- ii.

the expiration of the period within which the next AGM after that date is required by law to be held; or
- iii.

revoked or varied by Ordinary Resolution passed by the Shareholders of the Company in a general meeting,

whichever occurs first; but not so as to prejudice the completion of the purchase of its own shares by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements or any other relevant authorities;

NOTICE OF ANNUAL GENERAL MEETING

- d.

upon the purchase by the Company of its own shares, the Board of Directors be and is hereby authorised to –

i.

cancel the shares so purchased;

ii.

retain part of the shares so purchased as Treasury Shares and cancel the remainder;

iii.

retain the shares so purchased as Treasury Shares;

iv.

distribute the Treasury Shares as share dividends to Shareholders;

v.

resell the Treasury Shares or any of the said shares in accordance with Bursa Malaysia Securities Berhad’s Main Market Listing Requirements;

vi.

transfer the Treasury Shares, or any of the said shares for the purposes of or under an employees’ share scheme;

vii.

transfer the Treasury Shares, or any of the said shares as purchase consideration;

viii.

cancel the Treasury Shares or any of the said shares; or

ix.

sell, transfer or otherwise use the Treasury Shares for such other purposes as the Minister of Domestic Trade and Cost of Living may by order prescribe;
- AND THAT

the Board of Directors of the Company be and is hereby authorised to take all steps as are necessary or expedient to implement or to effect the Proposed Renewal of Share Buy-Back Authority with full power to assent to any condition, modification, variation and/ or amendment as may be imposed by the relevant authorities and to take all such steps as may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto.”
8.

To transact any other business of the Company for which due notice shall have been received in accordance with the Companies Act 2016.

BY ORDER OF THE BOARD

NORLIZA ABD SAMAD
CCM PC No.: 201908002139
MAICSA 7011089
Group Company Secretary

Kuala Lumpur
27 April 2026

Notes

1. Proxy

- a.

For the purpose of determining a member who shall be entitled to attend this 52nd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 60 of the Company’s Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 19 May 2026. Only a member whose name appears in the Record of Depositors as at 19 May 2026 shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend and/ or vote on his/ her behalf.
- b.

A member of the Company entitled to attend, participate, speak and vote at this AGM is entitled to appoint up to two (2) proxies to attend, participate, speak and vote in his/ her place. There shall be no restriction as to the qualification of the proxy.

NOTICE OF ANNUAL GENERAL MEETING

- c.

A member who is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- d.

Where a member is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**Omnibus Account**”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
- e.

Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/ she specifies the proportion of his/ her shareholdings to be represented by each proxy.
- f.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/ her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised. Any alteration to the instrument appointing a proxy must be initialled.
- g.

Duly completed Proxy Form must be deposited at the office of the Company’s Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not later than **Monday, 25 May 2026 at 11.00 a.m.**

For the convenience of Shareholders, the Company also offers an alternative mode of submission of Proxy Form, i.e. by electronic means via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>.
- h.

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 52nd AGM will be put to vote on a poll.

2. Audited Financial Statements for the Financial Year Ended 31 December 2025

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require Shareholders’ approval and hence, will not be put to vote.

3. Ordinary Resolutions 1 to 3 – Re-Elections of Directors Who Retire in Accordance with Clause 78 of the Company’s Constitution

Clause 78 of the Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company. Pursuant thereto, three (3) Non-Executive Directors of the Company, namely Encik Ismail Harith Merican (Non-Independent Non-Executive Director), Mr. Kanagaraj Lorenz (Independent Non-Executive Director) and Madam Chin Siew Siew (Independent Non-Executive Director), shall retire in accordance with Clause 78 of the Company’s Constitution.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 52nd AGM, the Board through its Group Governance, Nomination & Compensation Committee (“**GNC**”) had assessed each of the retiring Directors, and considered the following:

- a.

The Directors’ performance and contribution based on the outcome of the performance evaluation conducted on the Board, Board Committees and Individual Directors;
- b.

The Director’s level of contribution to the Board’s deliberations through their skills, experience and strength in qualities;
- c.

The level of independence demonstrated by the Directors and their ability to act in the best interests of the Company in decision-making; and
- d.

The Directors’ fitness and propriety in line with the fit and proper criteria as stated under Clause 6.1.5 of the Board Succession Planning Framework for Kenanga Group.

NOTICE OF ANNUAL GENERAL MEETING

In line with Practice 6.1 of the Malaysian Code on Corporate Governance, the Board had conducted an assessment of the Directors of the Company based on the relevant performance criteria covering the following areas:

- a. Knowledge, expertise and leadership;
- b. Financial integrity and reputation;
- c. Will and ability to critically challenge and ask the right questions;
- d. Character in dealing with potential conflict of interest situations;
- e. Commitment to serve the Company, due diligence and honesty;
- f. Confidence to stand up for a point of view;
- g. Fitness and propriety;
- h. Calibre and personality;
- i. Board dynamics and participation;
- j. Competency and capability;
- k. Independence and objectivity; and
- l. Contribution and performance.

Based on the results of the evaluation, the individual Directors (including the retiring Directors) met the performance criteria required of an effective and a high-performance Board.

Based on the Declaration of Fit and Proper provided by the Directors in December 2025, the GNC and the Board had concluded that all the Directors of the Company had fulfilled all the criteria of fit and proper, without any adverse findings observed.

In view of the above, the GNC, based on its assessment at its meeting on 22 January 2026, had recommended the re-elections of the aforementioned Directors who are retiring by rotation under Clause 78 of the Company’s Constitution, to be put forth to the Shareholders for approval at this AGM. The GNC’s recommendation was approved by the Board on 29 January 2026.

The three (3) retiring Directors mentioned above had abstained from deliberation and decision-making on their respective eligibility to stand for re-election at the GNC and Board meetings, respectively.

The profiles of Encik Ismail Harith Merican, Mr. Kanagaraj Lorenz and Madam Chin Siew Siew can be found in the Integrated Annual Report 2025 of the Company.

4. Directors’ Remuneration

Section 230(1) of the Companies Act 2016 provides amongst others, that “the fees” of the Directors and “any benefits” payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, the Board has agreed that the Shareholders’ approval shall be sought at the 52nd AGM on the Directors’ remuneration in two (2) separate resolutions as follows:

- a. **Ordinary Resolution 4** on payment of Directors’ fees in respect of the Financial Year Ended 31 December 2025; and
- b. **Ordinary Resolution 5** on payment of Directors’ benefits for the period from 27 May 2026 to the next AGM of the Company in 2027 (“**Current Period**”).

NOTICE OF ANNUAL GENERAL MEETING

5. Directors’ Fees

The payment of the fees to the Non-Executive Chairman and Non-Executive Directors (“**NEDs**”) in respect of the Financial Year Ended 31 December 2025 will only be made if the proposed **Ordinary Resolution 4** is passed at the 52nd AGM pursuant to Section 230(1)(b) of the Companies Act 2016.

The fees payable to the Non-Executive Chairman and NEDs are based on the following fee structure which has not changed since the Financial Year Ended 31 December 2020, except for the increase in the fee of the Chairman of the Audit Committee (“**AC**”) from RM40,000 per annum to RM60,000 per annum commencing from the Financial Year Ended 31 December 2021 given the onerous responsibility tasked upon the Chairman of the AC, should there be any regulatory findings pertaining to irregularities in financial reporting and/ or inadequacy of internal controls within KIBB Group:

Fees	Financial Year Ended 31 December 2025
Chairman of the Board	RM520,000 ⁽¹⁾
Director	RM270,000
Chairman of AC	RM60,000
Chairman of GNC/ Group Board Risk Committee (“ GBRC ”)/ Group Board Digital Innovation & Technology Committee (“ GBDITC ”)	RM40,000
Member of AC/ GNC/ GBRC/ GBDITC	RM30,000
⁽¹⁾ Including RM40,000 in lieu of Club Membership.	

6. Benefits Payable to the NEDs

- a. The benefits payable to the NEDs comprise the allowances and other emoluments payable to the Chairman and members of the Board of the Company and its subsidiaries, as well as the Board Committees.
- b. The current Directors’ benefit framework of the Company is as set out below.

Benefits

Description	Chairman	Board Members
Benefits (applicable to the Company only)	Leave Passage, Driver, Car, Medical Benefits and Other Claimable Benefits	Medical Benefits

Meeting Allowance

Type of Meeting	Chairman (per meeting)	NED/ Member (per meeting)
Board Meeting	RM2,000	RM2,000
General Meeting	RM2,000	RM2,000
Board Committee Meeting	RM2,000	RM2,000

- c. Payment of the benefits to the NEDs of the Company and its subsidiaries is made on a monthly basis and/ or when incurred if the proposed **Ordinary Resolution 5** is passed at the 52nd AGM. The Board is of the view that it is just and equitable for the NEDs to be paid the Directors’ Remuneration (excluding Directors’ fees) on a monthly basis and/ or as and when incurred, particularly after discharging their responsibilities and rendering their services to the Company and its subsidiaries throughout the Current Period.

NOTICE OF ANNUAL GENERAL MEETING

7. Ordinary Resolution 6 - Re-Appointment of Auditors

The AC, at its meeting held on 26 January 2026, had undertaken an annual assessment of the performance and independence of the External Auditors, Ernst & Young PLT in accordance with Section 67(1) of the Financial Services Act 2013 and Section 76(1) of the Islamic Financial Services Act 2013.

Based on its assessment, the AC had recommended to the Board for approval, the re-appointment of Ernst & Young PLT as the Company’s External Auditors, given that Ernst & Young PLT had fulfilled all the qualifications set out in Bank Negara Malaysia’s Policy Document on External Auditor in terms of its performance and independence.

The assessment conducted had taken into consideration the following factors:

- a. Level of knowledge, capabilities, experience and quality of previous work;
- b. Level of engagement with the AC/ Board;
- c. Ability to provide constructive observations, implications and recommendations in areas which require improvements;
- d. Appropriateness of audit approach and the effectiveness of audit planning;
- e. Ability to perform the audit work within the agreed duration given;
- f. Non-audit services rendered by the External Auditors to KIBB Group did not impede independence; and
- g. Ability of the External Auditors to demonstrate unbiased stance when interpreting the standards/ policies adopted by the Company.

The Board had also noted that the AC when assessing the proposal on Ernst & Young PLT’s re-appointment, had also taken into consideration Ernst & Young PLT’s 2025 Transparency Report, outlining the audit firm’s legal and governance structures, measures to uphold audit quality and manage risks, as well as measurements of audit quality indicators.

In terms of its independence, Ernst & Young PLT has confirmed that it is independent of KIBB Group and KIBB in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Code of Ethics for Professional Accountants (including International Independence Standards).

Based on the assessment, the Board had concurred with the AC’s recommendation and concluded that Ernst & Young PLT had fulfilled all the qualification criteria set out in Bank Negara Malaysia’s Policy Document on External Auditor in terms of its performance and independence and further recommended the proposed re-appointment of Ernst & Young PLT as KIBB Group’s External Auditors to the Shareholders for approval at the 52nd AGM, subject to the approval from Bank Negara Malaysia.

Subsequent to the above, Bank Negara Malaysia had on 3 March 2026, granted its approval for the re-appointment of Ernst & Young PLT as KIBB’s External Auditors, the appointment of Mr. Chan Hooi Lam as the Engagement Partner and the appointment of Dato’ Abdul Rauf Rashid as the Concurring Partner for the Financial Year Ending 31 December 2026.

8. Special Business

a. Ordinary Resolution 7 - Authority to Directors to Issue Shares

The proposed **Ordinary Resolution 7** is a renewal of the general mandate pursuant to Section 75 and Section 76 of the Companies Act 2016 obtained from the Shareholders of the Company at the previous AGM held on 29 May 2025 and, if passed, will give powers to the Board to issue ordinary shares in the share capital of the Company up to an aggregate amount not exceeding ten percent (10%) of the total number of issued shares of the Company for the time being. This general mandate, unless revoked or varied at a general meeting, will expire at the next AGM.

The general mandate from the Shareholders is to provide the Company the flexibility to undertake any share issuance during the financial year without having to convene a general meeting. The rationale for this proposed mandate is to allow for possible share issue and/ or fund raising exercises including placement of shares for the purpose of funding current and/ or future investment project, working capital and/ or acquisitions, as well as in the event of any strategic opportunities involving equity deals which may require the Company to allot and issue new shares on urgent basis and thereby reducing the administrative time and costs associated with the convening of additional shareholders’ meeting(s). In any event, the exercise of the mandate is only to be undertaken if the Board considers it to be in the best interest of the Company.

The general mandate obtained from the Shareholders of the Company at the previous AGM held on 29 May 2025 had not been utilised and hence, no proceed was raised therefrom.

b. Ordinary Resolution 8 - Proposed Renewal of Share Buy-Back Authority

The proposed **Ordinary Resolution 8**, if passed, will empower the Board to allocate an amount not exceeding the retained profits of the Company for the purpose of and to purchase such amount of ordinary shares in the Company from time to time on the market of Bursa Malaysia Securities Berhad upon such terms and conditions as the Board may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this Ordinary Resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being.

The Shareholders’ mandate for the Proposed Renewal of Share Buy-Back Authority is subject to renewal on an annual basis.

Further information on the Proposed Renewal of Share Buy-Back Authority is set out in the Share Buy-Back Statement dated 27 April 2026 which is despatched together with the Notice of the 52nd AGM.

9. Poll Voting

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.

10. Publication of AGM Notice on the Company’s Website

Pursuant to Section 320 of the Companies Act 2016, the Notice of the Company’s 52nd AGM is also available on the Company’s website at <https://www.kenanga.com.my/investor-relations/agm2026> throughout the period beginning from the date of this Notice until the conclusion of the 52nd AGM.

STATEMENT ACCOMPANYING NOTICE OF FIFTY-SECOND (52ND) ANNUAL GENERAL MEETING ("52ND AGM")

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

1. Details of Individuals Who are Standing for Re-Election as Directors

The profiles of Encik Ismail Harith Merican, Mr. Kanagaraj Lorenz and Madam Chin Siew Siew, who are standing for re-election as Directors at the 52nd AGM of the Company as per Agenda 2 of the Notice of the 52nd AGM, can be found in the Integrated Annual Report 2025 of the Company.

2. Ordinary Resolution on Authority to Issue and Allot New Ordinary Shares in the Company

The proposed Ordinary Resolution 7 on the general mandate for issuance of shares is a renewal mandate. As at the date of the Notice of the 52nd AGM, no new shares had been issued pursuant to the general mandate granted to the Directors at the last AGM held on 29 May 2025.

Details on the authority to issue shares pursuant to Section 75 and Section 76 of the Companies Act 2016 are provided under the Explanatory Notes on Special Business in this Notice.

CORPORATE DIRECTORY

EQUITY BROKING BRANCHES

KUALA LUMPUR

Kenanga Investment Bank Berhad ("KIBB Main")
Kuala Lumpur
Level 15, Kenanga Tower,
237, Jalan Tun Razak,
50400 Kuala Lumpur, Wilayah Persekutuan
T : +603 2172 2888
F : +603 2172 2999

KIBB Damansara Heights
1st Floor, West Wing, Bangunan ECM Libra,
8, Jalan Damansara Endah,
Damansara Heights,
50490 Kuala Lumpur, Wilayah Persekutuan
T : +603 2089 2888
F : +603 2089 2801

SELANGOR

KIBB Bandar Baru Klang
35, Ground Floor & 1st Floor,
Jalan Tiara 3, Bandar Baru Klang,
41150 Klang, Selangor
T : +603 3348 8080
F : +603 3348 8880

KIBB The Curve
Lot 240, 2nd Floor,
No. 6, Jalan PJU 7/3,
The Curve, Mutiara Damansara,
47800 Petaling Jaya, Selangor
T : +603 7725 9095
F : +603 7725 9079

KIBB Subang Jaya
Level 1, East Wing, Wisma Consplant 2,
No. 7, Jalan SS16/1,
47500 Subang Jaya, Selangor
T : +603 5621 2118
F : +603 5621 1748

PENANG

KIBB Penang - Menara Boustead
7th, 8th & 16th Floor,
Menara Boustead Penang,
39, Jalan Sultan Ahmad Shah,
10050 Penang
T : +604 228 3355
F : +604 227 9634

PERAK

KIBB Ipoh
1st & 2nd Floor,
63, Persiaran Greenhill,
30450 Ipoh, Perak
T : +605 242 2828
F : +605 242 2323

MELAKA

KIBB Bandar Melaka
71 (A & B) and 73 (A & B), Jalan Merdeka,
Taman Melaka Raya,
75000 Melaka
T : +606 288 1700
F : +606 288 1710

NEGERI SEMBILAN

KIBB Seremban
1C & 1D, Ground Floor & 1st Floor,
Jalan Tuanku Munawir,
70000 Seremban, Negeri Sembilan
T : +606 765 5998
F : +606 765 5739

EQUITY BROKING BRANCHES

JOHOR

KIBB Johor Bahru - Menara Pelangi

Level 2, Menara Pelangi,
Jalan Kuning, Taman Pelangi,
80400 Johor Bahru, Johor
T : +607 333 3600
F : +607 334 3770

KIBB Muar - Jalan Ali

57, 59 & 61,
Jalan Ali,
84000 Muar, Johor
T : +606 953 1222
F : +606 951 6660

KIBB Skudai

117 (Ground Floor)
Jalan Sutera Tanjung 8/2
Taman Sutera Utama
81300 Skudai, Johor
T : +607 562 5117
F : +607 562 5117

KIBB Batu Pahat

24, 24A & 24B, Jalan Penjaja 3,
Kim Park Centre,
83000 Batu Pahat, Johor
T : +607 432 8188
F : +607 432 3388

PAHANG

KIBB Kuantan

A15, A17 & A19, Ground Floor,
Jalan Tun Ismail 2, Sri Dagangan 2,
25000 Kuantan, Pahang
T : +609 517 1698
F : +609 513 8996

SARAWAK

KIBB Kuching

Level 2-4, Wisma Mahmud,
Jalan Sungai Sarawak,
93100 Kuching, Sarawak
T : +6082 338 000
F : +6082 338 222

SABAH

KIBB Kota Kinabalu

Level 8, Wisma Great Eastern,
68 Jalan Gaya,
88000 Kota Kinabalu, Sabah
T : +6088 236 188
F : +6088 235 700

ASSET & WEALTH MANAGEMENT BRANCHES

Kenanga Investors Berhad ("KIB") Kuala Lumpur

Ground Floor, Kenanga Tower,
237, Jalan Tun Razak,
50400 Kuala Lumpur, Wilayah Persekutuan
T : 1 800 88 3737 (Toll Free)
T : +603 2172 3123
F : +603 2172 3133

KIB Penang

5.04, 5th Floor, Menara Boustead Penang,
39, Jalan Sultan Ahmad Shah,
10050 Penang
T : +604 210 6628
F : +604 210 6644

KIB Ipoh

No. 1, Jalan Leong Sin Nam,
30300 Ipoh, Perak
T : +605 254 7573 / 7570
F : +605 254 7606

KIB Melaka

No. 43, Jalan KSB 11,
Taman Kota Syahbandar,
75200 Melaka
T : +606 240 2310
F : +606 240 2287

KIB Klang

No. 12 Jalan Batai Laut 3,
Taman Intan,
41300 Klang, Selangor
T : +603 3341 8818 / +603 3348 7889
F : +603 3341 8816

KIB Johor Bahru

No. 63, Jalan Molek 3/1, Taman Molek,
81100 Johor Bahru, Johor
T : +607 288 1683
F : +607 288 1693

KIB Kuching

Suites 9 & 10, 3rd Floor, Yung Kong Abell
Lot 365 Abell Road
93100 Kuching, Sarawak
T : +6082 572 228
F : +6082 572 229

KIB Kota Kinabalu

Level 8, Wisma Great Eastern,
No.68, Jalan Gaya,
88000 Kota Kinabalu, Sabah
T : +088 203 063
F : +088 203 062

KIB Seremban

2nd Floor, No. 1D-2, Jalan Tuanku Munawir,
70000 Seremban, Negeri Sembilan
T : +606 761 5678
F : +606 761 2242

KIB Miri

Lot 507 & Lot 508, Ground Floor
Jalan Permaisuri
98000 Miri, Sarawak
T : +6085 416 866
F : +6085 322 340

KIB Kuantan

Ground Floor Shop,
No. B8, Jalan Tun Ismail 1,
25000 Kuantan, Pahang
T : +609 514 3688
F : +609 514 3838

KIB Damansara Uptown

44B, Jalan SS21/35,
Damansara Utama,
47400 Petaling Jaya, Selangor
T : +603 7710 8828
F : +603 7710 8830

KIB Kota Damansara

C26-1, Dataran Sunway,
Jalan PJU 5/17, Kota Damansara,
47810 Petaling Jaya, Selangor
T : +603 6150 3612
F : +603 6150 3906

KIB Kluang

No. 1, Aras 1, Jalan Haji Manan,
Pusat Perniagaan Komersial Haji Manan,
86000 Kluang, Johor
T : 07-710 2700
F : 07-710 2150

PROXY FORM



KENANGA INVESTMENT BANK BERHAD
Company Registration No. 197301002193 (15678-H)
(Incorporated in Malaysia)

I/ We _____ NRIC No./ Passport No./ Company No. _____
(FULL NAME AS PER NRIC/ PASSPORT/ CERTIFICATE OF INCORPORATION IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

being a member of **Kenanga Investment Bank Berhad** hereby appoint _____
(FULL NAME AS PER NRIC/ PASSPORT IN BLOCK LETTERS)

NRIC No./ Passport No. _____ of _____

(FULL ADDRESS)

Contact No.: _____ Email Address: _____

and/ or failing him/ her _____ NRIC No./ Passport No. _____
(FULL NAME AS PER NRIC/ PASSPORT IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

Contact No.: _____ Email Address: _____

or failing him/ her, THE CHAIRMAN OF THE MEETING as my/ our proxy to vote for me/ us and on my/ our behalf at the Fifty-Second (52nd) Annual General Meeting ("**52nd AGM**") of the Company to be held at the Grand Ballroom, InterContinental Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Tuesday, 26 May 2026 at 11.00 a.m. and at any adjournment thereof.

My/ Our proxy is to vote as indicated below.

NO. RESOLUTIONS		FOR	AGAINST
ORDINARY RESOLUTION			
1.	Re-election of the following Directors pursuant to Clause 78 of the Company's Constitution:		
	1.1 Encik Ismail Harith Merican	RESOLUTION 1	
	1.2 Mr. Kanagaraj Lorenz	RESOLUTION 2	
	1.3 Madam Chin Siew Siew	RESOLUTION 3	
2.	Payment of Directors' fees totalling RM3,224,849.31	RESOLUTION 4	
3.	Payment of benefits to the Non-Executive Directors of up to an amount of RM1,300,000.00 for the period from 27 May 2026 until the next AGM of the Company in 2027	RESOLUTION 5	
4.	Re-Appointment of Ernst & Young PLT as Auditors	RESOLUTION 6	
AS SPECIAL BUSINESS			
5.	Authority to Directors to Issue Shares	RESOLUTION 7	
6.	Proposed Renewal of Share Buy-Back Authority	RESOLUTION 8	

Please indicate with an "X" in the appropriate spaces provided to indicate how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any Resolution, the proxy may vote as he/ she thinks fit, or at his/ her discretion, abstain from voting.

Dated this.....day of 2026

Signature/ Common Seal of Member

Contact No.:

Email Address:

NUMBER OF SHARES HELD

FOR APPOINTMENT OF TWO (2) PROXIES, PLEASE INDICATE THE PERCENTAGE OF SHAREHOLDINGS TO BE REPRESENTED BY THE PROXIES		
	No. of Shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

Notes:

1.

For the purpose of determining a member who shall be entitled to attend this 52nd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 60 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 19 May 2026. Only a member whose name appears in the Record of Depositors as at 19 May 2026 shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend and/ or vote on his/ her behalf.
2.

A member of the Company entitled to attend, participate, speak and vote at this AGM is entitled to appoint up to two (2) proxies to attend, participate, speak and vote in his/ her place. There shall be no restriction as to the qualification of the proxy.
3.

A member who is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4.

Where a member is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
5.

Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/ she specifies the proportion of his/ her shareholdings to be represented by each proxy.
6.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/ her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised. Any alteration to the instrument appointing a proxy must be initialled.
7.

Duly completed Proxy Form must be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not later than **Monday, 25 May 2026 at 11.00 a.m.** For the convenience of Shareholders, the Company also offers an alternative mode of submission of Proxy Form, i.e. by electronic means via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>.
8.

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 52nd AGM will be put to vote on a poll.

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Stamp

Boardroom Share Registrars Sdn Bhd
Company Registration No. 199601006647 (378993-D)

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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kenanga

KENANGA INVESTMENT BANK BERHAD

197301002193 (15678-H)

Level 17, Kenanga Tower, 237, Jalan Tun Razak,
50400 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

Tel: (603) 2172 2888 | **Fax:** (603) 2172 2999

E-mail: kenanga@kenanga.com.my

www.kenanga.com.my