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Corporate Information

BOARD OF DIRECTORS

Dato' Saiful Bahri bin Zainuddin
Chairman
Independent Non-Executive Director

Datuk Khatijah binti Ahmad
Non-Independent Non-Executive Director

Khoo Guan Huat
Independent Non-Executive Director

Nor Rejina binti Abdul Rahim
Independent Non-Executive Director

Mohd Hazran bin Abd Hadi
Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE

Khoo Guan Huat
Chairman
Independent Non-Executive Director

Dato' Saiful Bahri bin Zainuddin
Independent Non-Executive Director

Nor Rejina binti Abdul Rahim
Independent Non-Executive Director

AUDIT COMMITTEE

Nor Rejina binti Abdul Rahim
Chairman
Independent Non-Executive Director

Khoo Guan Huat
Independent Non-Executive Director

Mohd Hazran bin Abd Hadi
Independent Non-Executive Director

NOMINATION & REMUNERATION COMMITTEE

Khoo Guan Huat
Chairman
Independent Non-Executive Director

Datuk Khatijah binti Ahmad
Non-Independent Non-Executive Director

Dato' Saiful Bahri bin Zainuddin
Independent Non-Executive Director

COMPANY SECRETARY

Siti Nurmazita binti Mustapha
(LS 0009160)(SSM PC No. 202008003099)

AUDITORS

PricewaterhouseCoopers
Level 10, 1 Sentral, Jalan Travers
Kuala Lumpur Sentral
PO Box 10192
50706 Kuala Lumpur

REGISTERED OFFICE

Level 13A, Menara IQ
Lingkaran TRX, Tun Razak Exchange
55188 Kuala Lumpur

Telephone : 603-2708 2800 (General)
603-2708 2808 (Treasury)
Facsimile : 603-2708 2801

Website : www.kaf.com.my

MANAGEMENT

Rohaizad bin Ismail
Chief Executive Officer

Faisol Zulkifli
Chief Operating Officer

Syed Zambri bin Syed Zain
Treasury

Shaiful Hadi bin Shaharuddin
Islamic Banking

Mas'Aida binti Manan
Operations & Settlement

Abdul Saheed
Information Technology

Ros Hayati binti Hasan
Legal

Eisha Zulkifli
Human Resource

Nor Azlina binti Che Mat Zin
Accounts

Chen Kok Weng
Risk Management

Mohd Suapi bin Che Shafaii
Compliance

Mohd Zulnasri bin Mohamed Ali
Internal Audit

Directors' Report
for the financial year ended 30 June 2025

The Directors hereby submit their report and the audited financial statements of the Group and the Bank for the financial year ended 30 June 2025.

DIRECTORS OF THE BANK

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Dato' Saiful Bahri bin Zainuddin *(Chairman)*	*Independent Non-Executive Director (Redesignated as Chairman on 29 May 2025)*
Datuk Khatijah binti Ahmad	*Non-Independent Non-Executive Director*
Khoo Guan Huat	*Independent Non-Executive Director*
Nor Rejina binti Abdul Rahim	*Independent Non-Executive Director*
Mohd Hazran bin Abd Hadi	*Independent Non-Executive Director (Appointed w.e.f 1 July 2025)*
Paisol bin Ahmad	*Non-Independent Non-Executive Director (Retired on 4 December 2024)*

DIRECTORS OF THE SUBSIDIARIES

Directors of the subsidiaries who served during the financial year until the date of this report are:

Name of the Company	**Directors**
KAF Investment Funds Berhad	Datuk Khatijah binti Ahmad *(Chairman)* Tan Sri Abu Talib bin Othman Mohammed Reza bin Tan Sri Abu Talib Nor Rejina binti Abdul Rahim Tunku Rozita binti Tunku Abdul Malek *(Appointed w.e.f 1 July 2025)* Mohd Hasnul Ismar bin Mohd Ismail *(Resigned w.e.f 1 July 2025)*
KAF Seagroatt & Campbell Berhad	Dato' Ahmad bin Kadis Datuk Khatijah binti Ahmad Faisol Zulkifli
KAF Research Sdn Bhd	Mohammad Afiq bin Hussaini Harizal Amrin bin Mohammad Nik Ahmad Shafrizal *(Appointed w.e.f 9 September 2024)*
KAF Trustee Berhad	Faisol Zulkifli Zaidi bin Hamzah Mohd Kamal bin Mohd Ali Ridzuan bin Ishak
KAF Capital Sdn Bhd	Dato' Ahmad bin Kadis Thariq Usman bin Ahmad Othman bin Mat Hussin
PT KAF Sekuritas Indonesia	Mangantar Hasaloan Napitupulu Ivonne Susan

Directors' Report
for the financial year ended 30 June 2025

Name of the Company	**Directors**
KAF Digital Bank Berhad *(formerly known as KAF Digital Berhad)*	Datuk Ahmad Hizzad bin Baharuddin Ignatius Ong Ming Choy Putri Noor Shariza binti Noordin Omar Mohd Hazran bin Abd Hadi *(Appointed w.e.f. 1 October 2024)* Rohaizad bin Ismail (Appointed w.e.f 1 June 2025) Thariq Usman bin Ahmad *(Resigned w.e.f 17 December 2024)*
KTerra Sdn Bhd	Faisol Zulkifli Thariq Usman bin Ahmad

None of the Bank and subsidiaries' Directors holding office as at 30 June 2025 had any interest in the ordinary shares of the Bank and of its related corporations during the financial year, except the disclosure on page 6 on the Directors' Interests in Shares or Debentures.

PRINCIPAL ACTIVITIES

The Bank is principally engaged in investment banking, Islamic banking and the provision of related financial services. The Group is involved in investment holding, stockbroking, management of unit trust funds, provision of corporate fund management, provision of investment advisory services, provision of research services and provision of nominee services.

There have been no significant changes to these principal activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	**Bank RM'000**
Net profit for the financial year attributable to:		
Owners of the parent	49,914	97,918
Non-controlling interests	3,057	-
Net profit for the financial year	52,971	97,918

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are as disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

There were no issuance of shares and debentures in the Bank during the financial year.

Directors' Report
for the financial year ended 30 June 2025

BUSINESS OUTLOOK FOR 2025/2026

The global economy faces persistent headwinds from trade tensions and policy uncertainty, with growth supported more by temporary trade dynamics than structural strength. The IMF projects global GDP growth at 3.0% in 2025 and 3.1% in 2026, marking a slight upward revision from earlier forecasts. This improvement reflects lower effective U.S. tariff rates and stronger-than-expected front-loading of trade activities. However, these gains are seen as distortions rather than genuine signs of robust momentum.

Risks to the outlook remain tilted to the downside. The potential escalation of trade restrictions, prolonged policy uncertainty, and intensifying geopolitical tensions could weigh heavily on global activity. Disruptions to supply chains and extreme climate events add further vulnerabilities. These factors highlight that while near-term resilience has been evident, global growth is underpinned by fragile conditions rather than durable fundamentals.

Emerging market and developing economies ("EMDEs") continue to confront a challenging environment. Foreign direct investment inflows into EMDEs have fallen to less than half of their 2008 peak, reflecting risk aversion and weaker global confidence. Trade tensions and uncertainty disproportionately affect these economies, raising pressure on policymakers to act domestically.

The IMF underscores the need for EMDEs to strengthen fiscal resilience, manage inflation risks, and advance structural reforms to boost institutional quality and attract private investment. Policy frameworks that foster stability, job creation, and long-term competitiveness will be critical.

Malaysia's economy expanded by 4.4% in the first half of 2025, underpinned by resilient household spending and investment activities. Full-year growth is on track to reach between 4.0% and 4.8%, in line with the government's projection. Looking ahead to 2026, growth will continue to be supported by domestic demand. Employment and wage gains, complemented by income-related policy measures, should sustain household spending.

Investment activity remains a bright spot, fueled by the continued execution of multi-year private and public projects, realisation of approved investments, and catalytic initiatives under the Thirteenth Malaysia Plan (RMK13). This robust investment pipeline will anchor medium-term growth. Nonetheless, external uncertainties, particularly weaker global trade and commodity price fluctuations, present downside risks. A slowdown in sentiment or lower-than-expected output from commodity sectors could weigh on growth.

Malaysia's inflation environment remains favourable. Headline inflation averaged 1.4% in the first seven months of 2025, while core inflation stood at 1.9%. For 2025 and 2026, inflation is expected to remain moderate, anchored by easing global commodity prices and contained domestic cost pressures. Core inflation is projected to hover close to its long-term average, reflecting steady economic expansion without excessive demand-driven pressures.

Policy reforms currently underway are unlikely to generate inflationary shocks, with their impact expected to remain contained. The combination of moderate global commodity prices and stable domestic cost dynamics should keep inflation under control, supporting real household incomes and consumption.

On the policy front, we expect Bank Negara Malaysia to ease its Overnight Policy Rate by another 25 basis points from the current 2.75% level, acknowledging downside risks to growth from softer global trade conditions. A measured approach to easing will ensure that monetary conditions remain supportive without jeopardizing financial stability.

Globally, the U.S. Federal Reserve cut its benchmark rate to 4.25% in September 2025 and signaled the possibility of two more cuts before year-end. The narrowing interest rate differential between the U.S. and other major economies is likely to extend the current phase of U.S. dollar weakness.

For Malaysia, this environment should underpin Ringgit strength. We expect the Ringgit to remain within the 4.30–4.00 range against the U.S. dollar in the current financial year, supported by domestic monetary conditions, favorable capital flows, and a weaker greenback.

Directors' Report
for the financial year ended 30 June 2025

RATING BY RATING AGENCIES

Malaysian Rating Corporation Berhad has affirmed the long term and short term financial institution ratings of AA-/MARC-1 respectively on KAF Investment Bank Berhad on 7 August 2024.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown under Directors' remuneration) by reason of a contract made by the Bank or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year was the Bank or any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 ("CA 2016"), none of the Directors who held office at the end of the financial year held any shares or debentures in the Bank and its related corporations during the financial year except as follows:

	Number of Ordinary Shares			
	At 1 July 2024	**Bought**	**Sold**	**At 30 June 2025**
Bank				
KAF Investment Bank Berhad				
Datuk Khatijah binti Ahmad				
- deemed interest (a)(i)	53,560,998	-	-	53,560,998
Holding company				
AKKA Sdn Bhd				
Datuk Khatijah binti Ahmad				
- direct interest	20,000,000	-	-	20,000,000
- deemed interest (a)(ii)	5,000,000	-	-	5,000,000

Note:-
(a) Deemed to have interests through:
  (i) AKKA Sdn Bhd and AKKA Holdings Sdn Bhd pursuant to Section 8 of CA 2016.
  (ii) Her spouse and son pursuant to Section 59(11)(c) of CA 2016.

(b) By virtue of her deemed interest in the shares of the Bank, Datuk Khatijah binti Ahmad is deemed to have interest in shares of the Bank's related corporations during the financial year to the extent of the Bank's interest, in accordance with Section 8 of CA 2016.

(c) By virtue of her interest in the shares of Ultimate Holding Company ("UHC'), Datuk Khatijah binti Ahmad is deemed to have interest in shares of UHC's related corporations during the financial year to the extent of the UHC's interest, in accordance with Section 8 of CA 2016.

Directors' Report
for the financial year ended 30 June 2025

DIVIDENDS

The dividend paid or declared by the Bank since 30 June 2024 were as follows:

	RM'000
In respect of the financial year ended 30 June 2024:	
- Final single-tier dividend of 37.5 sen, paid on 17 December 2024	30,000

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the current financial year of 75 sen amounting to RM60 million will be proposed to shareholders for approval. These financial statements do not reflect this final dividend which will be an appropriation of retained earnings.

DIRECTORS' REMUNERATION

The details of the Directors' remuneration paid or payable to the Directors of the Bank during the financial year are shown below:

	Group		Bank	
	30 June 2025 RM'000	30 June 2024 RM'000	30 June 2025 RM'000	30 June 2024 RM'000
Executive Directors				
Salaries and other remuneration	539	491	-	-
Non-Executive Directors				
Fees	1,005	772	360	470
	1,544	1,263	360	470

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Bank to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate.

Pursuant to Section 289 of the Companies Act 2016, the Group maintained a Directors' and Officers' Liability Insurance policy to provide appropriate coverage for its Directors and Officers.

HOLDING COMPANY

The Directors regard AKKA Sdn Bhd, a company incorporated in Malaysia as the holding company of the Bank.

OPTIONS GRANTED OVER UNISSUED SHARES

There were no options granted over unissued shares in the Bank during the financial year.

Directors' Report
for the financial year ended 30 June 2025

RESPONSIBILITY STATEMENT BY THE BOARD OF DIRECTORS

In the course of preparing the annual financial statements of the Bank, the Directors are collectively responsible in ensuring that these financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

It is the responsibility of the Directors to ensure that the financial reporting of the Bank presents a true and fair view of the financial position of the Bank as at 30 June 2025 and of the financial performance and cash flows of the Bank for the financial year ended 30 June 2025.

The financial statements are prepared on the going concern basis, and the Directors have ensured that proper accounting records are kept, applied the appropriate accounting policies on a consistent basis and made accounting estimates that are reasonable and fair so as to enable the preparation of the financial statements of the Bank with reasonable accuracy.

The Directors have also taken the necessary steps to ensure that appropriate systems are in place for the assets of the Bank to be properly safeguarded for the prevention and detection of fraud and other irregularities. The systems, by their nature, can only provide reasonable and not absolute assurance against material misstatements, whether due to fraud or error.

The Statement by Directors pursuant to Section 251 of the Companies Act 2016 is set out in page 123 of the financial statements.

CORPORATE GOVERNANCE STATEMENT

(a) Board Responsibility and Oversight

The Board of Directors ("Board") has overall responsibility for instituting an appropriate corporate governance framework, setting the strategic direction of the Group and the Bank and ensuring proper conduct of business with the long term objective of enhancing shareholder value, increasing customer trust and building a competitive organisation.

The Bank adopts the principles and best practices of corporate governance as recommended by the Corporate Governance Policy document issued by Bank Negara Malaysia.

The Board comprises four (4) members, made up of one (1) Non-Independent Non-Executive Director (including the Chairman) and three (3) Independent Non-Executive Directors. The composition of the Board is well-balanced and reflects a diverse mix of professional skills and experience, from finance and banking, to legal and corporate backgrounds. The Independent Directors are independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Group and the Bank. They fulfil their roles in the decision-making process of the Board through their unbiased participation and objective consideration of the issues.

The Board is responsible for the overall governance of the Group and the Bank, including its strategic direction, establishing goals for management and monitoring the achievement of these goals. The Board has a formal schedule of matters reserved for approval, performance targets, procedures for monitoring and control of operations, acquisitions and disposals above pre-determined thresholds and any substantial changes in the statement of financial position. The Board carries out various functions and responsibilities as laid down by guidelines and directives that are issued by BNM from time to time.

The Board receives reports on the progress of the Group and the Bank's business operations and minutes of meetings of Board Committees established by it for review at each of its meetings. At these meetings, the members also consider a variety of matters including the Bank's financial results, major investment and strategic decisions and corporate governance matters.

Directors' Report
for the financial year ended 30 June 2025

CORPORATE GOVERNANCE STATEMENT

The agenda for every Board meeting, together with management reports, proposal papers and supporting documents are distributed to the Directors in advance of all Board meetings, to allow time for appropriate review and to enable full discussion at the meetings. All proceedings from the Board meetings are recorded in the minutes which are properly kept.

There were eight (8) Board meetings held during the financial year ended 30 June 2025. A summary of the attendance at Board meetings is set out below:

Name of Directors	No. of Meetings Attended
Paisol bin Ahmad *(Chairman)* *(Non-Independent Non-Executive Director)* *(Retired w.e.f 4 December 2024)*	4 out of 4
Datuk Khatijah binti Ahmad *(Non-Independent Non-Executive Director)*	7 out of 8
Dato' Saiful Bahri bin Zainuddin *(Redesignated as Chairman w.e.f 29 May 2025)* *(Independent Non-Executive Director)*	8 out of 8
Khoo Guan Huat *(Independent Non-Executive Director)*	7 out of 8
Nor Rejina binti Abdul Rahim *(Independent Non-Executive Director)*	8 out of 8

The Board has established the following Board Committees to assist the Board in discharging their duties.

(b) Audit Committee

There were seven (7) Audit Committee meetings held during the financial year ended 30 June 2025. A summary of the attendance at Audit Committee meetings is set out below:

Name	Position	No. of Meetings Attended
Nor Rejina binti Abdul Rahim *(Independent Non-Executive Director)*	Chairman	7 out of 7
Datuk Khatijah binti Ahmad *(Non-Independent Non-Executive Director)*	Member	3 out of 3
Khoo Guan Huat *(Independent Non-Executive Director)*	Member	7 out of 7
Paisol bin Ahmad *(Non-Independent Non-Executive Director)* *(Retired w.e.f 4 December 2024)*	Member	3 out of 4

The Audit Committee comprises all Non-Executive Directors, of which two (2) Independent Directors and one (1) Non-Independent Director. The Chairman of the Audit Committee is an Independent Non-Executive Director, and there are no alternate Directors who were appointed as members of the Audit Committee during the financial year. The Audit Committee meets at least once in every quarter and reports regularly to the Board.

Directors' Report
for the financial year ended 30 June 2025

The Audit Committee assists the Board in meeting its responsibilities in ensuring adequate and effective internal control, risk management and compliance with established policies and procedures. The Audit Committee also assists the Board in meeting its external financial reporting obligations and compliance with laws and regulations. The Audit Committee shall be directly responsible for the selection, oversight and remuneration of the external auditors.

Its principal functions are to:

1) Provide assistance to the Board of Directors in fulfilling their statutory and fiduciary responsibilities and in monitoring its accounting and financial reporting practices.
2) Determine that the Bank has adequate administrative, operational and internal accounting controls and that the Bank is operating in accordance with its prescribed procedures and code of conduct.
3) Serve as independent and objective party in the review of the financial information presented by management for distribution to shareholders and the public.
4) Provide independent oversight of the Bank's internal audit function and the external auditors.
5) Review the effectiveness of internal controls and risk management processes.
6) Review any related party transactions that may arise within the Bank.

(c) Nomination And Remuneration Committee

There were five (5) Nomination and Remuneration Committee ("NRC") meetings held during the financial year ended 30 June 2025. A summary of the attendance at NRC meetings is set out below:

Name	Position	No. of Meetings Attended
Khoo Guan Huat *(Independent Non-Executive Director)* *(Redesignated as Chairman w.e.f. 29 May 2025)*	Chairman	5 out of 5
Dato' Saiful Bahri bin Zainuddin *(Independent Non-Executive Director)* *(Redesignated as member w.e.f. 29 May 2025)*	Member	5 out of 5
Datuk Khatijah binti Ahmad *(Non-Independent Non-Executive Director)*	Member	4 out of 5

The NRC comprises all Non-Executive Directors, of which two (2) Independent Directors and one (1) Non-Independent Director. The NRC is chaired by an Independent Non-Executive Director. The NRC meets at least once a year and at such other times, as the Chairman of NRC shall require.

The NRC review and recommend any proposed appointments and re-appointment of Directors for Board approval, prior to seeking approval from the BNM. The NRC also manages the overall composition of the Board, evaluation of performance and development of the Board.

The NRC is also responsible for formulating the remuneration policy and remuneration packages for Directors.

Directors' Report
for the financial year ended 30 June 2025

(d) Risk Management Committee

There were six (6) Risk Management Committee held during the financial year ended 30 June 2025. A summary of the attendance at Risk Management Committee meetings is set out below:

Name	Position	No. of Meetings Attended
Khoo Guan Huat *(Independent Non-Executive Director)*	Chairman	6 out of 6
Dato' Saiful Bahri bin Zainuddin *(Independent Non-Executive Director)*	Member	6 out of 6
Nor Rejina binti Abdul Rahim *(Independent Non-Executive Director)*	Member	6 out of 6

The Board, through the Risk Management Committee, maintains overall responsibility for risk oversight within the Bank. The Risk Management Committee ensures that the proper infrastructure, resources and systems are in place for effective risk management.

The Risk Management Committee is chaired by an Independent Director. It comprises all Non-Executive Directors of which three (3) committee members are Independent Directors. The Committee may invite any Director, Executive or other person to attend any meeting(s) of the Committee as it may from time to time consider desirable to assist the Committee in the attainment of its objectives. The Committee Secretary circulates such reports and minutes of the Risk Management Committee meetings as are appropriate to all members of the Committee.

The Committee meets with such frequency and at such times as it may determine but in any event, not less than once every quarter. The quorum for meetings is two Non-Executive Directors, including one Independent Non-Executive Director. At all meetings of the Committee, the Chairman of the Committee, if present, shall preside. If the Chairman is absent, the members present at the meeting shall elect a chairman of the meeting, who shall be an Independent Non-Executive Director.

The Board has established dedicated management committees with clear reporting structures, roles and responsibilities to manage major sources of risk. These committees, details of which are set out below, report to the Risk Management Committee of the Board:

(i) Treasury Management Committee to manage assets and liabilities, market and liquidity risks;
(ii) Investment Committee for market and liquidity risks; and
(iii) Credit Committee for credit risk.

The Risk Management Department is responsible for implementing and monitoring compliance with risk policies set by the Risk Management Committee, and actively supports the Risk Management Committee through identifying and recommending tools and measures to augment the risk management process.

Directors' Report
for the financial year ended 30 June 2025

(e) Shariah Committee

The Board has established a Shariah Committee comprises the following members who have the necessary qualification, knowledge, expertise and experience in Islamic banking industry.

Dr Asma Hakimah binti Ab Halim *(Chairman)*
Dato' Dr. Haji Miszairi bin Haji Sitiris
Ustaz Muhammad Ameen bin Kamaruzaman
Ustaz Ahmad Hazim bin Alias

The Shariah Committee reports directly to the Board with its primary roles and responsibilities as follows:
(i) advising the Board and Management and providing input to the Bank on the application of any rulings of the Shariah Advisory Council of BNM ("SAC") or standards on Shariah matters to its operations, businesses, affairs and activities;
(ii) endorsing Shariah related policies and guidelines;
(iii) endorsing and validating relevant documentation in the proposal of new SPI products and services including contracts, agreements or other legal documentation used in executing SPI banking transactions;
(iv) endorsing and validating product guidelines, marketing advertisements, sales illustrations and brochures related to Islamic products, services and activities;
(v) assessing the work carried out by Shariah Review and Shariah Audit in order to ensure compliance with Shariah matters;
(vi) assisting and advising related parties such as legal counsel, auditor or consultant on Shariah matters upon request;
(vii) providing decision or advice on matters which requires a reference to be made to the SAC on any Shariah matters which SC is not able to decide or SAC has not made any ruling;
(viii) deliberating and affirming Shariah Non-Compliance finding by any relevant function; and
(ix) endorsing a rectification measure to address a Shariah non-compliance event.

There were seven (7) Shariah Committee meetings held during the financial year ended 30 June 2025. A summary of the attendance at Shariah Committee meetings is set out below:

Name	Position	No. of Meetings Attended
Dr. Asma Hakimah binti Ab Halim	Chairman	7 out of 7
Dato' Dr. Haji Miszairi bin Haji Sitiris	Member	6 out of 7
Ustaz Muhammad Ameen bin Kamaruzaman	Member	7 out of 7
Ustaz Ahmad Hazim bin Alias	Member	7 out of 7

Directors' Report
for the financial year ended 30 June 2025

(f) Internal Audit

The Group and the Bank have in place an adequately resourced independent internal audit department, which provides independent assessment on the reliability, adequacy and effectiveness of the Bank's risk management, internal control and governance systems. The internal audit department observes the requirements set out by BNM in its Guidelines on Internal Audit Function of Licensed Institutions and the guidance set out by the Institute of Internal Auditors Malaysia.

The internal audit department adopts risk-based audit approach and prepares its audit strategy and plan based on the risk profiles of the Group and the Bank's major business units. Internal audit reports the outcome of its review on the Bank's internal control and risk management processes to the Audit Committee on a quarterly basis. The Audit Committee reviews the internal audit reports, audit recommendations and management's response to these recommendations.

(g) Management Reports

The Board meetings are structured around a pre-set agenda and reports for discussion, notation and approvals are circulated in advance of the meeting dates. To enable Directors to keep abreast with the performance of the Bank, reports submitted to the Board include:

(i) Correspondences with BNM
(ii) Monthly Financial Performance
(iii) Monetary and Financial Developments
(iv) Debt Capital Market Activities Report
(v) Corporate Finance & Advisory Activities Report
(vi) Treasury Activities Report
(vii) Operations Activities Report
(viii) Risk Management Report that covers market, credit and operational risks
(ix) Minutes of Investment Committee meetings

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Bank were prepared, 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 be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Bank had been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Bank misleading; or

(iii) 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.

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Bank which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Bank which has arisen since the end of the financial year.

Directors' Report
for the financial year ended 30 June 2025

(d) No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Bank and its subsidiaries to meet their obligations when they fall due.

(e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Bank which would render any amount stated in the respective financial statements misleading.

(f) In the opinion of the Directors:

(i) except as disclosed in Note 39 to the financial statements, 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; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Bank for the financial year in which this report is made.

SUBSIDIARIES

Details of subsidiaries are set out in Note 12 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF1146), have indicated their willingness to accept reappointment.

The auditors' remuneration of the Group and the Bank are RM954,480 and RM508,500 respectively. This comprise of both audit and non-audit fees as disclosed in Note 27 of the financial statements. No indemnity given or insurance effected for auditor of the Group and of the Bank.

This report was approved by the Board of Directors on 20 November 2025. Signed on behalf of the Board of Directors.

DATUK KHATIJAH BINTI AHMAD
DIRECTOR

DATO' SAIFUL BAHRI BIN ZAINUDDIN
DIRECTOR

Kuala Lumpur

Statements Of Financial Position

as at 30 June 2025

		Group		Bank	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
Assets					
Cash and short term funds	2	1,234,164	2,032,662	1,213,322	1,986,646
Statutory deposits with Bank Negara Malaysia	3	64,000	87,000	64,000	87,000
Fair value through profit or loss financial assets	4	333,797	495,742	255,059	403,011
Fair value through other comprehensive income financial assets	5	5,748,963	4,038,402	5,556,396	4,038,402
Financial assets at amortised cost	6	799,984	1,430,902	799,984	1,430,902
Loans, advances and financing	7	13,166	25,080	15,799	25,080
Derivative financial assets	8	1,576	1	1,576	1
Receivables, deposits and prepayments	9	40,699	41,013	8,471	12,552
Amount due from subsidiary companies	10	-	-	83,224	45,921
Tax recoverable		-	9,033	-	7,675
Investment in subsidiaries	12	-	-	380,768	189,447
Investment in associates	13	-	-	306	306
Investment properties	14	110,231	110,231	-	-
Intangible assets	15	63,475	59,655	52,500	52,500
Property and equipment	16	18,002	20,245	13,358	17,086
Right-of-use assets	17	14,634	19,884	12,950	16,832
Total assets		8,442,691	8,369,850	8,457,713	8,313,361
Liabilities					
Deposits from customers	19	4,069,396	5,816,342	4,102,599	5,854,543
Deposits and placements of banks and other financial institutions	20	2,123,867	1,085,903	2,128,267	1,085,903
Repurchase agreements		693,166	-	693,166	-
Other liabilities	21	54,486	74,549	21,139	10,540
Derivative financial liabilities	8	992	-	992	-
Provision for zakat		1,409	863	1,409	863
Provision for taxation		5,651	-	5,946	-
Deferred tax liabilities	11	17,332	688	17,702	1,441
Lease liabilities	17	13,948	18,503	12,374	15,797
Total liabilities		6,980,247	6,996,848	6,983,594	6,969,087
Equity					
Share capital	22	80,000	80,000	80,000	80,000
Reserves	23	1,359,875	1,271,990	1,394,119	1,264,274
Total equity attributable to owners of the parent		1,439,875	1,351,990	1,474,119	1,344,274
Non-controlling interests		22,569	21,012	-	-
Total equity		1,462,444	1,373,002	1,474,119	1,344,274
Total equity and liabilities		8,442,691	8,369,850	8,457,713	8,313,361
Commitments and contingencies	35	503,011	76,555	503,011	76,555

The accompanying accounting policies and notes form an integral part of these financial statements.

Statements Of Comprehensive Income
for the financial year ended 30 June 2025

		Group		Bank	
		2025	2024	2025	2024
Continuing operations	**Note**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Interest income	24a	238,960	249,017	235,958	248,716
Interest income for financial assets at fair value through profit or loss	24b	25,269	24,159	25,269	24,159
		264,229	273,176	261,227	272,875
Interest expense	25	(200,786)	(204,220)	(204,494)	(205,234)
		63,443	68,956	56,733	67,641
Net realised gain from disposal of financial assets at amortised cost*		41,994	-	41,994	-
Other operating income	26	111,639	113,888	64,561	71,669
		217,076	182,844	163,288	139,310
Income from Islamic banking operations	38	53,088	35,021	53,088	35,021
		270,164	217,865	216,376	174,331
Other operating expenses	27	(184,517)	(125,125)	(84,652)	(63,703)
Profit from operations		85,647	92,740	131,724	110,628
Expected credit loss	30	3,819	(3,838)	(1,881)	(3,838)
Net increase in the net assets of associate		-	255	-	-
Profit before taxation and zakat		89,466	89,157	129,843	106,790
Taxation	31	(35,086)	(26,175)	(30,516)	(25,362)
Zakat	38n	(1,409)	(863)	(1,409)	(863)
Profit for the financial year from continuing operations		52,971	62,119	97,918	80,565
Discontinued operations					
Profit for the financial year from discontinued operations	28	-	86,326	-	-
Profit for the financial year		52,971	148,445	97,918	80,565

The accompanying accounting policies and notes form an integral part of these financial statements.

Statements Of Comprehensive Income
for the financial year ended 30 June 2025

		Group		Bank	
		2025	2024	2025	2024
Continuing operations	**Note**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Fair value through other comprehensive income reserve					
- Net unrealised fair value gain/(loss)		85,277	(895)	84,843	(895)
- Expected credit loss		(2,554)	2,558	(2,554)	2,558
- Income tax relating to net fair value changes		(20,362)	215	(20,362)	215
Currency translation reserve		(4,067)	1,081	-	-
Tax impact arising from disposal		-	1,290	-	1,290
Total comprehensive income for the financial year		111,265	152,694	159,845	83,733
Net profit for the financial year attributable to:					
Owners of the parent					
- from continuing operations		49,914	60,846	97,918	80,565
- from discontinued operations		-	86,326	-	-
Non-controlling interests					
- from continuing operations		3,057	1,273	-	-
		52,971	148,445	97,918	80,565
Total comprehensive income for the financial year attributable to:					
Owners of the parent					
- from continuing operations		108,208	65,095	159,845	83,733
- from discontinued operations		-	86,326	-	-
Non-controlling interests					
- from continuing operations		3,057	1,273	-	-
		111,265	152,694	159,845	83,733

The accompanying accounting policies and notes form an integral part of these financial statements.

Statements Of Changes In Equity

for the financial year ended 30 June 2025

	Attributable to owners of the parent										
Group	**Share capital RM'000**	**Regu-latory reserve RM'000**	**Funds allocated to Islamic banking division RM'000**	**FVOCI reserve RM'000**	**Merger reserve RM'000**	**Other reserve RM'000**	**Currency translation reserve RM'000**	**Retained earnings RM'000**	**Sub-total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
2025											
At 1 July 2024	80,000	24,803	105,000	1,942	421	1,426	3,795	1,134,603	1,351,990	21,012	1,373,002
Net profit for the financial year	-	-	-	-	-	-	-	49,914	49,914	3,057	52,971
Other comprehensive income											
- Net unrealised fair value gain	-	-	-	85,277	-	-	-	-	85,277	-	85,277
- Income tax relating to net fair value changes	-	-	-	(20,362)	-	-	-	-	(20,362)	-	(20,362)
- Expected credit loss	-	-	-	(2,554)	-	-	-	-	(2,554)	-	(2,554)
Regulatory reserve	-	(5,620)	-	-	-	-	-	5,620	-	-	-
Currency translation reserve	-	-	-	-	-	-	(4,067)	-	(4,067)	-	(4,067)
Total comprehensive income for the financial year	-	(5,620)	-	62,361	-	-	(4,067)	55,534	108,208	3,057	111,265
Transactions with owners											
Dilution of interest in a subsidiary (Note 27(a))	-	-	-	-	-	-	-	9,677	9,677	-	9,677
Dividends paid (Note 32)	-	-	-	-	-	-	-	(30,000)	(30,000)	(1,500)	(31,500)
At 30 June 2025	**80,000**	**19,183**	**105,000**	**64,303**	**421**	**1,426**	**(272)**	**1,169,814**	**1,439,875**	**22,569**	**1,462,444**

The accompanying accounting policies and notes form an integral part of these financial statements.

Statements Of Changes In Equity

for the financial year ended 30 June 2025

Group	Attributable to owners of the parent											
	Share capital RM'000	Regulatory reserve RM'000	Property revaluation reserve RM'000	Funds allocated to Islamic banking division RM'000	FVOCI reserve RM'000	Merger reserve RM'000	Other reserve RM'000	Currency translation reserve RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
2024												
At 1 July 2023	80,000	8,239	13,622	105,000	64	421	2,939	2,718	1,157,293	1,370,296	17,658	1,387,954
Net profit for the financial year	-	-	-	-	-	-	-	-	147,172	147,172	1,273	148,445
Other comprehensive income												
- Net unrealised fair value loss	-	-	-	-	(895)	-	-	-	-	(895)	-	(895)
- Income tax relating to net fair value changes	-	-	-	-	215	-	-	-	-	215	-	215
- Expected credit loss	-	-	-	-	2,558	-	-	-	-	2,558	-	2,558
Regulatory reserve	-	16,564	-	-	-	-	-	-	(16,564)	-	-	-
Currency translation reserve	-	-	-	-	-	-	-	1,081	-	1,081	-	1,081
Tax impact arising from disposal	-	-	1,290	-	-	-	-	-	-	1,290	-	1,290
Total comprehensive income for the financial year	-	16,564	1,290	-	1,878	-	-	1,081	130,608	151,421	1,273	152,694
Transactions with owners												
Transfer arising from disposal	-	-	(14,912)	-	-	-	-	-	14,912	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	(1,513)	(4)	(48,210)	(49,727)	2,081	(47,646)
Dividends paid (Note 32)	-	-	-	-	-	-	-	-	(120,000)	(120,000)	-	(120,000)
At 30 June 2024	80,000	24,803	-	105,000	1,942	421	1,426	3,795	1,134,603	1,351,990	21,012	1,373,002

The accompanying accounting policies and notes form an integral part of these financial statements.

Statements Of Changes In Equity
for the financial year ended 30 June 2025

Bank	Share capital RM'000	Regulatory reserve RM'000	FVOCI reserve RM'000	Funds allocated to Islamic Banking Division RM'000	Retained earnings RM'000	Total RM'000
	Non-Distributable				*Distributable*	
2025						
At 1 July 2024	80,000	24,803	3,666	105,000	1,130,805	1,344,274
Net profit for the financial year	-	-	-	-	97,918	97,918
Other comprehensive income						
- Net unrealised fair value gain	-	-	84,843	-	-	84,843
- Income tax relating to net fair value changes	-	-	(20,362)	-	-	(20,362)
- Expected credit loss	-	-	(2,554)	-	-	(2,554)
Regulatory reserve	-	(5,620)	-	-	5,620	-
Tax impact arising from disposal	-	-	-	-	-	-
Total comprehensive income for the financial year	-	(5,620)	61,927	-	103,538	159,845
Transaction with owners						
Dividends paid (Note 32)	-	-	-	-	(30,000)	(30,000)
At 30 June 2025	80,000	19,183	65,593	105,000	1,204,343	1,474,119

The accompanying accounting policies and notes form an integral part of these financial statements.

Statements Of Changes In Equity
for the financial year ended 30 June 2025

	Non-Distributable					Distributable	
Bank	**Share capital RM'000**	**Regulatory reserve RM'000**	**Property revaluation reserve RM'000**	**FVOCI reserve RM'000**	**Funds allocated to Islamic Banking Division RM'000**	**Retained earnings RM'000**	**Total RM'000**
2024							
At 1 July 2023	80,000	8,239	13,622	1,788	105,000	1,171,892	1,380,541
Net profit for the financial year	-	-	-	-	-	80,565	80,565
Other comprehensive income							
- Net unrealised fair value loss	-	-	-	(895)	-	-	(895)
- Income tax relating to net fair value changes	-	-	-	215	-	-	215
- Expected credit loss	-	-	-	2,558	-	-	2,558
Regulatory reserve	-	16,564	-	-	-	(16,564)	-
Tax impact arising from disposal	-	-	1,290	-	-	-	1,290
Total comprehensive income for the financial year	-	16,564	1,290	1,878	-	64,001	83,733
Transfer arising from disposal	-	-	(14,912)	-	-	14,912	-
Transaction with owners							
Dividends paid (Note 32)	-	-	-	-	-	(120,000)	(120,000)
At 30 June 2024	80,000	24,803	-	3,666	105,000	1,130,805	1,344,274

The accompanying accounting policies and notes form an integral part of these financial statements.

Statements Of Cash Flows
for the financial year ended 30 June 2025

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities				
Profit before taxation and zakat from continuing operations	89,466	89,157	129,843	106,790
Profit before taxation and zakat from discontinued operations	-	86,815	-	-
Adjustments for:				
Amortisation of premium less accretion of discount	9,762	(4,200)	9,762	(4,200)
Amortisation of intangible assets	607	-	-	-
Depreciation of property and equipment	5,503	4,853	4,730	4,349
Depreciation of right-of-use assets	5,196	4,775	3,275	3,254
Credit loss expense on loan and deposit	(1,265)	148	(1,265)	148
Gain on sale of property	-	(889)	-	(889)
Gain on sale of KAF Equities	-	(86,028)	-	-
Gain on the sale of Investment property	(4,756)	-	-	-
Finance cost	685	932	590	660
Dividend income	(20)	(40)	(15,020)	(1,782)
Interest income	2,223	(279)	-	-
Share-based payments	9,677	-	-	-
Fair value through profit or loss financial assets				
- Net realised gain	(10,925)	(14,936)	(7,388)	(8,419)
- Interest income	(25,268)	(24,159)	(25,269)	(24,159)
- Dividend income	(1,550)	(828)	(268)	(74)
Fair value through other comprehensive income financial assets				
- Net realised gain	(60,759)	(56,287)	(56,094)	(56,287)
- Interest income	(152,681)	(134,070)	(149,884)	(134,070)
- Dividend income	(45,004)	(34,511)	(45,004)	(34,511)
- Credit loss expense on financial asset	(2,554)	2,558	(2,554)	2,558
Financial assets at amortised cost				
- Net gain on sale	(41,994)	-	(41,993)	-
- Interest income	(42,826)	(46,872)	(42,826)	(46,872)
- Dividend income	(17,142)	(15,369)	(17,142)	(15,369)
Impairment of goodwill in subsidiary	3,780	-	-	-
Impairment of subsidiaries	-	-	14,379	3,179
Unrealised gain:				
- Fair value through profit or loss financial assets	13,765	1,351	3,478	403
- Fair value of derivatives	583	(1,096)	583	(1,096)
- Foreign exchange	6,565	(1,629)	6,518	(460)
	(258,932)	(230,604)	(231,549)	(206,847)
(Increase)/decrease in operating assets:				
Statutory deposits with Bank Negara Malaysia	23,000	(4,000)	23,000	(4,000)
Restricted cash	31,629	(31,630)	-	-
Cash and short-term funds with the original maturity of more than three months	1,072,898	(1,553,989)	1,071,532	(1,552,448)
Loans, advances and financing	5,552	6,462	8,195	6,462
Fair value through profit or loss financial assets				
- Purchase	(2,643,539)	(3,334,865)	(2,645,439)	(3,332,808)
- Proceeds from disposal	2,801,632	3,257,888	2,801,632	3,257,888
- Interest received	25,937	23,014	25,937	23,014
- Dividend received	268	74	268	74
Other receivables and prepayments	(42,659)	(40,149)	(38,922)	(35,226)

The accompanying accounting policies and notes form an integral part of these financial statements.

Statements Of Cash Flows
for the financial year ended 30 June 2025

	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Increase/(decrease) in operating liabilities:				
Deposits from customers	(1,746,948)	942,938	(1,751,944)	961,515
Deposits and placements of banks and other financial institutions	1,024,758	(443,952)	1,029,157	(443,952)
Repurchase agreements	693,166	-	693,166	-
Other liabilities	36,727	66,122	10,600	(10,092)
Derivative liabilities	(1,166)	375	(1,166)	375
Net cash generated from/(used in) operating activities	1,022,323	(1,342,316)	994,467	(1,336,045)
Interest received	(2,191)	259	-	-
Lease interest paid	-	-	-	-
Net tax paid	(24,118)	(32,036)	(20,995)	(32,307)
Zakat paid	(863)	(2,051)	(863)	(2,051)
Net cash generated from/(used in) operating activities	995,151	(1,376,144)	972,609	(1,370,403)
Cash flows from investing activities				
Fair value through other comprehensive income financial assets				
- Purchase	(4,023,337)	(2,452,139)	(3,635,503)	(2,452,092)
- Proceeds from disposal	2,466,956	2,089,228	2,269,451	2,089,294
- Interest received	124,169	135,273	124,169	135,273
- Dividend received	59,543	26,211	53,886	26,211
Fair value through profit or loss financial assets				
- Purchase	(22,645)	(58,247)	-	-
- Proceeds from disposal	25,116	58,617	-	-
Financial assets at amortised cost				
- Purchase	-	(512,034)	-	(512,034)
- Proceed from disposal	663,280	-	663,280	-
- Interest received	48,563	46,878	48,563	46,878
- Dividend received	17,142	13,180	17,142	13,180
Investment in associates				
- Unrealised net increase in net investment in associates	-	(255)	-	-
Loans, advances and financing				
- Interest received	1,468	2,168	1,468	2,298

The accompanying accounting policies and notes form an integral part of these financial statements.

Statements Of Cash Flows

for the financial year ended 30 June 2025

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Sale of investment in subsidiaries				
KAF Equities (Note 28)	-	140,796	-	-
Purchase of property and equipment	(3,183)	(9,075)	(1,002)	(7,904)
Purchase of investment building	-	(4,756)	-	-
Purchase of intangible assets	(8,205)	-	-	-
Sale of property	-	17,550	-	17,550
Purchase of ROU assets	-	-	-	-
Acquisition of a subsidiary (Note 10)	-	-	(200,000)	(27,770)
Dividend income	20	40	15,020	160,040
Net cash used in investing activities	(651,113)	(506,565)	(643,526)	(509,076)
Cash flows from financing activities				
Dividends paid	(31,500)	(120,000)	(30,000)	(120,000)
Payment for lease liability	(4,807)	(4,361)	(3,406)	(2,894)
Net cash used in financing activities	(36,307)	(124,361)	(33,406)	(122,894)
Effect of exchange rate differences	(2,803)	(1,447)	1,428	19
Net increase/(decrease) in cash and cash equivalents	304,928	(2,008,517)	297,105	(2,002,354)
Cash and cash equivalents at beginning of the financial year	447,043	2,455,560	434,198	2,436,552
Cash and cash equivalents at end of the financial year (notes 2(a))	751,971	447,043	731,303	434,198

The accompanying accounting policies and notes form an integral part of these financial statements.

Statements Of Cash Flows
for the financial year ended 30 June 2025

Reconciliation of liabilities arising from financing activities

The table below details changes in liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group and the Bank's statements of cash flows from financing activities.

	Group RM'000	Bank RM'000
Lease liabilities		
At 1 July 2024	18,503	15,797
Additions	(433)	(607)
Changes from financing cash flows	(4,807)	(3,406)
Finance cost for the financial year	685	590
At 30 June 2025	13,948	12,374
At 1 July 2023	21,581	20,470
Additions	351	(2,439)
Changes from financing cash flows	(4,361)	(2,894)
Finance cost for the financial year	932	660
At 30 June 2024	18,503	15,797

The accompanying accounting policies and notes form an integral part of these financial statements.

Summary Of Material Accounting Policies
for the financial year ended 30 June 2025

The following accounting policies have been used consistently in dealing with items that are considered material in relation to the financial statements, except as disclosed in the financial statements.

A. BASIS OF PREPARATION

The financial statements of the Group and the Bank have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention, unless otherwise indicated in this summary of material accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires the Directors to exercise their judgement in the process of applying the Group and the Bank's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ from the estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note Y.

(a) Standards, amendments to published standards and interpretations that are effective

The Group and the Bank have applied the following amendments for the first time for the financial year beginning on 1 July 2024:

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' and 'Non-current Liabilities with Covenants'
- Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback'
- Amendments to MFRS 107 and MFRS 7 'Supplier Finance Arrangements'

The adoption of amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Standards and amendments that have been issued but not yet effective

Financial year beginning on/after 1 July 2025

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026) have:

  - Require financial assets to be derecognised on the date the contractual rights to the cash flows expire and financial liabilities to be derecognised when obligation under the contract is discharged (i.e. the settlement date). In addition, there is an optional exception to derecognised financial liabilities before the settlement date for settlement using electronic payment systems (if specified criteria are met);

  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;

  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and

  - update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI")

Summary Of Material Accounting Policies
for the financial year ended 30 June 2025

- Amendments to MFRS 9 and MFRS 7 'Contract Referencing Nature-dependent Electricity' (effective 1 January 2026) have:

    - added the buyer's application guidance on the MFRS 9 'own-use exemption' for contracts to buy and take delivery of electricity that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions e.g. the weather ('contracts referencing nature-dependent electricity'). Under the amendments, the buyer can apply the MFRS 9 'own-use exemption' to account for these contracts as executory contracts if the buyer has been, and expects to be, a 'net purchaser' of electricity for the contract period, based on the criteria set in the standard;

    - permit hedge accounting in MFRS 9 if these contracts referencing nature-dependent electricity are used as hedging instruments; and

    - add new MFRS 7 disclosure requirements to enable users to understand the effects of these contracts on an entity's financial performance and cash flows.

- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'.

    - The new MFRS introduces a new structure of profit or loss statement:
      (a) Income and expenses are classified into 3 new main categories:

        (i) Operating category which typically includes results from the main business activities;
        (ii) Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
        (iii) Financing category that presents income and expenses from financing liabilities.

      (b) Entities are required to present two new specified subtotals:

        (i) Operating profit or loss and 'Profit or loss before financing and income taxes'.

    - Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.

    - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

The adoption of the accounting standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Bank but not yet effective above are not expect to give rise to any material financial impact to the Group and the Bank, except for the adoption of Amendments to MFRS 9 and MFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" and MFRS 18 of which there will be further enhanced disclosures going forward. The Group and the Bank are in the process of reviewing the financial impact arising from the requirements of the standards and expect the process to be completed prior to the effective date.

The following amendments are not expected to have a significant impact on the financial statements of the Group and the Bank:

- Amendments to MFRS 121 'Lack of Exchangeability'
- MFRS 19 'Subsidiaries without Public Accountability: Disclosures'
- Annual Improvements to MFRS Accounting Standards for enhanced consistency

Summary Of Material Accounting Policies
for the financial year ended 30 June 2025

B. FOREIGN CURRENCIES

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in other comprehensive income when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within other operating income.

Changes in the fair value of monetary securities denominated in foreign currency classified as debt instrument classified as at fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences relates to changes in amortised cost are recognised in profit or loss and other changes in carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as at fair value through other comprehensive income, are included in other comprehensive income.

C. CONSOLIDATION

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition accounting method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

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The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The Group applies predecessor accounting to account for business combinations under common control. Under predecessor accounting, assets and liabilities acquired are not restated to their respective fair values. They are recognised at the carrying amounts from the consolidated financial statements of the ultimate holding company of the Group and adjusted to conform with the accounting policies adopted by the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities of the acquired entity is recognised as an adjustment to equity. No additional goodwill is recognised.

The acquired entity's results, assets and liabilities are consolidated from the date on which the business combination between entities under common control occurred. Consequently, the consolidated financial statements do not reflect the results of the acquired entity for the period before the transaction occurred. The comparative information is not restated.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statements of comprehensive income, statements of changes in equity and statements of financial position respectively.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

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(iii) Disposal of subsidiaries

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Gain or losses on the disposal of subsididries include the carrying amount of goodwill relating to the subsidiaries sold.

(iv) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment in an associate is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in profit or loss, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment 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. The Group's investment in associates includes goodwill identified on acquisition.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount. The Group presents the impairment loss in profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains or losses arising in investments in associates are recognised in profit or loss.

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D. ASSETS HELD-FOR-SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal groups) are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of comprehensive income.

E. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES IN SEPARATE FINANCIAL STATEMENTS

In the Bank's separate financial statements, investments in subsidiaries and associates are stated at cost less accumulated impairment losses. At the end of financial year, the Bank assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of investment in subsidiaries and associates, the difference between disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

The amount due from subsidiaries of which the Bank does not expect repayment in the foreseeable future are considered as part of the Bank's investments in the subsidiaries.

F. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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G. PROPERTY AND EQUIPMENT

Property and equipment are initially stated at historical cost less accumulated depreciation and impairment losses. The cost of an item of property and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also include borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

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 as expenses in profit or loss during the financial year in which they are incurred.

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Freehold land is not depreciated as it has an infinite life. Other property and equipment are depreciated on the straight line method to allocate the cost or the revalued amounts, to their residual values over their estimated useful lives, summarised as follows:

Office furniture and equipment	5 years
Renovations	5 years
Motor vehicles	5 years

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

At the end of the reporting period, the Group and the Bank assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. The accounting policy Note J on impairment of non-financial asset.

H. INTANGIBLE ASSETS

Merchant Banking Licence

The banking license is granted by Bank Negara Malaysia and is stated at cost less accumulated impairment losses, if any. The merchant banking licence is not amortised but is tested annually for impairment.

Goodwill

Goodwill arises from a business combination and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree on the acquisition date.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

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Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Computer Software - acquired

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful (five years). Computer software classified as intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

System Development Costs

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects are recognised as intangible assets when the following criteria are fulfilled:

(i) it is technically feasible to complete the software product so that it will be available for use;
(ii) management intends to complete the software product and use or sell it;
(iii) there is an ability to use or sell the software product;
(iv) it can be demonstrated that the software product will generate probable future economic benefits;
(v) adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
(vi) the expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Software development costs recognised as assets are amortised from the point at which the asset is ready for use over its estimated useful lives on the straight line basis, which does not exceed 5 years.

I. INVESTMENT PROPERTIES

Investment properties, comprising principally land, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment properties are measured initially at its cost, including related transaction costs and borrowing costs if the investment property meets the definition of qualifying asset.

After initial recognition, investment properties are stated at cost less any accumulated depreciation and impairment losses.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are included in profit or loss.

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J. IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the property revaluation reserve surplus. Impairment loss on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to property revaluation reserve.

K. FINANCIAL ASSETS

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortised cost

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Collateral furnished by the Group and the Bank under repurchase agreement transactions are not derecognised because the Group and the Bank retain substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

Debt instrument

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

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There are three measurement categories into which the Group classifies its debt instruments:

(i) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.

(ii) Fair value through other comprehensive income ("FVOCI")

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.

(iii)Fair value through profit or loss ("FVTPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in profit or loss and presented net within other gains/(losses) in the period which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of comprehensive income.

(d) Subsequent measurement – Impairment

Impairment for debt instruments and financial guarantee contracts

The Group assesses on a forward looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group expects to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

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The measurement of ECL reflects:
- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) General 3-stage approach

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12 months ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required. Note 5 sets out the measurement details of ECL. The Group and the Bank apply 3 stage approach on debt instruments measured at amortised cost and FVOCI except for those that are under the simplified approach.

(ii) Simplified approach for trade receivables

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and other assets.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:
- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor’s ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:
The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

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Qualitative criteria:
The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on individual basis.

Groupings of instruments for ECL measured on collective basis

(i) Collective assessment

For collective assessment of ECL examples of shared credit risk characteristic include but not limited to instrument, type, collateral type, credit risk ratings, industry, geographical location of borrowers amongst other.

(ii) Individual assessment

Financial assets which are in default or credit-impaired are assessed individually.

Write-off

The Group and the Bank write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery and approved by the EXCO.

L. FINANCIAL LIABILITIES

Financial liabilities are measured at amortised cost, except for trading liabilities and liabilities designated at fair value, which are held at fair value through profit or loss. Financial liabilities are initially recognised at fair value plus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

(i) Financial liabilities at fair value through profit or loss

This category comprises two sub-categories: financial liabilities classified as held-for-trading, and financial liabilities designated at fair value through profit or loss upon initial recognition.

A financial liability is classified as held-for-trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking. Derivatives are also categorised as held-for-trading unless they are designated as hedges.

(ii) Financial liabilities at amortised cost

Financial liabilities are initially recognised at fair value plus transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest rate. The financial liabilities measured at amortised cost are 'deposits from customers' (Note 19), 'deposits and placements of banks and other financial institutions' (Note 20), 'repurchase agreements' and 'other liabilities' (Note 21).

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(iii) De-recognition

A financial liability is derecognised when the obligation under the liability is extinguished when an existing financial liability is replaced by another from the same party on substantially different terms, or the term of an existing liability are substantially modified, such as an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

M. DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair values at the end of each reporting period. 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. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of any derivative are recognised immediately in the profit or loss.

N. REPURCHASE AGREEMENTS

Obligations on securities sold/transferred under repurchase agreements are securities which the Group and the Bank had sold/transferred from its portfolio, with a commitment to repurchase/transfer back at future dates. Such financing transactions and the obligation to repurchase back the securities are reflected as a liability on the statements of financial position.

The difference between the purchase and resale price is treated as interest and accrued over the life of the repurchase agreement using the effective yield method.

O. LEASES

(a) Accounting by lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the lease asset is available for use by the Group and the Bank (i.e. the commencement date).

Lease Term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows on the extension option have not been included in the lease liability because it is not reasonably certain that the leases will be extended.

The Group and the Bank reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Bank and affects whether the Group and the Bank are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

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ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Bank are reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group and the Bank under residual value guarantees;
- The exercise price of a purchase and extension options if the Group and the Bank are reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Bank exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Bank, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Group and the Bank present the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the other operating expenses in the statement of comprehensive income.

Reassessment of lease liabilities

The Group and the Bank are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

Short-term lease and lease of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line bases as an expense in statement of comprehensive income.

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(b) Accounting by lessor

Under MFRS 16, The Bank (acting as a sub-lessor) is required to assess the lease classification of sublease with reference to the ROU asset, not the underlying asset. On transition, the Bank reassessed the lease classification of a sublease contract previously classified as an operating lease under MFRS 117. The Bank concluded that the sublease is a finance lease under MFRS 16 and the sublease contract was accounted for a new finance lease entered into at the DIA.

Accordingly, the Bank derecognises the ROU asset related to the head lease, and recognises a receivable at an amount equal to the net investment in the sublease.

P. PROVISIONS

Provisions are recognised when:

(i) the Group and the Bank have a present legal or constructive obligation as a result of past events;
(ii) it is probable that an outflow of resources will be required to settle the obligation; and
(iii) a reliable estimate of the amount of obligation can be made.

Where the Group and the Bank expect a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present values of the management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Q. CURRENT AND DEFERRED INCOME TAX

Tax expense for the period comprises current and deferred tax. The income tax expenses or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting period in the country where the Group and the Bank operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Summary Of Material Accounting Policies
for the financial year ended 30 June 2025

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

R. EMPLOYEE BENEFITS

Short-term employee benefit

Salaries, bonuses, paid annual leave and sick leave are measured on an undiscounted basis, and are accrued in the period which associated services are rendered by employees of the Group and the Bank. The liabilities are presented as other payables and accrued expenses in other liabilities in the statement of financial position.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group and the Bank have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plan

The Group and the Bank contribute to the Employees' Provident Fund ("EPF"), a defined contribution plan.

The Group and the Bank's contributions to defined contribution plan are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Bank have no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

S. CONTINGENT ASSETS AND LIABILITITES

The Group and the Bank do not recognise contingent assets and liabilities other than those arising from business combinations, but discloses 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 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. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Bank. The Group and the Bank do not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

Summary Of Material Accounting Policies
for the financial year ended 30 June 2025

T. RECOGNITION OF INTEREST INCOME AND EXPENSE / ISLAMIC FINANCING INCOME AND EXPENSE

Interest income and expense for all interest-bearing financial instruments are recognised as "interest income" and "interest expense" in the profit or loss using the effective interest rates of the financial assets or financial liabilities to which they relate. Interest income from financial assets at fair value to profit or loss is recognised as part of net gains or net losses on these financial instruments.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group and the Bank take into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

Income and expense from Islamic banking operations is recognised on accrual basis applying the profit rate method or hibah (if any)* in accordance with the principles of Shariah. Finance cost and income relating to Islamic banking operations are amortised using the profit rate method or hibah (if any)* in accordance with the principles of Shariah.

** hibah declared is at the Bank's sole discretion*

U. FAIR VALUE HIERARCHY

The Group and the Bank classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Group and the Bank. The Group and the Bank consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Summary Of Material Accounting Policies
for the financial year ended 30 June 2025

V. FEES AND OTHER INCOME

The Group and the Bank earn fee and commission income from a diverse range of products and services provided to its customer. Fee and commission income is recognised when the Group and the Bank have satisfied their performance obligation in providing the promised products and services to the customer, and are recognised based on contractual rates or amounts agreed with customers, and net of expenses directly to it. The Group and the Bank generally satisfy their performance obligation and recognises the fee and commission income on the following basis:

- Transaction-based fee and commission income is recognised on the completion of the transaction. These fees constitute a single performance obligation.
- For a service that is provided over a period of time, fee and commission income is recognised on equal proportion basis over the period during which the related service is provided or credit risk is undertaken. This basis of recognition most appropriately reflects the nature and pattern of the provision of these services to the customers over time. Fees for these services can be billed to customers in advance or periodically over time.
- Fees received from capital market activities are recognised when the Group and the Bank's rights to receive payment is established.
- Income from Islamic banking operations is recognised on an accrual basis.
- The Group earns asset management and performance fees for providing asset management services for unlisted funds, managed accounts and co-investments arrangements. It has been determined that the provision of asset management services is typically a single performance obligation.

  Base management fees are recognised over the life of the contract as asset management services are provided.

  Any associated performance fees are deemed to be a variable component of the same asset management services and are recognised only when it is highly probable that the performance hurdles are met, and a significant reversal of cumulative fees recognised to date will not occur. Determining the amount and timing of performance fees to be recognised involves judgements, the use of estimates (including management estimates of underlying asset values) and consideration of a number of criteria relating to both the funds or managed accounts in which the assets are held, as well as the underlying assets.

The Group and the Bank do not provide any significant credit terms to customers for the above products and services.

Directly related expenses typically include transaction costs, sales commissions and referral fees, but do not include expenses for services delivered over a period and other expenses that are not specifically related to fee and commission income transactions.

Other income recognitions are as follows:

(a) Dividends are recognised when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

    Dividends that clearly represent a recovery of part of the cost of investment are recognised in other comprehensive income if it relates to an investment in equity instruments measured at FVOCI.

(b) Net gain or loss from disposal of FVOCI are recognised in profit or loss upon disposal of the securities, as the difference between disposal proceeds, the carrying amount of the securities and incremental costs that are directly attributable to the disposal.

(c) Other income are recognised on an accrual basis

Summary Of Material Accounting Policies
for the financial year ended 30 June 2025

W. SHARE CAPITAL

(i) Classification

Ordinary shares are classified as equity.

(ii) Dividend distribution

Distributions to holders of an equity instrument is recognised directly in equity and the corresponding liability is recognised in the period in which the dividends are approved.

X. SHARE-BASED PAYMENT TRANSACTIONS

The Bank's subsidiary KAF Digital Bank Berhad ("KDB"), has an arrangement with consortium members where ordinary shares are issued to the consortium members in exchange for the services to be provided to KDB in growing its Islamic digital banking business, as described in Note 27 (a) to the financial statements. The arrangement was formalised by way of the Bank signing the Memorandum of Agreement with the consortium members on 23 June 2021 and the Restated Memorandums of Agreement which was signed on 7 October 2024 (collectively "the Arrangement"). The Arrangement involves KDB issuing shares to consortium members that are paid-up and unpaid and unearned.

The Arrangement is an equity-settled share-based payment transaction at the Group and the subsidiary where consortium members will receive equity instruments of the subsidiary. An expense is recognised in the Group's profit or loss for the grant date fair value of the share-based payment over the vesting period and a credit is recognised in equity (transaction with shareholders). At the subsidiary level, an expense for the grant date fair value of the share-based payment is recognised over the vesting period and a credit is recognised in equity. The credit to equity at the subsidiary is treated as a contribution from parent because the parent is compensating the consortium members with no expense to the subsidiary.

At the Bank level, the arrangement is a cash-settled share-based payment transaction as the consortium members are not providing services to the Bank but it has the obligation to settle the share-based payment transaction by transferring the subsidiary's shares to the consortium members. The Bank records a debit, recognising an increase in the investment in the subsidiary, and a credit to liability. The liability is remeasured at each reporting date with changes in fair value recognised in the profit or loss. The total amount to be expensed is determined by reference to the fair value of the shares granted. These accounting entries are recognised over the share-based payment vesting period.

Fair value is determined by using market prices or appropriate valuation models, taking into account the terms and conditions upon which the equity instruments were granted. Vesting conditions include service conditions and performance conditions; any other features of a share-based payment arrangement are non-vesting conditions. Market performance conditions and non-vesting conditions are taken into account when estimating the fair value of equity instruments at the date of grant, so that an award is treated as vesting irrespective of whether the market performance condition or non-vesting condition is satisfied, provided all other vesting conditions are satisfied.

Vesting conditions, other than market performance conditions, are not taken into account in the initial estimate of the fair value at the grant date. They are taken into account by adjusting the number of equity instruments included in the measurement of the transaction, so that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. On a cumulative basis, no expense is recognised for equity instruments that do not vest because of a failure to satisfy non-market performance or service conditions.

Where an award has been modified, as a minimum, the expense of the original award continues to be recognised as if it had not been modified. Where the effect of a modification is to increase the fair value of an award or increase the number of equity Instruments, the incremental fair value of the award or incremental fair value of the extra equity instruments is recognised in addition to the expense of the original grant, measured at the date of modification, over the modified vesting period.

Summary Of Material Accounting Policies
for the financial year ended 30 June 2025

Y. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note K(d), which also set out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying in the accounting requirement for measuring ECL such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgements and estimates made by the Group and the Bank in the above area is set out in Note K(d).

Estimated impairment of indefinite life intangible assets

The Group's indefinite life intangible assets comprises goodwill and merchant banking licence.

The Group test annually whether indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note H. The recoverable amounts of cash-generating units have been determined based on the higher of value-in-used and fair value less cost of disposal calculations. The calculation requires the use of estimates as set out in Note 15 to the financial statements.

Notes To The Financial Statements
for the financial year ended 30 June 2025

1. GENERAL INFORMATION

KAF Investment Bank Berhad is a limited liability company, incorporated and domiciled in Malaysia. The address of its registered office and principal place of business is as follows:

Level 13A, Menara IQ
Lingkaran TRX
Tun Razak Exchange
55188 Kuala Lumpur

The Bank is principally engaged in investment banking, Islamic banking and the provision of related financial services. The Group is involved in investment holding, stockbroking, management of unit trust funds, provision of corporate fund management, provision of investment advisory services, provision of research services and provision of nominee services. There have been no significant changes in these principal activities during the financial year.

2. CASH AND SHORT TERM FUNDS

	Group		Bank	
	2025	2024	2025	2024
(a)	RM'000	RM'000	RM'000	RM'000
Cash and bank balances with banks and other financial institutions	49,255	19,098	28,587	6,323
Deposits and placements with financial institutions, with original maturity of less than three months	702,745	428,167	702,745	428,097
	752,000	447,265	731,332	434,420
Expected credit losses	(29)	(222)	(29)	(222)
Cash and cash equivalents	751,971	447,043	731,303	434,198
(b)				
Deposits and placements with financial institutions, with original maturity of more than three months	482,193	1,554,899	482,019	1,553,358
Expected credit losses	-	(910)	-	(910)
	482,193	1,553,989	482,019	1,552,448
Restricted cash	-	31,630	-	-
	482,193	1,585,619	482,019	1,552,448
Total cash and short term funds	1,234,164	2,032,662	1,213,322	1,986,646

Included in cash and bank balances and other financial institutions are restricted cash which represents amounts received from or due to investors for the creation and cancellation of units of the funds managed by the Group in accordance with Section 111 of the Capital Markets and Services Act 2007. The total restricted cash of the Group amounted to RM5,428,495.

3. STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA

The deposits with Bank Negara Malaysia represent non-interest bearing statutory deposit maintained in compliance with Section 26(2)(c) of the Central Bank of Malaysia Act, 2009, and the amount is determined based on set percentages of total eligible liabilities.

Notes To The Financial Statements
for the financial year ended 30 June 2025

4. FAIR VALUE THROUGH PROFIT OR LOSS FINANCIAL ASSETS

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At fair value				
Money market instruments				
- Malaysian Government securities	-	226,206	-	226,773
- Malaysian Government investment issues	30,453	134,409	30,453	133,842
- Commercial papers	49,833	-	49,833	-
	80,286	360,615	80,286	360,615
Unquoted securities				
- Private and Islamic debt securities	167,290	35,287	167,290	35,287
- Convertible bond	7,483	7,109	7,483	7,109
	174,773	42,396	174,773	42,396
Quoted securities				
- Shares	26,905	28,197	-	-
- Unit trust	51,833	64,534	-	-
	78,738	92,731	-	-
Total	333,797	495,742	255,059	403,011
Current	128,571	153,261	49,833	60,530
Non-current	205,226	342,481	205,226	342,481
Total	333,797	495,742	255,059	403,011

Notes To The Financial Statements
for the financial year ended 30 June 2025

5. FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME FINANCIAL ASSETS

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At fair value				
Money market instruments				
- Cagamas bonds	-	5,194	-	5,194
- Malaysian Government investment issues	3,017,593	1,946,812	2,825,027	1,946,812
- Malaysian Government securities	1,993,265	909,475	1,993,265	909,475
- Corporate Notes	24,776	-	24,776	-
	5,035,634	2,861,481	4,843,068	2,861,481
Unquoted securities				
- Private and Islamic debt securities	707,883	1,171,475	707,882	1,171,475
- Shares	5,446	5,446	5,446	5,446
	713,329	1,176,921	713,328	1,176,921
Total	5,748,963	4,038,402	5,556,396	4,038,402
Current	191,329	110,462	191,329	110,462
Non-current	5,557,634	3,927,940	5,365,067	3,927,940
Total	5,748,963	4,038,402	5,556,396	4,038,402

Included in the fair value through other comprehensive income financial assets are Malaysia Government Securities, which are pledged as collateral for obligations on securities sold under repurchase agreements for the Group and the Bank amounting to RM746,215,895 as at 30 June 2025 (30 June 2024: RM471,233,872).

Notes To The Financial Statements
for the financial year ended 30 June 2025

Movement in allowance for impairment which reflect the expected credit losses ("ECL") model on impairment are as follows:

	12 Months ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
Group and Bank				
At 1 July 2024	2,758	-	78	2,836
Financial assets derecognised (other than write-offs)	(6)	-	188	182
Changes in credit risk	(2,735)	-	(69)	(2,804)
At 30 June 2025	17	-	197	214
At 1 July 2023	131	-	78	209
Financial assets derecognised (other than write-offs)	(86)	-	-	(86)
New financial assets originated or purchased	1,092	-	-	1,092
Changes in credit risk	1,621	-	-	1,621
At 30 June 2024	2,758	-	78	2,836

Movement in the carrying amount of FVOCI that contributed to changes in the expected credit losses:

	12 Months ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
Group and Bank				
At 1 July 2024	884,515	-	187	884,702
Financial assets derecognised (other than write-offs)	(429,489)	-	10	(429,479)
New financial assets originated or purchased	262,367	-	-	262,367
Changes in credit risk	10,916	-	-	10,916
At 30 June 2025	728,309	-	197	728,506
At 1 July 2023	742,554	-	220	742,774
Financial assets derecognised (other than write-offs)	(166,165)	-	(33)	(166,198)
New financial assets originated or purchased	300,922	-	-	300,922
Changes in credit risk	7,204	-	-	7,204
At 30 June 2024	884,515	-	187	884,702

Notes To The Financial Statements
for the financial year ended 30 June 2025

Equity investments designated at fair value through other comprehensive income

The Group and the Bank designated certain equity investments at FVOCI as shown in the following table. These investments were made for strategic purposes rather than with a view to profit on a subsequent sale, these strategic investment are more of medium term investment.

	The Group and the Bank	
	2025	2024
	RM'000	RM'000
Unquoted securities		
Shares in Malaysia		
Malaysian Rating Corporation Berhad	200	200
Moneymatch Sdn Bhd	5,246	5,246
Total unquoted securities	5,446	5,446

The dividend income for equity investments designated at FVOCI held and disposed during the financial year are as follows:

	Carrying amount as at		Dividend income of equity investments held at the end of the year		Dividend income of equity investments disposed during the financial year	
	2025	2024	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Unquoted securities	5,446	5,446	20	20	-	-
	5,446	5,446	20	20	-	-

6. FINANCIAL ASSETS AT AMORTISED COST

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
At fair value				
Money market instruments in Malaysia				
- Malaysian Government securities	426,782	575,577	426,782	575,577
- Malaysian Government investment issues	373,202	855,325	373,202	855,325
Total	799,984	1,430,902	799,984	1,430,902
Current	-	-	-	-
Non-current	799,984	1,430,902	799,984	1,430,902
Total	799,984	1,430,902	799,984	1,430,902

Notes To The Financial Statements
for the financial year ended 30 June 2025

During the financial year ended 30 June 2025, the Bank has sold a portion of the amortised cost ("AC") portfolio amounting to RM580.0 million that generated a net realised gain of RM42.0 million.

The AC portfolio was established in FYE 2023 and approved by the Board of Directors to expand the financial investment portfolio and for the Bank to obtain regular interest income. The sale was triggered by the need for the Bank to raise sufficient liquidity to meet the regulatory capital requirements of KAF Digital Bank Berhad ("KDB") during the 5 year foundational period. The Operational Readiness Review by KDB was completed during the financial year and upon approval by BNM, KDB was issued a physical Islamic banking license to commence operations on 20 December 2024.

There are no ECL on the financial assets measured at amortised cost as at 30 June 2025 (2024: Nil)

7. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(i) By type				
Loans/financing	13,166	25,080	15,799	25,080
(ii) By type of customer				
Corporate	13,099	25,080	15,742	25,080
Individual	67	-	57	-
	13,166	25,080	15,799	25,080
(iii) By interest/ profit rate/ sensitivity/ fixed rate	67	-	57	-
By floating rate	13,099	25,080	15,742	25,080
	13,166	25,080	15,799	25,080
(iv) By sector				
Non-bank financial institution	13,166	25,080	15,799	25,080
(v) By geographical distribution				
In Malaysia	13,166	25,080	13,156	25,080
Outside Malaysia	-	-	2,643	-
	13,166	25,080	15,799	25,080
(vi) Current	8,074	-	8,074	-
Non-current	5,092	25,080	7,725	25,080
	13,166	25,080	15,799	25,080

Notes To The Financial Statements
for the financial year ended 30 June 2025

8. DERIVATIVE ASSETS/(LIABILITIES)

Derivative financial instruments are financial instruments whose values change in response to changes in prices or rates (such as foreign exchange rates and interest rates) of the underlying instruments.

The table below shows the Group and the Bank's derivative financial instruments as at the date of statement of financial position. The contractual or underlying principal amounts of these derivative financial instruments and their corresponding gross positive (derivative financial asset) and gross negative (derivative financial liability) fair values at the date of statement of financial position are analysed below.

	Contract of underlying principal amount RM'000	Year-end fair value RM'000
Group and Bank		
2025		
Derivatives Assets		
Foreign exchange related contracts – Swaps	151,775	1,576
Derivative Liabilities		
Foreign exchange related contracts – Swaps	331,503	(992)
2024		
Derivatives Assets		
Foreign exchange related contracts - Swaps	70,066	1

9. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade receivables				
Fees receivables	3,180	4,211	3,180	4,211
Fund management receivables	9,965	8,912	-	-
Receivables from clients & brokers	10,090	11,383	-	-
	23,235	24,506	3,180	4,211
Other receivables	5,030	11,859	1,713	5,713
Deposits and prepayment	12,434	4,648	3,578	2,628
Total	40,699	41,013	8,471	12,552

Notes To The Financial Statements
for the financial year ended 30 June 2025

10. AMOUNT DUE FROM SUBSIDIARY COMPANIES

	Bank	
	2025	**2024**
	RM'000	**RM'000**
Amount due from subsidiary companies	83,224	45,921
Total	83,224	45,921

The movement in allowance for impairment which reflects the ECL model on impairment is as follows:

	Bank 12 Months ECL
	Stage 1
	RM'000
At 1 July 2024	-
Allowance made during the financial year	(5,700)
At 30 June 2025	(5,700)

There was no ECL movement for the financial year ended 30 June 2024.

Notes To The Financial Statements
for the financial year ended 30 June 2025

11. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred taxes relate to the same authority. The following amounts determined after approximate set-off, are shown in the statement of financial position:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax assets, net	370	753	-	-
Deferred tax liabilities, net	(17,702)	(1,441)	(17,702)	(1,441)
Recoverable within 12 months	3,974	2,079	4,594	1,344
Settled more than 12 months	(21,306)	(2,767)	(22,296)	(2,785)
	(17,332)	(688)	(17,702)	(1,441)
Deferred tax assets before offsetting	3,596	2,079	4,594	1,344
Offsetting	(3,226)	(2,079)	(4,594)	(1,344)
Deferred tax assets after offsetting	370	-	-	-
Deferred tax liabilities before offsetting	(20,928)	(2,767)	(22,296)	(2,785)
Offsetting	3,226	2,079	4,594	1,344
Deferred tax liabilities after offsetting	(17,702)	(688)	(17,702)	(1,441)

The movements in deferred tax assets and liabilities during the financial year comprise the following:

Group	Revaluation of property and equipment RM'000	Property and equipment RM'000	Provisions RM'000	Fair value through other comprehensive income RM'000	ECL RM'000	Total RM'000
2025						
At 1 July 2024	-	(2,487)	2,085	(286)	-	(688)
Credited to profit or loss (Note 31)	-	446	1,903	-	1,369	3,718
Credited to reserve	-	-	-	(20,362)	-	(20,362)
At 30 June 2025	-	(2,041)	3,988	(20,648)	1,369	(17,332)
2024						
At 1 July 2023	(1,290)	(3,285)	2,219	(501)	-	(2,857)
Credited to profit or loss (Note 31)	-	798	(134)	-		664
Credited to reserve	1,290	-	-	215	-	1,505
At 30 June 2024	-	(2,487)	2,085	(286)	-	(688)

Notes To The Financial Statements
for the financial year ended 30 June 2025

Bank	Revaluation of property and equipment RM'000	Property and equipment RM'000	Provisions RM'000	Fair value through other comprehensive income RM'000	ECL RM'000	Total RM'000
2025						
At 1 July 2024	-	(2,500)	1,344	(285)	-	(1,441)
Credited to profit or loss (Note 31)	-	851	1,882	-	1,368	4,101
Credited to reserve	-	-	-	(20,362)	-	(20,362)
At 30 June 2025	-	(1,649)	3,226	(20,647)	1,368	(17,702)
2024						
At 1 July 2023	(1,290)	(3,255)	1,883	(500)	-	(3,162)
Credited to profit or loss (Note 31)	-	755	(539)	-		216
Credited to reserve	1,290	-	-	215	-	1,505
At 30 June 2024	-	(2,500)	1,344	(285)	-	(1,441)

12. INVESTMENT IN SUBSIDIARIES

	Bank 2025 RM'000	Bank 2024 RM'000
Unquoted shares / units in unit trusts, at cost	189,447	322,889
Add: acquisition of a subsidiary	-	27,770
Add : subscription of shares in a subsidiary	200,000	-
Less: return of capital from investment	-	(158,258)
Less: allowance for impairment losses	(8,679)	(2,954)
	380,768	189,447

During the financial year ended 30 June 2024, KAF-Seagroatt & Campbell Berhad ("KAFSC") has paid dividend of RM160.0 million to the Bank arising from the disposal of KAF Equities Sdn Bhd, KAF Nominees (Tempatan) Sdn Bhd and KAF Nominees (Asing) Sdn Bhd. The substance of the dividend distribution was a return of capital and the dividend was accounted for accordingly as a reduction in the cost of investment of KAFSC.

Notes To The Financial Statements
for the financial year ended 30 June 2025

Details of the subsidiaries are as follows:

Name of companies	Country of incorporation	Effective equity interest 2025 %	2024 %	Principal activities
KAF-Seagroatt & Campbell Berhad	Malaysia	100.00	100.00	Investment holding
KAF Research Sdn Bhd	Malaysia	100.00	100.00	Research house
KAF Investment Funds Berhad	Malaysia	69.23	69.23	Management of unit trust funds, provision of corporate fund management and investment advisory services
KAF Trustee Berhad	Malaysia	54.00	54.00	Trustee services
KAF Capital Sdn Bhd	Malaysia	100.00	100.00	Dormant
KAF Digital Bank Berhad *(formerly known as KAF Digital Berhad)*#	Malaysia	95.16	100.00	Financial services to carry business on digital Islamic banking and offer financial products and services
PTKAF Sekuritas Indonesia ^	Indonesia	98.43	98.43	Stockbroking
KAF Asia Equity Fund^~	Guernsey	56.00	56.00	Unit trust
KTerra Sdn Bhd	Malaysia	100.00	100.00	Engaged in acquisition, holding, management and disposition of assets, investments, properties and securities

^ Subsidiary audited by a firm other than member firms of PricewaterhouseCoopers International Limited.

~ The Fund is consolidated into the group as the Group has control over the Fund in accordance with MFRS 10 "Consolidated Financial Statements".

Notes To The Financial Statements
for the financial year ended 30 June 2025

Based on issued and paid-up share capital of KAF Digital Bank Berhad

On 17 October 2024, the Bank subscribed to additional paid-up share capital in KAF Digital Bank Berhad ("KDB") of 200.0 million at RM1 each share in conjuction with the preparation for KDB to commence operations as a full-fledged Islamic digital bank. Of the 200 million paid-up share capital, 9.7 million shares were transferred to three Consortium Members of KDB on this date in exchange for services provided to KDB in the successful application of the Islamic digital banking licence.

KDB also issued RM26.6 million in unpaid and unearned shares to four Consortium Members of KDB. These shares are held in trust by KAF Trustee Berhad on their behalf in exchange for ongoing services to KDB.

The unpaid and unearned shares have the same voting rights and economic benefits as the issued and paid-up shares of KDB. The Consortium Members will be able to convert the unpaid and unearned shares to paid-up shares upon the fulfilment of specific Key Performance Indicators ("KPIs") related to the performance of KDB or to pay RM1 per unpaid and unearned share at the end of the foundational phase should the KPIs not be met.

Based on the issued share capital of KDB, the Bank's equity interest in KDB is 84%. However, for the purpose of calculating the Non-Controlling Interests ("NCI"), as the KPI related to the performance of KDB has yet to be fulfilled by the Consortium Members and the RM1 per share has not been paid by the Consortium Members, the NCI is 4.84% instead of 16.00%. Therefore, the Group's effective interest based on KDB's issued and paid share capital is 95.16% as at 30 June 2025.

The Bank is of the view that the conditions for the vesting of the unpaid and unearned shares will be fulfilled or RM1 will be paid per unpaid and unearned share during the foundational phase of KDB, resulting in the full conversion of the shares into paid-up shares.

Notes To The Financial Statements
for the financial year ended 30 June 2025

12. INVESTMENT IN ASSOCIATES

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted shares / units in unit trusts, at cost	-	47,055	306	531
Less: disposal of investment	-	(47,055)	-	-
Less: allowance for impairment losses	-	-	-	(225)
Total	-	-	306	306

During the financial year ended 30 June 2024, the Group has disposed 214,321 units of KAF Money Market Fund ("KMMF") which resulted in realised gains of RM1.8 million. The remaining ownership interest of KMMF post the disposal was 7.24% whereby the investment has been subsequently accounted for as a financial assets at fair value through profit or loss.

The details of the associates for the Group and the Bank which is incorporated in Malaysia, is as follows:

Name	Principal activity	Incorporation	Ownership interest 2025 %	Ownership interest 2024 %
Group				
KAF Money Market Fund	Unit trust	Malaysia	-	7.24
Bank				
KAF Trustee Berhad	Trustee services	Malaysia	20.00	20.00

The Bank's share of revenue, profit, assets and liabilities of associate are as follows:

	2025 RM'000	2024 RM'000
KAF Trustee Berhad		
Revenue	92	92
Profit after taxation	36	32
Total assets	368	330
Total liabilities	19	16

Notes To The Financial Statements
for the financial year ended 30 June 2025

14. INVESTMENT PROPERTIES

	Group 2025 RM'000	Group 2024 RM'000
Cost		
At 1 July	110,231	108,162
Addition	-	4,756
Disposal	-	(2,687)
At 30 June	110,231	110,231
Fair value	139,565	138,256

Investment properties comprise several pieces of freehold commercial and residential lands that are unoccupied and are held for capital appreciation. The fair values of investment properties located in Kuala Lumpur are based on valuations performed by Azmi & Co Sdn Bhd, a registered valuer and estate agency, on 19 April 2024.

The fair values of investment properties located in Bukit Lukut are based on valuations performed by Azmi & Co Sdn Bhd, a registered valuer and estate agency, on 23 October 2025.

15. INTANGIBLE ASSET

Group	Goodwill RM'000	Merchant banking license RM'000	Computer software RM'000	Software development cost – WIP RM'000	Software development cost RM'000	Rights to Manage unit trust fund RM'000	Total RM'000
Cost/Carrying amount							
At 1 July 2024	6,937	52,500	563	-	-	218	60,218
Addition	-	-	-	358	7,849	-	8,207
At 30 June 2025	6,937	52,500	563	358	7,849	218	68,425
Accumulated amortisation							
At 1 July 2024	-	-	563	-	-	-	563
Charge for the financial year	-	-	-	-	607	-	607
At 30 June 2025	-	-	563	-	607	-	1,170
Accumulated impairment loss							
At 1 July 2024	-	-	-	-	-	-	-
Impaired loss charged	3,780	-	-	-	-	-	3,780
At 30 June 2025	3,780	-	-	-	-	-	3,780
Net carrying amount as at 30 June 2025	3,157	52,500	-	358	7,242	218	63,475

Notes To The Financial Statements
for the financial year ended 30 June 2025

15. INTANGIBLE ASSET

Group	Goodwill RM'000	Merchant banking license RM'000	Computer software RM'000	Software development cost – WIP RM'000	Software development cost RM'000	Rights to Manage unit trust fund RM'000	Total RM'000
Cost/Carrying amount							
At 1 July 2023	6,937	52,500	563	-	-	218	60,218
Addition	-	-	-	-	-	-	-
At 30 June 2024	6,937	52,500	563	-	-	218	60,218
Accumulated amortisation							
At 1 July 2023	-	-	563	-	-	-	563
Charge for the financial year	-	-	-	-	-	-	-
At 30 June 2024	-	-	563	-	-	-	563
Net carrying amount as at 30 June 2024	6,937	52,500	-	-	-	218	59,655

Bank	Merchant banking license RM'000	Total RM'000
Cost/Carrying amount		
At 1 July 2024	52,500	52,500
At 30 June 2025	52,500	52,500
Cost/Carrying amount		
At 1 July 2023	52,500	52,500
At 30 June 2024	52,500	52,500

Notes To The Financial Statements
for the financial year ended 30 June 2025

(i) Goodwill

The goodwill arises from the business combination of PT KAF Sekuritas Indonesia ("PT KAF") and KAF Investment Fund ("KIF")

Impairment test for goodwill – PT KAF

For annual impairment testing purposes, the recoverable amount of the CGU is based on fair value less cost of disposal ("FVLCD") of PT KAF.

The key assumption used in the impairment test was FVLCD, which was based on comparable indicative Price to Book Value ("PBV") of 1.3 times from the listed stockbroking companies and a control premium from selling the equity stakes of 21.5% with adjusted discount for lack of marketability ("DLOM") of 5%. The Group has recognised an impairment of RM3.8 million on the goodwill during financial year 2025 due to significant decrease in the net assets of PT KAF Sekuritas.

Impairment test for goodwill – KIF

The goodwill recognised at KAF Investment Funds Berhad of RM3.2 million was consolidated at the Group level. For annual impairment testing purposes, the recoverable amount of the CGU is determined based on the value-in-use calculations, i.e. a discounted cash flows model using cash flow projections based on financial budget and projections approved by management. The key assumptions for the computation of value-in-use include the discount rate, cash flow projection and growth rates which are applied as follows:

(a) Discount rate

The discount rates of 8.29% and 8.45% (2024: 8.04% and 8.36%) for the unit trust business/rights to manage unit trust fund and private mandates business, respectively, are based on the pre-tax weighted average cost of capital plus an appropriate risk premium, that reflect risks relating to the CGU. The pre-tax weighted average cost of capital is generally derived from an appropriate capital asset pricing model, which itself depends on inputs reflecting a number of financial and economic variables including the risk-free rate in Malaysia.

(b) Cash flow projections and growth rate

The cash flow projections are based on the financial budgets/forecasts covering a three-year period (2024: three-year period). Cash flows beyond the three-year period are assumed to grow at an estimated terminal growth rate on a perpetual basis which is based on indices of the respective instruments held by the CGUs. The estimated terminal growth rates used for value-in-use calculations are as follows:

	2025 %	2024 %
Private mandates business	4.38	3.07
Unit trust business	4.52	3.90

Impairment is recognised in the statement of comprehensive income when the carrying amount of a CGU exceeds its recoverable amount. This annual impairment test review reveals that there was no evidence of impairment as at 30 June 2025.

Any reasonable possible change in the key assumptions would not cause the carrying amount of the CGU (which includes the goodwill) to exceed its recoverable amount, which would warrant any impairment loss to be recognised.

Notes To The Financial Statements
for the financial year ended 30 June 2025

(ii) Merchant banking license

The merchant banking license represents contribution by the Bank to Bank Negara Malaysia to carry on merchant banking business and is deemed to have an indefinite useful life as there is no expiry date. The merchant banking license is not amortised and is assessed for impairment annually. The recoverable amount of the license has been assessed using the value-in-use method, by discounting the estimated cash flows based on three years financial budgets of the subsidiary. An impairment will be recognised only when the carrying amount of the license exceeds the recoverable amount. The key assumptions for the discount rate, cash flow projection and growth rates used in the computation of value-in-use are applied as follows:

(a) Discount rate

The discount rate of 8.87% (2024: 7.83%) is based on the cost of equity average cost of capital plus an appropriate risk premium, that reflect risks relating to the CGU. The cost of equity is generally derived from an appropriate capital asset pricing model, which itself depends on inputs reflecting a number of financial and economic variables including the risk-free rate in Malaysia.

(b) Cash flow projections and growth rate

The cash flow projections are based on the financial budgets/forecasts covering a three-year period (2024: three-year period). Cash flows beyond the three-year period are assumed to grow at an estimated terminal growth rate on a perpetual basis which is based on the forecasted three-year average long-term gross domestic product growth rate in Malaysia. The estimated terminal growth rate used for value-in-use calculation is 4.00% (2024: 1.96%).

Impairment is recognised in the statement of comprehensive income when the carrying amount of a CGU exceeds its recoverable amount. No impairment charge is required as the recoverable amount as at 30 June 2025 is higher than the carrying value of the intangible asset.

Any reasonable possible change in the key assumptions would not cause the carrying amount of the CGU (which includes the intangible asset) to exceed its recoverable amount, which would warrant any impairment loss to be recognised.

Notes To The Financial Statements
for the financial year ended 30 June 2025

16. PROPERTY AND EQUIPMENT

Group	Freehold land RM'000	Freehold building RM'000	Office furniture and equipment RM'000	Renovations RM'000	Motor vehicles RM'000	Total RM'000
Cost						
At 1 July 2024	-	-	22,411	13,812	1,555	37,778
Additions	-	-	2,922	111	336	3,369
Disposal	-	-	(515)	(239)	(86)	(840)
At 30 June 2025	-	-	24,818	13,684	1,805	40,307
Accumulated depreciation						
At 1 July 2024	-	-	12,767	3,953	813	17,533
Charge for the financial year	-	-	2,519	2,653	331	5,503
Disposal	-	-	(406)	(239)	(86)	(731)
At 30 June 2025	-	-	14,880	6,367	1,058	22,305
Net book value at 30 June 2025	-	-	9,938	7,317	747	18,002
Cost						
At 1 July 2023	15,000	2,000	16,259	11,602	843	45,704
Additions	-	-	6,371	2,210	712	9,293
Disposal	(15,000)	(2,000)	(219)	-	-	(17,219)
At 30 June 2024	-	-	22,411	13,812	1,555	37,778
Accumulated depreciation						
At 1 July 2023	-	286	10,816	1,483	573	13,158
Charge for the financial year	-	53	2,090	2,470	240	4,853
Disposal	-	(339)	(139)	-	-	(478)
At 30 June 2024	-	-	12,767	3,953	813	17,533
Net book value at 30 June 2024	-	-	9,644	9,859	742	20,245

Notes To The Financial Statements
for the financial year ended 30 June 2025

Bank	Freehold land RM'000	Freehold building RM'000	Office furniture and equipment RM'000	Renovations RM'000	Motor vehicles RM'000	Total RM'000
Cost						
At 1 July 2024	-	-	16,115	13,057	1,549	30,721
Additions	-	-	666	-	336	1,002
Disposal	-	-	(255)	(239)	(86)	(580)
At 30 June 2025	-	-	16,526	12,818	1,799	31,143
Accumulated depreciation						
At 1 July 2024	-	-	8,917	3,908	810	13,635
Charge for the financial year	-	-	1,912	2,489	329	4,730
Disposal	-	-	(255)	(239)	(86)	(580)
At 30 June 2025	-	-	10,574	6,158	1,053	17,785
Net book value at 30 June 2025	-	-	5,952	6,660	746	13,358
Cost						
At 1 July 2023	15,000	2,000	10,518	11,601	837	39,956
Additions	-	-	5,736	1,456	712	7,904
Disposal	(15,000)	(2,000)	(139)	-	-	(17,139)
At 30 June 2024	-	-	16,115	13,057	1,549	30,721
Accumulated depreciation						
At 1 July 2023	-	286	7,424	1,483	571	9,764
Charge for the financial year	-	53	1,632	2,425	239	4,349
Disposal	-	(339)	(139)	-	-	(478)
At 30 June 2024	-	-	8,917	3,908	810	13,635
Net book value at 30 June 2024	-	-	7,198	9,149	739	17,086

Notes To The Financial Statements
for the financial year ended 30 June 2025

17. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

This note provides information for leases where the Group and the Bank are a lessee.

(a) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Right-of-use assets				
Buildings	14,585	19,807	12,924	16,787
Equipment	49	77	26	45
	14,634	19,884	12,950	16,832
Lease liabilities				
Current	4,871	6,404	3,404	3,423
Non-current	9,077	12,099	8,970	12,374
	13,948	18,503	12,374	15,797

(b) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Depreciation charge of right-of-use assets				
Buildings	5,157	4,737	3,256	3,236
Equipment	39	38	19	18
	5,196	4,775	3,275	3,254
Finance cost				
Buildings	682	928	588	658
Equipment	3	4	2	2
	685	932	590	660

Notes To The Financial Statements
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(c) Future minimum lease payments are as follows:

	Minimum lease payment due		
	Within 1 year RM'000	1 - 6 years RM'000	Total RM'000
Group			
2025			
Net present value	4,871	9,077	13,948
2024			
Net present value	6,596	11,907	18,503
Bank			
2025			
Net present value	3,404	8,970	12,374
2024			
Net present value	3,423	12,374	15,797

18. DISPOSAL GROUP AND ASSETS HELD FOR SALE

The disposal group consists of KAF Equities Sdn Bhd, KAF Nominees (Asing) Sdn Bhd and KAF Nominees (Tempatan) Sdn Bhd ("KAF Equities Companies"). The results and cash flows of the KAF Equities Companies are presented as discontinued operations. The sale has been completed in the financial year ended 30 June 2024. The cashflow impact of the disposal is disclosed in Note 28.

Notes To The Financial Statements
for the financial year ended 30 June 2025

19. DEPOSITS FROM CUSTOMERS

		Group		Bank	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
(i)	By type of deposits				
	Fixed deposits	3,314,216	4,056,370	3,347,681	4,094,571
	Qard deposits	40,265	1,387,588	-	1,387,588
	Commodity Murabahah	714,915	372,384	754,918	372,384
		4,069,396	5,816,342	4,102,599	5,854,543
(ii)	By type of customers				
	Government and statutory bodies	1,406,605	2,851,139	1,406,605	2,851,139
	Business enterprises	648,696	934,129	650,714	936,136
	Domestic Non Bank FI	1,726,699	1,779,885	1,758,146	1,816,079
	Individuals	286,894	251,189	286,632	251,189
	Others	502	-	502	-
		4,069,396	5,816,342	4,102,599	5,854,543
(iii)	Maturity structure of deposits				
	Due within three months	4,069,396	5,809,294	4,102,599	5,847,495
	Three months to one year	-	7,048	-	7,048
		4,069,396	5,816,342	4,102,599	5,854,543

Notes To The Financial Statements
for the financial year ended 30 June 2025

20. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposit and placement with Bank Negara Malaysia	-	460,823	-	460,823
Licensed banks	2,123,867	625,080	2,128,267	625,080
	2,123,867	1,085,903	2,128,267	1,085,903
Current	2,123,867	1,085,903	2,128,267	1,085,903

21. OTHER LIABILITIES

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Balances due to clients and brokers	14,934	43,098	-	-
Non-trade				
Other payables and accrued expenses	39,552	31,451	21,139	10,540
	54,486	74,549	21,139	10,540

22. SHARE CAPITAL

	2025		2024	
	Amount RM'000	Number of shares '000	Amount RM'000	Number of shares '000
Issued and fully paid:				
Ordinary shares	80,000	80,000	80,000	80,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Bank.

Notes To The Financial Statements
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23. RESERVES

		Group		Bank	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
Regulatory reserve		19,183	24,803	19,183	24,803
FVOCI reserve	(i)	64,303	1,942	65,593	3,666
Other reserve		1,426	1,426	-	-
Merger reserve		421	421	-	-
Currency translation reserve		(272)	3,795	-	-
Funds allocated to Islamic banking division		105,000	105,000	105,000	105,000
Retained earnings	(ii)	1,169,814	1,134,603	1,204,343	1,130,805
		1,359,875	1,271,990	1,394,119	1,264,274

(i) The fair value through other comprehensive income reserve arises from the changes in the fair value of the fair value through other comprehensive income financial assets, and is not distributable as cash dividends.

(ii) The Bank can distribute all of its retained earnings as at 30 June 2025 as single-tier dividends.

24a. INTEREST INCOME

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Fair value through other comprehensive income financial assets	152,277	141,104	149,480	141,104
Financial assets at amortised cost	42,826	46,872	42,826	46,872
Money at call and deposits and placements with banks and other financial institutions	42,474	58,733	42,271	58,432
Loans, advance and financing	1,383	2,308	1,381	2,308
	238,960	249,017	235,958	248,716

Notes To The Financial Statements
for the financial year ended 30 June 2025

24b. INTEREST INCOME FOR FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fair value through profit or loss financial assets	25,269	24,159	25,269	24,159

25. INTEREST EXPENSE

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposit and placement of banks and other financial institutions	29,952	24,785	29,952	24,785
Deposits from customers	134,226	140,322	138,042	141,361
Interest on repo margin	36,501	39,088	36,500	39,088
Others	107	25	-	-
	200,786	204,220	204,494	205,234

Notes To The Financial Statements
for the financial year ended 30 June 2025

26. OTHER OPERATING INCOME

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Fee income				
Agency fees	4,983	6,321	4,983	6,321
Underwriting fees	1,340	1,822	1,340	1,822
Corporate advisory fees	5,421	8,665	5,421	8,664
Commitment fees	-	4	-	4
Management fees	57,436	33,638	-	-
	69,180	50,450	11,744	16,811
Net income from securities				
Net realised gain from FVTPL financial assets	9,478	16,022	6,822	8,324
Net realised gain from FVOCI financial assets	21,526	41,786	16,862	41,786
Net unrealised fair value (loss)/gain from FVTPL financial assets	(6,819)	(570)	3,478	403
	24,185	57,238	27,162	50,513
Other income				
Realised gain on disposal of investment in associate	-	1,798	-	-
Net realised gain on foreign currency exchange	1,028	516	1,255	515
Net realised loss on derivatives	(387)	(57)	(387)	(57)
Net unrealised gain on foreign currency exchange	6,514	460	6,518	460
Net unrealised gain/(loss) on fair value of derivatives	583	(1,096)	583	(1,096)
Dividend income	20	40	15,020	1,782
Distribution income	1,289	761	-	-
Brokerage earned	972	748	-	-
Gain on sales of property and equipment	-	889	-	889
Others	8,255	2,141	2,666	1,852
	18,274	6,200	25,655	4,345
Total	111,639	113,888	64,561	71,669

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for the financial year ended 30 June 2025

27. OTHER OPERATING EXPENSES

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Establishment related expenses				
Rental of premises	48	46	-	-
Equipment rental	1,527	1,523	1,521	1,517
Depreciation of property and equipment	5,504	4,899	4,730	4,349
Depreciation of right-of-use assets	5,196	4,775	3,275	3,254
Repair and maintenance	2,852	1,963	683	233
Fixed assets written off	-	16	-	-
Others	1,104	354	498	354
	16,231	13,576	10,707	9,707
Promotion and marketing related expenses				
Advertising, travelling and entertainment	659	427	322	292
Brokerage fees	524	659	524	659
Others	211	3,322	30	3,157
	1,394	4,408	876	4,108
General administrative expenses				
Auditors' remuneration				
- statutory audit	844	608	489	398
- non audit fees	110	95	20	20
Maintenance expenses	33,766	11,434	4,002	2,549
Printing and stationery	397	424	298	280
Professional fees	14,136	12,151	1,534	4,598
Bank charges	1,012	872	985	856
Commission	16,293	13,066	-	-
Management fee	1,002	494	-	-
Subscription fee	2,321	13,555	1,010	957
Finance cost on lease liabilities	685	932	590	660
Allowance for impairment in investment in subsidiaries	-	-	8,679	3,179
Impairment of goodwill in a subsidiary	3,780	-	-	-
Share-based payment expenses (Note 27(a))	9,677	-	-	-
Others	5,045	3,386	2,075	1,749
	89,068	57,017	19,682	15,246
Personnel expenses				
Salaries, bonuses and allowances	66,402	42,276	44,174	28,243
Directors' remuneration (Note 29(a))	1,005	772	360	470
EPF and SOCSO	6,735	4,544	5,548	3,581
Others	3,682	2,532	3,305	2,348
	77,824	50,124	53,387	34,642
Total	184,517	125,125	84,652	63,703

Notes To The Financial Statements
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(a) Share-based payment expense

The Bank and the three Consortium Members ("original CM") have come into agreement to collaborate as partners in the digital bank application to BNM via a Memorandum of Agreement ("MOA") on 23 June 2021. The MOAs outlined shares in the digital bank in exchange for the collaboration with the preparation of the digital bank application and business plan.

The original CM and a new CM have also entered into Restated Memorandum of Agreements ("RMOA") with the Bank on 7 October 2024 subsequent to the initial signing of the MOA in 2021. The RMOA outlines the initial issuance of shares of KDB and the allotment percentages to CMs members in both paid up and unearned and unpaid forms.

Subsequent to the agreement on the RMOA, KDB proceeded to issue RM200,000,000 in paid-up shares (subscribed fully by the Bank) and RM26,574,501 in unpaid and unearned shares on 17 October 2024. The unearned and unpaid shares as of 30 June 2025 of 26,574,501 were issued in the names of respective CM but are held in trust until the CMs have met KPIs set or RM1 per unpaid share is paid by the CMs during the foundational phase.

The total expense recognised as share-based payments for the year ended 30 June 2025 was RM9,677,418, representing the portion of the paid-up shares transferred to the original CM members that was paid by the Bank, with the corresponding impact recognised by the Group in equity. The Group has evaluated that the vesting conditions have been met by the original CM members during the license application phase with active involvement for application of the digital banking license (preparation of the application and business plan and being parties to the application itself).

There is no share-based payment expense recognised in relation to unearned and unpaid shares for the financial year ended 30 June 2025.

Notes To The Financial Statements
for the financial year ended 30 June 2025

28. DISCONTINUED OPERATIONS

On 7 April 2023, KAF Seagroatt & Campbell Berhad, a wholly-owned subsidiary of the Bank entered into a Sale and Purchase Agreement ("SPA") with CIMB Investment Bank Berhad, a wholly-owned subsidiary of CIMB Group Holdings Berhad, for the disposal of 100% of its equity interest in KAF Equities Companies.

Consequently, the results and cash flows of the KAF Equities Companies have been presented as discontinued operations in the financial statements of the Group. The sale has been completed in the financial year ended 30 June 2024.

Analysis of the results and cash flow information of the discontinued operations are as follows:

	Group	
	2025 RM'000	2024 RM'000
Statement of Profit or Loss		
Interest income	-	28
Interest expense	-	-
Gross profit	-	28
Other operating income	-	15,742
	-	15,770
Other operating expenses	-	(14,983)
Profit before tax of discontinued operations	-	787
Taxation	-	(489)
Gain on disposal of subsidiaries	-	86,028
Profit after tax from discontinued operations	-	86,326
Statement of Cash Flows		
Net cash used in operating activities	-	-
Net cash used in investing activities	-	-
Net cash used in financing activities	-	-
Net decrease in cash and cash equivalents	-	-
The net cash inflow arising from the disposal is as follows:		
Net assets disposed	-	58,672
Gain on disposal of subsidiaries	-	86,028
Sales consideration	-	144,700
Less: Deferred consideration	-	(3,904)
Net cash inflow on disposal of subsidiaries	-	140,796

Notes To The Financial Statements
for the financial year ended 30 June 2025

29. DIRECTORS' REMUNERATION AND SHARIAH COMMITTEES' REMUNERATION

a) Directors' remuneration

The aggregate remuneration of Non-Executive Directors of the Group and the Bank are as follows:

Group	2025 RM'000	2024 RM'000
Non-Executive Directors		
Paisol bin Ahmad	-	110
Datuk Khatijah binti Ahmad	180	180
Dato' Saiful Bahri bin Zainuddin	90	90
Khoo Guan Huat	90	90
Nor Rejina binti Abdul Rahim	130	130
Dato' Ahmad bin Kadis	30	30
Faisol Zulkifli	30	30
Mohd Kamal bin Mohd Ali	12	12
Ridzuan bin Ishak	12	12
Tee Zhi Han	-	8
Tan Sri Abu Talib bin Othman	40	40
Mohd Hasnul Ismar bin Mohd Ismail	40	40
Datuk Ahmad Hizzad bin Baharuddin	110	-
Ignatius Ong Ming Choy	90	-
Putri Noor Shariza binti Noordin Omar	83	-
Mohd Hazran bin Abd Hadi	68	-
	1,005	772
Bank		
Non-Executive Directors		
Paisol bin Ahmad	-	110
Datuk Khatijah binti Ahmad	90	90
Dato' Saiful Bahri bin Zainuddin	90	90
Khoo Guan Huat	90	90
Mohammad Ridzuan bin Abdul Aziz	-	-
Nor Rejina binti Abdul Rahim	90	90
	360	470

b) Shariah Committees' remuneration

The Shariah Committees' remuneration of the Group and the Bank are as follows:

Group and Bank	2025 RM'000	2024 RM'000
Shariah Committee - Fees	102	100

Notes To The Financial Statements
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30. EXPECTED CREDIT LOSS

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Expected credit losses ("ECL") charged / (write-back):				
- FVOCI financial assets	(2,554)	2,558	(2,554)	2,558
- Loans, advances and financing	(163)	148	(163)	148
- Cash and short-term funds	(1,102)	1,132	(1,102)	1,132
Amount due from subsidiary	-	-	5,700	-
	(3,819)	3,838	1,881	3,838

31. TAXATION

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysian income tax				
- Current financial period	35,902	26,798	32,548	25,448
- Under provision in prior year	2,902	41	2,069	130
	38,804	26,839	34,617	25,578
Deferred tax expense (Note 11)	(3,718)	(664)	(4,101)	(216)
	35,086	26,175	30,516	25,362

The explanation of the relationship between taxation and profit before taxation is as follows:

Profit before taxation and zakat	89,466	89,157	129,843	106,790
Income tax using Malaysian tax rate of 24% (2024: 24%)	21,472	21,398	31,162	25,630
Tax effects of:				
- Non-deductible expenses	3,984	8,211	2,487	1,834
- Non-taxable income	(4,183)	(3,430)	(5,202)	(2,232)
- Deductible temporary difference not recognised	10,932	(45)	-	-
- Recognition of deductible temporary differences not previously recognised	(21)	-	-	-
- Under provision of tax in prior/financial years	2,902	41	2,069	130
	35,086	26,175	30,516	25,362

Notes To The Financial Statements
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	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Income tax expense is attributable to:				
Profit from continuing operations	35,086	25,686	30,516	25,362
Profit from discontinued operations (Note 28)	-	489	-	-
	35,086	26,175	30,516	25,362

Deferred tax assets have not been recognised in respect of the following items (stated as gross):

	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Unutilised tax losses	42,313	11,786	-	-
Unutilised capital allowance	33,476	14,922	-	-
Deductible temporary differences	6,059	9,693	-	-
As at 30 June	81,848	36,401	-	-

The unutilised tax losses of the Group are available for offsetting against future taxable profits of the Group for another 10 consecutive years effective from Year of Assessment 2018. These utilisation of carry forward of tax losses are also subject to no substantial change in shareholdings of the Group under Income Tax Act, 1967 and guidelines issued by the tax authority. The table summarised the remaining utilised tax losses by year of assessment.

	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Up to year of assessment 2028	5	5	-	-
Up to year of assessment 2034	11,615	11,781	-	-
Up to year of assessment 2035	30,693	-	-	-
As at 30 June	42,313	11,786	-	-

32. DIVIDENDS PAID

Group and Bank	2025 Gross dividend per share sen	2025 Amount of dividend, net of tax RM'000	2024 Gross dividend per share sen	2024 Amount of dividend, net of tax RM'000
Final single-tier dividend for the financial period ended 30 June 2024	37.5	30,000	-	-
Final single-tier dividend for the financial year ended 30 June 2023	-	-	150.0	120,000
	37.5	30,000	150.0	120,000

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the current financial year of 75 sen amounting to RM60 million will be proposed to shareholders for approval. These financial statements do not reflect this final dividend which will be an appropriation of retained earnings of the financial year ending 30 June 2026.

Notes To The Financial Statements
for the financial year ended 30 June 2025

33. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Related parties and relationships

The related parties of, and their relationships with the Bank, are as follows:

Relationship	Related parties
Ultimate holding company	AKKA Sdn Bhd
Related companies	AKKA Sdn Bhd and its subsidiaries which include KSEC Sdn Bhd's (formerly known as KAF Securities Sdn Bhd) subsidiaries.
Subsidiary companies	KAF Capital Sdn Bhd KAF Digital Bank Berhad KAF-Seagroatt & Campbell Berhad and its subsidiaries.
Key management personnel	The key management personnel of the Group and the Bank includes Directors, Chief Executive Officer, Chief Operating Officer and all the Head of Departments of the Bank who make certain critical decisions in relation to the strategic direction of the Bank.
Related parties of key management personnel *(deemed as related to the Bank)*	(i) Close family members and dependents of the key management personnel; and (ii) Entities that are controlled, jointly controlled or significantly influenced, by or for which voting power in such entity resides with, directly or indirectly by key management personnel or its close family members.

(b) Significant related party balances

	2025 RM'000	2024 RM'000
Group		
Amount due (to)/from ultimate holding company		
Deposits from customers	(93,024)	(55,726)
Other receivables	458	261
Amount due (to)/from other related companies		
Deposits from customers	(9,885)	(17,703)
Other receivables	722	182
Amount due to key management personnel		
Deposits from customers	(283,005)	(248,756)
Bank		
Amount due (to)/from holding company		
Deposits from customers	(93,024)	(62,671)
Other receivables	458	432
Amount due from/(to) subsidiary companies		
Deposits from customers	(37,867)	(38,199)
Other receivables	89,227	42,418
Amount due (to)/from other related companies		
Deposits from customers	(9,885)	(10,758)
Other receivables	722	11
Amount due to key management personnel		
Deposits from customers	(283,005)	(248,756)

Notes To The Financial Statements
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(c) Significant related party transactions

In the normal course of business, the Group and the Bank undertake on agreed terms transactions with its related parties. The significant related party transactions are as follows:

Group	2025 RM'000	2024 RM'000
Interest expense on deposit from holding companies	(2,881)	(2,211)
Interest expense on deposit from other related companies	(446)	(716)
Interest expense on deposit from key management personnel	(8,948)	(7,437)
Bank		
Interest expense on deposit from holding companies	(2,881)	(2,111)
Interest expense on deposit from subsidiary companies	(3,835)	(1,055)
Interest expense on deposit from other related companies	(446)	(716)
Interest expense on deposit from key management personnel	(8,948)	(7,437)
Professional fee paid to a subsidiary	(300)	(300)

(d) Key management personnel

The remuneration of key management personnel are as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Executive Directors				
Salaries, bonuses and other emoluments	539	491	-	-
Benefits-in-kind	-	-	-	-
	539	491	-	-
Non-Executive Directors				
Fees	1,005	772	360	470
Total Directors' remuneration	1,544	1,263	360	470
Other key management personnel				
Salaries, bonuses and other emoluments	20,726	8,585	5,796	4,416
Total	22,270	9,848	6,156	4,886

The above key management personnel's remuneration includes Directors' remuneration as disclosed in Note 29 (a).

(e) Credit exposures arising from transactions with connected parties

Pursuant to Bank Negara Malaysia's Guidelines on Credit Transactions and Exposures with Connected Parties, the Bank has assessed its credit exposure arising from financing facilities and other off-balance sheet credit exposures to connected parties. The credit exposures are as follows:

	2025 RM'000	2024 RM'000
Outstanding credit exposure with connected parties	5,380	-
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	0.06%	0.00%
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	0.00%	0.00%

Notes To The Financial Statements
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34. CAPITAL COMMITMENTS

	Group and Bank	
	2025 RM'000	2024 RM'000
The projected capital plan for KAF Digital Bank Berhad	(150,000)	(200,000)

35. COMMITMENTS AND CONTINGENCIES

	2025			2024		
Group	Principal amount RM'000	Credit equivalent amount* RM'000	Risk weighted amount* RM'000	Principal amount RM'000	Credit equivalent amount* RM'000	Risk weighted amount* RM'000
Transaction related contingent items	2,737	1,369	1,369	3,068	1,534	1,534
Underwriting obligations	16,996	8,498	8,498	3,422	1,711	1,711
Foreign exchange related contracts	483,278	1,576	315	70,065	474	95
	503,011	11,443	10,182	76,555	3,719	3,340
Bank						
Transaction related contingent items	2,737	1,369	1,369	3,068	1,534	1,534
Underwriting obligations	16,996	8,498	8,498	3,422	1,711	1,711
Foreign exchange related contracts	483,278	1,576	315	70,065	474	95
	503,011	11,443	10,182	76,555	3,719	3,340

* The credit equivalent amount and the risk weighted amount are arrived at using the credit conversion factor and risk weights respectively, as per BNM guideline.

Notes To The Financial Statements
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36. FINANCIAL INSTRUMENTS

A Financial risk management objectives and policies

Overview and organisation

Risk is inherent in banking business and sound risk management is the cornerstone of prudent and successful banking.

In compliance with best practices under the Malaysian Code of Corporate Governance, the Board of Directors ("Board" or "BOD") through the Risk Management Committee ("RMC") are responsible for identifying principal risks and ensuring that there are ongoing processes to continuously manage the Bank's risks actively according to the risk appetite of the Bank.

In addition to that, the Bank is to comply with the Risk Governance Guideline by Bank Negara Malaysia ("BNM").

The RMC provides oversight and management of all risks in an integrated way. The Compliance Department ("CD") and Risk Management Department ("RMD") is independent of business units and reports directly to the RMC. Both the CD and RMD assist the RMC and Board in formulating risk related policies, advises the Board on the risk impact of business strategies, and reviews compliance by the management to the risk policy framework that is approved by the Board.

The RMC comprises Non-Executive Directors with at least four (4) members. Members of the RMC are Directors who are exclusively non-executive in all of their directorships within the Bank.

Overriding objectives of the RMC:

(i) To provide oversight and governance of risks of the Bank;

(ii) To oversee senior management's activities in managing credit, market, liquidity, operational, legal and other risks and to ensure that the risk management process is in place and functioning; and

(iii) To deliberate and make recommendation to the BOD in respect of risk management matters.

The primary responsibility for managing risks, however, rests with the respective heads of departments. They are best equipped to ensure that risk management and control are continuously focused on the way daily operations are conducted. There are continuous reviews of business activities and processes to identify significant risk areas and implement control procedures to operate within established corporate policies and limits. Additionally, the management of risks associated with financial instruments are continuously carried out in the Bank. The Board has set up policies and procedures to manage risks that may arise in connection with the use of financial instruments.

The Bank has policies and guidelines which set out the overall approach in managing risk, reporting lines, valuation methods and different types of risk reports to be used. This will enable the Bank to monitor and assess its trading and investment positions in a timely and accurate manner. The policies and guidelines are reviewed at least annually by the Board of Directors to ensure they remained effective and in line with current practice. The Credit Committee, Investment Committee ("IC"), Treasury Management Committee ("TMC"), Management Committee ("MC") and Risk Management Department ("RMD") are collectively responsible to manage overall operational, market, liquidity and credit risk of the Bank.

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Major areas of risk

As a banking institution with key activities covering corporate banking and advisory services, treasury products and services, the Bank is subject to business risks which are inherent in the financial services industry. Generally, these business risks can be classified as follows:

(i) Market risk - the potential loss resulting from changing value of assets and liabilities caused by movements in bond prices, interest rates and currency exchange rates.

(ii) Liquidity risk - the inability to maintain sufficient liquid assets and to meet the financial commitments and obligations to depositors as they fall due caused by mismatch between assets and liabilities in terms of sizes and maturities.

(iii) Credit risk - the potential loss to the Bank as counterparty or issuers of securities fail to perform its contractual obligation. It arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVTPL") and credit exposures to corporate customers.

(iv) Operational risk - the risk of loss resulting from inadequate or failed internal processes, people, systems or external events as well as the risk of breaches of applicable laws and regulatory requirements.

Market risk management

The management of market risk lies with the Treasury Department as the first line of defence. Daily positions generally made up of marketable securities and foreign exchange instruments are managed prudently according to market conditions. Both the Investment Committee and The Treasury Management Committee oversee the market risk profile of the portfolios assisted by the Risk Management Department for information support. The trading book positions are marked to market on daily basis and controlled by daily cut loss limit to manage any adverse changes to the market value of the portfolio

Currency risk

Currency risks are managed by the Treasury Department and overseen by Treasury Management Committee. Dealers are guided by intraday and overnight net open position limits set by the management. As foreign exchange rates are volatile, a stop loss limit is used to minimise any adverse impact of a change in foreign exchange rate on an open position held.

Interest rate risk

Market risks arising from interest rate movements affects the Bank by changing the market value of marketable securities held. Sensitivity of portfolio value against an increase or decrease in interest rates is used as a measure to determine the impact of interest rate risk exposure to the Bank.

Credit risk management

The management of credit risk are guided by the Credit Risk policy of the Bank. The Credit Committee and the Management Loan Committee are responsible for the approval of credit limits for issuers of securities, counterparties and corporate customers within the Board's prescribed parameters. Approved limits are tabled to the Board for notification.

The credit evaluation is performed by the Credit Research Department whereby the credit worthiness is assessed based on the ability of the issuers, counterparties and corporate customers to meet its financial obligations and takes into consideration of the management capabilities, current as well as its future financial condition. The Credit Research Department also employs external and internal risk ratings as part of the credit evaluation process.

Notes To The Financial Statements
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The management uses measures such as single customer exposure limit and credit concentration limit based on industry and credit ratings to measure credit risk. These credit limits are reviewed periodically to assess the credit quality of the issuers or counterparties over time. The Business units when dealing are required to observe the approved credit limit and the Risk Management Department will monitor for compliance.

At the date of the statement of financial position, the Bank has put in placed internal exposure limit to avoid any undue credit concentration.

For review and monitoring of credit risk the Bank also includes the use of watch list to identify problem credits and to undertake corrective or pre-emptive measures on the issuers/borrowers.

The Bank reports its expected credit loss under MFRS 9 for non-impaired credit exposure as Stage 1 and Stage 2 for significant increase in credit risk while impaired issuers/ borrowers will go to Stage 3.

Interest rate risk management

Interest rate risk is managed through the Investment Committee and Treasury Management Committee. Changes in interest rates affect the Bank’s earnings by changing its net interest income and the level of other interest-sensitive income and operating expenses. Changes in interest rates also affect the underlying economic value of the Bank’s assets, liabilities and off-balance sheet items. The standardised approach from Bank Negara Malaysia is used by the Bank to measure the interest rate risk in the banking book.

Liquidity risk management

The day-to-day funding requirement of the Bank is managed by the Treasury Department. The Treasury Management Committee will look at the balance sheet structure of the Bank and manage the mismatched between assets and liabilities based on changing market conditions over time with appropriate measures. These measures include holding sufficient liquid assets for any unanticipated future liquidity requirements and having a strong deposits base. The Bank is required to comply with the Liquidity Coverage Ratio (“LCR”) and Net Stable Funding Ratio (“NSFR”) from Bank Negara Malaysia for its liquidity reporting.

Operational risk

The Bank recognises that the importance of a well-managed banking operation is to cultivate an organisational wide discipline and prudent risk management culture among its staff.

Operational risks arise from inadequate or failed internal processes, people and systems or from external events. These risks are managed by the Bank through the following key measures:

(i) Sound operational risk management practices in accordance with regulatory guidelines including policy on risk governance and compliance
(ii) Board and senior management oversight and governance
(iii) Establish clear reporting line and segregation of duties with well-defined responsibilities for all personnel concerned

The respective business units are primarily responsible for managing operational risk on a day-to-day basis.

The Bank has a Computer Disaster Recovery Plan (“CDRP”) programme for its major critical business operations and activities. The CDRP programme is subject to regular testing as required by BNM as well to ensure efficiency, reliability and functionality to cater for any unexpected events.

The Bank continually refines and strengthens existing policies, procedures and internal controls measures; and continually conducts internal review, compliance monitoring, and audit to prevent and minimise unexpected losses.

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B. Market risk

Market risk sensitivity analysis is based on the changes in any key variable, like interest rates and foreign currency rates while holding other variables constant. The sensitivity analysis assumed a parallel shift in the key variables in order to project the impact on the Group and the Bank's assets and liabilities position as at 30 June 2025.

The scenarios are being simplified whereby it assumed that the key variable for all maturities shall move in the same direction and by the same magnitude and do not incorporate actions that would be otherwise taken by the business units and management to mitigate the effect of this movement in key variables. In reality, the Group and the Bank will proactively seek to ensure that any market risks will be managed accordingly.

(i) Interest rate sensitivity analysis

The following table shows the sensitivity of the Bank's profit after tax and its equity to an immediate parallel shift of up and down +/-50 basis point ('bps") in the interest rate.

Bank	**Impact on profit after tax RM'000**	**Impact on equity RM'000**
2025		
Revaluation of marketable securities		
+ 50 bps	(7,985)	(314,277)
- 50 bps	8,426	346,918
Interest rate/rate of return risk in banking book		
+ 150 bps	(77,910)	
- 150 bps	77,910	
2024		
Revaluation of marketable securities		
+ 50 bps	(11,393)	(197,373)
- 50 bps	12,030	209,393
Interest rate/rate of return risk in banking book		
+ 150 bps	(62,693)	
- 150 bps	62,693	

The results above represent financial assets and liabilities that have been prepared on the following basis:

Impact on the profit after tax is the sum of valuation changes on fixed income instruments held in the trading portfolio and earnings movement for all short term interest rate sensitive assets and liabilities (with maturity or re-pricing tenure of up to one year).

The impact on equity represents the changes in revaluation from the banking book portfolio comprising changes in fair value of the fixed income instruments held in the available-for-sale portfolio arising from the shift in the interest rate.

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(ii) Foreign currency sensitivity analysis

The Group and the Bank are exposed to foreign currency risks when the Treasury money market activities hold non MYR positions. These positions include foreign currencies such as UK Pound Sterling, US Dollar, Euro, Japanese Yen, Swiss Franc, Singapore Dollar, Australian Dollar, Indonesia Rupiah and New Zealand Dollar. The foreign currency sensitivity represents the effect of an increase or decrease in the foreign currency spot rate while other variables remain constant.

Bank	**Impact on profit after tax RM'000**
2025	
+ 5%	(3,041)
- 5%	3,079
2024	
+ 5%	(2,757)
- 5%	22,640

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Interest rate risk

The table below summarises the Group and the Bank's exposure to interest rate risks. The carrying amount of assets and liabilities are categorised by the earlier of contractual re-pricing or maturity dates:

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
Cash and cash equivalents	303,798	400,701	482,019	-	-	47,646	-	1,234,164
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	64,000	-	64,000
Fair value through profit or loss financial assets	-	-	-	-	-	78,738	255,059	333,797
Fair value through other comprehensive income financial assets	10,433	24,776	156,120	394,351	5,157,837	5,446	-	5,748,963
Financial assets at amortised cost	-	-	-	-	799,984	-	-	799,984
Loans, advances and financing	-	-	-	13,166	-	-	-	13,166
Derivative financial assets	-	-	-	-	-	-	1,576	1,576
Other receivables	-	-	-	-	-	29,893	-	29,893
Total assets	314,231	425,477	638,139	407,517	5,957,821	225,723	256,635	8,225,543

* excludes prepayments of RM10,806,358

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
Deposits from customers	3,915,531	55,293	98,572	-	-	-	-	4,069,396
Deposits and placements of banks and other financial institutions	1,720,595	403,272	-	-	-	-	-	2,123,867
Repurchase agreements	693,166	-	-	-	-	-	-	693,166
Derivative financial liabilities	-	-	-	-	-	-	992	992
Other liabilities	-	-	-	-	-	54,486	-	54,486
Lease liabilities	284	975	2,903	9,366	-	420	-	13,948
Total liabilities	6,329,576	459,540	101,475	9,366	-	54,906	992	6,955,855
Total interest sensitivity gap	(6,015,345)	(34,063)	536,664	398,151	5,957,821	170,817	255,643	

Notes To The Financial Statements
for the financial year ended 30 June 2025

The table below summarises the Group and the Bank's exposure to interest rate risks. The carrying amount of assets and liabilities (includes non-financial instruments) are categorised by the earlier of contractual re-pricing or maturity dates:

Group 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
Cash and cash equivalents	27,096	400,779	1,552,448	-	-	52,339	-	2,032,662
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	87,000	-	87,000
Fair value through profit or loss financial assets	-	-	-	-	-	92,731	403,011	495,742
Fair value through other comprehensive income financial assets	41,095	15,179	54,188	688,315	3,234,179	5,446	-	4,038,402
Financial assets at amortised cost	-	-	-	-	1,430,902	-	-	1,430,902
Loans, advances and financing	-	-	-	25,080	-	-	-	25,080
Derivative assets	-	-	-	-	-	-	1	1
Other receivables	-	-	-	-	-	41,013	-	41,013
Tax recoverable	-	-	-	-	-	9,033	-	9,033
Deferred tax assets	-	-	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	20,245	-	20,245
Intangible assets	-	-	-	-	-	59,655	-	59,655
Investment properties	-	-	-	-	-	110,231	-	110,231
Right-of-use assets	-	-	-	-	-	19,884	-	19,884
Total assets	68,191	415,958	1,606,636	713,395	4,665,081	497,577	403,012	8,369,850
Deposits from customers	5,463,105	156,180	197,057	-	-	-	-	5,816,342
Deposits and placements of banks and other financial institutions	1,085,903	-	-	-	-	-	-	1,085,903
Other liabilities	-	-	-	-	-	74,549	-	74,549
Deferred tax liabilities	-	-	-	-	-	688	-	688
Provision for zakat	-	-	-	-	-	863	-	863
Lease liabilities	-	-	-	-	-	18,503	-	18,503
Total liabilities	6,549,008	156,180	197,057	-	-	94,603	-	6,996,848
Total equity	-	-	-	-	-	1,373,002	-	1,373,002
Total equity and liabilities	6,549,008	156,180	197,057	-	-	1,467,605	-	8,369,850
Total interest sensitivity gap	(6,480,817)	259,778	1,409,579	713,395	4,665,081	(970,028)	403,012	

Notes To The Financial Statements
for the financial year ended 30 June 2025

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
Cash and short term funds	302,015	400,701	482,019	-	-	28,587	-	1,213,322
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	64,000	-	64,000
Fair value through profit or loss financial assets	-	-	-	-	-	-	255,059	255,059
Fair value through other comprehensive income financial assets	10,433	24,776	156,120	394,351	4,965,270	5,446	-	5,556,396
Financial assets at amortised cost	-	-	-	-	799,984	-	-	799,984
Loans, advances and financing	-	-	-	15,799	-	-	-	15,799
Other receivables	-	-	-	-	-	6,327	-	6,327
Amount due from subsidiary companies	-	-	-	-	-	83,224	-	83,224
Derivative financial assets	-	-	-	-	-	-	1,576	1,576
Total assets	312,448	425,477	638,139	410,150	5,765,254	187,584	256,635	7,995,687
Deposits from customers	3,946,605	55,293	100,701	-	-	-	-	4,102,599
Deposits and placements of banks and other financial institutions	1,724,995	403,272	-	-	-	-	-	2,128,267
Repurchase agreements	693,166	-	-	-	-	-	-	693,166
Other liabilities	-	-	-	-	-	21,139	-	21,139
Derivative financial liabilities	-	-	-	-	-	-	992	992
Lease liabilities	284	851	2,270	8,969	-	-	-	12,374
Total liabilities	6,365,050	459,416	102,971	8,969	-	21,139	992	6,958,537
Total interest sensitivity gap	(6,052,602)	(33,939)	535,168	401,181	5,765,254	166,445	255,643	

Notes To The Financial Statements
for the financial year ended 30 June 2025

Bank 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
Cash and short term funds	27,096	400,779	1,552,448	-	-	6,323	-	1,986,646
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	87,000	-	87,000
Fair value through profit or loss financial assets	-	-	-	-	-	-	403,011	403,011
Fair value through other comprehensive income financial assets	41,095	15,179	54,188	688,315	3,234,179	5,446	-	4,038,402
Financial assets at amortised cost	-	-	-	-	1,430,902	-	-	1,430,902
Loans, advances and financing	-	-	-	25,080	-	-	-	25,080
Other receivables and prepayments	-	-	-	-	-	12,552	-	12,552
Amount due from subsidiary companies	-	-	-	-	-	45,921	-	45,921
Tax recoverable	-	-	-	-	-	7,675	-	7,675
Property and equipment	-	-	-	-	-	17,086	-	17,086
Intangible assets	-	-	-	-	-	52,500	-	52,500
Derivative assets	-	-	-	-	-	-	1	1
Investment in subsidiaries	-	-	-	-	-	189,447	-	189,447
Investment in associate	-	-	-	-	-	306	-	306
Right-of-use assets	-	-	-	-	-	16,832	-	16,832
Total assets	68,191	415,958	1,606,636	713,395	4,665,081	441,088	403,012	8,313,360
Deposits from customers	5,501,306	156,180	197,057	-	-	-	-	5,854,543
Deposits and placements of banks and other financial institutions	1,085,903	-	-	-	-	-	-	1,085,903
Other liabilities	-	-	-	-	-	10,540	-	10,540
Deferred tax liabilities	-	-	-	-	-	1,441	-	1,441
Provision for zakat	-	-	-	-	-	863	-	863
Lease liabilities	-	-	-	-	-	15,797	-	15,797
Total liabilities	6,587,209	156,180	197,057	-	-	28,641	-	6,969,087
Total equity	-	-	-	-	-	1,344,274	-	1,344,274
Total equity and liabilities	6,587,209	156,180	197,057	-	-	1,372,915	-	8,313,361
Total interest sensitivity gap	(6,519,018)	259,778	1,409,579	713,395	4,665,081	(931,827)	403,012	

Notes To The Financial Statements
for the financial year ended 30 June 2025

C. Liquidity risk

The table below analyses the carrying amount of assets and liabilities based on the remaining contractual maturities:

Group 2025	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1 year RM'000	No specific maturity RM'000	Total RM'000
Assets						
Cash and cash equivalents	351,444	400,701	482,019	-	-	1,234,164
Statutory deposits with BNM	-	-	-	-	64,000	64,000
Fair value through profit or loss financial assets	29,939	19,894	7,483	197,743	78,738	333,797
Fair value through other comprehensive income financial assets	10,433	24,776	156,120	5,552,188	5,446	5,748,963
Financial assets at amortised cost	-	-	-	799,984	-	799,984
Loans, advances and financing	-	-	-	13,166	-	13,166
Receivables	8,818	2,282	-	2,893	15,900	29,893
Derivative financial assets	1,576	-	-	-	-	1,576
Total assets	402,210	447,653	645,622	6,565,974	164,084	8,225,543
Liabilities						
Deposits from customers	3,915,531	55,293	98,572	-	-	4,069,396
Deposits and placements of banks and other financial institutions	1,720,595	403,272	-	-	-	2,123,867
Repurchase agreements	693,166	-	-	-	-	693,166
Other liabilities	25,572	6,284	20,540	2,090	-	54,486
Derivative financial liabilities	992	-	-	-	-	992
Lease liabilities	337	1,081	3,381	9,075	74	13,948
Total liabilities	6,356,193	465,930	122,493	11,165	74	6,955,855

Notes To The Financial Statements
for the financial year ended 30 June 2025

Group 2024	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1 year RM'000	No specific maturity RM'000	Total RM'000
Assets						
Cash and cash equivalents	27,096	400,779	1,552,448	-	52,339	2,032,662
Statutory deposits with BNM	-	-	-	-	87,000	87,000
Fair value through profit or loss financial assets	-	-	60,530	335,371	99,841	495,742
Fair value through other comprehensive income financial assets	41,095	15,179	54,188	3,922,494	5,446	4,038,402
Financial assets at amortised cost	-	-	-	1,430,902	-	1,430,902
Loans, advances and financing	-	-	-	25,080	-	25,080
Receivables and prepayments	-	-	-	-	41,013	41,013
Derivative assets	-	-	-	-	1	1
Tax recoverable	-	-	-	-	9,033	9,033
Property and equipment	-	-	-	-	20,245	20,245
Intangible assets	-	-	-	-	59,655	59,655
Investment properties	-	-	-	-	110,231	110,231
Right-of use assets	-	-	-	-	19,884	19,884
Total assets	68,191	415,958	1,667,166	5,713,847	504,688	8,369,850
Liabilities						
Deposits from customers	5,463,105	156,180	197,057	-	-	5,816,342
Deposits and placements of banks and other financial institutions	1,085,903	-	-	-	-	1,085,903
Other liabilities	822	-	9,703	15	64,009	74,549
Deferred tax liabilities	-	-	-	-	688	688
Provision for zakat	-	-	-	-	863	863
Lease liabilities	-	-	-	-	18,503	18,503
Total liabilities	6,549,830	156,180	206,760	15	84,063	6,996,848

Notes To The Financial Statements
for the financial year ended 30 June 2025

Bank 2025	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1 year RM'000	No specific maturity RM'000	Total RM'000
Assets						
Cash and short term funds	330,602	400,701	482,019	-	-	1,213,322
Statutory deposits with BNM	-	-	-	-	64,000	64,000
Fair value through profit or loss financial assets	29,939	19,894	7,483	197,743	-	255,059
Fair value through other comprehensive income financial assets	10,433	24,776	156,120	5,359,621	5,446	5,556,396
Financial assets at amortised cost	-	-	-	799,984	-	799,984
Loans, advances and financing	-	-	-	15,799	-	15,799
Receivables*	-	-	-	-	6,327	6,327
Amount due from subsidiary companies	83,224	-	-	-	-	83,224
Derivative financial assets	1,576	-	-	-	-	1,576
Total assets	455,774	445,371	645,622	6,373,147	75,773	7,995,687

* exclude prepayments of RM2,144,000

Liabilities						
Deposits from customers	3,946,605	55,293	100,701	-	-	4,102,599
Deposits and placements of banks and other financial institutions	1,724,995	403,272	-	-	-	2,128,267
Repurchase agreements	693,166	-	-	-	-	693,166
Other liabilities	2,303	1,500	17,336	-	-	21,139
Derivative financial liabilities	992	-	-	-	-	992
Lease liabilities	284	851	2,270	8,969	-	12,374
Total liabilities	6,368,345	460,916	120,307	8,969	-	6,958,537

Notes To The Financial Statements
for the financial year ended 30 June 2025

Bank 2024	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1 year RM'000	No specific maturity RM'000	Total RM'000
Assets						
Cash and short term funds	27,096	400,779	1,552,448	-	6,323	1,986,646
Statutory deposits with BNM	-	-	-	-	87,000	87,000
Fair value through profit or loss financial assets	-	-	60,530	335,371	7,110	403,011
Fair value through other comprehensive income financial assets	41,095	15,179	54,188	3,922,494	5,446	4,038,402
Financial assets at amortised cost	-	-	-	1,430,902	-	1,430,902
Loans, advances and financing	-	-	-	25,080	-	25,080
Other receivables and prepayments	-	-	-	-	12,552	12,552
Amount due from subsidiary companies	-	-	-	-	45,921	45,921
Tax recoverable	-	-	-	-	7,675	7,675
Property and equipment	-	-	-	-	17,086	17,086
Derivative assets	-	-	-	-	1	1
Intangible assets	-	-	-	-	52,500	52,500
Investment in subsidiaries	-	-	-	-	189,447	189,447
Investment in associate	-	-	-	-	306	306
Right-of-use assets	-	-	-	-	16,832	16,832
Total assets	68,191	415,958	1,667,166	5,713,847	448,199	8,313,361
Liabilities						
Deposits from customers	5,501,306	156,180	197,057	-	-	5,854,543
Deposits and placements of banks and other financial institutions	1,085,903	-	-	-	-	1,085,903
Other liabilities	822	-	9,703	15	-	10,540
Provision for zakat	-	-	-	-	863	863
Deferred tax liabilities	-	-	-	-	1,441	1,441
Lease liabilities	-	-	-	-	15,797	15,797
Total liabilities	6,588,031	156,180	206,760	15	18,101	6,969,087

Notes To The Financial Statements

for the financial year ended 30 June 2025

The following table presents the cash outflows for the Group and the Bank's financial liabilities by remaining contractual maturities on undiscounted basis. The balances in the table below will not agree to the balances reported in the statement of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments.

Group 2025	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1 year RM'000	No specific maturity RM'000	Total RM'000
Liabilities						
Deposits from customers	3,948,814	27,792	101,561	-	-	4,078,167
Deposits and placements of banks and other financial institutions	1,722,255	405,304	-	-	-	2,127,559
Repurchase agreements	693,363	-	-	-	-	693,363
Other liabilities*	25,572	6,284	20,540	2,090	-	54,486
Lease liabilities	324	1,043	3,282	9,472	74	14,195
Gross settled derivatives						
- Inflow	(483,892)	-	-	-	-	(483,892)
- Outflow	483,332	-	-	-	-	483,332
Total financial liabilities	6,389,768	440,423	125,383	11,562	74	6,967,210

* exclude zakat payable of RM622,000.

Group 2024	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1 year RM'000	No specific maturity RM'000	Total RM'000
Liabilities						
Deposits from customers	5,572,387	88,752	202,924	-	-	5,864,063
Deposits and placements of banks and other financial institutions	1,087,150	-	-	-	-	1,087,150
Other liabilities*	4,909	5,592	9,702	14	53,761	73,978
Lease liabilities	333	1,004	2,687	15,433	506	19,963
Gross settled derivatives						
- Inflow	(70,100)	-	-	-	-	(70,100)
- Outflow	70,095	-	-	-	-	70,095
Total financial liabilities	6,664,774	95,348	215,313	15,447	54,267	7,045,149

* exclude zakat payable of RM763,490.

Notes To The Financial Statements
for the financial year ended 30 June 2025

Bank 2025	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1 year RM'000	Total RM'000
Liabilities					
Deposits from customers	3,979,888	27,792	103,691	-	4,111,371
Deposits and placements of banks and other financial institutions	1,726,655	405,304	-	-	2,131,959
Repurchase agreements	693,363	-	-	-	693,363
Other liabilities*	2,303	1,500	17,336	-	21,139
Lease liabilities	321	962	2,566	9,499	13,348
Gross settled derivatives					
- Inflow	(483,892)	-	-	-	(483,892)
- Outflow	483,332	-	-	-	483,332
Total financial liabilities	6,401,970	435,558	123,593	9,499	6,970,620

* exclude zakat payable of RM622,000.

Bank 2024	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1 year RM'000	Total RM'000
Liabilities					
Deposits from customers	5,572,387	88,752	202,924	-	5,864,063
Deposits and placements of banks and other financial institutions	1,087,150	-	-	-	1,087,150
Other liabilities*	822	-	9,538	14	10,374
Lease liabilities	334	1,003	2,675	13,351	17,363
Gross settled derivatives					
- Inflow	(70,100)	-	-	-	(70,100)
- Outflow	70,095	-	-	-	70,095
Total financial liabilities	6,660,688	89,755	215,137	13,365	6,978,945

* exclude zakat payable of RM763,490.

Notes To The Financial Statements
for the financial year ended 30 June 2025

The following table presents the contractual expiry by maturity of the Group and the Bank's commitments and contingencies:

COMMITMENTS AND CONTINGENCIES	Less than 1 year RM'000	More than 1 year RM'000	Total RM'000
Group and Bank			
2025			
Transaction related contingent items	2,737	-	2,737
Underwriting obligations	16,996	-	16,996
Foreign exchange related contracts	483,278	-	483,278
Total commitments and contingencies	503,011	-	503,011
2024			
Transaction related contingent items	3,068	-	3,068
Underwriting obligations	3,422	-	3,422
Foreign exchange related contracts	70,065	-	70,065
Total commitments and contingencies	76,555	-	76,555

D. Credit risk

(i) Maximum exposure to credit risk

The maximum exposure to credit risk at the date of the statement of financial position is the amounts on the statement of financial position as well as off-balance sheet financial instruments, without taking into account any collateral held or other credit enhancements. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that the Group and the Bank would have to pay if the obligations of the instruments issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers. The table below shows the maximum exposure to credit risk for the Group and the Bank:

Group	2025 RM'000	2024 RM'000
Credit risk exposure relating to on-balance sheet assets:		
Cash and cash equivalents	1,234,164	2,032,662
Financial assets and investment portfolio:		
- Fair value through profit or loss financial assets	255,059	467,545
- Fair value though other comprehensive income financial assets	5,743,517	4,032,956
- Financial assets at amortised cost	799,984	1,430,902
Loans, advances and financing	13,166	25,080
Derivative financial assets	1,576	1
Other financial assets*	29,893	39,152
	8,077,359	8,028,298
Credit risk exposure of off-balance sheet items:		
Commitments and contingencies	503,011	76,555
Total maximum credit risk exposure	8,580,370	8,104,853

* exclude prepayments of RM10,806,358 (2024: RM2,901,210).

Notes To The Financial Statements
for the financial year ended 30 June 2025

Bank	2025 RM'000	2024 RM'000
Credit risk exposure relating to on-balance sheet assets:		
Cash and cash equivalents	1,213,322	1,986,646
Financial assets and investment portfolio:		
- Fair value through profit or loss financial assets	255,059	403,011
- Fair value through other comprehensive income financial assets	5,550,950	4,032,956
- Financial assets at amortised cost	799,984	1,430,902
Loans, advances and financing	15,799	25,080
Derivative assets	1,576	1
Other financial assets*	89,551	57,588
	7,926,241	7,936,184
Credit risk exposure of off-balance sheet items:		
Commitments and contingencies	503,011	76,555
Total maximum credit risk exposure	8,429,252	8,012,739

* exclude prepayments of RM2,144,000 (2024: RM882,000).

(ii) *Credit quality*

The credit quality of financial assets other than loans, advances and financing and other receivables are determined based on the ratings of counterparties as defined by Moody's or equivalent ratings of other international rating agencies as defined below:

- Aaa to Aa
- A1 to A3
- Baa1 to Ba3
- B1 to C
- P1 to P3

Notes To The Financial Statements
for the financial year ended 30 June 2025

Cash and cash equivalents, financial assets and investments portfolios, Loans, advances and financing and other financial assets of the Group and the Bank are summarised as follows:

Group	Cash and cash equivalents RM'000	Fair value through profit or loss financial assets RM'000	Fair value through other com-prehensive income financial assets RM'000	Financial asset at amortised cost RM'000	Loans, advances and financing RM'000	Other financial assets* RM'000	Derivative assets RM'000	Total RM'000
2025								
Neither past due nor impaired	1,234,164	255,059	5,743,517	799,984	13,166	29,893	1,576	8,077,359
2024								
Neither past due nor impaired	2,032,662	467,545	4,032,956	1,430,902	25,080	39,152	1	8,028,298

* exclude prepayments of RM10,806,358 (2024: RM2,901,210).

Bank	Cash and cash equivalents RM'000	Fair value through profit or loss financial assets RM'000	Fair value through other com-prehensive income financial assets RM'000	Financial asset at amortised cost RM'000	Loans, advances and financing RM'000	Other financial assets* RM'000	Derivative assets RM'000	Total RM'000
2025								
Neither past due nor impaired	1,213,322	255,059	5,550,950	799,984	15,799	89,551	1,576	7,926,241
2024								
Neither past due nor impaired	1,986,646	403,011	4,032,956	1,430,902	25,080	57,588	1	7,936,184

* exclude prepayments of RM2,144,000 (2024: RM882,000).

Notes To The Financial Statements
for the financial year ended 30 June 2025

Analysis of cash and cash equivalents, financial assets and investments portfolios, loans, advances and financing and other financial assets which are neither past due nor impaired, for the Group and the Bank by rating agency designation as at 30 June 2025 are as follows:

Group	Cash and cash equivalents RM'000	Fair value through profit or loss financial assets RM'000	Fair value through other com-prehensive income financial assets RM'000	Financial asset at amortised cost RM'000	Loans, advances and financing RM'000	Other financial assets* RM'000	Derivative assets RM'000	Total RM'000
2025								
Aaa to Aa	1,126,076	35,289	673,698	-	-	-	1,576	1,836,639
A1 to A3	108,088	118,735	23,508	-	-	-	-	250,331
Baa1 to Ba3	-	13,265	10,479	-	-	-	-	23,744
P1 to P3	-	49,834	24,776	-	-	-	-	74,610
Unrated of which:	-	37,936	5,011,056	799,984	13,166	29,893	-	5,892,035
- Malaysian Government Securities	-	-	1,993,265	426,782	-	-	-	2,420,047
- Malaysian Government Investment Issues	-	30,453	3,017,594	373,202	-	-	-	3,421,249
- Others	-	7,483	197	-	13,166	29,893	-	50,739
	1,234,164	255,059	5,743,517	799,984	13,166	29,893	1,576	8,077,359

* exclude prepayments of RM10,806,358.

Group	Cash and cash equivalents RM'000	Fair value through profit or loss financial assets RM'000	Fair value through other com-prehensive income financial assets RM'000	Financial asset at amortised cost RM'000	Loans, advances and financing RM'000	Other financial assets* RM'000	Derivative assets RM'000	Total RM'000
2024								
Aaa to Aa	23,633	-	1,131,418	-	-	-	-	1,155,051
A1 to A3	22,366	19,262	25,776	-	-	-	-	67,404
Baa1 to Ba3	-	16,025	19,476	-	-	-	-	35,501
P1 to P3	-	-	-	-	-	-	-	-
Unrated of which:	1,986,663	432,258	2,856,286	1,430,902	25,080	39,152	1	6,770,342
- Malaysian Government Securities	-	226,773	909,474	575,577	-	-	-	1,711,824
- Malaysian Government Investment Issues	-	133,842	1,946,812	855,325	-	-	-	2,935,979
- Others	1,986,663	71,643	-	-	25,080	39,152	1	2,122,539
	2,032,662	467,545	4,032,956	1,430,902	25,080	39,152	1	8,028,298

* exclude prepayments of RM2,901,210.

Notes To The Financial Statements
for the financial year ended 30 June 2025

Bank	Cash and cash equivalents RM'000	Fair value through profit or loss financial assets RM'000	Fair value through other comprehensive income financial assets RM'000	Financial asset at amortised cost RM'000	Loans, advances and financing RM'000	Other financial assets* RM'000	Derivative assets RM'000	Total RM'000
2025								
Aaa to Aa	1,106,772	35,289	673,698	-	-	-	1,576	1,817,335
A1 to A3	106,550	118,735	23,508	-	-	-	-	248,793
Baa1 to Ba3	-	13,265	10,479	-	-	-	-	23,744
P1 to P3	-	49,834	24,776	-	-	-	-	74,610
Unrated of which:	-	37,936	4,818,489	799,984	15,799	89,551	-	5,761,759
- Malaysian Government Securities	-	-	1,993,265	426,782	-	-	-	2,420,047
- Malaysian Government Investment Issues	-	30,453	2,825,027	373,202	-	-	-	3,228,682
- Others	-	7,483	197	-	15,799	89,551	-	113,030
	1,213,322	255,059	5,550,950	799,984	15,799	89,551	1,576	7,926,241

* exclude prepayments of RM2,144,000.

Bank	Cash and cash equivalents RM'000	Fair value through profit or loss financial assets RM'000	Fair value through other comprehensive income financial assets RM'000	Financial asset at amortised cost RM'000	Loans, advances and financing RM'000	Other financial assets* RM'000	Derivative assets RM'000	Total RM'000
2024								
Aaa to Aa	-	-	1,131,418	-	-	-	-	1,131,418
A1 to A3	-	19,262	25,776	-	-	-	-	45,038
Baa1 to Ba3	-	16,025	19,476	-	-	-	-	35,501
P1 to P3	-	-	-	-	-	-	-	-
Unrated of which:	1,986,646	367,724	2,856,286	1,430,902	25,080	57,588	1	6,724,227
- Malaysian Government Securities	-	226,773	909,474	575,577	-	-	-	1,711,824
- Malaysian Government Investment Issues	-	133,842	1,946,812	855,325	-	-	-	2,935,979
- Others	1,986,646	7,109	-	-	25,080	57,588	1	2,081,870
	1,986,646	403,011	4,032,956	1,430,902	25,080	57,588	1	7,936,184

* exclude prepayments of RM882,000.

Notes To The Financial Statements
for the financial year ended 30 June 2025

The following table sets out the credit risk concentration of the Group and the Bank by asset class:

Group	Cash and cash equivalents RM'000	Fair value through profit or loss financial assets RM'000	Fair value through other comprehensive income financial assets RM'000	Financial asset at amortised cost RM'000	Loans, advances and financing RM'000	Other financial assets* RM'000	Derivative assets RM'000	On-balance sheet total RM'000	Commitments and contingencies RM'000	Total RM'000
2025										
Agricultural	-	-	20,362	-	-	-	-	20,362	-	20,362
Manufacturing	-	-	35,225	-	-	-	-	35,225	-	35,225
Mining and quarrying	-	18,472	28,441	-	-	-	-	46,913	-	46,913
Electricity, gas and water	-	-	73,000	-	-	-	-	73,000	-	73,000
Construction	-	-	41,134	-	-	-	-	41,134	-	41,134
Real estate	-	-	51,893	-	-	-	-	51,893	-	51,893
Wholesale & retail trade and services	-	-	-	-	-	-	-	-	-	-
Transport, storage and communication	-	5,860	41,325	-	-	-	-	47,185	-	47,185
Finance, insurance and business services	1,234,164	157,502	436,107	-	13,166	-	1,576	1,842,515	503,011	2,345,526
Government and government agencies	-	65,742	5,010,859	799,984	-	-	-	5,876,585	-	5,876,585
Others	-	7,483	5,171	-	-	29,893	-	42,547	-	42,547
Total	1,234,164	255,059	5,743,517	799,984	13,166	29,893	1,576	8,077,357	503,011	8,580,370

* exclude prepayments of RM10,806,358.

Group	Cash and cash equivalents RM'000	Fair value through profit or loss financial assets RM'000	Fair value through other comprehensive income financial assets RM'000	Financial asset at amortised cost RM'000	Loans, advances and financing RM'000	Other financial assets* RM'000	Derivative assets RM'000	On-balance sheet total RM'000	Commitments and contingencies RM'000	Total RM'000
2024										
Agricultural	-	-	9,991	-	-	-	-	9,991	-	9,991
Manufacturing	-	-	10,088	-	-	-	-	10,088	-	10,088
Mining and quarrying	-	-	30,503	-	-	-	-	30,503	-	30,503
Electricity, gas and water	-	-	205,916	-	-	-	-	205,916	-	205,916
Construction	-	-	75,022	-	-	-	-	75,022	-	75,022
Real estate	-	-	92,564	-	-	-	-	92,564	-	92,564
Wholesale & retail trade and services	-	-	10,374	-	-	-	-	10,374	-	10,374
Transport, storage and communication	-	12,872	233,239	-	-	-	-	246,111	-	246,111
Finance, insurance and business services	2,032,646	86,948	487,693	-	25,080	-	1	2,632,368	76,555	2,708,923
Government and government agencies	-	360,615	2,872,431	1,430,902	-	-	-	4,663,948	-	4,663,948
Others	16	7,110	5,135	-	-	39,152	-	51,413	-	51,143
Total	2,032,662	467,545	4,032,956	1,430,902	25,080	39,152	1	8,028,298	76,555	8,104,853

* exclude prepayments of RM2,901,210.

Notes To The Financial Statements
for the financial year ended 30 June 2025

Bank	Cash and cash equivalents RM'000	Fair value through profit or loss financial assets RM'000	Fair value through other comprehensive income financial assets RM'000	Financial asset at amortised cost RM'000	Loans, advances and financing RM'000	Other financial assets* RM'000	Derivative assets RM'000	On-balance sheet total RM'000	Commitments and contingencies RM'000	Total RM'000
2025										
Agricultural	-	-	20,362	-	-	-	-	20,362	-	20,362
Manufacturing	-	-	35,225	-	-	-	-	35,225	-	35,225
Mining and quarrying	-	18,472	28,441	-	-	-	-	46,913	-	46,913
Electricity, gas and water	-	-	73,000	-	-	-	-	73,000	-	73,000
Construction	-	-	41,134	-	-	-	-	41,134	-	41,134
Real estate	-	-	51,893	-	-	-	-	51,893	-	51,893
Wholesale & retail trade and services	-	-	-	-	-	-	-	-	-	-
Transport, storage and communication	-	5,860	41,325	-	-	-	-	47,185	-	47,185
Finance, insurance and business services	1,213,322	157,502	436,107	-	15,799	-	1,576	1,824,306	503,011	2,327,317
Government and government agencies	-	65,742	4,818,292	799,984	-	-	-	5,684,018	-	5,684,018
Others	-	7,483	5,171	-	-	89,551	-	102,205	-	102,205
Total	1,213,322	255,059	5,550,950	799,984	15,799	89,551	1,576	7,926,241	503,011	8,429,252

* exclude prepayments of RM2,144,000.

Bank	Cash and cash equivalents RM'000	Fair value through profit or loss financial assets RM'000	Fair value through other comprehensive income financial assets RM'000	Financial asset at amortised cost RM'000	Loans, advances and financing RM'000	Other financial assets* RM'000	Derivative assets RM'000	On-balance sheet total RM'000	Commitments and contingencies RM'000	Total RM'000
2024										
Agricultural	-	-	9,991	-	-	-	-	9,991	-	9,991
Manufacturing	-	-	10,088	-	-	-	-	10,088	-	10,088
Mining and quarrying	-	-	30,503	-	-	-	-	30,503	-	30,503
Electricity, gas and water	-	-	205,916	-	-	-	-	205,916	-	205,916
Construction	-	-	75,022	-	-	-	-	75,022	-	75,022
Real estate	-	-	92,564	-	-	-	-	92,564	-	92,564
Wholesale & retail trade and services	-	-	10,374	-	-	-	-	10,374	-	10,374
Transport, storage and communication	-	12,872	233,239	-	-	-	-	246,111	-	246,111
Finance, insurance and business services	1,986,646	22,415	487,693	-	25,080	-	1	2,521,835	76,555	2,598,390
Government and government agencies	-	360,615	2,872,431	1,430,902	-	-	-	4,663,948	-	4,663,948
Others	-	7,109	5,135	-	-	57,588	-	69,832	-	69,832
Total	1,986,646	403,011	4,032,956	1,430,902	25,080	57,588	1	7,936,184	76,555	8,012,739

* exclude prepayments of RM882,000.

Notes To The Financial Statements
for the financial year ended 30 June 2025

E. Fair value risk

Fair value estimation of the financial instruments

Financial instruments comprise financial assets and financial liabilities. Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, between knowledgeable and willing parties in an orderly transaction between market participants at the measurement date. The information presented herein represents the estimates of fair values as at the end of the financial year.

Where available, quoted and observable market prices are used as the measure of fair value. Where such quoted and observable market prices are not available, fair values are estimated based on the range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the uncertainties and assumptions could materially affect these estimates and the resulting fair value estimates.

The carrying amounts of current assets and liabilities approximate their fair values due to the relatively short term nature of these financial instruments.

Fair value hierarchy

The different levels have been identified as follows:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date;
(ii) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly; and
(iii) Level 3 input are unobservable inputs that have been applied in the models to fair value the respective asset or liability.

Fair value estimation of the financial instruments

The table below analyses financial instruments carried at fair value analysed by level within the fair value hierarchy:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025				
Financial assets:				
- Fair value through profit or loss financial assets	26,905	299,409	7,483	333,797
- Fair value through other comprehensive income financial assets	-	5,743,517	5,446	5,748,963
	26,905	6,042,926	12,929	6,082,760
2024				
Financial assets:				
- Fair value through profit or loss financial assets	28,197	460,436	7,109	495,742
- Fair value through other comprehensive income financial assets	-	4,032,956	5,446	4,038,402
	28,197	4,493,392	12,555	4,534,144

Notes To The Financial Statements
for the financial year ended 30 June 2025

Bank	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025				
Financial assets:				
- Fair value through profit or loss financial assets	-	247,576	7,483	255,059
- Fair value through other comprehensive income financial assets	-	5,550,950	5,446	5,556,396
	-	5,798,526	12,929	5,811,455
2024				
Financial assets:				
- Fair value through profit or loss financial assets	-	395,902	7,109	403,011
- Fair value through other comprehensive income financial assets	-	4,032,956	5,446	4,038,402
	-	4,428,858	12,555	4,441,413

The investment in fair value through profit or loss and fair value through other comprehensive income financial assets within Level 3 have significant unobservable inputs, as they are traded infrequently. As observable prices are not available for this investment, the fair value of these instrument is derived based on the cost price paid upon acquisition.

The following table represents the movements in Level 3 financial instruments for the financial year ended 30 June 2025:

Group and Bank	2025 RM'000	2024 RM'000
Fair value through profit or loss financial assets		
At the beginning of financial year	7,109	6,412
Additions during the financial year	374	697
At the end of the financial year	7,483	7,109
Fair value through other comprehensive income financial assets		
At the beginning of financial year	5,446	5,556
Disposal during the financial year	-	(110)
At the end of the financial year	5,446	5,446

2025	Fair value RM'000	Valuation techinique	Reasonable possible shift %	Change in valuation RM'000
Financial assets:				
- Fair value through profit or loss	7,483	Option pricing model	+/-5%	374
- Fair value through other comprehensive income financial assets	5,446	Option pricing model	+/-5%	272

Notes To The Financial Statements
for the financial year ended 30 June 2025

If the fair value estimation had been 5% higher/lower, with all other variables held constant, the Group and the Bank's profit after tax would have been RM374,146 and RM272,281 for financial assets through profit or loss and other comprehensive income respectively.

The Group and the Bank has an established framework in respect to the measurement of fair values of financial instruments. This includes a team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to senior management. The team regularly reviews significant unobservable inputs and valuation adjustments.

The fair values of other financial assets and financial liabilities are based on the following methodologies and assumptions:

Cash, short-term funds and deposits and placements with financial institutions

For cash, short term funds and deposits and placements with financial institutions with maturities of less than one year, the carrying value is a reasonable estimate of fair value.

Fair value through profit and loss financial assets, fair value through other comprehensive income financial assets and investment in financial instruments

The fair value through profit or loss financial assets, fair value through other comprehensive income financial assets is based on observable market prices. Where there is no ready market in certain securities, fair values have been assessed by reference to market indicative interest yields or the valuations are maintained at their respective cost.

Corporate loans

For fixed rate loans, the fair value is estimated by discounting the estimated future cash flows using the prevailing market rates of loans with similar credit risks and maturities.

The fair values of impaired fixed rate loans are represented by their carrying amounts, net of impairment allowance.

Other financial assets and liabilities

The carrying value for other financial assets and liabilities included are assumed to approximate their fair values as these items are short term in nature.

Deposits from customers

For deposits from customers with maturities of less than one year, the carrying amounts are reasonable estimates of their fair values.

Deposits and placements of banks and other financial institutions

The estimated fair values of deposits and placements of banks and other financial institutions, with maturities of less than one year approximate the carrying values.

Notes To The Financial Statements
for the financial year ended 30 June 2025

37. CAPITAL ADEQUACY

The capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's revised Risk Weighted Capital Adequacy Framework (RWCAF-Basel II) and Capital Adequacy Framework (Capital Component). The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% for the risk-weighted capital ratio ("RWCR").

The detailed disclosures on the risk-weighted assets are presented in accordance with para 4.3 of Bank Negara Malaysia's – Risk Weighted Capital Adequacy Framework (Basel II) and Capital Adequacy Framework of Islamic Banks ("CAFIB") – Disclosure Requirements (Pillar 3).

	Credit Risk	**Market Risk**	**Operational Risk**
Approach	Standardised Approach	Standardised Approach	Basic Indicator Approach

Notes To The Financial Statements
for the financial year ended 30 June 2025

(i) The capital adequacy ratio of the Group and the Bank are as follows:

Group

	2025 RM'000	2024 RM'000
Common Equity Tier 1 Capital		
Share capital	80,000	80,000
Regulatory reserve	19,183	24,803
Fair value through other comprehensive income reserve	64,303	1,942
Other reserve	1,426	1,426
Merger reserve	421	421
Currency translation reserve	(271)	3,795
Funds allocated to Islamic banking division	105,000	105,000
Retained earnings	1,169,814	1,134,603
Regulatory adjustments	(118,024)	(85,525)
Common Equity Tier 1 Capital / Tier 1 Capital	1,321,852	1,266,465
Tier 1 Capital		
Qualifying CET 1 and additional Tier 1 Capital instruments held by third parties	-	-
Total Tier 1 Capital	1,321,852	1,266,465
Tier 2 Capital		
Qualifying CET 1, additional Tier 1 and Tier 2 Capital instruments held by third parties	-	-
Regulatory adjustment of Tier 2 Capital	-	-
General provision	5,758	8,356
Total Tier 2 Capital	5,758	8,356
Total Capital	1,327,610	1,274,821
Total risk weighted assets	1,245,160	1,446,804

	2025 %	2024 %
Before deducting proposed dividends		
Common Equity Tier 1 Capital	106.159	87.535
Tier 1 Capital	106.159	87.535
Total Capital	106.622	88.113
After deducting proposed dividends		
Common Equity Tier 1 Capital	101.340	85.462
Tier 1 Capital	101.340	85.462
Total Capital	101.803	86.039

Notes To The Financial Statements
for the financial year ended 30 June 2025

Bank

	2025 RM'000	2024 RM'000
Common Equity Tier 1 Capital		
Share capital	80,000	80,000
Regulatory reserve	19,183	24,803
Fair value through other comprehensive income reserve	65,593	3,666
Funds allocated to Islamic banking division	105,000	105,000
Retained earnings	1,204,343	1,130,805
Regulatory adjustments	(488,833)	(269,072)
Common Equity Tier 1 Capital / Tier 1 Capital	985,286	1,075,202
Tier 2 Capital		
Regulatory adjustment of Tier 2 Capital	-	-
General provisions	5,648	8,168
Total Tier II capital	5,648	8,168
Total Capital	990,934	1,083,370
Total risk weighted assets	989,701	1,138,215

	2025 %	2024 %
Before deducting proposed dividends		
Common Equity Tier 1 Capital	99.554	94.464
Tier 1 Capital	99.554	94.464
Total Capital	100.124	95.181
After deducting proposed dividends		
Common Equity Tier 1 Capital	93.491	91.828
Tier 1 Capital	93.491	91.828
Total Capital	94.062	92.546

Notes To The Financial Statements
for the financial year ended 30 June 2025

(ii) Breakdown of gross risk weighted assets in various categories of risk weights are as follows:

	2025		2024	
Group	Principal RM'000	Risk-weighted RM'000	Principal RM'000	Risk-weighted RM'000
0%	5,876,272	-	4,658,676	-
20%	1,953,842	390,768	2,895,888	579,178
50%	23,705	11,853	25,776	12,888
75%	67	50	57	43
100%	50,165	50,165	68,260	68,260
150%	5,246	7,868	5,423	8,135
	7,909,297	460,704	7,654,080	668,504
Risk weighted asset equivalent for market risk		360,008		442,784
Risk weighted asset equivalent for operational risk		424,448		335,516
		1,245,160		1,446,804
Bank				
0%	5,682,367	-	4,658,660	-
20%	1,913,282	382,657	2,835,996	567,199
50%	23,705	11,853	25,776	12,888
75%	57	43	57	43
100%	49,237	49,237	65,208	65,208
150%	5,246	7,868	5,423	8,135
	7,673,894	451,658	7,591,120	653,473
Risk weighted asset equivalent for market risk		194,728		273,877
Risk weighted asset equivalent for operational risk		343,315		210,865
		989,701		1,138,215

Notes To The Financial Statements
for the financial year ended 30 June 2025

38. OPERATIONS OF ISLAMIC BANKING (SKIM PERBANKAN ISLAM (SPI))

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Note	2025 RM'000	2024 RM'000
Assets			
Cash and short term funds	(a)	550,070	400,085
Statutory deposits with Bank Negara Malaysia		13,000	20,000
Fair value through other comprehensive income financial assets	(b)	481,009	1,258,622
Financial assets at amortised cost	(c)	373,203	374,189
Other receivables and prepayments		1	1
Total assets		1,417,283	2,052,897
Liabilities			
Deposits from customers	(e)	754,918	1,759,972
Deposits and placements of banks and other financial institutions	(f)	343,578	-
Other liabilities	(g)	3,839	8,599
Provision for zakat	(h)	1,409	863
Deferred tax liabilities	(d)	977	3,189
Total liabilities		1,104,721	1,772,623
Islamic banking capital funds			
Islamic banking fund allocated		105,000	105,000
Reserves		207,562	175,274
Total Islamic banking capital funds		312,562	280,274
Total liabilities and Islamic banking capital funds		1,417,283	2,052,897

The accompanying notes form an integral part of these financial statements.

Notes To The Financial Statements
for the financial year ended 30 June 2025

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	2025 RM'000	2024 RM'000
Income derived from investment of depositors' funds and others	(j)	111,428	88,933
Less: Income attributable to depositors	(k)	(58,126)	(53,673)
Net income		53,302	35,260
Other operating expenses	(l)	(214)	(239)
Income from operations		53,088	35,021
ECL (charge) for credit impairment		1,572	(1,543)
Profit before taxation and zakat		54,660	33,478
Tax expense	(m)	(12,534)	(7,913)
Zakat	(n)	(1,409)	(863)
Net profit for the financial year		40,717	24,702
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Fair value through other comprehensive income reserve			
- Net unrealised fair value gain		(9,219)	4,035
- Income tax relating to net fair value changes		2,212	(968)
- Expected credit loss		(1,422)	(1,364)
Other comprehensive income for the financial year, net of tax		(8,429)	1,703
Total comprehensive income for the financial year		32,288	26,405

The accompanying notes form an integral part of these financial statements.

Notes To The Financial Statements
for the financial year ended 30 June 2025

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

		Non-distributable		Distributable		
	Note	Islamic Banking fund allocated RM'000	Regulatory reserve RM'000	FVOCI reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 July 2024		105,000	6,548	11,521	157,205	280,274
Net profit for the financial year		-	-	-	40,717	40,717
Other comprehensive income:						
FVOCI reserve						
- Net unrealised fair value gain		-	-	(9,219)	-	(9,219)
- Income tax relating to net fair value changes		-	-	2,212	-	2,212
- Expected credit loss		-	-	(1,422)	-	(1,422)
Regulatory reserve		-	1,385	-	(1,385)	-
Total comprehensive income for the financial year		-	1,385	(8,429)	39,332	32,288
Dividend paid	(i)	-	-	-	-	-
At 30 June 2025		105,000	7,933	3,092	196,537	312,562
At 1 July 2023		105,000	2,824	9,818	186,227	303,869
Net profit for the financial year		-	-	-	24,702	24,702
Other comprehensive income:						
FVOCI reserve						
- Net unrealised fair value gain		-	-	4,035	-	4,035
- Income tax relating to net fair value changes		-	-	(968)	-	(968)
- Expected credit loss		-	-	(1,364)	-	(1,364)
Regulatory reserve		-	3,724	-	(3,724)	-
Total comprehensive income for the financial year		-	3,724	1,703	20,978	26,405
Dividend paid	(i)	-	-	-	(50,000)	(50,000)
At 30 June 2024		105,000	6,548	11,521	157,205	280,274

The accompanying notes form an integral part of these financial statements.

Notes To The Financial Statements
for the financial year ended 30 June 2025

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and zakat	54,660	33,478
Adjustments for:		
Amortisation of premium less accretion of discount	9,357	2,834
Dividend income		
- Fair value through profit or loss financial assets	(268)	(74)
- Fair value through other comprehensive income	(45,004)	(34,511)
- Financial assets amortised cost	(17,142)	(15,369)
Net realised gain from disposal		
- Fair value through profit or loss financial assets	(567)	-
- Fair value through other comprehensive income	(39,232)	(14,501)
Credit loss expense on financial assets	1,572	1,186
	(36,624)	(26,958)
Decrease/(Increase) in operating assets:		
Statutory deposits with Bank Negara Malaysia	7,000	-
Cash and short term funds with the original maturity of more than three months	99,774	(199,923)
Fair value through profit or loss financial assets		
- Purchase	(79,442)	(39,885)
- Proceeds from disposal	80,009	39,885
- Dividend received	268	74
(Decrease)/Increase in operating liabilities:		
Deposits from customers	(661,476)	587,456
Other liabilities	(4,760)	8,021
Net cash (used in)/generated from operating activities before income taxes and zakat paid	(595,251)	368,670
Tax paid	(12,534)	(7,912)
Zakat paid	(863)	(2,051)
Net cash (used in)/generated from operating activities	(608,648)	358,707

The accompanying notes form an integral part of these financial statements.

Notes To The Financial Statements
for the financial year ended 30 June 2025

	2025 RM'000	2024 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Fair value through other comprehensive income		
- Purchase	(383,447)	(1,079,524)
- Proceeds from disposal	1,170,975	503,474
- Dividend received	53,886	26,211
Financial assets at amortised cost		
- Purchase	-	(372,828)
- Dividend received	17,142	14,008
Net cash generated from/(used in) investing activities	858,556	(908,659)
CASH FLOW FROM FINANCING ACTIVITY		
Dividend paid	-	(50,000)
Net cash used in financing activity	-	(50,000)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	249,908	(599,952)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	200,162	800,114
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (NOTE (a)(i))	450,070	200,162

The accompanying notes form an integral part of these financial statements.

Notes To The Financial Statements
for the financial year ended 30 June 2025

NOTES TO THE SPI OPERATION FINANCIAL STATEMENTS 30 JUNE 2025

	2025 RM'000	2024 RM'000
(a) Cash and short term funds		
(i) Cash and bank balances with banks and other financial institutions	99	263
Deposits and placements with financial institutions, with original maturity of less than 3 months	450,000	200,000
	450,099	200,263
Expected credit losses	(29)	(101)
Cash and cash equivalents	450,070	200,162
(ii) Deposit and placement with financial institutions, with original maturity of more than 3 months	100,000	200,000
Expected credit losses	-	(77)
	100,000	199,923
Total cash and short term funds	550,070	400,085
(b) Fair value through other comprehensive income financial assets		
At fair value:		
- Islamic corporate notes	24,776	-
- Islamic debts securities	223,445	611,555
- Islamic Government investment issues	232,788	647,067
	481,009	1,258,622
Current	130,505	10,144
Non-current	350,504	1,248,478
Total	481,009	1,258,622
(c) Financial assets at amortised cost		
At fair value:		
- Islamic Government investment issues	373,203	374,189
Non-current	373,203	374,189

(d) Deferred tax liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred taxes relate to the same authority. The following amounts determined after approximate set-off, are shown in the statement of financial position:

	2025 RM'000	2024 RM'000
Deferred tax liabilities	(977)	(3,189)
Recoverable within 12 months	(977)	(3,189)
Deferred tax liabilities before offsetting	(977)	(3,189)
Deferred tax liabilities after offsetting	(977)	(3,189)

Notes To The Financial Statements
for the financial year ended 30 June 2025

The movements in deferred tax assets and liabilities during the financial period comprise the following:

2025	Fair value through other comprehensive income RM'000	Total RM'000
At 1 July	(3,189)	(3,189)
Credited to reserve	2,212	2,212
At 30 June	(977)	(977)
2024		
At 1 July	(3,082)	(3,082)
Credited to reserve	(107)	(107)
At 30 June	(3,189)	(3,189)

	2025 RM'000	2024 RM'000
(e) Deposits from customers		
(i) By type of deposits		
Qard deposits	-	1,387,588
Commodity Murabahah	754,918	372,384
	754,918	1,759,972
(ii) By type of customers		
Government and statutory bodies	352,739	1,091,275
Business enterprises	129,216	290,359
Domestic Non-FI	271,381	376,812
Individuals	1,582	1,526
	754,918	1,759,972
(iii) Maturity structure of deposits		
Current		
Due within three months	754,918	1,759,972
(f) Deposits from placements of banks and other financial institutions		
Current		
Licensed banks	8,502	-
Commodity Murabahah	335,076	-
	343,578	-
(g) Other liabilities		
Current		
Other payables	3,839	8,599

Notes To The Financial Statements
for the financial year ended 30 June 2025

(h) Provision for zakat

	2025 RM'000	2024 RM'000
Zakat	1,409	863

(i) Dividends

	2025		2024	
	Gross dividend per share sen	Amount of dividend, net of tax RM'000	Gross dividend per share sen	Amount of dividend, net of tax RM'000
Final single-tier dividend for the financial period ended 30 June 2024	-	-	-	-
Final single-tier dividend for the financial year ended 30 June 2023	-	-	62.5	50,000
	-	-	62.5	50,000

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the current financial year of 37.5 sen amounting to RM30 million will be proposed to shareholders for approval. These financial statements do not reflect this final dividend which will be an appropriation of retained earnings of the current financial period.

	2025 RM'000	2024 RM'000
(j) Income derived from investment of depositors' funds and others	71,629	74,337
Finance income and hibah		
Finance income and hibah		
Placement with financial institutions	18,573	27,215
Fair value through profit or loss financial assets	268	75
Fair value through other comprehensive income financial assets	35,646	31,678
Financial assets at amortised cost	17,142	15,369
Total finance income and hibah	71,629	74,337
Other operating income		
Net realised gain from sales of fair value through profit or loss financial assets	567	95
Net realised gain from sales of fair value through other comprehensive income financial assets	39,232	14,501
	111,428	88,933

Notes To The Financial Statements
for the financial year ended 30 June 2025

	2025 RM'000	2024 RM'000
(k) Income attributable to depositors		
Qard deposits		
- Deposits from customers	20,393	42,113
- Deposits and placements of banks and other financial institutions	652	2,515
	21,045	44,628
Comodity Murabahah deposits		
- Deposits from customers	32,157	7,349
- Deposits and placements of banks and other financial institutions	4,924	1,696
	37,081	9,045
	58,126	53,673
(l) Other operating expenses		
General administrative expenses		
Bank charges	127	130
Brokerage fees	87	109
	214	239
(m) Tax expense		
Malaysian income tax		
- Current financial year	12,534	7,913
Reconciliation of tax expense:		
Profit before taxation	54,660	33,478
Income tax using Malaysian tax rates of 24% (2024: 24%)	13,118	8,035
Tax effect of:		
- Non-taxable income	(584)	(122)
	12,534	7,913
(n) Zakat		
Current financial year	1,409	863

Notes To The Financial Statements
for the financial year ended 30 June 2025

(o) Financial instruments

Profit rate risk

The table below summarises the Bank's exposure to profit rate risk. The carrying amount of assets and liabilities (includes non-financial instruments) are categorised by the earlier of contractual re-pricing or maturity dates:

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-profit sensitive RM'000	Trading book RM'000	Total RM'000
Cash and cash equivalents	449,971	100,000	-	-	-	99	-	550,070
Statutory deposits with BNM	-	-	-	-	-	13,000	-	13,000
Fair value through other comprehensive income	-	24,776	105,730	101,931	248,572	-	-	481,009
Financial assets at amortised cost	-	-	-	-	373,203	-	-	373,203
Other receivables	-	-	-	-	-	1	-	1
Total assets	449,971	124,776	105,730	101,931	621,775	13,100	-	1,417,283
Deposits from customers	727,310	27,608	-	-	-	-	-	754,918
Deposit and placements of banks and other financial institutions	343,578	-	-	-	-	-	-	343,578
Other liabilities	-	-	-	-	-	3,839	-	3,839
Total liabilities	1,070,888	27,608	-	-	-	3,839	-	1,102,335
Total profit sensitivity gap	(620,917)	97,168	105,730	101,931	621,775	9,261	-	

Notes To The Financial Statements
for the financial year ended 30 June 2025

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-profit sensitive RM'000	Trading book RM'000	Total RM'000
Cash and cash equivalents	399,821	-	-	-	-	264	-	400,085
Statutory deposits with BNM	-	-	-	-	-	20,000	-	20,000
Fair value through other comprehensive income	-	-	10,144	360,037	888,441	-	-	1,258,622
Financial assets at amortised cost	-	-	-	-	374,189	-	-	374,189
Other receivables and prepayments	-	-	-	-	-	1	-	1
Total assets	399,821	-	10,144	360,037	1,262,630	20,265	-	2,052,897
Deposits from customers	1,692,198	67,774	-	-	-	-	-	1,759,972
Deposit and placements of banks and other financial institutions	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	8,599	-	8,599
Total liabilities	1,692,198	67,774	-	-	-	8,599	-	1,768,571
Total equity	-	-	-	-	-	280,274	-	280,274
Total equity and liabilities	1,692,198	67,774	-	-	-	288,873	-	2,048,845
Total profit sensitivity gap	(1,292,377)	(67,774)	10,144	360,037	1,262,630	(268,608)	-	

Notes To The Financial Statements
for the financial year ended 30 June 2025

(p) Capital adequacy

The capital adequacy ratios of the Bank are computed in accordance with Bank Negara Malaysia's revised Risk Weighted Capital Adequacy Framework (RWCAF-Basel II) and Capital Adequacy Framework (Capital Component). The Bank has adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% for the risk-weighted capital ratio ("RWCR").

The detailed disclosures on the risk-weighted assets are presented in accordance with para 4.3 of Bank Negara Malaysia's – Risk Weighted Capital Adequacy Framework (Basel II) and Capital Adequacy Framework of Islamic Banks ("CAFIB") – Disclosure Requirements (Pillar 3).

	Credit Risk	Market Risk	Operational Risk
Approach	Standardised Approach	Standardised Approach	Basic Indicator Approach

(i) The capital adequacy ratio of the SPI operation of the Bank is as follows:

	2025 RM'000	2024 RM'000
Common Equity Tier 1 Capital		
Islamic banking fund allocated	105,000	105,000
Regulatory reserve	7,933	6,548
Retained earnings	196,537	157,205
Fair value through other comprehensive income reserve	3,092	11,521
Regulatory adjustments	(9,635)	(12,885)
Common Equity Tier 1 Capital	302,927	267,389
Tier 2 Capital		
General provisions	1,996	2,063
Total Tier 2 capital	1,996	2,063
Total Capital	304,923	269,452
Total risk weighted assets	247,356	205,711

	2025 %	2024 %
Before deducting proposed dividends		
Common Equity Tier 1 Capital	122.466	129.983
Total Capital	123.273	130.986
After deducting proposed dividends		
Common Equity Tier 1 Capital	112.359	129.983
Total Capital	113.166	130.986

Notes To The Financial Statements
for the financial year ended 30 June 2025

(ii) Breakdown of gross risk weighted assets in various categories of risk weights are as follows:

	2025		2024	
	Principal RM'000	Risk-weighted RM'000	Principal RM'000	Risk-weighted RM'000
0%	619,040	-	1,227,599	-
20%	798,242	159,648	825,297	165,059
	1,417,282	159,648	2,052,896	165,059
Risk weighted asset equivalent for market risk		-		-
Risk weighted asset equivalent for operational risk		87,708		40,652
		247,356		205,711

39. SIGNIFICANT EVENTS DURING THE CURRENT AND PRECEDING FINANCIAL YEAR

On 29 April 2022, the Bank received a letter from Bank Negara Malaysia informing that the Minister of Finance had on 28 April 2022, approved to grant a license under section 10(4) of the Islamic Financial Services Act 2016 to the proposed digital Islamic bank to carry on digital Islamic banking business subject to certain licensing conditions, in reference to the digital bank license application submitted by KAF Investment Bank Berhad-led consortium.

BNM notified the Bank that it was satisfied with the outcome of the Bank's operational readiness review. The Bank obtained approval from BNM and MOF to commence operations effective 20 December 2024.

On 23 January 2025, the Bank changed its name from KAF Digital Berhad to KAF Digital Bank Berhad.

40. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 20 November 2025.

Statement By Directors

Pursuant To Section 251(2) Of The Companies Act 2016

We, Datuk Khatijah binti Ahmad and Dato' Saiful Bahri bin Zainuddin, two of the Directors of KAF Investment Bank Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 15 to 122 are drawn up so as to give a true and fair view of the financial position of the Group and of the Bank as at 30 June 2025 and financial performance of the Group and of the Bank for the financial year ended 30 June 2025 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution of the Directors dated 20 November 2025.

DATUK KHATIJAH BINTI AHMAD
DIRECTOR

DATO' SAIFUL BAHRI BIN ZAINUDDIN
DIRECTOR

Kuala Lumpur

Statutory Declaration
Pursuant To Section 251(1) Of The Companies Act 2016

I, Datuk Khatijah binti Ahmad, the Director primarily responsible for the financial management of KAF Investment Bank Berhad, do solemnly and sincerely declare that, the financial statements set out on pages 15 to 122 are, to the best of my knowledge and belief, 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.

DATUK KHATIJAH BINTI AHMAD
DIRECTOR

Subscribed and solemnly declared by the above-named Datuk Khatijah binti Ahmad at Kuala Lumpur in Malaysia on 20 November 2025.

BEFORE ME:

COMMISSIONER FOR OATHS

Independent Auditors' Report To The Members Of KAF Investment Bank Berhad
(Incorporated in Malaysia)
(Registration No. 197401003530 (20657-W))

Report on the audit of the Financial Statements

Our opinion

In our opinion, the financial statements of KAF Investment Bank Berhad ("the Bank") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Bank as at 30 June 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Bank, which comprise the statements of financial position as at 30 June 2025 of the Group and of the Bank, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Bank for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 15 to 122.

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 opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Bank in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Directors of the Bank are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Bank and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Bank does not cover the 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.

Independent Auditors' Report
To The Members Of KAF Investment Bank Berhad
(Incorporated in Malaysia)
(Registration No. 197401003530 (20657-W))

Responsibilities of the Directors for the financial statements

The Directors of the Bank are responsible for the preparation of the financial statements of the Group and of the Bank that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Bank or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Bank as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) 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.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Bank's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report
To The Members Of KAF Investment Bank Berhad
(Incorporated in Malaysia)
(Registration No. 197401003530 (20657-W))

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on 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.

(e) 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.

(f) 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 Group financial statements. 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.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 12 to the financial statements.

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.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

FOONG MEI LIN
03530/09/2026 J
Chartered Accountant

Kuala Lumpur
20 November 2025

Shariah Committee Report
(Incorporated in Malaysia)
(Registration No. 197401003530 (20657-W))

In the Name of Allah, The Compassionate, The Most Merciful
Assalamualaikum Warahmatullahi Wabarakatuh
By virtue of our appointment as the Shariah Committee Members of the Skim Perbankan Islam (SPI) businesses of KAF Investment Bank Berhad ("the Bank"), we hereby confirm as follows:

We have reviewed the Shariah principles and the contracts relating to the Skim Perbankan Islam (SPI) related transactions and dealings entered into by the Bank from 1 July 2024 until 30 June 2025. During the financial year, we convened seven (7) meetings to deliberate on, review, and advise on various documentation, transactions, and operational matters of the Bank for the financial year ended 30 June 2025.

In discharging and carrying out our roles and responsibilities, we have obtained all the information and explanations necessary to provide sufficient evidence to reasonably ensure that the Bank has complied with applicable Shariah rulings and principles issued by relevant regulatory bodies, including rulings made by the Shariah Advisory Council of Bank Negara Malaysia, as well as the internal Shariah resolutions made by us.

During the year, we have also extended our advice to KAF Digital Bank Berhad (previously known as KAF Digital Berhad), a subsidiary of the Bank licensed as digital Islamic Bank. We have reviewed various the Shariah principles, contracts, and related documentations relating to Islamic retail banking products and services that are expected to be introduced by the Bank, as well as its transactions, applications, operations, policies and procedures which had been presented before us and further providing periodic oversight based on its relevant Management report to us in the process of establishing and operating the new digital Islamic Bank. A separate Shariah Committee report has been prepared for the KAF Digital Bank Berhad in its financial statement.

The Bank has continued to conduct Shariah training, engagements with internal stakeholders to cultivate and reinforce Shariah compliance adherence across its workforce. The training and awareness target officers involved in the operation of the Islamic banking businesses within KAF.

In addition to the above, we have performed oversight and assessed the work carried out by Shariah review and Shariah audit, which involved a review of sample transactions, the relevant documentation, and procedures adopted by the Bank to enable us to form an opinion on the state of Shariah compliance of the Bank. Reports from the Shariah review and Shariah audit, together with the report by Shariah risk, were deliberated in Shariah Committee meetings.

All in all, the Management of the Bank remains responsible for ensuring that the Bank conducts its SPI business in accordance with the Shariah principles. It is our responsibility to form an independent opinion of the state of Shariah compliance of the business and its operations of the SPI and advise the Board accordingly.

Based on the above, it is our opinion that:

a. The contracts, transactions, and dealings entered into by the Bank that related with its SPI operations for the year ended 30 June 2025 that we have reviewed are in compliance with the Shariah principles, with the exception of the Shariah non-compliance events that had occurred and reported as disclosed in (c) below.

b. All the Shariah issues have been discussed to the best of our knowledge and resolved in Shariah Committee meetings;

c. There two (2) Actual Shariah non-compliant events which had been confirmed by us during the financial year ended 30 June 2025, as follows;

   (i) Disclosure of indicative hibah and historical hibah without accompanying disclaimer in the qard corporate deposit placements.

   (ii) Mismatch between the Shariah contract requested by client for their corporate deposit placement and the contract actually executed by the Bank.

Shariah Committee Report
(Incorporated in Malaysia)
(Registration No. 197401003530 (20657-W))

We have endorsed the rectification plan arising from the findings and noted that these rectification plans were tracked, monitored until closure, and reported to us. In the rectification plan, the Bank has taken appropriate corrective actions as well as preventive measures, including strengthening staff communication and revising relevant policies to tighten relevant processes and prevent recurrence. There was no Shariah non-compliant income arising from these events and therefore no purification of income was required.

d. In the financial year under review, the Bank has fulfilled its obligations to pay zakat on its business, which was calculated using the profit and loss method at a rate of 2.5775%;

e. The Zakat is paid to the states' Zakat authorities, where the portion of the contribution is returned to the Bank at the discretion of the states' Zakat authorities, for distribution to the asnaf identified by the Zakat Committee of the Bank, and reported to the Shariah Committee; and

f. To the best of our knowledge and, based on information provided to us, the operations of the Bank's SPI for the year ended 30 June 2025 have been conducted in conformity with the Shariah principles.

"ALLAH KNOWS BEST"

Chairman of the Shariah Committee:
DR. ASMA HAKIMAH BINTI AB HALIM

Members of the Shariah Committee:
DATO' DR. HAJI MISZAIRI BIN HAJI SITIRIS
USTAZ MUHAMMAD AMEEN BIN KAMARUZAMAN
USTAZ AHMAD HAZIM BIN ALIAS

Basel II Pillar 3 Disclosures
as at 30 June 2025

1.0 OVERVIEW

The Basel II capital adequacy framework for banking institution is described within three distinct Pillars. Pillar 1 sets the minimum capital requirements that banking institutions must hold against credit, market and operational risk assumed by the bank. Pillar 2 aims to ensure that banking institutions have adequate capital to support their operations at all times based on a supervisory review process. Pillar 3 focuses on disclosure requirements in respect of the capital and risk profile of the banking institutions. The disclosure herein by KAF Investment Bank Berhad and its subsidiary ("the Group") and KAF Investment Bank Berhad ("the Bank") is based on Bank Negara Malaysia Risk Weighted Capital Adequacy Framework ("BNM RWCAF") Pillar 3 guidelines and for banking services conducted under the Islamic banking window the Capital Adequacy Framework for Islamic Banks ("CAFIB") is used. The Group and the Bank adopted the Standardised Approach in calculating the capital requirement for credit risk and market risk and used the Basic Indicator Approach for operational risk according to Pillar 1 of BNM RWCAF.

The information mentioned here is also available in the external website of the Bank, (www.kaf.com.my).

2.0 SCOPE OF APPLICATION

The disclosures provided here have been prepared on a consolidated basis covering the Bank and the Group. The Bank refers to the investment banking services and Islamic banking services provided under the Bank's Islamic banking window. The Group meanwhile refers to business of its subsidiary.

3.0 CAPITAL MANAGEMENT

The Bank has put in placed an Internal Capital Adequacy Assessment Process ("ICAAP") policy for its capital management. The primary objective of capital management is to ensure KAF Investment Bank has sufficient capital to cover the risk associated with its activities at all times. During the annual capital planning exercise, the Bank reviews its business mix and identify all material risk to ensure capital levels remain sufficient to support its existing and future business. The forward-looking capital plan is prepared based on a 3-year period business plan, the current and future regulatory requirements, the internal capital target of the Bank and results of the stress test. The Board of Directors of the Bank sets a minimum internal capital target of twenty five percent which is above the minimum regulatory requirements. This ensures the Bank maintains a prudent capital to risk asset relationship. Comparison between actual reported risk weighted capital ratios and the internal target is reported during the Board of Directors meeting.

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3.1 Capital Adequacy Ratio

The following table presents the capital adequacy ratio of the Group and the Bank before and after proposed dividends.

Table 1(a): Capital Adequacy Ratio before and after proposed dividends for the Group

	2025 (%)	2024 (%)
Before deducting proposed dividends		
Common Equity Tier 1 Capital	106.16	87.54
Tier 1 Capital	106.16	87.54
Total Capital	106.62	88.11
After deducting proposed dividends		
Common Equity Tier 1 Capital	101.34	85.46
Tier 1 Capital	101.34	85.46
Total Capital	101.80	86.04

Table 1(b): Capital Adequacy Ratio before and after proposed dividends for the Bank

	2025 (%)	2024 (%)
Before deducting proposed dividends		
Common Equity Tier 1 Capital	99.55	94.46
Tier 1 Capital	99.55	94.46
Total Capital	100.12	95.18
After deducting proposed dividends		
Common Equity Tier 1 Capital	93.49	91.83
Tier 1 Capital	93.49	91.83
Total Capital	94.06	92.55

Table 1(c): Capital Adequacy Ratio before and after proposed dividends for the Bank - Islamic Banking Window

	2025 (%)	2024 (%)
Before deducting proposed dividends		
Common Equity Tier 1 Capital	122.46	129.98
Tier 1 Capital	122.46	129.98
Total Capital	123.27	130.99
After deducting proposed dividends		
Common Equity Tier 1 Capital	112.35	129.98
Tier 1 Capital	112.35	129.98
Total Capital	113.16	130.99

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3.2 Regulatory Capital Requirement

The table below sets out the risk weighted assets for each of the exposure class and the minimum capital to hold in accordance to BNM's requirement. The computation follows the standardised approach for credit risk, market risk and for operational risk

Table 2 (a): Disclosure on total risk weighted assets and minimum capital requirement for the Group

2025

	Exposure Class		Gross Exposures/ EAD before CRM RM'000	Net Exposures/ EAD after CRM RM'000	Risk Weighted Assets RM'000	Total Risk Weighted Assets after effects of PSIA RM'000	Minimum Capital Requirement at 8% RM'000
1.0	**Credit Risk**						
	Exposures under the Standardised Approach						
	On-Balance Sheet Exposures						
	Sovereigns/Central banks		5,876,257	5,876,257	-	-	-
	Banks, DFIs and MDBs		1,654,539	1,654,539	329,539	329,539	26,473
	Insurance Cos, Securities Firms & Fund Managers		10,252	10,252	2,050	2,050	164
	Corporate		314,702	314,702	90,283	90,283	7,113
	Other Assets		34,971	34,971	18,895	18,895	1,512
	Equity Exposure		5,246	5,246	7,868	7,868	629
	Total for On-Balance Sheet Exposures		7,895,966	7,895,966	448,635	448,635	35,891
	Off-Balance Sheet Exposures						
	Transaction related contingent items		1,369	1,369	1,369	1,369	110
	Obligations under an on-going underwriting agreement		10,384	10,384	10,384	10,384	830
	Foreign exchange related contracts		1,576	1,576	315	315	25
	Total Off-Balance Sheet Exposures		13,329	13,329	12,068	12,068	965
	Total On and Off-Balance Sheet Exposures		7,909,296	7,909,296	460,704	460,704	36,856
2.0	**Market Risk (standardised approach)**						
		Long position	**Short position**				
	Interest Rate Risk	255,059	-	255,059	155,167	155,167	12,413
	Equity Position Risk	78,738	-	78,738	157,476	157,476	12,598
	Foreign Currency Risk	47,365	10,929	47,365	47,365	47,365	3,789
		381,162	10,929	381,162	360,008	360,008	28,800
3.0	**Operational Risk (basic indicator approach)**				424,449	424,449	33,956
4.0	**Total RWA and Capital Requirements**				1,245,160	1,245,160	99,613

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2024

	Exposure Class		Gross Exposures/ EAD before CRM RM'000	Net Exposures/ EAD after CRM RM'000	Risk Weighted Assets RM'000	Total Risk Weighted Assets after effects of PSIA RM'000	Minimum Capital Requirement at 8% RM'000
1.0	**Credit Risk**						
	Exposures under the Standardised Approach						
	On-Balance Sheet Exposures						
	Sovereigns/Central banks		4,376,474	4,376,474	-	-	-
	Banks, DFIs and MDBs		2,442,105	2,442,105	488,422	488,422	39,073
	Insurance Cos, Securities Firms & Fund Managers		10,260	10,260	2,052	2,052	164
	Corporate		782,226	782,226	143,916	143,916	11,513
	Other Assets		34,052	34,052	22,906	22,906	1,832
	Equity Exposure		5,246	5,246	7,868	7,868	630
	Total for On-Balance Sheet Exposures		7,650,363	7,650,363	665,164	665,164	53,212
	Off-Balance Sheet Exposures						
	Transaction related contingent items		1,534	1,534	1,534	1,534	123
	Obligations under an on-going underwriting agreement		1,711	1,711	1,711	1,711	137
	Foreign exchange related contracts		474	474	94	94	8
	Total Off-Balance Sheet Exposures		3,719	3,719	3,339	3,339	268
	Total On and Off-Balance Sheet Exposures		7,654,082	7,654,082	668,503	668,503	53,480
2.0	**Market Risk (standardised approach)**						
		Long position	**Short position**				
	Interest Rate Risk	403,011	-	403,011	228,642	228,642	18,291
	Equity Position Risk	92,731	-	92,731	185,462	185,462	14,837
	Foreign Currency Risk	28,680	20,964	28,680	28,680	28,680	2,295
		524,422	20,964	524,422	442,784	442,784	35,422
3.0	**Operational Risk**						
	(basic indicator approach)				335,516	335,516	26,841
4.0	**Total RWA and Capital Requirements**				1,446,803	1,446,803	115,744

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Table 2 (b): Disclosure on total risk weighted assets and minimum capital requirement for the Bank

2025

	Exposure Class		Gross Exposures/ EAD before CRM RM'000	Net Exposures/ EAD after CRM RM'000	Risk Weighted Assets RM'000	Total Risk Weighted Assets after effects of PSIA RM'000	Minimum Capital Requirement at 8% RM'000
1.0	**Credit Risk**						
	Exposures under the Standardised Approach						
	On-Balance Sheet Exposures						
	Sovereigns/Central banks		5,682,365	5,682,365	-	-	-
	Insurance Cos, Securities Firms & Fund Managers		10,252	10,252	2,050	2,050	164
	Banks, DFIs and MDBs		1,634,034	1,634,034	325,438	325,438	26,145
	Corporate		317,345	317,345	92,926	92,926	7,325
	Other Assets		13,209	13,209	13,193	13,193	1,055
	Equity Exposure		5,246	5,246	7,868	7,868	629
	Total for On-Balance Sheet Exposures		7,662,452	7,662,452	441,475	441,475	35,318
	Off-Balance Sheet Exposures						
	Transaction related contingent items		1,369	1,369	1,369	1,369	110
	Obligations under an on-going underwriting agreement		8,498	8,498	8,498	8,498	680
	Foreign exchange related contracts		1,576	1,576	315	315	25
	Total Off-Balance Sheet Exposures		11,443	11,443	10,182	10,182	815
	Total On and Off-Balance Sheet Exposures		7,673,894	7,673,894	451,658	451,658	36,133
2.0	**Market Risk (standardised approach)**						
		Long position	**Short position**				
	Interest Rate Risk	255,058	-	255,058	155,163	155,163	12,413
	Foreign Currency Risk	34,015	39,561	39,561	39,561	39,561	3,165
		289,073	39,561	294,073	194,725	194,725	15,578
3.0	**Operational Risk (basic indicator approach)**				343,315	343,315	27,465
4.0	**Total RWA and Capital Requirements**				989,701	989,701	79,176

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2024

	Exposure Class		Gross Exposures/ EAD before CRM RM'000	Net Exposures/ EAD after CRM RM'000	Risk Weighted Assets RM'000	Total Risk Weighted Assets after effects of PSIA RM'000	Minimum Capital Requirement at 8% RM'000
1.0	**Credit Risk**						
	Exposures under the Standardised Approach						
	On-Balance Sheet Exposures						
	Sovereigns/Central banks		4,376,474	4,376,474	-	-	-
	Insurance Cos, Securities Firms & Fund Managers		10,260	10,260	2,052	2,052	164
	Banks, DFIs and MDBs		2,396,106	2,396,106	479,220	479,220	38,337
	Corporate		782,225	782,225	143,916	143,916	11,513
	Other Assets		17,091	17,091	17,075	17,075	1,366
	Equity Exposure		5,246	5,246	7,868	7,868	630
	Total for On-Balance Sheet Exposures		7,587,402	7,587,402	650,131	650,131	52,010
	Off-Balance Sheet Exposures						
	Transaction related contingent items		1,534	1,534	1,534	1,534	123
	Obligations under an on-going underwriting agreement		1,711	1,711	1,711	1,711	137
	Foreign exchange related contracts		474	474	94	94	8
	Total Off-Balance Sheet Exposures		3,719	3,719	3,339	3,339	268
	Total On and Off-Balance Sheet Exposures		7,591,121	7,591,121	653,470	653,470	52,278
2.0	**Market Risk (standardised approach)**						
		Long position	**Short position**				
	Interest Rate Risk	403,011	-	403,011	228,639	228,639	18,291
	Foreign Currency Risk	16,657	45,235	45,235	45,238	45,238	3,619
		419,668	45,235	448,246	273,877	273,877	21,910
3.0	**Operational Risk (basic indicator approach)**				210,865	210,865	16,869
4.0	**Total RWA and Capital Requirements**				1,138,214	1,138,214	91,057

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Table 2 (c): Disclosure on total risk weighted assets and minimum capital requirement for the Bank - Islamic Banking Window

2025

	Exposure Class	Long position	Short position / Gross Exposures/ EAD before CRM RM'000	Net Exposures/ EAD after CRM RM'000	Risk Weighted Assets RM'000	Total Risk Weighted Assets after effects of PSIA RM'000	Minimum Capital Requirement at 8% RM'000
1.0	**Credit Risk**						
	Exposures under the Standardised Approach						
	On-Balance Sheet Exposures						
	Sovereigns/Central banks		619,040	619,040	-	-	-
	Insurance Cos, Securities Firms & Fund Managers		-	-	-	-	-
	Banks, DFIs and MDBs		727,029	727,029	145,406	145,406	11,632
	Corporate		71,214	71,214	14,243	14,243	1,139
	Total for On-Balance Sheet Exposures		1,417,282	1,417,282	159,648	159,648	12,772
	Total On and Off-Balance Sheet Exposures		1,417,282	1,417,282	159,648	159,648	12,772
2.0	**Market Risk (standardised approach)**	**Long position**	**Short position**				
	Interest Rate Risk	-	-	-	-	-	-
3.0	**Operational Risk (basic indicator approach)**				87,709	87,709	7,017
4.0	**Total RWA and Capital Requirements**				247,356	247,356	19,788

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2024

	Exposure Class		Gross Exposures/ EAD before CRM RM'000	Net Exposures/ EAD after CRM RM'000	Risk Weighted Assets RM'000	Total Risk Weighted Assets after effects of PSIA RM'000	Minimum Capital Requirement at 8% RM'000
1.0	**Credit Risk**						
	Exposures under the Standardised Approach						
	On-Balance Sheet Exposures						
	Sovereigns/Central banks		1,041,344	1,041,344	-	-	-
	Insurance Cos, Securities Firms & Fund Managers		-	-	-	-	-
	Banks, DFIs and MDBs		662,658	662,658	132,532	132,532	10,603
	Corporate		348,895	348,895	32,528	32,528	2,602
	Total for On-Balance Sheet Exposures		2,052,896	2,052,896	165,059	165,059	13,205
	Total On and Off-Balance Sheet Exposures		2,052,896	2,052,896	165,059	165,059	13,205
2.0	**Market Risk (standardised approach)**						
		Long position	**Short position**				
	Interest Rate Risk	-	-	-	-	-	-
3.0	**Operational Risk (basic indicator approach)**				40,652	40,652	3,252
4.0	**Total RWA and Capital Requirements**				205,711	205,711	16,456

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4.0 CAPITAL STRUCTURE

The capital structure of the Bank is primarily represented by Tier-1 capital based on Table 3(a) below. There is no issuance of Tier-2 capital under the current capital structure. The Bank aims to manage its capital prudently by ensuring the utilisation of capital goes towards supporting good quality assets and to maintain a healthy capital base against risk weighted assets.

Table 3(a): Summary of Capital Structure and Total Risk Weighted Assets for the Group

	2025 RM'000	2024 RM'000
Common Equity Tier 1 Capital		
Share capital	80,000	80,000
Property revaluation reserve	-	-
FVOCI reserve	64,303	1,941
Foreign exchange translation reserve	(271)	3,796
Regulatory reserve	19,183	24,803
Other reserve	1,425	1,425
Merger reserve	421	421
Funds allocated to Islamic Banking Division	105,000	105,000
Retained earnings	1,139,920	1,134,604
Regulatory adjustments	(118,024)	(85,525)
Common Equity Tier 1 Capital	1,291,957	1,266,465
Tier I Capital		
Qualifying CET 1 and additional Tier 1 Capital Instruments held by third parties	-	-
Additional Total Tier I Capital	-	-
Tier II Capital		
Qualifying CET 1, additional Tier 1 and Tier 2 Capital Instruments held by third parties	-	-
Loss provisions	5,759	8,356
Regulatory adjustment of Tier 2 Capital	-	-
Total Tier II Capital	5,759	8,356
Total Capital	1,297,716	1,274,821
Total risk weighed assets	1,245,160	1,446,803

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Table 3(b): Summary of Capital Structure and Total Risk Weighted Assets for the Bank

	2025 RM'000	2024 RM'000
Common Equity Tier 1 Capital		
Share capital	80,000	80,000
Property revaluation reserve	-	-
FVOCI reserve	65,592	3,666
Regulatory reserve	19,183	24,802
Funds allocated to Islamic Banking Division	105,000	105,000
Retained earnings	1,174,343	1,130,805
Regulatory adjustments	(488,833)	(269,072)
Common Equity Tier 1 Capital	955,285	1,075,202
Tier II Capital		
Loss provisions	5,647	8,168
Regulatory adjustment of Tier 2 Capital	-	-
Total Tier II Capital	5,647	8,168
Total Capital	960,931	1,083,370
Total risk weighed assets	989,701	1,138,214

Table 3(c): Summary of Capital Structure and Total Risk Weighted Assets for the Bank - Islamic Banking Window

	2025 RM'000	2024 RM'000
Common Equity Tier 1 Capital		
Islamic banking fund allocated	105,000	105,000
Retained earnings	171,535	157,205
FVOCI reserve	3,093	11,521
Regulatory reserve	7,934	6,548
Regulatory adjustments	(9,635)	(12,885)
Common Equity Tier 1 Capital	277,927	267,389
Tier II Capital		
Loss provisions	1,996	2,063
Total Tier II Capital	1,996	2,063
Total Capital	279,922	269,452
Total risk weighed assets	247,356	205,711

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5.0 RISK MANAGEMENT

In the Bank, the policy setting committee for risk lies with the Risk Management Committee ("RMC"). The committee is responsible for recommending all risk related policies in the Bank for Board approval. All new banking products will require approval from the Board which would assess the underlying risk before it can be traded by the relevant business unit. The principal objectives of the RMC are:-

i) To undertake oversight functions on the risk management of the Bank;
ii) To ensure management decisions are in line with the risk appetite and risk tolerance level of the Bank;
iii) To deliberate and make recommendations to the Board of Directors in respect of risk management matters.

The implementation of risk policies and the management of risks for the Bank are subsequently delegated to management committees set up by the Bank. These committees perform the functions outline under their respective terms of reference which are briefly mentioned below:-

Table 4: Management Committees

Management Committee	Scope and Responsibility
Treasure Management Committee (TMC)	To manage the assets and liabilities of the Bank relating to market risk and liquidity risk.
Investment Committee (IC)	To formulate investment strategy and assess market outlook.
Credit Committee (CC)	To management the credit risk and approval of credit limits and loans.
Management Committee (MC)	To management of operational risk arising from inadequate or failed internal processes, people and systems or from external events.

The management of risk for the Bank is further supported by Risk Management Department ("RMD") which reports to the RMC. The RMD oversees the day-to-day compliance and risk management process so that the Bank operates within established risk policies and limits. RMD will also identify potential risk areas and implement control measures where necessary. All risk policies and procedures will be reviewed annually to ensure the policies are current and effective.

Each business units are required to assess their own risk profile on semi-annual basis during the strategic risk profile review. Business units, will review their existing risk and determine the effectiveness of the current controls and identify potential new risk arising from the current business activities. Risk identified will be ranked based on likelihood of occurrence and the extent of impact if occur. This information will then be used to determine the strategic profile of the Bank.

Part of the risk management function is to also ensure that the Bank has sufficient capital to support the operations from the various business units. The function of capital management is documented in the Internal Capital Adequacy Assessment Process (ICAAP) Policy of the Bank.

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6.0 CREDIT RISK MANAGEMENT

The Bank defines credit risk as the potential loss due to the adverse changes in the quality of counterparty or issuer of securities or other instruments held, that failed to honour its contractual obligations to the Bank. The source of credit risk for the Bank comes from the holdings and trading of marketable securities, settlement of transactions, lending activities and commitments arising from guarantee provided to clients.

The Bank manages its credit risk primarily through the Credit Committee and the exposures to credit risk are monitored on an ongoing basis by the RMD. Credit evaluations are required to be performed on all financial instruments purchased where possible. The credit worthiness of the issuers of financial instruments will be assessed on their ability to service and redeem the financial instruments based on their management capabilities and current and future financial positions. External risk ratings are used as part of the assessment if the financial instruments are accorded with an external rating. For financial instruments not accorded with external ratings, where possible an internal risk grading system would be used.

Credit reviews on the issuer of financial instruments are carried out at least annually and the frequency may increase if there is material information on the issuer that can affect their risk profile. The credit exposure of the Bank is represented by the tables provided below. The geographical breakdown refers to the origin country of the entity issuing the financial instruments while the sector breakdown and the maturity profile of the credit exposures are classified according to different types of asset classes.

The reporting of expected credit loss (ECL) for not impaired credit exposure follows the MFRS 9 method.

a) For credit exposure where there has not been a significant increase in credit risk since initial recognition a Stage 1 ECL associated with the probability of default events occurring within the next 12 months will be recognized.

b) For credit exposure where there has been a significant increase in credit risk since initial recognition a Stage 2 ECL associated with the probability of default events occurring within the lifetime will be recognized.

For financial assets that are credit impaired a Stage 3 ECL will be recognized when payment is 90 days past due.

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Table 5(a): Geographical Distribution of credit exposures for the Group

2025

Exposure Class	Malaysia RM'000	Other Countries RM'000
On-Balance Sheet Exposures		
Sovereign / Central banks	5,876,257	-
Banks, Development Financial Institution and MDBs	1,654,539	-
Insurance Cos, Securities Firms & Fund Managers	10,252	-
Corporates	280,715	33,987
Other assets	34,971	-
Equity Exposure	5,246	-
Total for On-Balance Sheet Credit Exposures	7,861,980	33,987
Off-Balance Sheet Exposures		
Transaction related contingent items	-	1,369
Obligations under an on-going underwriting agreement	10,384	-
Foreign exchange related contracts	-	1,576
Total for Off-Balance Sheet Credit Exposures	10,384	2,945
Total On and Off-Balance Sheet Credit Exposures	7,872,364	36,932

2024

Exposure Class	Malaysia RM'000	Other Countries RM'000
On-Balance Sheet Exposures		
Sovereign / Central banks	4,376,474	-
Banks, Development Financial Institution and MDBs	2,442,105	-
Insurance Cos, Securities Firms & Fund Managers	10,260	-
Corporates	736,996	45,230
Other assets	34,052	-
Equity Exposure	5,246	-
Total for On-Balance Sheet Credit Exposures	7,605,133	45,230
Off-Balance Sheet Exposures		
Transaction related contingent items	-	1,534
Obligations under an on-going underwriting agreement	1,711	-
Foreign exchange related contracts	-	474
Total for Off-Balance Sheet Credit Exposures	1,711	2,008
Total On and Off-Balance Sheet Credit Exposures	7,606,844	47,238

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Table 5(b): Geographical Distribution of credit exposures for the Bank

2025

Exposure Class	Malaysia RM'000	Other Countries RM'000
On-Balance Sheet Exposures		
Sovereign / Central banks	5,682,365	-
Banks, Development Financial Institution and MDBs	1,634,034	-
Insurance Cos, Securities Firms & Fund Managers	10,252	-
Corporates	280,715	36,630
Other assets	13,209	-
Equity Exposure	5,246	-
Total for On-Balance Sheet Credit Exposures	7,625,822	36,630
Off-Balance Sheet Exposures		
Transaction related contingent items	-	1,369
Obligations under an on-going underwriting agreement	8,498	-
Foreign exchange related contracts	-	1,576
Total for Off-Balance Sheet Credit Exposures	8,498	2,945
Total On and Off-Balance Sheet Credit Exposures	7,634,320	39,575

2024

Exposure Class	Malaysia RM'000	Other Countries RM'000
On-Balance Sheet Exposures		
Sovereign / Central banks	4,376,474	-
Banks, Development Financial Institution and MDBs	2,396,106	-
Insurance Cos, Securities Firms & Fund Managers	10,260	-
Corporates	736,995	45,230
Other assets	17,091	-
Equity Exposure	5,246	-
Total for On-Balance Sheet Credit Exposures	7,542,172	45,230
Off-Balance Sheet Exposures		
Transaction related contingent items	-	1,534
Obligations under an on-going underwriting agreement	1,711	-
Foreign exchange related contracts	474	-
Total for Off-Balance Sheet Credit Exposures	2,185	1,534
Total On and Off-Balance Sheet Credit Exposures	7,544,357	46,764

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Table 5(c): Geographical Distribution of credit exposures for the Bank - Islamic Banking Window

2025

Exposure Class	Malaysia RM'000	Other Countries RM'000
On-Balance Sheet Exposures		
Sovereign / Central banks	619,040	-
Banks, Development Financial Institution and MDBs	727,029	-
Corporates	71,214	-
Total for On-Balance Sheet Credit Exposures	1,417,282	-
Total On and Off-Balance Sheet Credit Exposures	1,417,282	-

2024

Exposure Class	Malaysia RM'000	Other Countries RM'000
On-Balance Sheet Exposures		
Sovereign / Central banks	1,041,344	-
Banks, Development Financial Institution and MDBs	662,658	-
Corporates	348,895	-
Total for On-Balance Sheet Credit Exposures	2,052,896	-
Total On and Off-Balance Sheet Credit Exposures	2,052,896	-

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Table 6(a): Distribution of credit exposures by sectors for the Group

2025

	Cash and Short Term Funds RM'000	Financial Assets at FVTPL RM'000	Financial Assets at FVOCI RM'000	Financial Assets at Amortised Cost RM'000	Corporate loans RM'000	Other financial assets RM'000	On-balance sheet total RM'000	Commit-ments and con-tingencies RM'000
Agriculture	-	-	20,362	-	-	-	20,362	-
Manufacturing	-	-	35,225	-	-	-	35,225	-
Mining and quarrying	-	18,472	28,441	-	-	-	46,913	-
Electricity, gas and water	-	-	73,001	-	-	-	73,001	-
Construction	-	-	41,134	-	-	-	41,134	-
Real estate	-	-	51,892	-	-	-	51,892	-
Wholesale & retail trade and restaurant & hotels	-	-	-	-	-	-	-	-
Transport, storage and communication	-	5,860	41,324	-	-	-	47,184	-
Finance, insurance and business services	1,184,909	157,503	436,107	-	13,099	-	1,791,618	505,783
Government and government agencies	-	65,729	5,010,648	840,784	-	-	5,917,161	-
Others	-	86,220	10,617	-	-	67	96,904	-
Total	1,184,909	333,784	5,748,751	840,784	13,099	67	8,121,394	505,783

2024

	Cash and Short Term Funds RM'000	Financial Assets at FVTPL RM'000	Financial Assets at FVOCI RM'000	Financial Assets at Amortised Cost RM'000	Corporate loans RM'000	Other financial assets RM'000	On-balance sheet total RM'000	Commit-ments and con-tingencies RM'000
Agriculture	-	-	9,991	-	-	-	9,991	-
Manufacturing	-	-	10,088	-	-	-	10,088	-
Mining and quarrying	-	-	30,503	-	-	-	30,503	-
Electricity, gas and water	-	-	205,916	-	-	-	205,916	-
Construction	-	-	75,022	-	-	-	75,022	-
Real estate	-	-	92,564	-	-	-	92,564	-
Wholesale & retail trade and restaurant & hotels	-	-	10,374	-	-	-	10,374	-
Transport, storage and communication	-	12,872	233,239	-	-	-	246,111	-
Finance, insurance and business services	1,981,932	22,415	487,693	-	25,080	-	2,517,120	76,555
Government and government agencies	-	360,615	2,872,431	1,430,902	-	-	4,663,948	-
Others	-	99,840	10,581	-	-	56	110,477	-
Total	1,981,932	495,742	4,038,402	1,430,902	25,080	56	7,972,114	76,555

Basel II Pillar 3 Disclosures
as at 30 June 2025

Table 6(b): Distribution of credit exposures by sectors for the Bank

2025

	Cash and Short Term Funds RM'000	Financial Assets at FVTPL RM'000	Financial Assets at FVOCI RM'000	Financial Assets at Amortised Cost RM'000	Corporate loans RM'000	Other financial assets RM'000	On-balance sheet total RM'000	Commit-ments and con-tingencies RM'000
Agriculture	-	-	20,362	-	-	-	20,362	-
Manufacturing	-	-	35,225	-	-	-	35,225	-
Mining and quarrying	-	18,472	28,441	-	-	-	46,913	-
Electricity, gas and water	-	-	73,001	-	-	-	73,001	-
Construction	-	-	41,134	-	-	-	41,134	-
Real estate	-	-	51,892	-	-	-	51,892	-
Wholesale & retail trade and restaurant & hotels	-	-	-	-	-	-	-	-
Transport, storage and communication	-	5,860	41,324	-	-	-	47,184	-
Finance, insurance and business services	1,184,735	157,503	436,107	-	15,742	-	1,794,087	503,010
Government and government agencies	-	65,729	4,818,081	840,784	-	-	5,724,594	-
Others	-	7,483	10,617	-	-	57	18,157	-
Total	1,184,735	255,047	5,556,184	840,784	15,742	57	7,852,549	503,010

2024

	Cash and Short Term Funds RM'000	Financial Assets at FVTPL RM'000	Financial Assets at FVOCI RM'000	Financial Assets at Amortised Cost RM'000	Corporate loans RM'000	Other financial assets RM'000	On-balance sheet total RM'000	Commit-ments and con-tingencies RM'000
Agriculture	-	-	9,991	-	-	-	9,991	-
Manufacturing	-	-	10,088	-	-	-	10,088	-
Mining and quarrying	-	-	30,503	-	-	-	30,503	-
Electricity, gas and water	-	-	205,916	-	-	-	205,916	-
Construction	-	-	75,022	-	-	-	75,022	-
Real estate	-	-	92,564	-	-	-	92,564	-
Wholesale & retail trade and restaurant & hotels	-	-	10,374	-	-	-	10,374	-
Transport, storage and communication	-	12,872	233,239	-	-	-	246,111	-
Finance, insurance and business services	1,980,323	22,415	487,693	-	25,080	-	2,515,511	76,555
Government and government agencies	-	360,615	2,872,431	1,430,902	-	-	4,663,948	-
Others	-	7,109	10,581	-	-	56	17,746	-
Total	1,980,323	403,011	4,038,402	1,430,902	25,080	56	7,877,774	76,555

Basel II Pillar 3 Disclosures
as at 30 June 2025

Table 6(c): Distribution of credit exposures by sectors for the Bank - Islamic Banking Window

2025

	Cash and Short Term Funds RM'000	FVTPL RM'000	FVOCI RM'000	Amortised Cost RM'000	Corporate loans RM'000	Other financial assets RM'000	On-balance sheet total RM'000	Commit-ments and contingencies RM'000
Agriculture	-	-	10,065	-	-	-	10,065	-
Construction	-	-	-	-	-	-	-	-
Electricity, gas and water	-	-	5,379	-	-	-	5,379	-
Finance, insurance and business services	549,971	-	177,007	-	-	-	726,978	-
Government and government agencies	-	-	232,789	392,746	-	-	625,535	-
Manufacturing	-	-	24,776	-	-	-	24,776	-
Mining and quarrying	-	-	-	-	-	-	-	-
Real estate	-	-	10,331	-	-	-	10,331	-
Transport, storage and communication	-	-	20,662	-	-	-	20,662	-
Wholesale & retail trade and services	-	-	-	-	-	-	-	
Others	-	-	-	-	-	-	-	-
Total	549,971	-	481,009	392,746	-	-	1,423,726	-

2024

	Cash and Short Term Funds RM'000	FVTPL RM'000	FVOCI RM'000	Amortised Cost RM'000	Corporate loans RM'000	Other financial assets RM'000	On-balance sheet total RM'000	Commit-ments and contingencies RM'000
Agriculture	-	-	9,991	-	-	-	9,991	-
Construction	-	-	23,858	-	-	-	23,858	-
Electricity, gas and water	-	-	72,002	-	-	-	72,002	-
Finance, insurance and business services	399,822	-	272,962	-	-	-	672,784	-
Government and government agencies	-	-	647,067	374,189	-	-	1,021,256	-
Manufacturing	-	-	-	-	-	-	-	-
Mining and quarrying	-	-	-	-	-	-	-	-
Real estate	-	-	25,615	-	-	-	25,615	-
Transport, storage and communication	-	-	207,127	-	-	-	207,127	-
Wholesale & retail trade and services	-	-	-	-	-	-	-	
Others	-	-	-	-	-	-	-	-
Total	399,822	-	1,258,622	374,189	-	-	2,032,633	-

Basel II Pillar 3 Disclosures
as at 30 June 2025

Table 7(a): Distribution of credit exposures by residual maturity for the Group

2025

	Up to 1 Year RM'000	> 1 to 3 Years RM'000	> 3 to 5 Years RM'000	> 5 Years RM'000	Total RM'000
Agricultural	10,065	-	-	10,297	20,362
Manufacturing	24,776	-	5,202	5,247	35,225
Mining and quarrying	16,291	-	-	30,621	46,913
Electricity, gas and water	15,272	15,237	5,212	37,280	73,001
Construction	-	-	10,743	30,391	41,134
Real estate	196	20,549	25,919	5,228	51,892
Wholesale & retail trade,restaurant and hotels	-	-	-	-	-
Transport, storage and communication	15,129	15,692	10,503	5,860	47,185
Finance, insurance and business services	1,373,730	213,100	50,733	154,055	1,791,618
Government and government agencies	-	-	-	5,917,161	5,917,161
Others	-	-	5,179	91,725	96,904
Total	1,455,459	264,578	113,491	6,287,865	8,121,394

2024

	Up to 1 Year RM'000	> 1 to 3 Years RM'000	> 3 to 5 Years RM'000	> 5 Years RM'000	Total RM'000
Agriculture	-	9,991	-	-	9,991
Manufacturing	10,088	-	-	-	10,088
Mining and quarrying	-	-	-	30,503	30,503
Electricity, gas and water	35,491	25,550	57,159	87,716	205,916
Construction	-	-	15,893	59,129	75,022
Real estate	56,329	5,100	25,985	5,150	92,564
Wholesale & retail trade and restaurant & hotels	-	-	5,189	5,185	10,374
Transport, storage and communication	5,039	31,242	61,721	148,109	246,111
Finance, insurance and business services	2,062,001	252,834	177,010	101,830	2,593,675
Government and government agencies	60,530	50,730	-	4,552,688	4,663,948
Others	-	-	5,135	105,342	110,477
Total	2,229,478	375,447	348,092	5,095,652	8,048,669

Basel II Pillar 3 Disclosures
as at 30 June 2025

Table 7(b): Distribution of credit exposures by residual maturity for the Bank

2025

	Up to 1 Year RM'000	> 1 to 3 Years RM'000	> 3 to 5 Years RM'000	> 5 Years RM'000	Total RM'000
Agricultural	10,065	-	-	10,297	20,362
Manufacturing	24,776	-	5,202	5,247	35,225
Mining and quarrying	16,291	-	-	30,621	46,913
Electricity, gas and water	15,272	15,237	5,212	37,280	73,001
Construction	-	-	10,743	30,391	41,134
Real estate	196	20,549	25,919	5,228	51,892
Wholesale & retail trade,restaurant and hotels	-	-	-	-	-
Transport, storage and communication	15,129	15,692	10,503	5,860	47,185
Finance, insurance and business services	1,373,556	213,100	53,376	154,055	1,794,087
Government and government agencies	-	-	-	5,724,594	5,724,594
Others	-	-	5,171	12,986	18,157
Total	1,450,242	264,578	116,126	6,016,559	7,852,549

2024

	Up to 1 Year RM'000	> 1 to 3 Years RM'000	> 3 to 5 Years RM'000	> 5 Years RM'000	Total RM'000
Agriculture	-	9,991	-	-	9,991
Manufacturing	10,088	-	-	-	10,088
Mining and quarrying	-	-	-	30,503	30,503
Electricity, gas and water	35,491	25,550	57,159	87,716	205,916
Construction	-	-	15,893	59,129	75,022
Real estate	56,329	5,100	25,985	5,150	92,564
Wholesale & retail trade and restaurant & hotels	-	-	5,189	5,185	10,374
Transport, storage and communication	5,039	31,242	61,721	148,109	246,111
Finance, insurance and business services	2,060,392	252,834	177,010	101,830	2,592,066
Government and government agencies	60,530	50,730	-	4,552,688	4,663,948
Others	-	-	5,135	12,611	17,746
Total	2,227,869	375,447	348,092	5,002,921	7,954,329

Basel II Pillar 3 Disclosures
as at 30 June 2025

Table 7(c): Distribution of credit exposures by residual maturity for the Bank - Islamic Banking Window

2025

	Up to 1 Year RM'000	> 1 to 3 Years RM'000	> 3 to 5 Years RM'000	> 5 Years RM'000	Total RM'000
Agricultural	10,065	-	-	-	10,065
Construction	-	-	-	-	-
Electricity, gas and water	-	-	-	5,379	5,379
Finance, insurance and business service	635,548	70,935	15,317	5,178	726,978
Government and government agencies	-	-	-	625,535	625,535
Manufacturing	24,776	-	-	-	24,776
Mining and quarrying	-	-	-	-	-
Others	-	-	-	-	-
Real estate	-	5,103	-	5,228	10,331
Transport, storage and communication	10,086	5,212	5,364	-	20,662
Total	680,475	81,250	20,681	641,320	1,423,726

2024

	Up to 1 Year RM'000	> 1 to 3 Years RM'000	> 3 to 5 Years RM'000	> 5 Years RM'000	Total RM'000
Agriculture	-	9,991	-	-	9,991
Construction	-	-	-	23,858	23,858
Electricity, gas and water	-	-	-	72,002	72,002
Finance, insurance and business services	399,822	141,386	126,449	5,127	672,784
Government and government agencies	-	-	-	1,021,256	1,021,256
Manufacturing	-	-	-	-	-
Mining and quarrying	-	-	-	-	-
Others	-	-	-	-	-
Real estate	10,144	5,100	5,221	5,150	25,615
Transport, storage and communication	-	10,168	61,721	135,238	207,127
Total	409,966	166,645	193,391	1,262,631	2,032,633

Basel II Pillar 3 Disclosures
as at 30 June 2025

7.0 CREDIT RISK DISCLOSURE UNDER THE STANDARDISED APPROACH

The Group and the Bank adopts the Standardised Approach to calculate the capital requirement for credit risk. These are the following Eligible Credit Assessment Institutions (ECAIs) ratings used by the Bank which is provided in the BNM RWCAF guidelines.

Table 8: List of ECAIs Comparable by Rating Category

Rating Category	Standard & Poor's Rating Services (S&P)	Moody's Investors Service (Moody's)	Fitch Ratings (Fitch)	RAM Rating Services Berhad (RAM)	Malaysian Rating Corporation Berhad (MARC)
1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA3	AAA to AA-
2	A+ to A-	A1 to A3	A+ to A-	A1 to A3	A+ to A-
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	BBB1 to BBB3	BBB+ to BBB-
4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-	BB1 to BB3	BB+ to BB-
5	B+ to B-	B1 to B3	B+ to B-	B1 to B3	B+ to B-
6	CCC to D	Caa1 to C	CCC+ to D	C1 to D	C+ to D

The rating is applied to exposures from the following categories of counterparties for the computation of risk weighted assets for regulatory capital requirement:-

a) Sovereign and Central Banks
b) Banking Institutions
c) Corporates
d) Insurance Cos, Securities Firms & Fund Managers

Based on the above mentioned counterparties the Group and the Bank will map their respective ratings to the relevant risk weight provided by BNM and determine the risk weighted credit exposures. A summary of the rating and counterparty matrix are provided in the following table.

Table 9: Risk Weight According to Rating Categories and Counterparties

		Banking Institutions			
Rating Category	Sovereign and Central Banks	Risk Weight (original maturity of more than 6 months)	Risk Weight (original maturity of 6 months or less)	Risk Weight (original maturity of 3 months or less)	Corporate
1	0%	20%	20%	20%	20%
2	20%	50%	20%		50%
3	50%	50%	20%		100%
4	100%	100%	50%		100%
5	100%	100%	50%		150%
6	150%	150%	150%		150%

For short term exposures the counterparty ratings are map according to the following risk weight in accordance to BNM RWCAF guidelines.

Basel II Pillar 3 Disclosures
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Table 10: Risk Weight for Short Term Exposure According to Rating Categories and Counterparties

Rating Category	Standard & Poor's Rating Services (S&P)	Moody's Investors Service (Moody's)	Fitch Ratings (Fitch)	RAM Rating Services Berhad (RAM)	Malaysian Rating Corporation Berhad (MARC)	Risk Weight
1	A-1	P-1	F1+, F1	P-1	MARC-1	20%
2	A-2	P-2	F2	P-2	MARC-2	50%
3	A-3	P-3	F3	P-3	MARC-3	100%
4	Others	Others	B to D	NP	MARC-4	150%

Generally, the credit rating refers to the credit exposure or issuer of financial instruments. In the event that no credit rating is available but the issue is guaranteed by a rated counterparty, the rating of the guarantor will be used to determine the risk weight of the exposure. For counterparty rated by more than one rating agencies, the lower rank rating will be used. The tables below summarised the total credit exposures of the Group and the Bank according to risk weight followed by the breakdown of exposure class ratings assigned by the ECAIs.

Table 11(a): Disclosures On Risk Weights under the Standardised Approach for the Group

2025 Credit Exposure by Risk Weights

	Exposures after Netting and Credit Risk Mitigation							
Risk Weights	Sovereigns & Central Banks	Banks, MDBs and FDIs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Other Assets	Equity Exposures	Total Exposure after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
Performing Exposures								
0%	5,876,257	-	-	-	15	-	5,876,272	-
20%	-	1,656,115	10,252	267,420	20,055	-	1,953,842	390,768
50%	-	-	-	23,508	-	-	23,508	11,754
75%	-	-	-	-	67	-	67	50
100%	-	-	-	35,331	14,834	-	50,165	50,165
150%	-	-	-	-	-	5,246	5,246	7,868
Total	5,876,257	1,656,115	10,252	326,258	34,971	5,246	7,909,099	460,606
Defaulted Exposures								
100%	-	-	-	-	-	-	-	-
150%	-	-	-	197	-	-	197	99
Total	-	-	-	197	-	-	197	99
Grand Total	5,876,257	1,656,115	10,252	326,455	34,971	5,246	7,909,296	460,704

Basel II Pillar 3 Disclosures
as at 30 June 2025

2024 Credit Exposure by Risk Weights

Exposures after Netting and Credit Risk Mitigation								
Risk Weights	Sovereigns & Central Banks	Banks, MDBs and FDIs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Other Assets	Equity Exposures	Total Exposure after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
Performing Exposures								
0%	4,376,474	-	-	282,185	18	-	4,658,676	-
20%	-	2,442,579	10,260	429,156	13,893	-	2,895,888	579,178
50%	-	-	-	25,776	-	-	25,776	12,888
75%	-	-	-	-	57	-	57	43
100%	-	-	-	48,177	20,084	-	68,261	68,261
150%	-	-	-	-	-	5,246	5,246	7,868
Total	4,376,474	2,442,579	10,260	785,293	34,052	5,246	7,653,904	668,238
Defaulted Exposures								
100%	-	-	-	-	-	-	-	-
150%	-	-	-	177	-	-	177	265
Total	-	-	-	177	-	-	177	265
Grand Total	4,376,474	2,442,579	10,260	785,470	34,052	5,246	7,654,081	668,503

Basel II Pillar 3 Disclosures
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Table 11(b): Disclosures On Risk Weights under the Standardised Approach for the Bank

2025 Credit Exposure by Risk Weights

Exposures after Netting and Credit Risk Mitigation								
Risk Weights	Sovereigns & Central Banks	Banks, MDBs and FDIs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Other Assets	Equity Exposures	Total Exposure after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
Performing Exposures								
0%	5,682,365	-	-		2	-	5,682,367	-
20%	-	1,635,610	10,252	267,420	-	-	1,913,282	382,656
50%	-	-	-	23,508	-	-	23,508	11,754
75%	-	-	-	-	57	-	57	43
100%	-	-	-	36,088	13,150	-	49,237	49,237
150%	-	-	-	-	-	5,246	5,246	7,868
Total	5,682,365	1,635,610	10,252	327,015	13,209	5,246	7,673,697	451,559
Defaulted Exposures								
100%	-	-	-	197	-	-	197	99
150%	-	-	-	-	-	-	-	-
Total	-	-	-	197	-	-	197	99
Grand Total	5,682,365	1,635,610	10,252	327,212	13,209	5,246	7,673,894	451,658

2024 Credit Exposure by Risk Weights

Exposures after Netting and Credit Risk Mitigation								
Risk Weights	Sovereigns & Central Banks	Banks, MDBs and FDIs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Other Assets	Equity Exposures	Total Exposure after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
Performing Exposures								
0%	4,376,474	-	-	282,185	2	-	4,658,660	-
20%	-	2,396,580	10,260	429,156	-	-	2,835,996	567,199
50%	-	-	-	25,776	-	-	25,776	12,888
75%	-	-	-	-	57	-	57	43
100%	-	-	-	48,177	17,032	-	65,209	65,209
150%	-	-	-	-	-	5,246	5,246	7,868
Total	4,376,474	2,396,580	10,260	785,293	17,091	5,246	7,590,944	653,207
Defaulted Exposures								
100%	-	-	-	177	-	-	177	265
150%	-	-	-	-	-	-	-	-
Total	-	-	-	177	-	-	177	265
Grand Total	4,376,474	2,396,580	10,260	785,470	17,091	5,246	7,591,121	653,472

Basel II Pillar 3 Disclosures
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Table 11(c): Disclosures On Risk Weights under the Standardised Approach for the Bank - Islamic Banking Window

2025 Credit Exposure by Risk Weights

Exposures after Netting and Credit Risk Mitigation						
Risk Weights	**Sovereigns & Central Banks**	**Banks, MDBs and FDIs**	**Corporates**	**Other Assets**	**Total Exposure after Netting & Credit Risk Mitigation**	**Total Risk Weighted Assets**
Performing Exposures						
0%	619,040	-	-	-	619,040	-
20%	-	727,029	71,214	-	798,242	159,648
50%	-	-	-	-	-	-
100%	-	-	-	-	-	-
Total	619,040	727,029	71,214	-	1,417,282	159,648
Defaulted Exposures						
100%	-	-	-	-	-	-
150%	-	-	-	-	-	-
Total	-	-	-	-	-	-
Grand Total	619,040	727,029	71,214	-	1,417,282	159,648

2024 Credit Exposure by Risk Weights

Exposures after Netting and Credit Risk Mitigation						
Risk Weights	**Sovereigns & Central Banks**	**Banks, MDBs and FDIs**	**Corporates**	**Other Assets**	**Total Exposure after Netting & Credit Risk Mitigation**	**Total Risk Weighted Assets**
Performing Exposures						
0%	1,041,344	-	186,255	-	1,227,599	-
20%	-	662,658	162,639	-	825,297	165,059
50%	-	-	-	-	-	-
100%	-	-	-	-	-	-
Total	1,041,344	662,658	348,895	-	2,052,896	165,059
Defaulted Exposures						
100%	-	-	-	-	-	-
150%	-	-	-	-	-	-
Total	-	-	-	-	-	-
Grand Total	1,041,344	662,658	348,895	-	2,052,896	165,059

Basel II Pillar 3 Disclosures
as at 30 June 2025

Table 12(a): Disclosures on Rated Exposures according to Rating by ECAIs for the Group

2025 Credit Exposure By Rating Category

Exposure Class	Ratings by Approved ECAIs						
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Rating & Investment Inc	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated
On and Off-Balance-Sheet Exposures							
Sovereigns and Central Banks	-	-	-	-	-	-	5,876,257
Banks, MDBs and FDIs	-	1,656,115	-	-	-	-	-
Corporates	-	267,420	23,507	35,331	-	197	-
Insurance Cos, Securities Firms & Fund Managers	-	10,252	-	-	-	-	-
Equity Exposures	-	-	-	-	-	-	5,246
Total	-	1,933,787	23,507	35,331		197	5,881,503

2024 Credit Exposure By Rating Category

Exposure Class	Ratings by Approved ECAIs						
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Rating & Investment Inc	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated
On and Off-Balance-Sheet Exposures							
Sovereigns and Central Banks	-	-	-	-	-	-	4,376,474
Banks, MDBs and FDIs	-	2,442,579	-	-	-	-	-
Corporates	-	429,156	25,776	48,177	-	177	282,185
Insurance Cos, Securities Firms & Fund Managers	-	10,260	-	-	-	-	-
Equity Exposures	-	-	-	-	-	-	5,246
Total	-	2,881,995	25,776	48,177		177	4,663,905

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Table 12(b): Disclosures on Rated Exposures according to Rating by ECAIs for the Bank

2025 Credit Exposure By Rating Category

Exposure Class	Ratings by Approved ECAIs						
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Rating & Investment Inc	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated
On and Off-Balance-Sheet Exposures							
Sovereigns and Central Banks	-	-	-	-	-	-	5,682,365
Banks, MDBs and FDIs	-	1,635,610	-	-	-	-	-
Corporates	-	267,420	23,508	36,088	-	197	-
Insurance Cos, Securities Firms & Fund Managers	-	10,252	-	-	-	-	-
Equity Exposures	-	-	-	-	-	-	5,246
Total	-	1,913,282	23,508	36,088	-	197	5,687,611

2024 Credit Exposure By Rating Category

Exposure Class	Ratings by Approved ECAIs						
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Rating & Investment Inc	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated
On and Off-Balance-Sheet Exposures							
Sovereigns and Central Banks	-	-	-	-	-	-	4,376,474
Banks, MDBs and FDIs	-	2,396,580	-	-	-	-	-
Corporates	-	429,156	25,776	48,177	-	177	282,185
Insurance Cos, Securities Firms & Fund Managers	-	10,260	-	-	-	-	-
Equity Exposures	-	-	-	-	-	-	5,246
Total	-	2,835,996	25.776	48,177	-	177	4,663,905

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Table 12(c): Disclosures on Rated Exposures according to Rating by ECAIs for the Bank – Islamic Banking Window

2025 Credit Exposure By Rating Category

Exposure Class	Ratings by Approved ECAIs						
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Rating & Investment Inc	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated
On and Off-Balance-Sheet Exposures							
Sovereigns and Central Banks	-	-	-	-	-	-	619,040
Banks, MDBs and FDIs	-	727,029	-	-	-	-	-
Corporates	-	71,214	-	-	-	-	-
Total	-	798,243	-	-	-	-	619,040

2024 Credit Exposure By Rating Category

Exposure Class	Ratings by Approved ECAIs						
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Rating & Investment Inc	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated
On and Off-Balance-Sheet Exposures							
Sovereigns and Central Banks	-	-	-	-	-	-	1,041,344
Banks, MDBs and FDIs	-	662,658	-	-	-	-	-
Corporates	-	162,639	-	-	-	-	186,255
Total	-	825,297	-	-	-	-	1,227,599

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8.0 CREDIT RISK MITIGATION DISCLOSURES

Credit exposures are largely confined to financial instruments. Mitigation of credit risk arising from these exposures may exist in the form of a third party guarantee and such credit support must cover for both the principal and interest amount. For approval of loans, the designated committee will be guided by the requirements set forth under the credit administration policies.

Table 13(a): Disclosure on Credit Risk Mitigation for the Group

2025

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	5,876,257	-	-	-
Insurance Cos, Securities Firms & Fund	-	-	-	-
Managers	10,252	-	-	-
Banks, Development Financial Institutions & MDBs	1,654,539	-	-	-
Corporates	314,702	-	-	-
Other Assets	34,971	-	-	-
Equity Exposure	5,246			
Total for On-Balance Sheet Exposures	7,895,966	-	-	-
Off-Balance Sheet Exposures				
Transactions related contingent items	1,369	-	-	-
Obligations under an on-going underwriting agreement	10,384	-	-	-
Foreign exchange related contracts	1,576	-	-	-
Total for Off-Balance Sheet Exposures	13,329	-	-	-
Total On and Off-Balance Sheet Exposures	7,909,296	-	-	-

2024

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	4,376,474	-	-	-
Insurance Cos, Securities Firms & Fund	-	-	-	-
Managers	10,260	-	-	-
Banks, Development Financial Institutions & MDBs	2,442,105	-	-	-
Corporates	782,226	-	-	-
Other Assets	34,052	-	-	-
Equity Exposure	5,246			
Total for On-Balance Sheet Exposures	7,650,363	-	-	-
Off-Balance Sheet Exposures				
Transactions related contingent items	1,534	-	-	-
Obligations under an on-going underwriting agreement	1,711	-	-	-
Foreign exchange related contracts	474	-	-	-
Total for Off-Balance Sheet Exposures	3,719	-	-	-
Total On and Off-Balance Sheet Exposures	7,654,082	-	-	-

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Table 13(b): Disclosure on Credit Risk Mitigation for the Bank

2025

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	5,682,365	-	-	-
Insurance Cos, Securities Firms & Fund Managers	10,252	-	-	-
Banks, Development Financial Institutions & MDBs	1,634,034	-	-	-
Corporates	317,345	-	-	-
Other Assets	13,209	-	-	-
Equity Exposure	5,246	-	-	-
Total for On-Balance Sheet Exposures	7,662,452	-	-	-
Off-Balance Sheet Exposures				
Transactions related contingent items	1,369	-	-	-
Obligations under an on-going underwriting agreement	8,498	-	-	-
Foreign exchange related contracts	1,576	-	-	-
Total for Off-Balance Sheet Exposures	11,443	-	-	-
Total On and Off-Balance Sheet Exposures	7,673,894	-	-	-

2024

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	4,376,474	-	-	-
Insurance Cos, Securities Firms & Fund Managers	10,260	-	-	-
Banks, Development Financial Institutions & MDBs	2,396,106	-	-	-
Corporates	782,225	-	-	-
Other Assets	17,091	-	-	-
Equity Exposure	5,246	-	-	-
Total for On-Balance Sheet Exposures	7,587,402	-	-	-
Off-Balance Sheet Exposures				
Transactions related contingent items	1,534	-	-	-
Obligations under an on-going underwriting agreement	1,711	-	-	-
Foreign exchange related contracts	474	-	-	-
Total for Off-Balance Sheet Exposures	3,719	-	-	-
Total On and Off-Balance Sheet Exposures	7,591,121	-	-	-

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Table 13(c): Disclosure on Credit Risk Mitigation for the Bank - Islamic Banking Window

2025

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	619,040	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-
Banks, Development Financial Institutions & MDBs	727,029	-	-	-
Corporates	71,214	-	-	-
Total for On-Balance Sheet Exposures	1,417,282	-	-	-
Total On and Off-Balance Sheet Exposures	1,417,282	-	-	-

2024

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	1,041,344	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-
Banks, Development Financial Institutions & MDBs	662,658	-	-	-
Corporates	348,895	-	-	-
Total for On-Balance Sheet Exposures	2,052,896	-	-	-
Total On and Off-Balance Sheet Exposures	2,052,896	-	-	-

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9.0 DISCLOSURE FOR OFF-BALANCE SHEET EXPOSURES AND COUNTERPARTY CREDIT RISK (CCR)

The Group and the Bank does not undertake derivatives transactions which contribute to off-balance exposures and counterparty credit risk other than the normal foreign exchange spot and forward transactions. The Bank conducts repo transaction with Bank Negara Malaysia and other banking institutions which involved the posting of securities as collateral. These transactions are carried for funding purposes and are strictly guided by rules specified by BNM.

Table 14(a): Disclosure on Off-Balance Sheet and Counterparty Credit Risk for Group

2025

Description	Principal Amount	Credit Equivalent Amount	Risk Weighted Assets
Transactions related contingent items	2,737	1,369	1,369
Obligations under an on-going underwriting agreement	20,769	10,384	10,384
Foreign exchange related contracts - one year or less	483,278	1,576	315
Total	505,783	13,329	12,068

2024

Description	Principal Amount	Credit Equivalent Amount	Risk Weighted Assets
Transactions related contingent items	3,068	1,534	1,534
Obligations under an on-going underwriting agreement	3,422	1,711	1,711
Foreign exchange related contracts - one year or less	70,065	474	95
Total	76,554	3,719	3,339

Table 14(b): Disclosure on Off-Balance Sheet and Counterparty Credit Risk for the Bank

2025

Description	Principal Amount	Credit Equivalent Amount	Risk Weighted Assets
Transactions related contingent items	2,737	1,369	1,369
Obligations under an on-going underwriting agreement	16,996	8,498	8,498
Foreign exchange related contracts - one year or less	483,278	1,576	315
Total	503,010	11,443	10,182

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2024

Description	Principal Amount	Credit Equivalent Amount	Risk Weighted Assets
Transactions related contingent items	3,068	1,534	1,534
Obligations under an on-going underwriting agreement	3,422	1,711	1,711
Foreign exchange related contracts - one year or less	70,065	474	95
Total	76,554	3,719	3,339

10.0 MARKET RISK (DISCLOSURES FOR PORTFOLIO UNDER THE STANDARDISED APPROACH)

Market risk is defined as potential loss resulting from adverse movements in the level of market price, interest rates, foreign exchange rates and equity prices.

The Treasury Management Committee (TMC) is responsible for the overall management of market risk for the Bank. Market risk arising from trading activities are monitored through marked-to-market of trading portfolios against their predetermined market risk limits and are regularly reported to management.

The Group and the Bank uses the Standardised Approach from BNM RWCAF to calculate the market risk capital requirements for the trading portfolio.

The following tables summarised the minimum capital requirements for market risk based on the risk exposure type.

Table 15(a): Minimum Regulatory Requirement for Market Risk for the Group

2025

Exposure Type	Long Position RM'000	Short Position RM'000	Net Exposure RM'000	Risk Weighted Assets (RWA) RM'000	Total RWA after PSIA RM'000	Capital Requirement RM'000
Interest Rate Risk	255,059	-	255,059	155,167	155,167	12,413
Equity Position Risk	78,738	-	78,738	157,476	157,476	12,598
Foreign Exchange Risk	47,365	10,929	47,365	47,365	47,365	3,789
Total	381,162	10,929	381,162	360,008	360,008	28,800

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2024

Exposure Type	Long Position RM'000	Short Position RM'000	Net Exposure RM'000	Risk Weighted Assets (RWA) RM'000	Total RWA after PSIA RM'000	Capital Requirement RM'000
Interest rate risk	403,011	-	403,011	228,642	228,642	18,291
Equity Position Risk	92,731	-	92,731	185,462	185,462	14,837
Foreign exchange risk	28,680	20,964	28,680	28,680	28,680	2,295
Total	524,422	20,964	524,422	442,784	442,784	35,422

Table 15(b): Minimum Regulatory Requirement for Market Risk for the Bank

2025

Exposure Type	Long Position RM'000	Short Position RM'000	Net Exposure RM'000	Risk Weighted Assets (RWA) RM'000	Total RWA after PSIA RM'000	Capital Requirement RM'000
Interest rate risk	255,058	-	255,058	155,163	155,163	12,413
Foreign exchange risk	34,015	39,561	39,561	39,561	39,561	3,165
Total	289,073	39,561	294,619	194,725	194,725	15,578

2024

Exposure Type	Long Position RM'000	Short Position RM'000	Net Exposure RM'000	Risk Weighted Assets (RWA) RM'000	Total RWA after PSIA RM'000	Capital Requirement RM'000
Interest rate risk	403,011	-	403,011	228,639	228,639	18,291
Foreign exchange risk	16,657	45,235	45,235	45,238	45,238	3,619
Total	419,668	45,235	448,246	273,877	273,877	21,910

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Table 15(c): Minimum Regulatory Requirement for Market Risk for the Bank - Islamic Banking Window

2025

Exposure Type	Long Position RM'000	Short Position RM'000	Net Exposure RM'000	Risk Weighted Assets (RWA) RM'000	Total RWA after PSIA RM'000	Capital Requirement RM'000
Interest rate risk	-	-	-	-	-	-
Total	-	-	-	-	-	-

2024

Exposure Type	Long Position RM'000	Short Position RM'000	Net Exposure RM'000	Risk Weighted Assets (RWA) RM'000	Total RWA after PSIA RM'000	Capital Requirement RM'000
Interest rate risk	-	-	-	-	-	-
Total	-	-	-	-	-	-

11.0 DISCLOSURE FOR INTEREST RATE RISK/RATE OF RETURN RISK IN THE BANKING BOOK (IRR/RORBB)

The interest rate risk/rate of return risk in the banking book refers to the risk of decline in financial position of the bank due to changes in interest rates over time arising from activities such as deposits taking, lending and investment in marketable securities.

Exposure to interest rate risk in the banking book is managed by the Investment Committee and Treasury Management Committee. The Bank monitors the changes in earnings for near term effect and the economic value for long term effect using the BNM Standardized approach.

The Bank also adopts the BNM Standardised Measurement Approach to report the sensitivity of earnings in the banking book and the economic value of the bank to changes in interest rate.

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The tables below present the effect on the banking book arising from a movement in interest rates.

Table 16: Interest Rate Risk/Rate of Return Risk in Banking Book (Effect on Earnings of Bank)

	2025		2024	
	Parallel 150 bps up RM'000	**Parallel 150 bps down RM'000**	**Parallel 150 bps up RM'000**	**Parallel 150 bps down RM'000**
MYR	-74,327	74,327	-60,952	60,952
USD	-2,834	2,834	-1,553	1,553
SGD	-103	103	-104	104
Others*	-646	646	-84	84
Total	-77,910	77,910	-62,693	62,693

** inclusive of GBP, IDR and other currencies.*

Table 17: Interest Rate Risk/Rate of Return Risk in Banking Book (Effect on Economic Value of Bank)

	2025		2024	
	Parallel 150 bps up RM'000	**Parallel 150 bps down RM'000**	**Parallel 150 bps up RM'000**	**Parallel 150 bps down RM'000**
MYR	-1,116,623	1,116,623	-828,140	828,140
USD	-2,964	2,964	-4,075	4,075
SGD	1	-1	6	-6
Others*	-64	64	-8	8
Total	-1,119,649	1,119,649	-832,218	832,218

** inclusive of GBP, IDR and other currencies.*

12.0 LIQUDITY RISK MANAGEMENT

Liquidity risk is generated when mismatch exist between the assets and the liabilities in the portfolio in terms of sizes and maturities. The management of liquidity risk is guided by the Bank's liquidity risk policy. The policy contains various measures including early warning signals for liquidity stress, a contingency funding plan escalation process and a periodic review of the plan. In line with the regulatory Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) requirement the Bank will maintain sufficient liquid assets to provide for any unanticipated liquidity requirements over a 30-day horizon as well as sufficient stable funding over a 1-year horizon.

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13.0 OPERATIONAL RISK DISCLOSURES

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems, external events, breaches of applicable laws and regulatory requirements. The Bank adopts a preemptive approach where possible in managing its operational risk through the following measures:-

a) Sound risk management practices in accordance with Basel II and regulatory guidelines;
b) Board and senior management oversight;
c) A well defined reporting structure for operational risk management; and
d) Use of operational risk management tools such as loss event reporting, risk and control self assessment and key risk indicators to manage operational risks.

Identification of operational risk and the formulation of applicable control measures are regularly carried during the strategic risk profiling exercise of the Bank. Existing control measures were reviewed and updated to ensure effectiveness; while obsolete procedures will be replaced.

For regulatory capital requirement of operational risk, the Bank adopts the Standardised Approach as provided under the BNM RWCAF.

The table below indicates the operational risks capital requirement for the Group and Bank.

Table 18(a): Minimum Capital Requirement for Operational Risk for the Group

	2025		2024	
	Risk-Weighted Assets RM'000	**Minimum Capital Requirement RM'000**	**Risk-Weighted Assets RM'000**	**Minimum Capital Requirement RM'000**
Group	424,449	33,956	335,516	26,841

Table 18(b): Minimum Capital Requirement for Operational Risk for the Bank

	2025		2024	
	Risk-Weighted Assets RM'000	**Minimum Capital Requirement RM'000**	**Risk-Weighted Assets RM'000**	**Minimum Capital Requirement RM'000**
Bank	343,315	27,465	210,865	16,869

Table 18(c): Minimum Capital Requirement for Operational Risk for the Bank - Islamic Banking Window

	2025		2024	
	Risk-Weighted Assets RM'000	**Minimum Capital Requirement RM'000**	**Risk-Weighted Assets RM'000**	**Minimum Capital Requirement RM'000**
Bank	87,709	7,017	40,652	3,252

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14.0 EQUITY EXPOSURE IN BANKING BOOK

The equity exposure in banking book is comprise of privately held investment for strategic reason. The exposure is presented in the table below.

Table 19(a): Exposure in equity and gain or losses for the Group

	2025		2024	
Equity type	**Risk-Weighted Assets RM'000**	**Minimum Capital Requirement RM'000**	**Risk-Weighted Assets RM'000**	**Minimum Capital Requirement RM'000**
Privately held	5,246	7,868	5,246	7,868

Table 19(b): Exposure in equity and gain or losses for the Bank

	2025		2024	
Equity type	**Risk-Weighted Assets RM'000**	**Minimum Capital Requirement RM'000**	**Risk-Weighted Assets RM'000**	**Minimum Capital Requirement RM'000**
Privately held	5,246	7,868	5,246	7,868

Table 19(c): Exposure in equity and gain or losses for the Bank - Islamic Banking Window

	2025		2024	
Equity type	**Risk-Weighted Assets RM'000**	**Minimum Capital Requirement RM'000**	**Risk-Weighted Assets RM'000**	**Minimum Capital Requirement RM'000**
Privately held	-	-	-	-

Table 20(a): Gain or loss on equity exposure for the Group

	2025 RM'000	2024 RM'000
Cumulative realized gains arising from sales and liquidations	-	-
Total unrealised gain	-	-

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Table 20(b): Gain or loss on equity exposure for the Bank

	2025 RM'000	2024 RM'000
Cumulative realized gains arising from sales and liquidations	-	-
Total unrealised gain	-	-

Table 20(c): Gain or loss on equity exposure for the Bank - Islamic Banking Window

	2025 RM'000	2024 RM'000
Cumulative realized gains arising from sales and liquidations	-	-
Total unrealised gain	-	-

15.0 SHARIAH GOVERNANCE DISCLOSURE

For effective Shariah governance, a framework comprising a set of policies, a risk management oversight and reporting structure is put in place. This comprises the Board, an independent Shariah Committee, and the Management. Three lines of defence approach is adopted to manage the day-to-day Shariah compliance and its related risks. The business units typically represent the first line of defence, with support from Group Shariah that carries out Shariah advisory, research, and secretariat function. The second line of defence comprises Shariah compliance and risk management function, that carries out regular Shariah review and monitor control measures of Shariah compliance respectively. The third line of defence is internal audit function, that provides independent assessment on the effectiveness of the internal controls for Shariah compliance.

Under the Bank's SPI (Islamic Banking Window) portfolio, the Bank does not offer any investment account or product with a Profit Sharing Investment Account (PSIA) arrangement in FYE 2025.

There were two actual Shariah non-compliant (SNC) events during the financial year ended (FYE) 30 June 2025. However, there was no Shariah non-compliant income arising from these events according to the FYE 2025 Shariah Committee Report.

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