



kenanga

INTEGRATED ANNUAL REPORT 2024

OUR REPORTS

The Integrated Annual Report 2024, Corporate Governance Report 2024 and Sustainability Report 2024 are our primary reports.

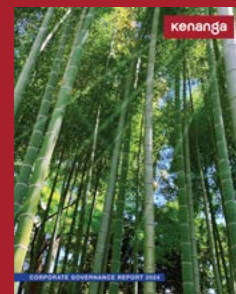
Supplementary information is available on our website:
<https://www.kenanga.com.my>

Integrated Annual Report



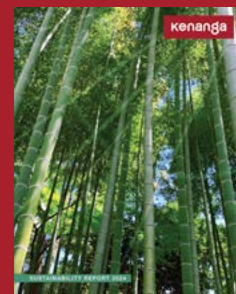
Provides an overview of Kenanga Group's financial performance, as well as business highlights of the year.

Corporate Governance Report



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

Sustainability Report



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



Kenanga is committed to making a difference in the environment. Play your part by opting to download a softcopy of our reports at <https://www.kenanga.com.my/investor-relations/AGM2025/> or by scanning the QR code above.

COVER RATIONALE

At Kenanga, our core values—agility, collaboration, trustworthiness, and future-facing—continue to guide us as we evolve in a fast-paced and competitive financial landscape. These values anchor our commitment to delivering performance with integrity, while embracing innovation and growth.

The bamboo shoots on this year's cover symbolise strength, adaptability, and steady progress—mirroring our growth journey and resilience in navigating change. It reflects our continued market leadership across all core businesses and our unwavering focus on creating sustainable value for our shareholders.



51ST ANNUAL GENERAL MEETING



Thursday, 29 May 2025



11:00 a.m.



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



The interactive PDF allows you to access information easily, search for a specific item, view website or navigate between pages, sections and links.

Content List Search

Previous Page Next Page

Reference to pagination Reference to website

INSIDE THIS REPORT

1. WE ARE KENANGA

- 2 Kenanga at a Glance
- 4 Who We Are
- 5 Our Notable Recognitions in 2024
- 7 Corporate Structure
- 8 Corporate Information

2. LEADERSHIP STATEMENT

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

3. OUR VALUE CREATION APPROACH

- 23 Our Strategy
- 24 Economic Review
- 26 Key Risks and Mitigation
- 32 Value Creation Model
- 34 Stakeholder Engagement
- 35 Material Matters

4. OUR SUSTAINABILITY APPROACH

- 36 Sustainability Statement
- 56 Bursa Malaysia Sustainability Reporting Disclosures

5. HOW WE ARE GOVERNED

- 60 Founder Emeritus and Adviser's Profile
- 62 Profiles of Directors
- 71 Group Managing Director's Profile
- 72 Senior Management's Profiles
- 80 Corporate Governance Overview Statement
- 116 Ethics and Compliance Statement
- 126 Statement on Risk Management and Internal Control
- 131 Audit Committee Report

6. FINANCIAL STATEMENTS

- 141 Five (5)-Year Group Financial Summary
- 141 Five (5)-Year Group Financial Highlights
- 142 Directors' Report
- 149 Statement by Directors
- 149 Statutory Declaration
- 150 Independent Auditors' Report
- 156 Shariah Committee's Report
- 157 Consolidated Statement of Financial Position
- 158 Statement of Financial Position
- 159 Statements of Profit or Loss and Other Comprehensive Income
- 161 Consolidated Statements of Changes in Equity
- 163 Statements of Changes in Equity
- 165 Statements of Cash Flow
- 167 Notes to the Financial Statements

7. SHAREHOLDERS' INFORMATION

- 367 Analysis of Shareholdings
- 368 List of Thirty (30) Largest Shareholders
- 369 Substantial Shareholders', Directors' and Group Managing Director's Interest in Securities

8. ADDITIONAL INFORMATION

- 370 Notice of 51st Annual General Meeting
- 378 Statement Accompanying Notice of 51st Annual General Meeting
- 379 Corporate Directory
 - Proxy Form

KENANGA AT A GLANCE

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

Its ambitions include building a robust digital ecosystem that meets the needs of its clients and businesses. Some of its game-changing products include Malaysia’s fully online digital stockbroking platform, Rakuten Trade Sdn Bhd (“**Rakuten Trade**”) and a fully artificial intelligence (“**AI**”) robo-advisor, Kenanga Digital Investing. In 2024, the Group introduced KDi GO, an all-in-one Malaysia’s first Wealth SuperApp designed to transform the way individuals manage their finances.

Over
500,000
clients

Over
1,300
employees

Over
6,100
licensed
representatives

RM23.5 BILLION
Assets Under
Administration

KENANGA'S DIGITAL JOURNEY

2016

Rakuten Securities

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

2017

Rakuten Trade

Launch of Rakuten Trade
Kenanga and Rakuten Securities, Inc. jointly launched Rakuten Trade, Malaysia’s first fully digital equity broker.

Back Office Digitalisation

Kenanga completed back office digitalisation to enhance efficiencies.

2019

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

2020

MERCHANTRADE

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



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

2021

Tokenize Xchange

A Stake in Tokenize Technology (M) Sdn Bhd
Kenanga received approval from the Securities Commission Malaysia to acquire a stake in Digital Asset Exchange Platform, Tokenize Xchange.

2022

kenanga digital investing

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

2023

50 YEARS
on 9 June 2023



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

2024



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

WHO WE ARE

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

OUR BRAND VALUES

Agility

We are nimble and quick to respond with creative, customised solutions to meet our stakeholders' needs, both externally and internally.

Collaboration

We are supported by an integrated network of colleagues and partners. We believe in consolidating our knowledge and working together for the best solutions.

Trustworthiness

We are fully committed to ethical practices and strive to always maintain credibility in all that we do. Professionalism, integrity and transparency are values we hold dear.

Future-Facing

We are constantly pushing boundaries. Our pursuit of digital innovations will drive financial inclusion and create opportunities and possibilities for our stakeholders.

OUR NOTABLE RECOGNITIONS IN 2024



KENANGA INVESTMENT BANK BERHAD

Alpha Southeast Asia 18th Annual Best Deal & Solution Awards

- Best Islamic Finance Deal in Southeast Asia & Best Green Sukuk 2024
- Best Small-Cap Equity Deal of the Year in Malaysia

Bursa Excellence Awards 2024

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

FinanceAsia Awards 2024

- Most Innovative Use of Technology – Banks

Global Banking & Finance Awards 2024

- Best Investment Bank Malaysia 2024
- Best Equity Broker Malaysia 2024
- Excellence in Innovation – Best Warrants Issuer Malaysia 2024

Marketing Interactive's The Loyalty & Engagement Awards 2024

- Best Use of Social Media – Bronze

Malaysian Rating Corporation Berhad's Lead Managers' League Table Awards 2023

- 2nd Runner-Up in the Issue Count (Conventional & Islamic) Category

The Digital Banker Awards 2024

- Outstanding Retail Sales Across Digital Channels (Highly Acclaimed)
- Loan Offering of the Year (Highly Acclaimed)

The Edge Best Call Awards 2024

- Lim Sin Kiat – Icon Offshore Berhad (“Do not accept bid”), Keyfield International Berhad (“Buy”)
- Wan Musataqim Wan Ab Aziz – Hong Leong Industries Berhad (“Buy”)

The BrandLaureate Brand ICON Leadership Awards 2024

- YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail, Founder Emeritus & Adviser – Legendary ICON – Pride of the Nation Brand Icon Leadership Award

Asian Business Review's Malaysia Management Excellence Awards 2024

- Datuk Chay Wai Leong, Group Managing Director – Executive of the Year – Financial Services

FinanceAsia Achievement Awards 2024

- Datuk Chay Wai Leong, Group Managing Director – Best Investment Banker – Southeast Asia – Dealmaker Poll 2024

Euromoney Securities Houses Awards 2024

- Best Securities House for ESG in Malaysia 2024

The Minority Shareholders Watch Group's National Corporate Governance and Sustainability Awards 2024

- Overall Excellence Award
- Niche Cap Excellence Award

The Star ESG Positive Impact Awards 2023

- Silver Award (Large Companies Tier) for DEI

UN Global Compact Malaysia-Brunei Forward Faster Sustainability Awards 2024

- Sustainability Awareness and Employee Engagement
- Chuah Sze Phing, Group Chief Sustainability Officer and Head of Group Marketing & Communications – Faster Forward Chief Sustainability Officer 2024

Malaysian Investment Banking Association Annual Games 2024

- Overall Champion

OUR NOTABLE RECOGNITIONS IN 2024

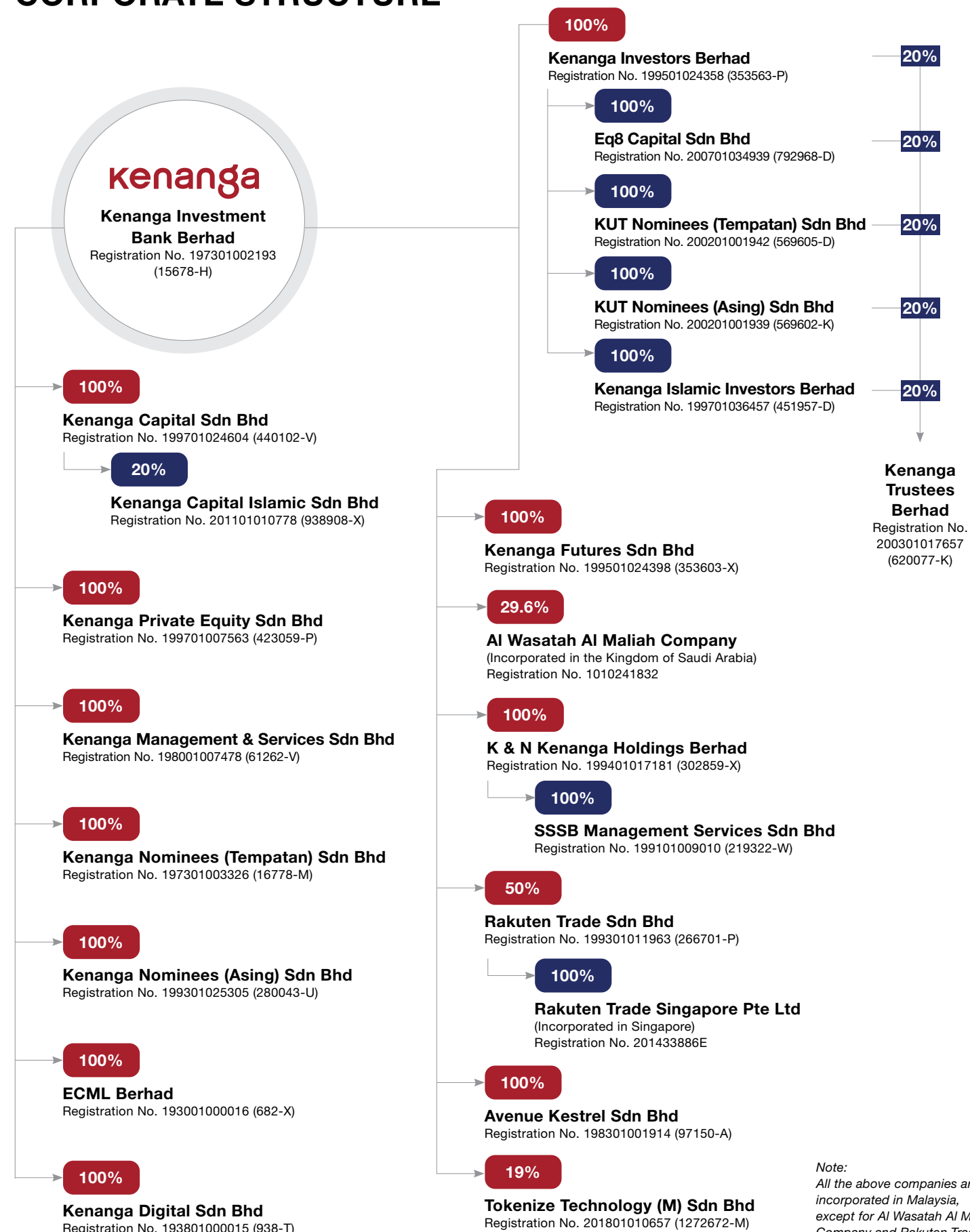
KENANGA INVESTORS BERHAD

Asia Asset Management's 2025 Best of the Best Awards	
Best Impact Investing Manager in ASEAN Kenanga Investors Group	Malaysia Best ESG Engagement Initiative Kenanga Investors Group
Malaysia Best Impact Investing Manager Kenanga Investors Group	Malaysia Fund Launch of the Year Kenanga Investors Group
Malaysia Best Retail Asset Management Company Kenanga Investors Group	Malaysia CEO of the Year Datuk Wira Ismitz Matthew De Alwis Chief Executive Officer/ Executive Director
Malaysia Best Equity Manager Kenanga Investors Group	Malaysia CIO of the Year Lee Sook Yee Chief Investment Officer
Malaysia Best Alternatives Manager Kenanga Investors Group	
LSEG Lipper Fund Awards 2025	
Equity Malaysia Diversified – Malaysia Funds Over 3 Years Kenanga DividendEXTRA Fund	Bursa Excellence Awards 2024
Equity Malaysia Diversified – Malaysia Provident Funds Over 10 Years Kenanga Malaysian Inc Fund	Special Award – Thought Leadership Eq8 Capital Sdn Bhd
Mixed Asset MYR Balanced – Malaysia Provident Funds Over 10 Years Kenanga Balanced Fund	FSMOne Recommended Unit Trust Awards 2024/2025
Mixed Asset MYR Flexible – Malaysia Provident Funds Over 10 Years Kenanga Managed Growth Fund	Sector Equity – Malaysia Focused Kenanga Growth Fund Series 2
Mixed Asset MYR Balanced – Malaysia Islamic Funds Awards Over 10 Years Kenanga SyariahEXTRA Fund	Morningstar Awards 2025
	Best Malaysia Large-Cap Equity Fund Kenanga Blue Chip Fund
	MFPC Excellence in Financial Planning Advancement Award
	Financial Planning Educational Impact and Outreach in Malaysia Kenanga Investors Berhad
	The BrandLaureate BestBrands Awards 2024
	Brand of the Year – Wealth Management & Investment Solutions Kenanga Investors Berhad

KENANGA FUTURES SDN BHD

Bursa Excellence Awards 2024	CME Retail Broker Appreciation Dinner 2024
<ul style="list-style-type: none"> Best Overall Derivatives Trading Participant (Champion) Best Institutional Derivatives Trading Participant (Champion) Best Trading Participant: Commodity Derivatives (Champion) Best Trading Participant: Equity & Financial Derivatives (Champion) 	<ul style="list-style-type: none"> Futures & Options Nurturer Broker Program Key Partner
	Future & Options World Asia Pacific Awards 2024
	Azila Abdul Aziz, Chief Executive Officer/ Executive Director & Head of Listed Derivatives – Chief Executive of the Year

CORPORATE STRUCTURE



Note:
All the above companies are incorporated in Malaysia, except for Al Wasatah Al Maliah Company and Rakuten Trade Singapore Pte Ltd

CORPORATE INFORMATION

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

ISMAIL HARITH MERICAN Non-Independent Non-Executive Director	LUK WAI HONG, WILLIAM Non-Independent Non-Executive Director	JEREMY NASRULHAQ Senior Independent Non-Executive Director	NORAZIAN AHMAD TAJUDDIN Independent Non-Executive Director
KANAGARAJ LORENZ Independent Non-Executive Director	CHOY KHAI CHOON Non-Independent Non-Executive Director	CHIN SIEW SIEW Independent Non-Executive Director	ANGELINE-ONG SU MING Independent Non-Executive Director

AUDIT COMMITTEE

Chairman	Members
JEREMY NASRULHAQ	<ul style="list-style-type: none"> Kanagaraj Lorenz Norazian Ahmad Tajuddin

GROUP GOVERNANCE, NOMINATION &
COMPENSATION COMMITTEE

Chairman	Members
CHIN SIEW SIEW	<ul style="list-style-type: none"> Jeremy Nasrulhaq Ismail Harith Merican Norazian Ahmad Tajuddin Choy Khai Choon

GROUP BOARD RISK COMMITTEE

Chairman	Members
NORAZIAN AHMAD TAJUDDIN	<ul style="list-style-type: none"> Luk Wai Hong, William Kanagaraj Lorenz Choy Khai Choon Angeline-Ong Su Ming

EMPLOYEES' SHARE SCHEME COMMITTEE

Chairman	Members
CHIN SIEW SIEW	<ul style="list-style-type: none"> Norazian Ahmad Tajuddin Jeremy Nasrulhaq

GROUP BOARD DIGITAL INNOVATION &
TECHNOLOGY COMMITTEE

Chairman	Members
KANAGARAJ LORENZ	<ul style="list-style-type: none"> Luk Wai Hong, William Jeremy Nasrulhaq Choy Khai Choon Chin Siew Siew

SHARIAH COMMITTEE

Chairman	Members
DR. GHAZALI JAAPAR	<ul style="list-style-type: none"> Dr. Mohammad Firdaus Mohammad Hatta Dr. Fadillah Mansor

GROUP EXECUTIVE COMMITTEE

DATUK CHAY WAI LEONG
Group Managing Director
Kenanga Investment Bank Berhad

DATUK LEE KOK KHEE
Executive Director, Head of Group Equity Business
Kenanga Investment Bank Berhad

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

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

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

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

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

MAHESWARI KANNIAH
Group Chief Regulatory and Compliance Officer
Kenanga Investment Bank Berhad

NIK HASNIZA NIK IBRAHIM
Group Chief Human Resource Officer
Kenanga Investment Bank Berhad

TAI YAN FEE
Group Chief Risk Officer
Kenanga Investment Bank Berhad

WOO KING HUAT
Chief Credit Officer
Kenanga Investment Bank Berhad

VAITHIYANATHAN MADAVAN
Chief Operations Officer
Kenanga Investment Bank Berhad

LOW JIA YEE
Chief Technology Officer
Kenanga Investment Bank Berhad

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

JEREMY NASRULHAQ
Email: jeremyn@kenanga.com.my

GROUP COMPANY SECRETARY

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

REGISTERED OFFICE

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

SHARE REGISTRAR

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

AUDITORS

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

PRINCIPAL BANKERS

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

STOCK EXCHANGE LISTING

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

CHAIRMAN'S MESSAGE

DEAR
SHAREHOLDERS,

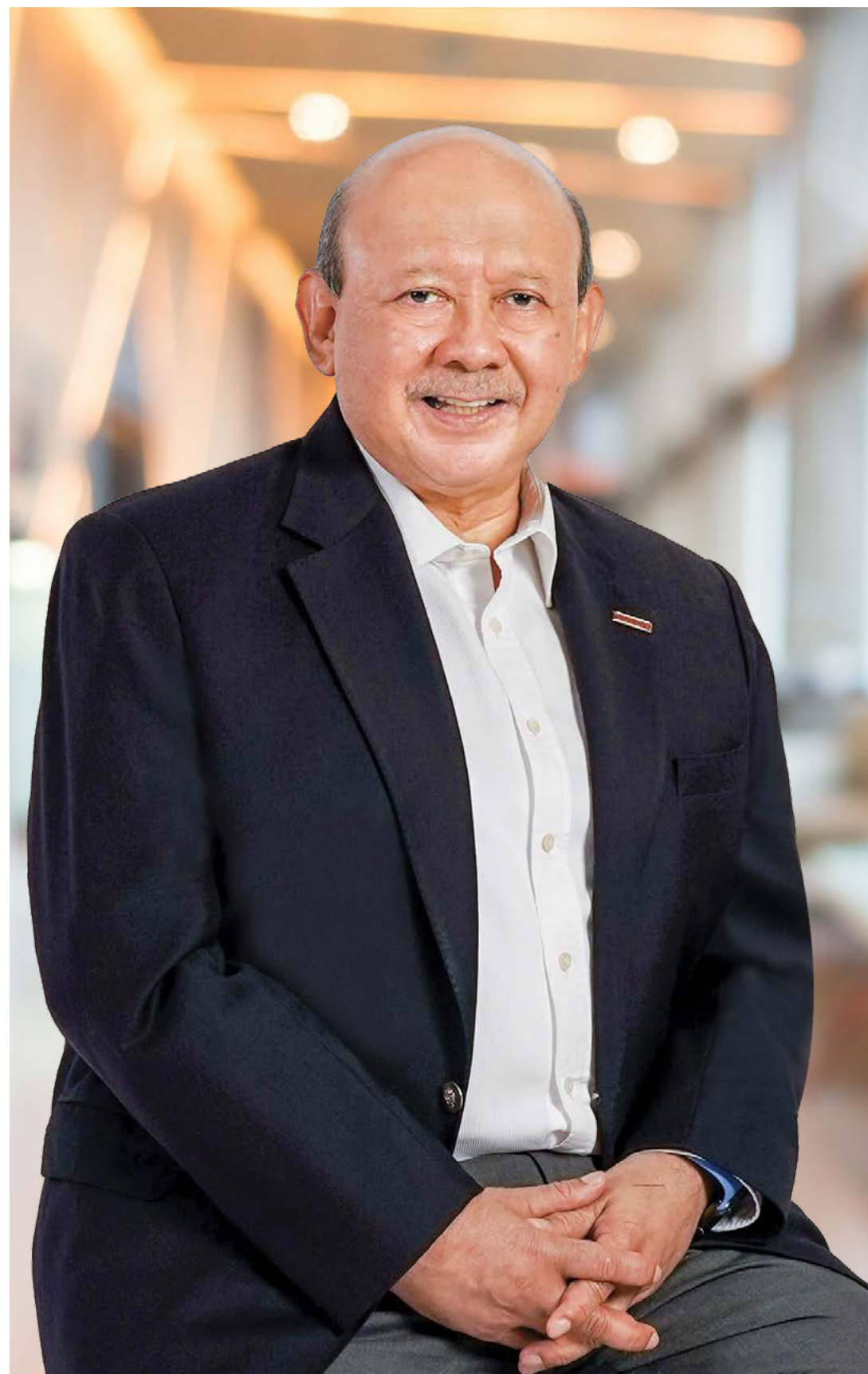
2024 has been a notable year for Kenanga Investment Bank Berhad (“Kenanga” or “KIBB” or “the Company”) and its Group of Companies (“Kenanga Group” or “the Group”).

As the largest independent investment bank in Malaysia, we have made significant strides in strengthening our operational resilience and reinforcing our market position. Our continued focus on innovation, sustainability, and operational efficiency has positioned us to not only weather market uncertainties but to emerge stronger and more purposeful in a constantly evolving financial landscape.

Overview

The year 2024 demonstrated Kenanga Group's ability to not only navigate market challenges but also capitalise on opportunities for long-term growth. Our focus on cost optimisation, efficiency, and profitability have strengthened our financial position, enabling us to create sustainable, long-term value for our shareholders. With over fifty (50) years of history to our brand name Kenanga, our commitment has never been about chasing short-term gains, but about building a strong foundation for continued resilience and lasting progress.

In recognition of these efforts, we are pleased to report an all-time high Revenue of RM1.0 billion, and a Profit Before Tax (“PBT”) of RM117.2 million, with Net Profit standing at RM95.8 million. Following this performance, the Board is delighted to declare a dividend of 8.0 sen per share for the Financial Year 2024.



TAN SRI
DATO' SERI
SYED ANWAR
JAMALULLAIL
Chairman



Further details on our sustainability efforts can be found by scanning the QR code here.

CHAIRMAN'S MESSAGE

Upholding the Highest Standards of Governance

At the heart of Kenanga Group's operations is our unwavering dedication to the highest standards of governance, built on transparency, accountability, and integrity. In 2024, this was exemplified through our flagship event, the eighth (8th) Fraud Awareness Week (“FAW”), which marked a significant milestone as it returned to an in-person format for the first time since the Covid-19 pandemic.

The impact of FAW goes beyond the event itself. It catalyses a broader, ongoing effort to create a culture of vigilance and proactive engagement in fraud prevention, not just within Kenanga, but within the industry. Through seminars, games, and the new scam awareness video campaign, we have extended our reach, empowering employees, clients, as well as the public to act as informed defenders against fraud. This initiative is an investment in the long-term health of the financial ecosystem, creating safer, more transparent environment where businesses and consumers alike can thrive.

Furthermore, the inaugural Compliance Awareness Week deepened our commitment to embedding regulatory compliance and promoting a culture of integrity and ethical behaviour throughout the organisation. By integrating real scam case studies and insights from leaders of the Royal Malaysia Police, we have strengthened our workforce's understanding of the critical role governance plays in both business and society.

Advancing Sustainability

Sustainability remains a cornerstone to our strategy, shaping how we operate, innovate, and create value. In 2024, we further embedded Environmental, Social, and Governance (“ESG”) principles into our businesses, ensuring that our decisions reflect our responsibility to the planet and society.

A key milestone was the launch of our Group Sustainability Policy, which formalises our ESG commitments and integrates them across the organisation. More than a compliance framework, it is a call to action—aligning our people, partners, and stakeholders toward a shared vision of a sustainable future.

Our commitment to sustainability extends beyond governance. We are now actively integrating climate risks into our risk management framework, ensuring that we are future-proofing the Group's growth against an ever-changing environmental landscape. In 2024, we also strengthened our position on the FTSE4Good Bursa Malaysia Index, ranking among the 92nd percentile of Malaysian public listed companies. This achievement is a testament to the lasting impact of our ESG efforts and reinforces our resolve to drive positive change both within and outside the financial sector.

To deepen ESG literacy, we introduced targeted awareness programmes, culminating in our inaugural Annual Sustainability Day in July 2024. This platform brought together employees, as well as our vendors and suppliers, to explore key ESG themes, including greenwashing and evolving sustainability challenges. Through panel discussions and interactive workshops, we provided practical insights to help small and medium-sized enterprises (SMEs) navigate the ESG landscape, reflecting our broader commitment to creating long-term value beyond our own operations.

In addition, Kenanga Group continues to advocate for workplace diversity, equity and inclusion (“DEI”), recognising that a diverse and inclusive workforce is integral to our long-term success. Despite financial services traditionally being seen as a male-dominated industry, women make up 52% of the workforce at Kenanga Group, reflecting our ongoing commitment to a balanced and equitable workplace where diverse perspectives drive innovation and business success.

CHAIRMAN'S MESSAGE



Our efforts to promote DEI was further acknowledged at The Star ESG Positive Impact Awards 2023, where we received industry recognition for our initiatives. This accolade underscores the tangible impact of our initiatives, including being a signatory of the UN Women's Empowerment Principles (WEPs) since 2023 and our continued adherence to these principles. Our strategic partnerships with organisations such as LeadWomen to enhance female representation, along with various internal campaigns to foster inclusivity, are pivotal in shaping a culture that celebrates diversity.

Beyond gender, we also work to foster age diversity, embrace diverse cultural backgrounds, and leverage a broad range of expertise and experiences to fortify our organisation for the future, while creating pathways for everyone to thrive.

Investing in People and Communities

At Kenanga Group, we recognise that our people and the communities we serve are the cornerstone of our success. Our 2024 initiatives were designed not only to empower our employees but to also create-lasting, positive change in society.

Employee well-being remains a priority, and this year we introduced Employee Health Day—a holistic approach to promoting mental, physical, and emotional health. This initiative is a reflection of our belief that a healthy, engaged workforce is the foundation of a resilient business. By creating an environment where employees can thrive personally and professionally, we are ensuring they have the tools to contribute meaningfully to the Group's long-term objectives.

CHAIRMAN'S MESSAGE

Beyond health, we also deepened our commitment to inclusivity. The Empathy Workshop, held in collaboration with Dialogue Includes All, a social enterprise dedicated to bridging the gap between abled and disabled communities, empowered employees to better understand the challenges faced by marginalised groups. By engaging directly with issues like visual impairment, employees gained critical insights while contributing to a more compassionate and diverse corporate culture. Additionally, we continued our steadfast support for Silent Teddies Bakery, a social enterprise run by hearing-impaired youth. This year, our employees volunteered in refurbishing the bakery's space, which will soon reopen as a fully functional café. By providing both financial support and hands-on assistance, we are helping to empower a group that represents the intersection of social responsibility and entrepreneurial spirit.

Furthermore, our community outreach efforts also included direct support to thousands of individuals, offering aid, educational resources, and opportunities to those in need, reflecting our commitment to creating a positive, lasting impact both within and beyond our organisation.

Outlook

As we look to 2025 and beyond, Kenanga Group remains steadfast in our commitment to executing our strategic vision, which is grounded in innovation, sustainability, and operational excellence. We recognise that the global landscape continues to evolve, with economic uncertainties, geopolitical tensions, and ongoing market disruptions. However, our proactive approach to governance, stakeholder engagement, and continuous adaptation positions us to navigate these challenges effectively.

Looking ahead, we will continue to focus on strengthening our core capabilities, further embedding sustainability into our business practices, and building resilience in our operations. While headwinds may persist, we are confident that the investments we have made in technology, talent, and governance will enable us to seize emerging opportunities and continue to drive value for our stakeholders.

Board Movement

We are delighted to welcome Ms. Angeline-Ong Su Ming, who joined our Board in June 2024. With over two (2) decades of experience in wholesale banking, including expertise in corporate finance, market risk management, derivatives sales and structuring, and liquidity solutions, she brings invaluable knowledge and perspective to the Board. Her leadership roles in both local and regional markets, coupled with her strong academic credentials, position her to make significant contributions to the Group's strategic direction, and we look forward to benefiting from her insights as we continue to grow and deliver value to our stakeholders.

Acknowledgements

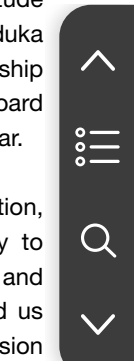
On behalf of the Board of Directors, I extend my deepest gratitude to our Founder Emeritus and Adviser, YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail, whose vision and leadership continue to inspire our journey. I also thank my fellow Board members for their guidance and dedication throughout the year.

To our Management team and employees, your dedication, and unwavering commitment to excellence have been key to our continued success. Your collective efforts, resilience, and adaptability in the face of evolving challenges have enabled us to make meaningful progress toward our goals. It is your passion and hard work that drive Kenanga Group forward, and for that, I am truly grateful.

To our esteemed clients, business partners, suppliers and shareholders, thank you for your continued trust and confidence in us. Your support strengthens our resolve to deliver sustainable value and achieve our shared aspirations. I also extend my gratitude to our regulators, including Bank Negara Malaysia, Bursa Malaysia Berhad and the Securities Commission Malaysia, for their steadfast guidance and collaboration.

Together, we will continue to chart a course for Kenanga Group that embraces innovation, sustainability, and growth.

TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL
CHAIRMAN



GROUP MANAGING DIRECTOR'S MANAGEMENT, DISCUSSION AND ANALYSIS

DEAR SHAREHOLDERS,

The year 2024 was a testament to the resilience, adaptability, and forward momentum of Kenanga Investment Bank Berhad (“Kenanga” or “KIBB” or “the Company”) and its Group of Companies (“Kenanga Group” or “the Group”).



In a rapidly evolving market landscape, we remained steadfast in our commitment to delivering value, achieving key milestones that reinforced our ability to navigate complexity while positioning ourselves for continued growth. Each of our core business pillars—Stockbroking, Investment Banking, Asset and Wealth Management, and Listed Derivatives—played a vital role in driving our performance and strengthening our foundation for the future.

Global and domestic markets faced significant headwinds throughout the year. Inflationary pressures, geopolitical tensions, and shifting monetary policies contributed to heightened market volatility. Central banks, particularly in developed economies, walked a fine line between controlling inflation and supporting economic growth. The US Federal Reserve’s interest rate decisions shaped capital flows worldwide, while trade uncertainties—including US-China relations and regional conflicts—added layers of unpredictability to the global economic landscape.

In Malaysia, despite these challenges, the economy demonstrated remarkable strength. Gross Domestic Product (“GDP”) grew 5.1%, supported by strong domestic demand, higher investment and steady exports in key sectors such as electronics and palm oil. Government policies, including subsidies

and price controls, helped contain inflation at a manageable 1.8%, while unemployment fell to a record low of 3.1% at the end of 2024, signalling a stable job market. However, currency fluctuations and intensifying competition in core industries mirrored broader regional trends.

In this environment, Kenanga Group continued to build on its momentum, leveraging both our robust business strategies and the resilience of our people to deliver exceptional performance. We have made notable strides in multiple

Key Highlights from 2024

Revenue	RM1.0 billion
Operating Profit	RM155.5 million
Profit Before Tax	RM117.2 million
Dividend Declared	8.0 sen

DATUK CHAY WAI LEONG
Group Managing Director

fronts—digital transformation, sustainability, and product innovation. As we lay the groundwork for our next phase of growth, our forward-thinking approach positions us to continue contributing to the future of financial services.

Overview

Amidst a volatile market landscape in 2024, I am pleased to report that Kenanga Group delivered one of our strongest financial performances to date. For the Financial Year Ended 31 December 2024 (“FY2024”), we achieved record-breaking results, with Revenue reaching RM1.0 billion and Operating Profit surging to RM155.5 million—the highest in a decade. Profit Before Tax (“PBT”) climbed to RM117.2 million, while Net Profit stood at RM95.8 million.

This result was driven by a significant revaluation gain on strategic investments through our Private Equity arm, along with the outstanding performance of our Listed Derivatives subsidiary, recording a 44% increase in contract volume and delivering its strongest performance in ten (10) years. The momentum was reinforced by the resilience of

SEGMENTAL REVIEW

- Stockbroking** [Page 18](#)
- Investment Banking** [Page 18](#)
- Asset and Wealth Management** [Page 19](#)
- Listed Derivatives Business** [Page 20](#)

our Stockbroking division, which defended its retail market share of 25.3% amid heightened market volatility and intensifying competition, as well as the strength of our Investment Banking division, capitalising on a vibrant capital markets environment marked by renewed investor confidence, increased deal-making activity, and stronger liquidity flows. Our Asset and Wealth Management arm, Kenanga Investors Group, further solidified its position as one of Malaysia’s top asset managers, expanding its product suite and leveraging its fast-growing agency force. Assets Under Administration grew to RM23.5 billion despite challenging market conditions.

Each of these businesses plays a distinct and indispensable role in Kenanga’s ecosystem—like interlocking pieces of a larger puzzle. It is this synergy, built over decades, that has allowed us to demonstrate a diversified earnings base, weather market cycles, seize opportunities, and consistently create long-term value for our shareholders.

This same spirit of collaboration and solidarity, allowed us to clinch the overall Champion title at the Malaysian Investment Banking

GROUP MANAGING DIRECTOR'S MANAGEMENT, DISCUSSION AND ANALYSIS

Association Annual Games 2024, a first for us. Competing against our industry peers, this victory is more than just a sporting achievement—it exemplified the same competitive drive, teamwork, and discipline that define our organisation. We are incredibly proud of our employees, whose excellence—both on and off the field—embodies the commitment that drives our success.

I would like to take this opportunity to express my sincere gratitude to our shareholders, employees, clients, and regulators for their unwavering support throughout the year. It is through your trust and collaboration that we have been able to achieve our goals and continue to evolve in line with our long-term vision. Together, we will navigate the opportunities and challenges ahead, striving for excellence in all that we do.

Advancing Our Digital Ecosystem

A key milestone in our digitalisation journey was the launch of KDi GO in 2024—an all-in-one Wealth SuperApp designed to revolutionise how individuals engage with their finances. More than just a platform, KDi GO represents our vision of democratising access to wealth management, breaking down traditional barriers to financial services, and fostering greater financial inclusion.

For the first time, investors can seamlessly access a full spectrum of financial solutions—from AI-driven robo-advisory tools to retail payments and money remittance—all within a single, intuitive application. By integrating equities, cash management, robo-advisory, and even alternative assets such as cryptocurrencies, KDi GO empowers users to take control of their financial future with ease and confidence.

Looking ahead, Phase 2 of KDi GO will introduce advanced AI-driven personalisation, refining the user experience and deepening customer engagement. This next evolution of the platform will harness data-driven intelligence to offer tailored investment strategies, intuitive financial planning tools, and an even more seamless digital experience.

With KDi GO, we are not just building a platform—we are shaping the future of finance. Our commitment remains clear: to make investing smarter, financial management simpler, and wealth creation accessible to all.

Beyond the SuperApp, we continued to push the boundaries of digital innovation, empowering both clients and intermediaries. In 2024, we introduced significant enhancements to the Remisier portal, ensuring our remisiers have the tools needed to thrive in an increasingly digital and fast-moving landscape. With the largest network of remisiers in Malaysia, we remain dedicated to

equipping our business partners with cutting-edge solutions that enable them to better serve clients and stay competitive in a fast-evolving market.

Another key milestone in 2024 was the successful consolidation of our customer database, a pivotal step in enhancing data intelligence, streamlining data management and deepening our insights into client behaviour and market trends. This integration augments our ability to deliver hyper-personalised, targeted engagement, optimise service delivery, and create seamless digital experiences that resonate with client needs. This initiative is instrumental in shaping the next phase of our digital journey, enabling a fundamental shift toward a more agile, and customer-centric digital ecosystem.

From the launch of KDi GO to the transformation of the Remisier portal, and the strengthening of our data ecosystem, we are laying the groundwork for a future where finance is more accessible and seamless. As the industry evolves, our commitment remains steadfast: to lead with innovation, drive financial inclusion, and redefine how Malaysians engage with financial services.

Commitment to Sustainability

In 2024, we continued to advance our sustainability agenda, focusing on delivering meaningful and measurable impact. A landmark achievement was the launch of the world's first Waqf-featured exchange-traded fund (“**ETF**”), uniquely integrating financial returns with social impact.

Beyond product innovation, we have also made significant strides with the development of a Decarbonisation Roadmap—a comprehensive framework to guide our transition to low-carbon economy. Part of our efforts was the establishment of a baseline for Scope 3 emissions from our investment activities, providing the critical foundation needed to manage climate-related risks and align with evolving regulatory and investor expectations on responsible investing.

At the operational level, we took tangible steps to reduce our emissions. The adoption of the Green Electricity Tariff enabled over 90% of Kenanga Tower's electricity to be sourced from renewable energy, reinforcing our commitment to sustainability while supporting Malaysia's broader decarbonisation goals.


These efforts, alongside our commitment to sustainability and responsible business practices were reaffirmed as Kenanga Group maintained its place on the FTSE4Good Bursa Malaysia Index, ranking in the 92nd percentile among Malaysian public listed companies.

Our progress was further reinforced by multiple prestigious accolades. At the Euromoney Securities Houses Awards 2024, Kenanga was named Best Securities House for ESG in Malaysia. Our commitment to fostering a purpose-driven corporate culture was recognised at the United Nations Global Compact Malaysia-Brunei Forward Faster Sustainability Awards 2024, where we received the Sustainability Awareness and Employee Engagement Award.

Kenanga Investors Group continued to lead in impact investing, earning the titles of Malaysia's Best Impact Investing Manager and Best Impact Investing Manager in ASEAN at the Asia Asset Management 2025 Best of the Best Awards. The firm was also awarded the Malaysia Best ESG Engagement Initiative title.

Kenanga Group was also honoured at the prestigious National Corporate Governance and Sustainability Awards 2024, organised by the Minority Shareholder Watchdog Group. We were awarded the Top 20 Overall Excellence Award and the Niche Cap Excellence Award, placing us among the Top 20 out of 854 Malaysian public listed companies.

As a financial institution, governance is more than just compliance—it is the foundation of trust, resilience, and long-term value creation. In an industry where fiduciary responsibility and risk management are paramount, these awards underscore the rigour of our governance framework, the strength of our risk controls, and our commitment to transparency and accountability. They validate the principles that have guided Kenanga for over five decades: acting in the best interests of our stakeholders, upholding the highest ethical standards, and ensuring responsible stewardship of our corporation.

 For a more detailed account of our sustainability efforts, please refer to our Sustainability Report 2024.

Corporate Highlights

In 2024, we increased our equity stake in Merchantrade Asia Sdn Bhd (“**Merchantrade**”)—Malaysia's largest Money Services Business operator—from 4.7% to 19.9%, making Kenanga its second-largest shareholder. This strategic move deepens our foothold in the digital payments space, leveraging Merchantrade's platform to drive co-development of innovative products, such as the Kenanga Money e-wallet, one of the core offerings available on the KDi Go Wealth SuperApp.

GROUP MANAGING DIRECTOR'S MANAGEMENT, DISCUSSION AND ANALYSIS

Beyond payments, we continued to invest in high-impact digital businesses that align with the Group's long-term strategy. In 2024, we made a strategic investment in Helicap Pte Ltd (“**Helicap**”), a leading Singapore-based fintech firm, through a fund managed by Kenanga Investors Group. Collectively, we have taken an 8% stake in Helicap, with plans to further increase our stake to approximately 10% in the near future, making us the largest institutional investor in the company. This partnership broadens our regional footprint, providing access to Helicap's extensive investor network and opening new opportunities in offshore capital, co-origination, and syndication efforts across Malaysia and Singapore.

As we accelerate our expansion in digital finance, our focus remains on driving innovation, strengthening market relevance, and unlocking new avenues for growth. Through strategic investments and technology-driven partnerships, we are reinforcing Kenanga's role as a key player in this region's evolving financial landscape.

Financial Position

As at 31 December 2024, the Group and Company maintained strong Total Capital Ratios of 23.0% and 24.7%, respectively, well above Bank Negara Malaysia's minimum regulatory requirement of 10.5%, which includes a capital conservation buffer of 2.5% if imposed.

Our liquidity position remained robust, with a Liquidity Coverage Ratio of 185.4%, exceeding the 100% regulatory threshold, while our Net Stable Funding Ratio stood at 111.3%, also surpassing the mandatory minimum.

The Group sustained its A+ and MARC-1 ratings from the Malaysian Rating Corporation Berhad (“**MARC**”), with a positive long-term rating outlook, reflecting our ongoing efforts to strengthen financial resilience and maintain our standing in the market.

Additionally, our subsidiaries, Kenanga Investors Berhad and Kenanga Islamic Investors Berhad, retained their MARC IMR-2 ratings, underscoring our disciplined investment processes and sound risk management practices.

GROUP MANAGING DIRECTOR'S MANAGEMENT, DISCUSSION AND ANALYSIS

BUSINESS SEGMENTAL REVIEW



Stockbroking

The Group's Stockbroking division demonstrated strength in 2024, navigating periods of heightened market volatility, including the January market sell-off and the sharp fluctuations in Hong Kong equities in October. Despite these challenges, the division performed commendably, supported by strong recovery efforts and disciplined cost management, enabling it to adapt and maintain stability throughout the year.

While credit losses were incurred due to these market events, effective recovery measures and disciplined cost controls allowed the division to achieve a PBT of RM15.4 million in 2024, compared to RM16.1 million in the previous year. It also maintained an overall market share of 9.6%, with a 25.3% share in the retail segment, reinforcing its position as a key player in Malaysia's brokerage industry despite increasing competition from new entrants.

The Equity Derivatives business delivered a strong performance, maintaining its leadership as the largest issuer of warrants in Malaysia and holding the highest market share in warrant participation. Demand for Over-the-Counter solutions, particularly among corporate clients, also increased significantly, broadening the division's product offerings. Its success in this space was recognised with multiple accolades from regional financial organisations such as Most Innovative Use of Technology – NagaWarrants By Kenanga by FinanceAsia Awards 2024, and Best Use of Social Media – Bronze by The Loyalty & Engagement

Awards 2024, further solidifying its leadership in the sector.

Complementing the division's performance, Rakuten Trade Sdn Bhd, the Group's joint venture partnership with Rakuten Securities Inc., sustained its growth trajectory with Assets Under Administration reaching RM4.6 billion by December 2024—a 12% year-on-year increase. It also maintained a 5.5% share of the retail market, reinforcing its role in Malaysia's digital investment landscape. Its contribution to fintech-driven investing were recognised with the DigiTech Awards 2024 for Fintech-Digital Investments & Trading Solutions, underscoring its impact on the evolution of online trading solutions.

The division's commitment to excellence was also recognised when it received the Best Retail Equities Participating Organisation (Investment Bank) (Champion), Best Structured Warrants Issuer (Equity Warrants) (Champion) and Best Structured Warrants Issuer (Index Warrants) (Champion) awards from Bursa Malaysia, reflecting its consistent industry leadership.

Building on this momentum, the division remains focused on strengthening its retail presence by introducing innovative investment solutions, such as algorithmic trading platforms. Enhanced marketing strategies will continue to drive product awareness and engagement, further solidifying its market leadership in a competitive brokerage landscape.

ACE Market. In addition, the ECM team acted as the Joint Underwriter and Joint Placement Agent for MKH Oil Palm (East Kalimantan) Berhad's IPO exercise.

Beyond IPOs, the division further strengthened its position as a trusted advisor in advisory transactions as well as in fundraising, supporting transactions such as the mandatory takeover of Ranhill Utilities Berhad by SIPP Power Sdn Bhd, a subsidiary of YTL Power International Berhad. It was also the independent advisor to Icon Offshore Berhad on its acquisition of maritime assets. Its ability to deliver tailored financing solutions was demonstrated in Magma Group Berhad's RM100 million redeemable convertible notes issuance, designed to enhance its capital structure.

In Debt Capital Markets, the division facilitated several landmark Sukuk issuances, including Prasarana Malaysia Berhad's RM1.4 billion Sukuk under its RM17 billion Sukuk Murabahah



Investment Banking

Kenanga Group's Investment Banking division delivered a solid performance in 2024, with PBT rising to RM6.2 million from RM5.7 million in the previous year. Despite impact of provisions, the division demonstrated its ability to navigate complex market conditions, capitalising on strategic advisory mandates and well-structured transactions.

The Corporate Finance and Equity Capital Markets ("ECM") teams successfully executed a series of Initial Public Offerings ("IPO") across diverse industries, reinforcing its position as a key player in Malaysia's capital market. Notable transactions included the listing of Well Chip Group Berhad, marking Malaysia's third successful pawnbroking IPO, and Kucingko Berhad, the country's first public listed animation company. The division also served as Principal Adviser, Sponsor, Underwriter, and Placement Agent for Vetece Holdings Berhad, as well as played a critical role in the successful transition of Supreme Consolidated Resources Berhad from the LEAP Market to the

GROUP MANAGING DIRECTOR'S MANAGEMENT, DISCUSSION AND ANALYSIS

Programme, which was oversubscribed by 1.8 times. It also managed Berjaya Yokohama Sdn Bhd's RM1 billion Sukuk programme for overseas expansion and structured financing solutions such as the RM100 million Wira Pertiwi Sdn Bhd's Sukuk programme, backed by Istana Negara's facilities management concession, and the RM200 million asset-backed securities programme under Qiradh Capital Sdn Bhd. Its Islamic Markets team further strengthened its leadership in Shariah-compliant finance, advising on Islamic funds and integrating ESG principles into Islamic investment frameworks.

On the Corporate Banking front, the division's loan book grew to RM707.2 million by year-end. Despite compressed net interest margins due to competitive funding costs, it remained focused on structuring tailored financial solutions to meet client needs.



Asset and Wealth Management

The Group's Asset and Wealth Management ("GAWM") arm comprises Kenanga Investors Group ("KIG"), which includes Kenanga Investors Berhad ("KIB"), Kenanga Islamic Investors Berhad ("KIIB"), Eq8 Capital Sdn Bhd ("Eq8 Capital"), and the newly established Kenanga Trustees Berhad ("KTB"). Complementing KIG is the KIBB Digital Investment Management arm, and together they form the GAWM division. In 2024, GAWM reported a PBT of RM47.0 million, compared to RM58.7 million in the previous year. The results reflect provisions incurred during the year, as well as the company capitalising on shifts in market sentiment, implementing strategic initiatives to support future growth and strengthen business resilience.

GAWM remains focused on expanding its distribution reach, new market segments and a comprehensive suite of offerings encompassing conventional collective investment schemes, robo-advisory services, portfolio management, and a spectrum of alternative investments. Through these capabilities, GAWM is able to diversify and grow its client base, catering to mass-retail, middle-high-income, and ultra-high-net-worth investors locally and regionally.

Building on this foundation, KIG has prioritised innovation, introducing new investment solutions to meet evolving investor needs. During the year, KIG launched the Kenanga Alternative Series, a suite of funds designed to address investors' evolving needs while capitalising on emerging opportunities in dynamic market segments. As part of this launch, the Kenanga Alternative Series: Income Opportunities Fund was introduced, aiming to generate stable and attractive returns by investing in an open-ended Asian private credit fund specialising in the alternative lending sector managed by Helicap, a leader in alternative lending.

Furthermore, Group Treasury delivered an exceptional turnaround, achieving a PBT of RM3.7 million, a sharp recovery from the RM1.8 million loss recorded the previous year. This was driven by stronger trading income and improved profitability from the foreign exchange business. Fixed income securities business also performed well, supported by Bank Negara Malaysia's accommodative stance and stable Overnight Policy Rate ("OPR"). Moving forward, Group Treasury will continue diversifying its product portfolio and refining its strategy to build a more consistent and stable income stream.

With a strong foundation across Corporate Finance, Debt Capital Markets, Corporate Banking, and Treasury, the division remains focused on delivering innovative financial solutions, deepening client relationships, and strengthening Malaysia's capital markets with agility and expertise.

Another key addition was the Kenanga Alternative Series: Islamic Global Responsible Strategies Fund, which provides exposure to Shariah-compliant global equities by leveraging AI-driven investment strategies. Meanwhile, the Kenanga Alternative Series: Strategic (SEA) Fund was introduced as a close-ended fund, to provide capital growth to high-net-worth investors over the medium term. The fund will invest regionally in equities and equity-related securities of companies that have established leadership positions in the financial technology space and are on a path towards readiness for an IPO or merger and acquisition event.

KIG also continued to expand its presence in the ETF market through Eq8 Capital, which unveiled a new corporate identity and enhanced access to EQ8US50, its best-performing ETF. A major milestone was the listing of the world's first Waqf-featured ETF, the Eq8 FTSE Malaysia Enhanced Dividend Waqf ETF, on Bursa Malaysia, reflecting its commitment to innovation in socially responsible investing. The Waqf ETF aims to distribute income annually with half of the income distribution to be allocated as Waqf assets and the remaining half payable to unitholders. In recognition of its efforts, Eq8 Capital clinched the Special Award – Thought Leadership at the Bursa Malaysia Excellence Awards 2024.

In 2024, KIG expanded into legacy planning with the launch of KTB and its Kenanga Will Series, as well as Kenanga Wasiat Series, simplifying estate planning for clients across different financial backgrounds. Meanwhile, Private Client Advisory Service continued to offer tailored wealth management solutions for high-net-worth individuals, reinforcing KIG's role as a trusted partner in succession and estate planning across different segments of the Malaysian population.

GROUP MANAGING DIRECTOR'S MANAGEMENT, DISCUSSION AND ANALYSIS

To support business expansion, KIG's distribution network grew to 5,500 licensed unit trust and private retirement scheme consultants, making it the second-largest in the industry. Its reach was further strengthened by fourteen (14) regional offices, including new locations in Miri and Kuching.

KIG received multiple accolades for its performance in 2024. The 2025 LSEG Lipper Fund Awards recognised the following funds; Kenanga DividendEXTRA Fund was awarded Equity Malaysia Diversified (3-Years) under the Malaysia Fund Awards category. Under the Malaysia Provident Funds Awards category, Kenanga Malaysian Inc Fund was awarded Equity Malaysia Diversified (10-Years), Kenanga Balanced Fund was awarded Mixed Asset MYR Bal – Malaysia (10-Years) and Kenanga Managed Growth Fund was named Mixed Asset MYR Flexible (10-Years). The Kenanga SyariahEXTRA Fund was awarded Mixed Asset MYR Bal – Malaysia under the Malaysia Islamic Funds Awards category. The Morningstar Awards 2025 awarded the Kenanga Blue Chip Fund with Best Malaysia Large-Cap Equity Fund title.

The Hong Kong-based Asia Asset Management's 2025 Best of the Best Awards awarded KIG a total of nine awards including: Malaysia Best Retail Asset Management Company, Best Impact Investing Manager in ASEAN, Malaysia Best Impact Investing Manager, Malaysia Best Equity Manager, Malaysia Best

Alternatives Manager, Malaysia Best ESG Engagement Initiative, Malaysia Fund Launch of the Year, Malaysia CEO of the Year and Malaysia CIO of the Year.

The BrandLaureate BestBrands Awards 2023 – 2024 named the firm Brand of the Year (Wealth Management & Investment Solutions). The Kenanga Growth Fund Series 2 was awarded Sector Equity - Malaysia Focused by the FSMOne Recommended Unit Trusts Awards 2024/2025. For its efforts in financial planning, it received the MFPC Excellence in Financial Planning Advancement Award by the Malaysian Financial Planning Council for Financial Planning Educational Impact and Outreach in Malaysia.

Looking ahead, KIG remains dedicated to expanding its offerings to address the evolving needs of investors and capitalise on emerging market opportunities. Future initiatives will focus on delivering innovative solutions designed to optimise returns, diversify risks and align with its clients' financial objectives, and these include strategies emphasising diversified portfolios across asset classes, tailored goal-based investment options and advanced quantitative and algorithm-driven approaches. In addition, KIG aims to harness growth opportunities in high-potential regional markets. Through these efforts, KIG seeks to strengthen its position as a trusted partner in asset and wealth management.

Adding to the momentum, Ms. Azila Abdul Aziz, Chief Executive Officer/ Executive Director & Head of Listed Derivatives, KFSB, was named the Chief Executive of the Year at the Futures & Options World ("FOW") Asia Pacific Awards 2024.

Beyond financial performance, KFSB strengthened its presence on the global stage, engaging with industry stakeholders through key events such as the Palm & Lauric Oils Price Outlook Conference & Exhibition (POC) 2024, Women in Finance Awards Asia (WIFAA) 2024, FOW Trading Singapore 2024 and the Futures Industry Association (FIA) Asia Derivatives Conference 2024. At the same time, the business expanded its outreach to retail investors through initiatives such as Futures ON-THE-GO and Mastering Futures, which aimed to enhance financial literacy and promote derivatives trading. Digital engagement also remained a priority, with KFSB continuing its series of online public education efforts and salesforce engagements to promote both new and existing CME and BMD products.

As KFSB advances to the next phase of its THRIVE Blueprint, its focus will be on expanding the product suite, enhancing infrastructure, and capitalising on opportunities in Shariah-compliant and ESG-linked derivatives. These initiatives will further strengthen its leadership in the derivatives market.

Listed Derivatives Business

The Group's Listed Derivatives arm, Kenanga Futures Sdn Bhd ("KFSB"), delivered its highest profit in over a decade, with PBT rising to RM7.8 million in FY2024 from RM6.2 million the year before. This exceptional performance was driven by strong execution volumes and strategic initiatives under the THRIVE 2024 – 2026 Business Plan Blueprint ("THRIVE Blueprint"), a strategic roadmap designed to reinforce KFSB's market leadership.

During the year, KFSB's execution of Bursa Malaysia Derivatives Berhad ("BMD") contracts surged by 44% to 14 million contracts, up from 9.7 million in 2023. Meanwhile, total BMD contract volumes hit a new record high of 22.7 million in 2024—a 28% growth from 17.8 million contracts recorded a year ago. This strong growth led to KFSB's market share expanding to 33%, further solidifying its position as the country's No. 1 Futures broker. Execution volumes for CME Group ("CME") products also saw exceptional growth, increasing by 56% year-on-year.

KFSB's sterling performance was recognised at the Bursa Excellence Awards 2024, where the company was named Best Overall Derivatives Trading Participant (Champion), Best Institutional Derivatives Trading Participant (Champion), Best Trading Participant: Commodity Derivatives (Champion), and Best Trading Participant: Equity & Financial Derivatives (Champion).

GROUP MANAGING DIRECTOR'S MANAGEMENT, DISCUSSION AND ANALYSIS

Risk Management

2024 was marked by no shortage of surprises, with an increased number of unexpected risk events and untoward market volatilities that unfolded with greater frequency than in previous years—impacting both domestic and global landscapes. These events frequently set off unexpected ripple effects far beyond their initial triggers, driven by growing market interconnectedness.

In an increasingly challenging, sophisticated, and dynamic digitalised financial services landscape, reinforcing our business versatility, operational agility, and resilience remained a key priority. This continues to drive our approach in managing core principal risks, while staying constantly vigilant and engaging in strategic, measured, and purposeful risk-taking.

While we continued to manage financial risks to support the Group's sustainable performance and growth, it remains imperative to invest continuously in resources that strengthen operational and technological resilience. With increasing reliance on technology and the interconnectedness of digital networks within an increasingly complex online ecosystem, cybersecurity has emerged as a critical operational risk area for the Group. Accordingly, we have made targeted investments to enhance our cyber defenses and safeguards through modernised technology solutions, improved business continuity capabilities, and mitigation of third-party vendor risks.

In parallel, advancements in artificial intelligence present new opportunities to further strengthen our internal controls and risk management capabilities.

Managing 'Climate Change Risk' is core to our sustainability. As part of our decarbonisation efforts, the Group has taken necessary steps to proactively manage climate risk to ensure we deliver our sustainability commitments through creation of positive impact and value for all stakeholders. Considering these wide-ranging implications of climate risks on our portfolios, we continued to enhance our Climate Change Risk Management Framework ("CCRMF") in order to remain strong in our risk governance and practices supported with sound and relevant policies, procedures and methodologies.

Much is expected to see continued challenges and 'surprises' in 2025 amidst radical geopolitical uncertainties, technology disruptions and escalation of trade wars, we are confident that the team stands ever ready to face and tackle the challenges ahead. We have built a strong capital and funding structure, formidable risk culture that focuses on risk fundamentals, enhanced operational and technology resilience and risk management capabilities.

More information on Risk Management and Internal Controls can be found on pages 126 to 130 of this Integrated Annual Report 2024.

Outlook for 2025

Malaysia enters 2025 navigating a more complex global landscape, shaped by evolving geopolitical dynamics, shifting trade policies, and volatile international markets. Domestically, economic activity is expected to remain resilient, supported by rising household income, higher tourist arrivals, an ongoing technology upcycle, and the rollout of previously approved investments underpinned by record-high allocations under the Federal Budget 2025.

However, external headwinds persist. Escalating trade frictions, particularly the uncertainties of US tariff actions, may disrupt global supply chains, dampen sentiment, and constrain external demand. In addition, uncertainty surrounding China's recovery may also weigh on regional economic prospects.

While near-term outlook remains cautious, Malaysia's friendly trade and investment policies, position the country to capture opportunities arising from shifting trade and investment flows, which may help cushion some of the prevailing downside risks.

Despite rising global economic uncertainty, Bank Negara Malaysia is expected to maintain the OPR at 3.00% throughout 2025, balancing stability and economic growth. The current monetary stance aligns with Malaysia's ongoing structural reforms and initiatives under the Madani government, laying the groundwork for sustained growth.



GROUP MANAGING DIRECTOR'S MANAGEMENT, DISCUSSION AND ANALYSIS

The equity market is expected to remain dynamic, supported by a stable political environment and a vibrant IPO landscape that continues to attract retail participation. Stock-picking strategies will be underpinned by several thematic investment opportunities, while market volatility may present selective opportunities for those able to navigate the evolving landscape of global trade, technological advancements, and geopolitical shifts.

For Kenanga, 2025 will be a pivotal year as we execute on our strategic priorities aimed at driving sustainable growth. With a strong focus on digital innovation, we are scaling our core businesses and enhancing customer engagement through technology-driven solutions that simplify and elevate the financial services experience.

In line with this, the upcoming enhancements to KDi GO demonstrate our commitment to reshaping how we deliver financial services, ensuring a more seamless, accessible experience for our customers. At the same time, we are exploring regional opportunities, with a particular focus on Southeast Asia, where we aim to replicate the success, we have achieved in Malaysia.

As we look ahead, our priorities remain focused on strengthening recurring income streams, optimising cost efficiencies, and diversifying our product offerings. With a disciplined approach to execution and a clear vision for the future, Kenanga Group is well-positioned to capture emerging opportunities and create lasting value for all stakeholders.

Acknowledgements

As we conclude 2024, I would like to extend my deepest gratitude to our Founder Emeritus and Adviser, YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail. Her invaluable advice, guidance, and leadership continue to inspire and shape Kenanga's enduring legacy.

To our Chairman, YAM Tan Sri Dato' Seri Syed Anwar Jamalullail, and our Board of Directors, your strategic oversight and steadfast guidance ensure that we remain agile and well-positioned in an evolving financial landscape. I would also like to thank my fellow colleagues, whose dedication, expertise, and resilience have been instrumental in driving our success across all facets of the business.

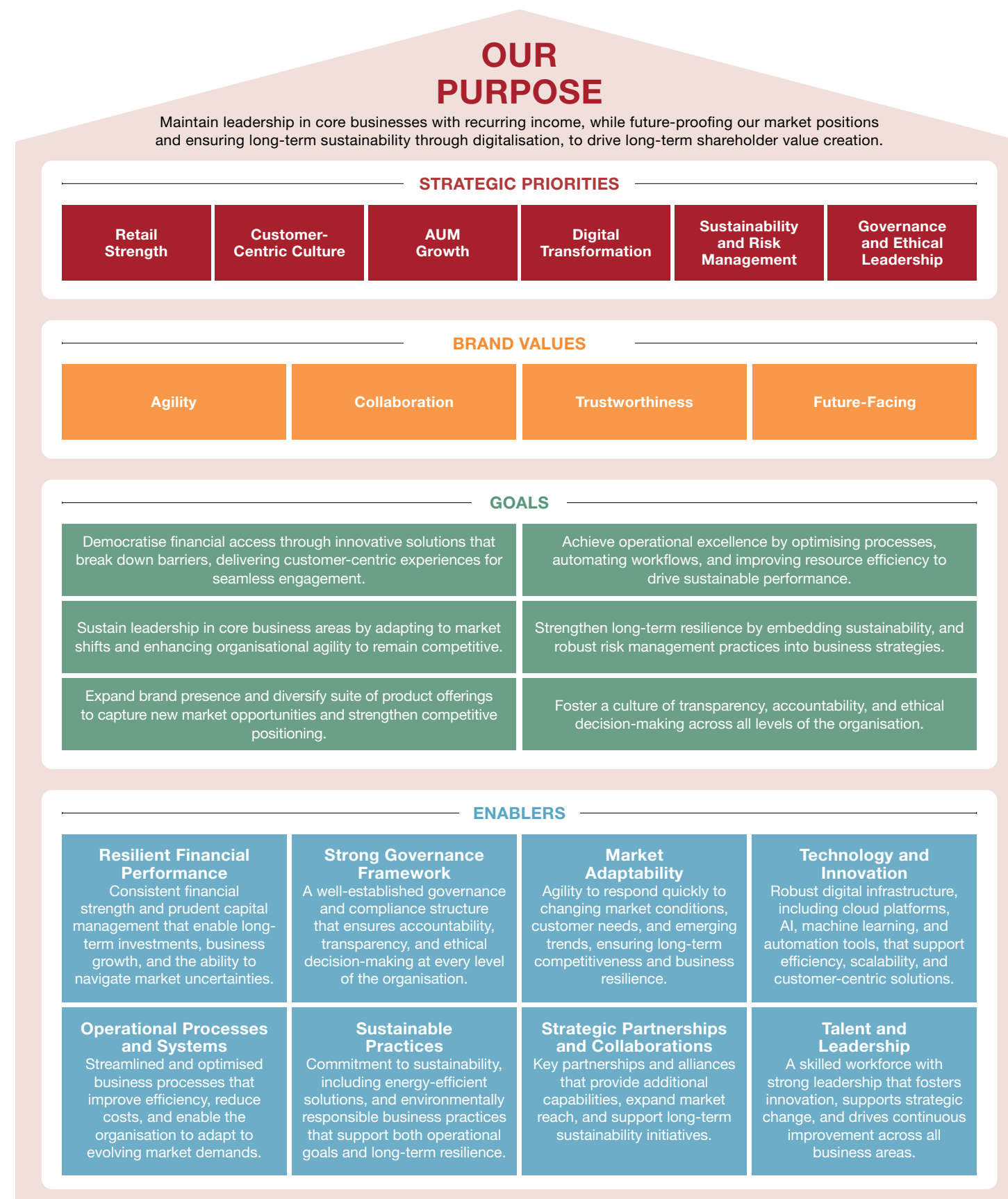
To our shareholders, clients, and business partners, your trust and confidence fuel our ambition to continuously push boundaries, delivering value across a comprehensive range of financial solutions. As an all-rounder in the industry, we take pride in our ability to serve diverse market segments with an integrated suite of offerings, from stockbroking to investment banking, asset and wealth management, and listed derivatives.

Lastly, I would like to express my appreciation to our regulators and policymakers, in particular Bank Negara Malaysia, the Securities Commission Malaysia and Bursa Malaysia Berhad, for fostering a robust and inclusive financial ecosystem that enables us to thrive.

With the continued support of all our stakeholders, I am confident that Kenanga Group will continue to chart new milestones and create lasting value in the years ahead.

DATUK CHAY WAI LEONG
Group Managing Director

STRATEGIC FRAMEWORK



ECONOMIC REVIEW

The global economy ended the year with uneven growth across regions. Emerging markets held up well, supported by resilient domestic demand and targeted policy measures, while advanced economies lagged behind. In the United States (“US”), growth persisted, but a cooling labour market and the delayed impact of earlier rate hikes tempered the pace of expansion. China’s recovery remained weak despite stimulus efforts, as weak consumer spending and geopolitical risks dampened sentiment, though policy support offered some stability.

Tighter monetary policy and improved supply-demand dynamics helped ease global inflation. However, inflationary pressures persisted fuelled by geopolitical tensions, climate-related disruptions, and policy uncertainty in the US. As growth slowed, major central banks pivoted towards monetary easing in the second half of 2024, with the Federal Reserve initiating rate cuts in September. The 10-year US Treasury yield declined, reflecting strong demand ahead of expected rate cuts.

Malaysia’s economy grew 5.1% in 2024, accelerating from 3.6% in 2023, demonstrating resilience despite global uncertainties. Growth was underpinned by strong domestic demand, increased investment, and continued expansion in the services, manufacturing, and construction sectors.

Despite higher consumer spending, diesel cost pass-throughs, and geopolitical shocks, Malaysia’s inflation averaged 1.8% in 2024—partly due to the delayed rationalisation of RON95 fuel subsidies. Meanwhile, Bank Negara Malaysia (“BNM”) maintained the overnight policy rate (“OPR”) at 3.00% throughout the year, balancing growth support with inflation management.

While inflation remained contained, the ringgit strengthened in the latter part of 2024 after a prolonged period of weakness. A stable OPR, progress on fiscal consolidation, and expectations of Federal Reserve rate cuts supported the currency’s recovery, which ended the year at 4.47 against the US dollar.

Sustainability in the Financial Landscape

Beyond traditional economic indicators, 2024 also saw a growing emphasis on sustainability in the financial landscape, as climate considerations and regulatory shifts reshaped investment priorities. The growing urgency of climate change reshaped the financial services industry, impacting risk management, investment strategies, and regulatory frameworks. Malaysia, in particular, strengthened its commitment to sustainability through initiatives such as the National Energy Transition Roadmap (NETR) and the National Sustainability Reporting Framework. Financial institutions increasingly aligned with these efforts, reinforcing the transition to a low-carbon economy as a central focus of both policy and market expectations.

Investor and regulatory pressures to adopt climate-related financial disclosures intensified, reinforcing the need for robust Environmental, Social, and Governance (“ESG”) integration across investment decisions and risk assessments. Sustainability considerations became embedded across capital markets, asset management, and corporate advisory services. The demand for green financing, ESG-aligned investment products, and sustainable wealth management solutions continued to rise throughout the year, reflecting a broader shift toward responsible investing. Clients seeking capital, whether through equity, bonds, or structured finance, were increasingly expected to demonstrate sustainability commitments, aligning with both investor preferences and regulatory expectations.

At the same time, climate risks continued to shape traditional financial risk models. Sectors heavily exposed to environmental challenges, such as energy, agriculture, and real estate, faced heightened scrutiny. Financial institutions were compelled to incorporate climate stress testing and ESG risk assessments into their portfolio strategies. Sustainable finance instruments, including green bonds, sustainability-linked loans, and carbon markets, gained traction in 2024, reflecting businesses’ growing commitment to a low-carbon economy.

Outlook for 2025

- **Global Economy:** A moderate growth is expected as emerging economies continue to normalise activity following strong growth in 2024 and taking into account the impact of the US tariff on global trade. Growth in advanced economies, however, is projected to slow significantly, reflecting the lagged impact of earlier interest rate hikes, persistent inflationary pressures, and ongoing global uncertainties.
- **Key Risks:** The US tariff threats will reignite trade tensions, disrupting global supply chains and weighing on sentiment. A further escalation of the US-China trade war beyond tariffs would pose additional risks, while China’s slower-than-expected recovery may continue to limit the upside to global economic growth. Nonetheless, continued expansion in key emerging markets, policy easing by central banks, government stimulus, and efforts to enhance ASEAN economic integration may offer some support.
- **Inflation Outlook:** Global inflation is likely to resurface, driven by the impact of the US tariffs, which could elevate consumer prices and disrupt supply chains. Persistent geopolitical tensions and climate-related risks add to uncertainty. While inflationary pressures remain, central banks are expected to slow the pace of rate cuts rather than reverse course.
- **Malaysia’s Economy:** GDP growth is forecast to moderate to 4.8% (2024: 5.1%), reflecting the impact of global economic uncertainty, a high base effect, and the normalisation of domestic activity. Growth will continue to be driven by domestic demand, supported by the services and construction sectors and ongoing policy measures. However, external risks remain a key downside factor, potentially reducing the GDP forecast by 0.3 to 0.5 percentage points if global trade tensions escalate.
- **Inflation in Malaysia:** Inflation is projected to rise to 2.7%, driven by planned subsidy rationalisation, stronger wage growth, and external pressures. The rationalisation of RON95 subsidies and higher wages will push prices higher, while subdued global oil prices and China’s export redirection may help ease inflationary pressures.
- **Monetary Policy:** Most major central banks will lean towards easing. The Federal Reserve is expected to cut rates cautiously amid ongoing uncertainty linked to the Trump administration’s policy direction. The European Central Bank is likely to ease further, while the Bank of England may pursue gradual cuts due to risk of stagflation. In Asia, the People’s Bank of China may reduce rates to spur demand, while the Bank of Japan is expected to hike rates as inflation becomes more entrenched.

- **BNM Policy Direction:** BNM is expected to maintain the OPR unchanged at 3.00% throughout 2025. The central bank is likely to strike a balance between supporting growth and containing inflation, particularly in the context of structural reforms under the Madani government. However, policy flexibility may be required should external shocks materialise.
- **Ringgit Outlook:** The ringgit is expected to remain resilient despite ongoing challenges and policy uncertainties associated with the Trump administration. While some weakness may persist in the first half of 2025, a recovery is anticipated in the second half as the Federal Reserve is expected to cut rates. Domestic fiscal consolidation efforts and BNM’s stable monetary stance should lend support to the ringgit, with a year-end projection of 4.45 against the US dollar.
- **Malaysian Government Securities (“MGS”):** Demand for local bonds may soften due to heightened global uncertainty and subdued foreign investor appetite. The government’s fiscal consolidation plan suggests lower gross issuance estimated at RM165.0 billion to RM170.0 billion (2024: RM176.7 billion). Consequently, 10-year MGS yield is projected to rise to 3.83% by year-end, in line with movements in US Treasury yields and the anticipated impact of the Trump administration’s trade and fiscal policies.

As we move into 2025, Kenanga will continue to focus on sustainable growth and creating long-term value for our stakeholders. With both global and local economic conditions evolving, we will remain agile in identifying opportunities, particularly in areas such as digital innovation, market development and areas where sustainability aligns with long-term business resilience.

Looking ahead, the intersection of finance, technology, and sustainability will continue to shape market opportunities, though at a more varied pace across regions. While some markets maintain strong commitments to climate-conscious investment strategies and ESG frameworks, others are experiencing a reassessment of regulatory priorities. This divergence will require businesses and investors to remain flexible and responsive to shifting policy and market dynamics.

In 2025, Kenanga’s focus will be on maintaining resilience, improving operational efficiency, and adapting to emerging trends. Our commitment to delivering tailored financial solutions will guide our approach as we strengthen our competitive position and ensure the flexibility needed to navigate the evolving market environment.

KEY RISKS AND MITIGATION

KEY RISKS AND MITIGATION

R1 Credit Risk

Credit risk refers to the risk of loss arising from obligor's or counterparty's failure to fulfil their financial and contractual obligations in accordance to the agreed terms.

It stems primarily from the Group's lending/ financing, underwriting, investment, hedging and trading activities from both on- and off-balance sheet transactions.

Impact to Kenanga

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

Our Approach

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

Mitigation Measures

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

Opportunities

- Manage risk and seek appropriate returns in accordance with the level of risk, as well as mitigating factors.
- Build capacity and expertise to leverage technology and AI for improved analytics, streamlined credit processes and faster turnaround times.
- Integrate climate risk scenario analysis and stress testing results as part of credit risk assessment to derive actionable insights, enable better informed decision-making and proactive risk mitigation strategies.

R2 Market Risk

Market risk refers to the risk of deterioration in the value of financial instruments due to adverse movements in market factors such as interest rates, credit spreads, equity prices, currency exchange rates and their volatility.

The dynamic and rapidly changing global and domestic market landscape poses significant challenges to achieving strategic objectives in market risk management. Key factors contributing to this complexity include geopolitical tensions, increased interest rate volatility, sustained inflationary pressures, the rise of unilateralism, intensifying market competition and the shifting dynamics of the global order.

Impact to Kenanga

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

Our Approach

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

Mitigation Measures

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

Opportunities

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

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

KEY RISKS AND MITIGATION

R3 Liquidity and Funding Risk

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

Impact to Kenanga

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

Our Approach

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

Mitigation Measures

- Embedded within policies and frameworks, such as the Liquidity Risk Management and Asset & Liability Management Policy, are risk governance requirements to ensure sufficient liquidity and stable funding sources under stressed economic and financial conditions. Additionally, these measures aim to prevent over-dependence or excessive exposure to a single depositor, group of depositors, or sector.
- The LCR aims to enhance the Group’s short-term liquidity resilience by ensuring sufficient High Quality Liquid Assets (“**HQLA**”) to withstand a significant stress scenario lasting 30 days.
- The NSFR aims to reduce funding risk over a longer time horizon by requiring the Group to fund its activities with sufficiently stable sources of funding to mitigate the risk of future funding stress.
- Liquidity and funding stress tests are conducted regularly to identify and address plausible vulnerabilities and areas of concern.
- The Group has set its compliance ratio for both LCR and NSFR in accordance with the prescribed regulatory limits.

Opportunities

- Proactive assessment of liquidity and funding risk strengthens liquidity management and enhances the effectiveness of funding strategies, ensuring financial stability and resilience, even in challenging market conditions.
- Effective management anticipates potential shifts in liquidity and funding risk, enabling a strategic response aligned with business objectives.
- Optimise liquidity and funding costs by enhancing financial efficiency and reducing costs associated to funding liabilities.

KEY RISKS AND MITIGATION

R4 Operational Risk

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

Impact to Kenanga

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

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

Our Approach

The Group adopts a four (4)-pronged approach to operational risk management, primarily involving the following tools:

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

Mitigation Measures

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

Opportunities

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

KEY RISKS AND MITIGATION

R5 Technology Risk

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

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

Impact to Kenanga

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

Our Approach

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

Mitigation Measures

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

Opportunities

• Strengthening Client Relationships Through Trust and Security:

With a robust strategic technology and cyber risk oversight model, the Group can differentiate itself as a trusted partner in the financial services industry. By prioritising cybersecurity and ensuring business continuity, the Group can build a stronger, more loyal relationships with clients, fostering trust and confidence in its digital and financial services.

• Enhanced Customer Confidence:

A strong cybersecurity posture can be a competitive advantage, attracting customers who value security and reliability.

• Partnerships with Fintech:

Collaborations with fintech companies can enhance the Group's technological capabilities and accelerate digital transformation.

• Market Leadership:

Proactive investments in technology risk management can position the Group as a leader in secure financial services, setting industry benchmarks.

KEY RISKS AND MITIGATION

R6 Climate Risk

Climate risk is an indirect risk that refers to the potential losses or disruptions resulting from climate change. A risk of change in the climate can potentially have a negative impact to credit, market, operational and reputational risk of the Group if the risk is not appropriately managed.

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

Impact to Kenanga

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

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

1. Reputational risk:

Failure to act responsibly and manage climate related risks could damage the Group's public image and erode customer and investor trust.

2. Potential financial loss:

Climate risks including physical and transition risks could result in substantial losses in lending and investment portfolios if risks are not managed well, especially for clients within climate vulnerable sectors.

Our Approach

A proactive approach to climate risk management at business and enterprise level to support the climate transition journey of our customers and help safeguard the long-term sustainability of the Group. This also ensures that we remain aligned with the evolving market expectations and regulatory requirements.

Mitigation Measures

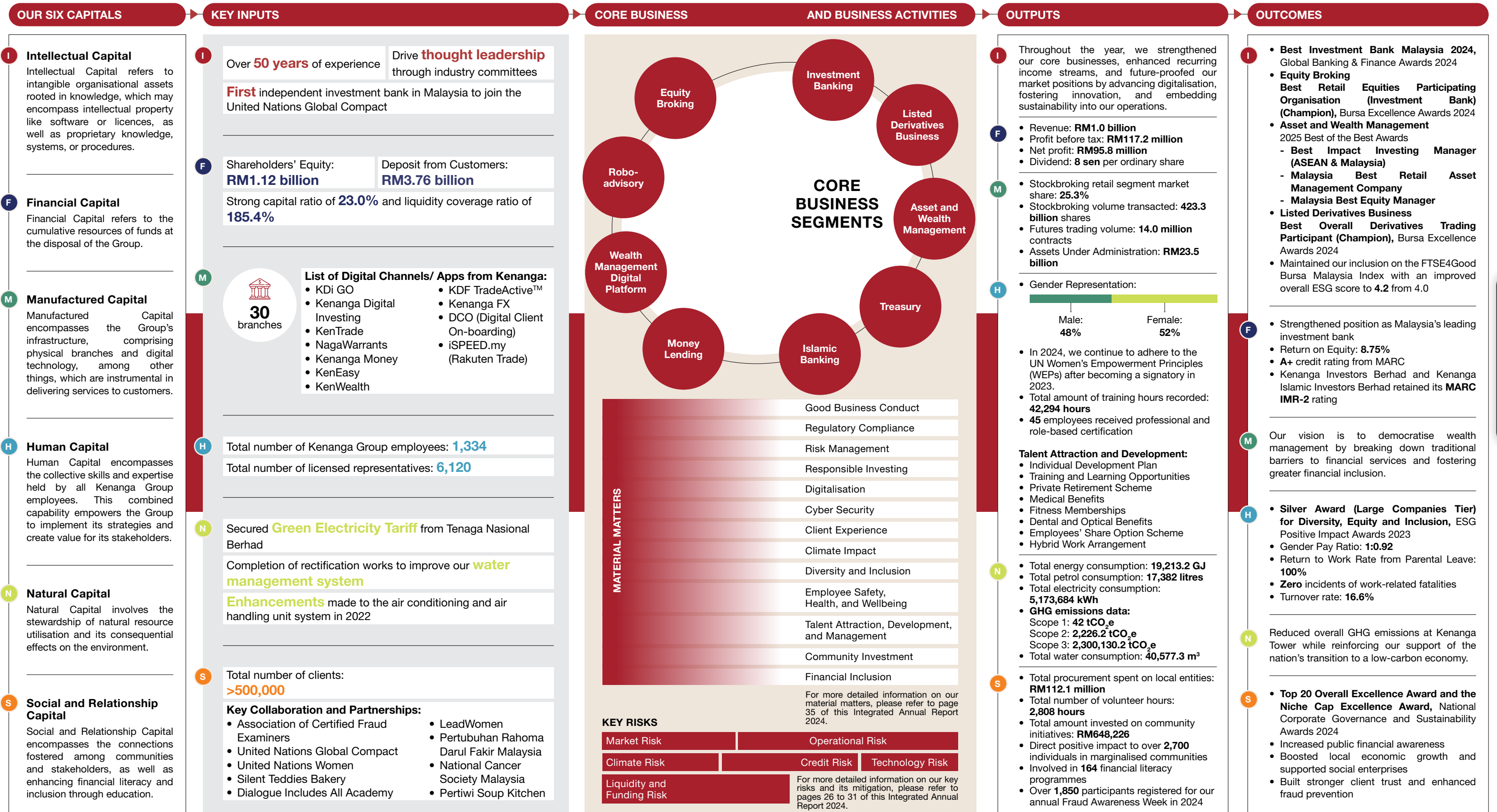
- Established a robust climate risk governance structure to oversee climate-related matters, integrating climate risk into key risk management frameworks and decision-making processes.
- Enhanced Climate Change Risk Management Framework to integrate climate considerations into governance, strategy, operations, reporting and risk management.
- Climate risk assessment and client engagement through internal Climate Change and Principle-based Taxonomy classification assessment.
- Developed tools such as the Climate Change Risk Assessment Checklist, Enhanced Due Diligence and the Climate Risk Assessment Template to guide risk identification and classification.
- Established monitoring, reporting and stress testing for climate risk. Conduct climate risk stress testing and scenario analysis per Bank Negara Malaysia guidelines to assess portfolio- and sector-level risks and develop mitigation strategies.
- Quantified financed emissions by sector (Scope 3) to support development of risk metrics and mitigation measures.
- Incorporated climate risk in outsourcing and procurement frameworks to assess third-party service providers' environmental and climate risk profiles.
- Integrated physical climate risk assessment for HQ and branches into operational risk management self-assessment and business continuity management evaluations.

Opportunities

- Generation of new business opportunity by leveraging on climate risk sectorial profile and where appropriate, offers sustainability or climate friendly and supportive products to promote and facilitate client's transition journey.
- Strengthen relationships with clients by supporting clients on their transition journey.
- Enhance the Group's reputation as a responsible and respected financial institution with our business level and enterprise climate risk management.

OUR BUSINESS VALUE CREATION MODEL

OUR BUSINESS VALUE CREATION MODEL



STAKEHOLDER ENGAGEMENT

AN INSIGHT INTO OUR STAKEHOLDERS' PERSPECTIVES

Stakeholder engagement, assessment, and feedback are fundamental to our organisation. We continuously strive to enhance our engagement approaches through various communication channels to ensure that we connect with our stakeholders, understand their needs, and respond to their key concerns.

THOSE WHOM WE ARE ACCOUNTABLE

How We Engage	Areas of Interest	Our Commitment
Shareholders <ul style="list-style-type: none"> Provide updates and gather feedback through meetings, reports and disclosures Clients <ul style="list-style-type: none"> Provide products, tools, education and insights through our trading platforms, mass media channels, events, emails, websites and social media channels Respond to queries, and gather input and feedback through social media channels, helplines and email 	<ul style="list-style-type: none"> Cyber security and data protection Portfolio performance Financial inclusion Financial literacy Digitalisation Responsible investing New products and services Market outlook Enhanced client experience 	<ul style="list-style-type: none"> Ensure our investors and shareholders are kept updated on how we embed ESG into our business strategy and operations Incorporate feedback to create long-term, sustainable value for our stakeholders Leverage innovation and technology to enhance the client experience

THOSE WHO WE COLLABORATE WITH

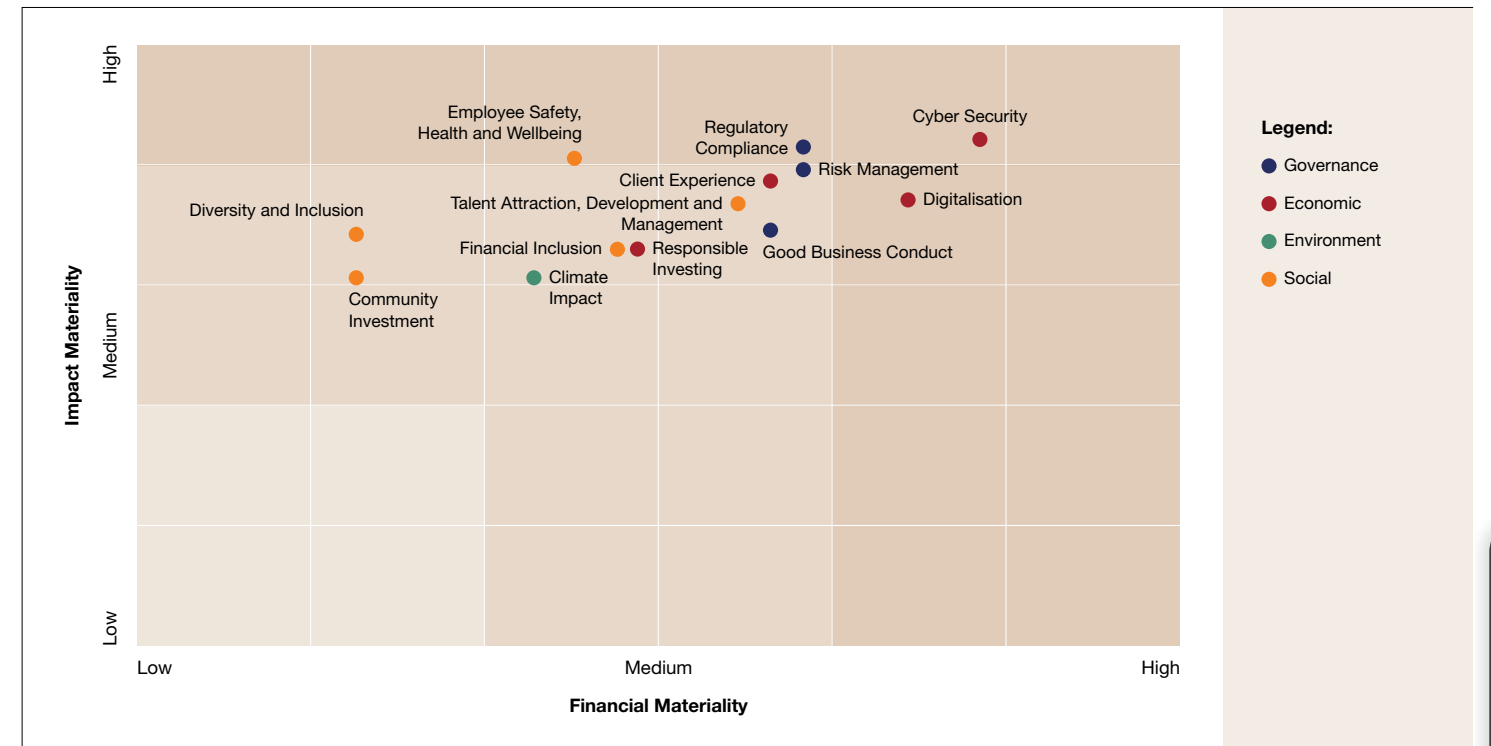
How We Engage	Areas of Interest	Our Commitment
Regulators and Government Bodies <ul style="list-style-type: none"> Participate in industry discourse and ensure adherence to regulations and policies Employees <ul style="list-style-type: none"> Engage through internal policies, meetings, emails, dialogues, training programmes, special events and performance appraisals Remisiers and Agents <ul style="list-style-type: none"> Engage through policies and procedures, training programmes and special events Vendors <ul style="list-style-type: none"> Collaborate through meetings, policies and procedures 	<ul style="list-style-type: none"> Compliance culture Cyber security and operational resilience Training and development 	<ul style="list-style-type: none"> Create a safe, inclusive and high-performing work environment Embed our values of ethics, integrity and compliance throughout the organisation to drive a responsible business operations

THOSE WHOSE LIVES WE ENRICH

How We Engage	Areas of Interest	Our Commitment
Community Partners <ul style="list-style-type: none"> Contribute to various social causes, particularly by supporting social enterprises Encourage employee volunteerism and philanthropy Public <ul style="list-style-type: none"> Disseminate investing knowledge through roadshows, social media channels and webinars 	<ul style="list-style-type: none"> Community empowerment Financial literacy 	<ul style="list-style-type: none"> Create a positive impact on communities in need through targeted social investments and employee volunteerism Enhance financial literacy in our communities empowering them to make decisions about their investments and financial resources

MATERIAL MATTERS

KENANGA'S DOUBLE MATERIALITY MATRIX



WHAT IS MATERIAL TO US

In 2024, we conducted our first double materiality assessment to meet evolving sustainability reporting standards and stakeholder expectations, in line with Bursa Malaysia and IFRS requirements, which also incorporate the Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations. This assessment provided a clear view of how our business impacts the environment and society, while also identifying sustainability risks and opportunities that may affect our financial performance.

The outcome of the Double Materiality Assessment was reviewed by the Group Sustainability Management Committee and approved by the KIBB Board of Directors, underscoring its relevance to Kenanga’s operations. All 13 identified material issues are considered vital to Kenanga’s operations, including the two (2) newly added topics: Financial Inclusion and Risk Management.

Financial Inclusion demonstrates Kenanga’s commitment to broadening access to our products and services, driving economic growth, and promoting social equity. Risk Management reflects our proactive approach to navigating complex risks, safeguarding client interests, and enhancing resilience against market, credit, and climate-related risks.

The materiality ranking highlights digitalisation, good business conduct, risk management, and regulatory compliance as top priorities for Kenanga’s business operations. Digitalisation drives operational efficiency and competitiveness, while good business conduct and regulatory compliance safeguard our reputation. Effective risk management is critical for mitigating both financial and operational challenges.

A strong foundation for Kenanga’s long-term growth lies in diversity and inclusion, employee wellbeing, client experience, and talent attraction. A diverse workforce drives innovation, while prioritising employee safety and health, and fostering strong client loyalty ensures sustainable success.

Although responsible investing, climate impact, and community investment are ranked lower, they remain crucial to Kenanga’s future business resilience against climate risks impact. These areas support sustainable capital allocation, as well as strengthen environmental responsibility, and community relationships.

This integrated approach to double materiality supports Kenanga’s long-term goals, driving business growth while aligning with ESG priorities.

For more information on Kenanga’s Double Materiality Matrix, please refer to pages 18 to 19 of our Sustainability Report 2024.

OUR SUSTAINABILITY STATEMENT

EMPOWERING TODAY FOR A SUSTAINABLE TOMORROW

Kenanga Investment Bank Berhad (“Kenanga” or “KIBB”) and its Group of Companies (“Kenanga Group” or “the Group”) presents its Sustainability Statement for the Financial Year 2024 (“FY2024”). This Statement complements the Sustainability Report 2024 and should be read alongside it for a more comprehensive understanding of our sustainability efforts.



Good Governance

Pages 43 to 45



Sustainable Economic Growth

Pages 46 to 49



Environmental Stewardship

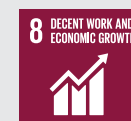
Pages 50 to 51



Empowering People and Communities

Pages 52 to 55

Contribution to UN SDGs



This Statement summarises our management approach to key environmental, social, and governance (“ESG”) issues, performance, and goals that are relevant to our business and stakeholders. It charts our progress in embedding sustainability into our strategies, business practices, products, and services to deliver long-term value to our stakeholders.

In FY2024, we enhanced our disclosures by expanding our Scope 3 coverage to include emissions from Category 15—Investments, which covers our Financed and Facilitated Emissions, establishing a more comprehensive baseline for carbon accounting. Additionally, we conducted our first-ever double materiality assessment, providing deeper insights into the financial and environmental impact of our operations and sustainability efforts.

Reporting Scope and Boundaries

This Statement includes data for the full fiscal year, from 1 January 2024 to 31 December 2024 (FY2024), covering our operations in Malaysia, including our headquarters at Kenanga Tower, in Kuala Lumpur and our branches nationwide, unless stated otherwise. All monetary values are reported in Malaysian Ringgit (“RM”).

Guidelines and Standards

This Statement complies with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and has been prepared with reference to the Global Reporting Initiative (“GRI”) Standards 2021. The full GRI Content Index can be found from pages 109 to 112 of our Sustainability Report 2024.

To fulfil the membership requirements of the UN Global Compact (“UNGC”), this Statement will also serve as our Communication on Progress (“CoP”).

OUR SUSTAINABILITY STATEMENT

This Statement is also being prepared to meet the applicable requirements set forth by the National Sustainability Reporting Framework (“NSRF”), which will be implemented in phases starting from 1 January 2025. Under the NSRF, the International Sustainability Standards Board (“ISSB”) and IFRS Foundation’s International Financial Reporting Standards (“IFRS”) S1 and S2 will be the reference disclosure standards for companies in Malaysia. As we adopt a gradual approach to climate-related disclosures, we will continue aligning our climate reporting with the Task Force on Climate-related Financial Disclosures (“TCFD”), ensuring compliance with local regulatory requirements. To improve the transparency of our reporting, the ESG disclosures within this Statement have been aligned more closely with the following applicable local and global sustainability frameworks, standards and guidelines:

- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- the United Nations Sustainable Development Goals (“UN SDGs”)
- Bank Negara Malaysia’s Climate Change and Principle-based Taxonomy (“BNM CCPT”)
- the UNGC’s Ten Principles
- the Malaysian Code of Corporate Governance (“MCCG”) by the Securities Commissions Malaysia (“SC”)

We have also benchmarked our disclosures and indicators against internationally recognised ESG ratings and frameworks, particularly the Financial Times Stock Exchange (“FTSE”) Russell’s ESG Ratings and the Sustainability Accounting Standards Board (“SASB”) indicators.

We calculated greenhouse gas (“GHG”) emissions using the GHG Protocol Corporate Standards for Scope 1, 2 and 3, and Partnership for Carbon Accounting Financials (“PCAF”) for the calculation of Scope 3 - Category 15 (Investments). This international framework, developed by the World Business Council for Sustainable Development (“WBCSD”) and the World Resources Institute (“WRI”), that provides guidance and standards for organisations to prepare a GHG emissions inventory.

OUR SUSTAINABILITY STATEMENT

Reporting Assurance

This Statement, along with the Sustainability Report 2024, have been reviewed and approved by the Group Sustainability Management Committee (“GSMC”), Group Governance, Nomination & Compensation Committee (“GNC”), Audit Committee (“AC”), and the KIBB Board of Directors.


We appointed SIRIM QAS International Sdn Bhd (“SIRIM”), a leading national certification, inspection and testing body, to provide assurance for the key indicators related to energy management, GHG emissions (Scope 1 and Scope 2), water consumption, employee workforce profile, as well as training and development data. In 2024, we expanded the scope of assurance to include performance appraisals, new hire and turnover rates. We strive to expand the scope of assured data while continuously refining our data collection process to enhance disclosures.

Extract of SIRIM Independent Assurance Statement:

Based on the scope of the assessment process and evidence obtained, nothing has come to our attention that causes us to believe that Kenanga has not complied with, in all material respects, the referred assurance standard and guide.


The following represents SIRIM QAS International’s opinion:

- The level of data accuracy included in the report to be fairly stated.
- The level of disclosure of the selected sustainability performance information presented in the report to be properly prepared.
- The personnel responsible were able to demonstrate the origins and interpretation of data contained in the report.

 Refer to pages 117 to 120 of our Sustainability Report 2024 for the Independent Limited Assurance Statement.

Materiality

This Statement was prepared based on the material matters identified through our double materiality assessment, which was conducted for the first time in FY2024, in response to the evolving business landscape and stakeholder demands. Following the assessment, we identified and added two (2) new material matters—Financial Inclusion and Risk Management—to our list of material matters.

 For more information on how we manage our material matters, please refer to pages 20 to 25 of our Sustainability Report 2024.

Forward-Looking Statements Disclaimer

This Statement contains forward-looking statements regarding future performance, based on current assumptions and circumstances. Various factors—such as changes in stakeholders’ ESG priorities—may cause actual results to differ materially from those expressed or implied in these statements. As such, the relevance of these forward-looking statements will be reviewed in future reports as needed.

Feedback and Accessibility

We welcome all feedback and comments, which can be directed to:

Group Marketing, Communications and Sustainability

Kenanga Investment Bank Berhad

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237, Jalan Tun Razak,
50400 Kuala Lumpur, Malaysia
Tel: +603-2172 2888
Email: sustainability@kenanga.com.my

Our Sustainability Report 2024 is also available on our corporate website:

<https://www.kenanga.com.my/who-we-are/sustainability>

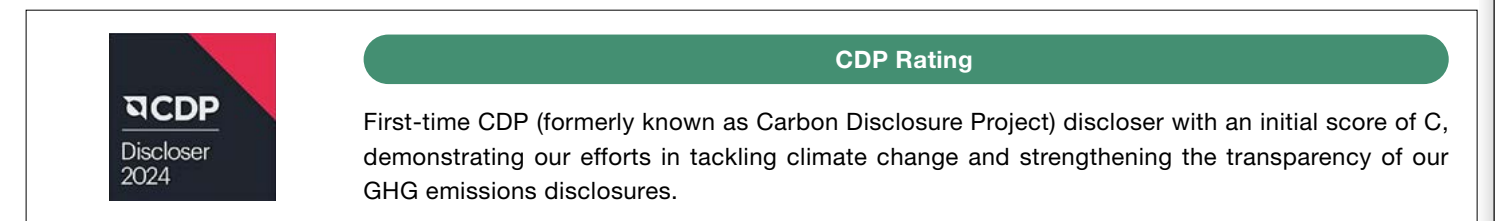
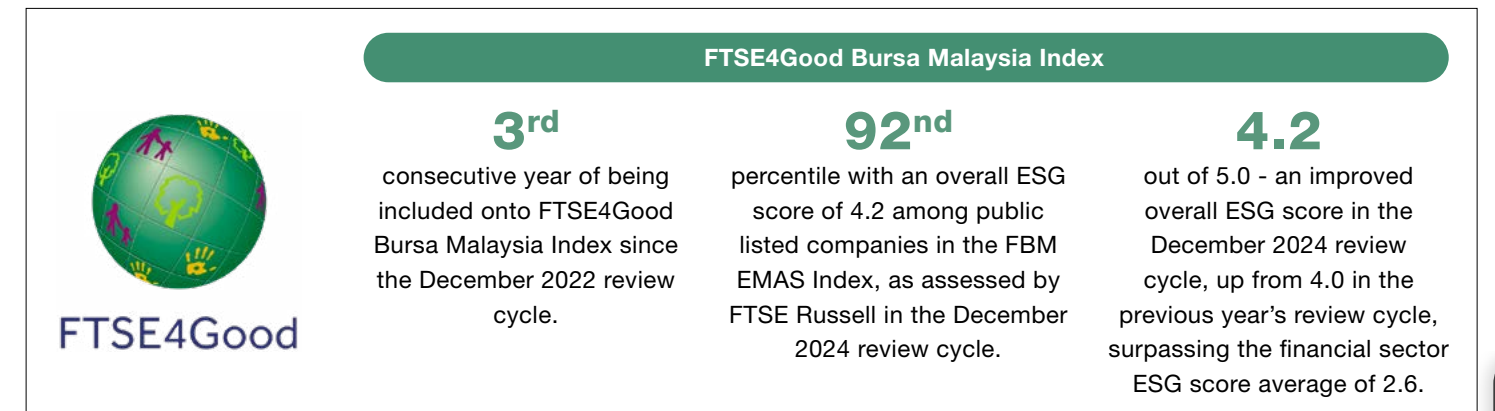


SCAN HERE
for more information and downloads.

OUR SUSTAINABILITY STATEMENT

2024 ESG RATING AND RANKING PERFORMANCE

We align ourselves with the highest global sustainability standards and ratings, as demonstrated by our inclusion in leading indices. By consistently improving our performance and enhancing transparency, we aim to strengthen stakeholders’ confidence in our commitment as a responsible financial institution.



CHUAH SZE PHING

Group Chief Sustainability Officer and
Head of Group Marketing and Communications,
Kenanga Investment Bank Berhad

“We continue to take a pragmatic approach with sustainability embedded in our core strategy, balancing responsible growth with business resilience while aligning with the interests of our key stakeholders. By integrating economic sustainability, environmental stewardship, social responsibility, and strong governance, we drive long-term value for our stakeholders and the communities we serve.”

Our commitment is clear: to shape a future where business priorities and sustainability go hand in hand, strengthening resilience against ESG risks while seizing emerging opportunities to drive the evolution of a forward-thinking financial institution.”

OUR SUSTAINABILITY STATEMENT

OUR ESG FRAMEWORK

Kenanga's ESG Framework guides our approach to managing sustainability issues that matter to our business and stakeholders, forming the foundation of our long-term goals. Driven by our sustainability vision, our ESG framework, is supported by four (4) key pillars: Good Governance, Sustainable Economic Growth, Environmental Stewardship, and Empowering People and Communities. In response to the double materiality assessment, we have refreshed our ESG Framework to incorporate all identified material topics, ensuring alignment with evolving sustainability priorities.

OUR SUSTAINABILITY VISION

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

GOOD GOVERNANCE

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

UN SDGs



Key Material Topics

- Good Business Conduct
- Risk Management
- Regulatory Compliance

SUSTAINABLE ECONOMIC GROWTH

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

UN SDGs




Key Material Topics

- Responsible Investing
- Digitalisation
- Cyber Security
- Client Experience

ENVIRONMENTAL STEWARDSHIP

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

UN SDGs



Key Material Topics

- Climate Impact

EMPOWERING PEOPLE AND COMMUNITIES

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

UN SDGs



Key Material Topics




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

OUR SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY GOALS AND ROADMAP

To bring our sustainability vision and ambitions to life, we have set Sustainability Goals and Targets across the four (4) pillars of our ESG Framework. These are further supported by our Sustainability Roadmap ("The Roadmap") for 2023 to 2025. To drive accountability, we have integrated ESG Key Performance Indicators ("KPIs") into the Balanced Scorecards ("BSC") of key roles across the Group, including the Group Managing Director as well as Heads of Divisions and Department. This ensures ESG priorities are embedded into our business operations and decision-making processes.

Kenanga Sustainability Goals

 <p>GOOD GOVERNANCE</p>	<p>Lead a responsible business underpinned by a robust compliance culture and high levels of ethical standards.</p>			
	<p>Goal 1</p> <p>All material matters to be supported by adequate policies and procedures in line with best practices and regulatory requirements</p>	<p>Goal 2</p> <p>Lead industry fraud awareness through an interactive flagship programme</p>		
 <p>SUSTAINABLE ECONOMIC GROWTH</p>	<p>Integrate ESG factors into our business decisions and value chain and manage our ESG risks and opportunities as we innovate to build a sustainable future.</p>			
	<p>Goal 1</p> <p>Increase support of sustainable economic activities</p>	<p>Goal 2</p> <p>Champion cloud-first strategy to increase scalability and flexibility</p>	<p>Goal 3</p> <p>Increase automation for productivity</p>	<p>Goal 4</p> <p>Increase digital distribution and resilience of products and services</p>
	<p>ENVIRONMENTAL STEWARDSHIP</p>		<p>Promote climate positive culture within the organisation and relevant external stakeholders to attain a low carbon economy.</p>	
	<p>Goal 1</p> <p>Accelerate enterprise decarbonisation</p>	<p>Goal 2</p> <p>Build awareness, knowledge and skills needed to enable employees and stakeholders, to contribute positively to climate actions</p>		
 <p>EMPOWERING PEOPLE AND COMMUNITIES</p>	<p>Create a positive impact on our employees, clients, and business associates, as well as communities in need.</p>			
	<p>Goal 1</p> <p>Maintain and promote workforce diversity, and maintain anti-discrimination culture</p>	<p>Goal 2</p> <p>Integrate mental health as a topic of overall wellbeing of employees</p>	<p>Goal 3</p> <p>Increase social impact towards marginalised and deserving communities through consistent programmes and initiative</p>	<p>Goal 4</p> <p>Expand investing literacy reach through online and offline channels</p>

OUR SUSTAINABILITY STATEMENT

Kenanga's Three (3)-year Sustainability Roadmap

OBJECTIVE

This Roadmap aligns with our Board-approved sustainability goals and targets while supporting the implementation of regulatory and rating agency requirements on sustainability disclosures, which are reflected in relevant KPIs.

OUR ROADMAP FOCUS AREAS

STRENGTHENING ESG FOUNDATION

2023

- Develop KPIs and targets for the identified 'Key Focus Areas' in Kenanga's Sustainability Framework
- Assess and ensure group-wide readiness to embark on climate-related financial disclosures according to key regulators' requirements that are in line with the Bank Negara Malaysia Climate Change and Principle-based Taxonomy, and the Policy Document on Climate Risk Management and Scenario Analysis, as well as the Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- Upskill sustainability-relevant roles within the organisation and ensure alignment are in line with Bursa Malaysia Corporate Sustainability Practitioner Competency Framework
- Obtain assurance of our sustainability reporting process for data and enhance reporting credibility

BUILDING SUSTAINABLE ECOSYSTEM

2024

- Enhance sustainability governance structure with sub-committees/working group with clear roles and responsibilities
- Promote sustainability culture and increase ESG literacy among Kenanga's stakeholders through the inaugural Sustainability Day and targeted sustainability literacy programmes
- Identify and integrate ESG risks, including climate risk, into group-wide risk management throughout the Group's business operations, in accordance with the updated materiality matrix

AMPLIFYING ESG IMPACT



2025

- Expand sustainable products and services while focusing on thematic and impact investing in sectors related to Water & Waste, Food Security, and Energy Transition, and others as relevant
- Fully integrate and increase our ESG due diligence practices across our business operations including sustainable value chain practices such as procurement and investment
- Adopt suitable sustainability ratings and standards for continuous improvement on sustainability performance

GOOD GOVERNANCE

We remain cognisant of our responsibilities to our stakeholders and continue to raise the bar on good governance by incorporating ethical business practices throughout the organisation.

MATERIAL MATTERS

-  Good Business Conduct
-  Regulatory Compliance
-  Risk Management

GOALS

Goal 1

All material matters to be supported by adequate policies and procedures in line with best practices and regulatory requirements

Goal 2

Lead industry fraud awareness through an interactive flagship programme



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GOOD GOVERNANCE

GOOD BUSINESS CONDUCT

Upholding the highest ethical standards of integrity in business practices by ensuring ethical conduct, implementing anti-corruption measures and fostering a transparent corporate culture.

WHY IT MATTERS

Upholding the highest standards of corporate governance and ethical business conduct reinforces our commitment to integrity, transparency, and compliance. We strengthen stakeholders' trust and drive sustainable growth by fostering a culture of accountability as we maintain zero tolerance for financial crimes.

Key Risks:

Non-compliance with evolving regulations can result in legal penalties, fines, and reputational damage. Weak governance structures risk financial instability and diminish stakeholder trust. Unethical practices undermine relationships and operational efficiency.

Key Opportunities:

Strong regulatory compliance safeguards reputation, mitigates risks, and attracts investors. Effective governance, with clear accountability, fosters trust and supports growth. Ethical business practices enhance stakeholder confidence and organisational resilience.

Key Activities:

- Kenanga Investors Group (“KIG”), our asset and wealth management arm, have further strengthened its ESG-related responsibilities across all senior management roles and key functions, ensuring a more structured and accountable approach to sustainability integration.
- Strengthened Group Procurement Policy and implemented ESG assessments for suppliers, reinforcing our commitment to responsible sourcing and ethical business conduct.

RISK MANAGEMENT

Identifying, assessing and managing potential risks—such as strategic, operational, financial and ESG-related risks which could impact Kenanga's business operations, financial stability, or reputation, ensuring resilience and long-term sustainability.

WHY IT MATTERS

Risk management is crucial as businesses face increasingly complex and interconnected challenges, including operational, financial, regulatory, and sustainability-related risks. At Kenanga, we take a proactive approach to identifying, assessing, and mitigating potential threats, while strengthening our resilience. As stakeholders' expectations evolve, we remain committed to improving our risk management practices to ensure long-term success and sustainability.

Key Risks:

Ineffective risk governance—including weak internal controls, non-compliance, or failure to uphold ethical standards—can lead to legal penalties, reputational damage, and financial loss. The failure to integrate ESG risk considerations can lead to increased regulatory scrutiny, asset devaluation, and a loss of investor and public confidence.

Key Opportunities:

Leveraging technological solutions for stronger compliance and cybersecurity enhances risk detection. By incorporating ESG risk factors into their risk management strategies, organisations are better equipped to mitigate potential disruptions and enhance stakeholder confidence. Additionally, embracing digital innovation, diversifying financial products, and implementing effective crisis management strategies foster resilience and drives sustainable growth.

Key Activities:

- Conducted annual account reviews and regularly monitored client account activities through an impairment trigger assessment. This process was designed to detect early indicators of deteriorating creditworthiness, allowing for timely and proactive intervention.
- Established a lending and investment assessment process that incorporated ESG considerations to identify and evaluate environmental, social, and governance risks in our business activities. The results of this assessment offered a comprehensive view of our clients' climate profiles and the related risk exposures

 Refer to pages 27 to 40 of our Sustainability Report 2024 for more information on our approach and progress on Good Governance.

GOOD GOVERNANCE

REGULATORY COMPLIANCE

Ensuring adherence to local and international laws, regulations and standards by maintaining compliance in all operations, from financial reporting to governance practices, thereby reducing the risk of legal or regulatory breaches.

WHY IT MATTERS

Fostering a culture of compliance that empowers our employees to uphold high standards of integrity and vigilance, which is a cornerstone of our good governance practices.

Key Risks:

Regulatory non-compliance can incur fines, reputational damage, and loss of trust from regulators, investors, and clients. Additionally, a lack of understanding of good governance practices may result in poor decision-making and accountability gaps. While weak financial crime policies further increase legal risks and undermine stakeholder confidence.

Key Opportunities:

Building regulatory trust through strong compliance reinforces credibility with regulators and investors. Promoting governance awareness fosters ethical practices and accountability among stakeholders. Implementing robust financial crime measures further protect the organisation, ensuring security and strengthening trust.

Key Activities:

- Organised our 8th consecutive Fraud Awareness Week (“FAW”), in collaboration with the Association of Certified Fraud Examiners. The event attracted over 1,850 participants, including internal teams and representatives from regulatory bodies, public listed companies, professional associations, and vendors, such as Bursa Malaysia, the Securities Commission Malaysia, and Petroliaam Nasional Berhad. Additionally, international teams from Singapore, Indonesia, India, South Africa, and Belgium joined the event.
- Hosted the inaugural Compliance Awareness Week, themed ‘Navigating Compliance Together – Embrace, Empower & Excellence’, with nearly 200 employees attended, where keynote speeches and interactive game sessions designed to embed compliance as a core value within our corporate culture.
- Hosted the 9th Annual Regulatory Seminar where 94% of our employees achieved a score of 80% or higher.



SUSTAINABLE ECONOMIC GROWTH

Our approach to integrating ESG considerations into our core operations, investing, and decision-making processes is a crucial component of our strategy to deliver innovative sustainable finance and investing products for our clients. We employ a multi-faceted approach to responsible investment, engaging in both product development and active management of the businesses in which we invest in.

MATERIAL MATTERS

-  Responsible Investing
-  Digitalisation
-  Cyber Security
-  Client Experience

GOALS

Goal 1

Increase support of sustainable economic activities

Goal 2

Champion cloud-first strategy to increase scalability and flexibility

Goal 3

Increase automation for productivity

Goal 4

Increase digital distribution and resilience of products and services



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SUSTAINABLE ECONOMIC GROWTH



RESPONSIBLE INVESTING

Incorporating ESG factors into investment decision-making to generate sustainable, long-term financial returns while promoting positive societal impact.

WHY IT MATTERS

Investing in companies that are committed to sustainability enables us to create positive environmental and social impacts while building long-term value. It also enhances our ability to attract investors who prioritise business sustainability in their investment decisions.

Key Risks:

Greenwashing risk stems from exaggerated or misleading sustainability claims, while market and performance risks result from evolving ESG trends and regulations, leading to short-term investment fluctuations. Transition and reputational risks are linked to financing high-emission sectors, which can trigger divestment pressure and impact revenue negatively.

Key Opportunities:

Responsible investing drives long-term value by enhancing resilience and growth. It improves risk management, mitigates ESG-related risks, and strengthens investor confidence, while attracting sustainable capital.

Key Activities:

- Kenanga Investors Berhad (“KIB”) and Kenanga Islamic Investors Berhad were affirmed investment manager ratings (“IMR”) of IMR-2 by the Malaysian Rating Corporation Berhad for the 8th consecutive year since they were first rated in 2017.
- In 2024, KIG further strengthened its ESG Framework by integrating Climate Scenario Analysis to assess the resilience of its investment portfolios against potential adverse climate conditions, including physical and transition risks.
- As of December 2024, KIB’s ESG-screened assets under management (“AUM”) amounted to approximately RM12 billion, which is 51% of its reported AUM.
- Eq8 Capital Sdn Bhd, a member of KIG, launched the world’s first Waqf-featured exchange-traded fund (“ETF”), aimed at fostering long-term, sustainable benefits in sectors like education, healthcare, economic empowerment, and environmental preservation.
- Approximately RM73.9 million (28%) of Kenanga Private Equity Sdn Bhd’s portfolio is focused on the renewable energy sector, while RM94.5 million (13.3%) of the loan and financing portfolio under Kenanga’s Corporate Banking division in green lending and financing are related to green technology, and climate change mitigation activities.
- KIG conducted in-depth engagements with over 30 companies, focusing on key ESG issues, including climate change.
- Kenanga Research carried out a total of nine (9) ESG-related webinars series and experiential visits as part of active engagement activities for corporate and institutional clients.



SUSTAINABLE ECONOMIC GROWTH



DIGITALISATION

Leveraging technology to enhance business operations and customer experiences, encompassing the adoption of advanced digital tools to improve efficiency, offer innovative financial products and remain competitive in a tech-driven market.

WHY IT MATTERS

Kenanga acknowledges the importance of reinforcing our digital competitiveness to sustain our growth and long-term viability, especially amid the rapidly evolving financial landscape. We aim to enhance internal operational efficiency through digitalisation and create a seamless and unified digital experience through a suite of products.

Key Risks:

As digitalisation accelerates, the risk of data breaches and oversight gaps grows. Rapid technological advances may outpace governance frameworks, while outdated systems increase costs and require frequent upgrades.

Key Opportunities:

Digitalisation enhances efficiency, redirect resource use, and expands financial inclusion through digital platforms. Strategic fintech collaborations drive innovation, ensuring sustainable growth and resilience.

Key Activities:

- Kenanga Digital Sdn Bhd launched KDi GO, a SuperApp that seamlessly integrates a comprehensive suite of financial and wealth management solutions into one powerful ecosystem.
- Kenanga Digital Investing, which leverages fully automated AI-driven robo-advisors designed to simplify the saving and investment process achieved a total AUM of over RM400 million, serving approximately 33,000 clients.
- A total of 12,087 new users signed up on Rakuten Trade, bringing the total customer base to more than 288,250 with a total of over RM143 billion worth of stocks transacted since its inception in 2017.
- Launched iRemisier, replacing the old Remisier Portal. This serves as the foundation for Kenanga Group's Data Lake, acting as a central repository for various Lines of Business within the Group.
- Project iLeap is a transformative initiative aimed at modernising our operations and enhancing efficiency through digitalisation. Since 2020, a total of 77 workflows have been digitised, with an additional 8 (eight) new workflows digitised while we enhanced 12 existing workflows across various departments in 2024, including processes within Group Operations, Group Finance, Group Equity Business, Group Treasury, Group Human Resources, and Group Digital, Technology, and Transformation.



SUSTAINABLE ECONOMIC GROWTH



CYBER SECURITY

Implementing measures and protocols to safeguard sensitive data and ensure secure operations in a rapidly evolving digital environment.

WHY IT MATTERS

Cybersecurity is becoming increasingly important as organisations transition to a future driven by digital innovation. At Kenanga, we aim to mitigate cyber risks by actively monitoring developments in the cyber landscape while strengthening cybersecurity measures across our operations.

Key Risks:

Cyberattacks can lead to system downtime, disrupting operations and damaging client trust. Data breaches may expose sensitive information, compromising service continuity and customer confidence. Furthermore, non-compliance with data protection regulations can result in heavy fines and legal repercussions.

Key Opportunities:

Implementing strong cybersecurity frameworks enhances resilience, builds stakeholder trust, and positions the organisation as a key player in providing secure digital services, driving competitive advantage.

Key Activities:

- Launched the three (3)-year Project Zero Trust, which aims to enhance security across the Group's network infrastructure. Key features include secure, seamless access to private applications, protection against internet threats, universal firewall enforcement, malware monitoring, and data loss prevention.
- Updated the Cyber Security Policy to include a section on requirements for cloud security.
- Enhanced the Cyber Incident Response Plan documentation by adding a scenario playbook for common cyber incidents.
- Participated in the industry regulatory audit by the Securities Commission Malaysia, with findings and remedial action plans deliberated upon by the Board.
- Conducted cybersecurity training and mock-phishing exercises for employees, where we achieved a success rate of 94.2% in identifying phishing emails through our employee phishing simulator.



CLIENT EXPERIENCE

Delivering a superior client experience to retain customer loyalty and trust, through initiatives such as providing seamless, efficient and customer-centric financial services that meet evolving client needs.

WHY IT MATTERS

We attribute the success of Kenanga, a Malaysian brand that has grown from strength to strength over the past five decades, to our strong client relationships. Having served over 500,000 clients, we reaffirm our ongoing commitment to delivering excellence through our products and services by prioritising our clients in everything we do.

Key Risks:

Client trust is foundational to our brand, and it can be compromised by data breaches, biased practices, or a lack of access to accurate information. Misleading communication or failure to adhere to marketing standards can damage our reputation, leading to client dissatisfaction and increased attrition risk.

Key Opportunities:

Transparency, ethical practices, and accurate information build trust and loyalty in our brand. Aligning financial solutions with societal needs and ensuring compliance strengthens our reputation. Inclusive digital platforms enhance accessibility for a seamless client experience.

Key Activities:


- Established internal procedures that guide the creation and distribution of promotional and marketing materials.
- Continued to enhance financial-related scam awareness efforts through corporate websites and social media platforms.
- Launched a video campaign centered around scam awareness, where employees and members of the public were invited to participate by generating creative content during our 8th Fraud Awareness Week event.

Refer to pages 41 to 56 of our Sustainability Report 2024 for more information on our approach and progress on Sustainable Economic Growth.

ENVIRONMENTAL STEWARDSHIP

We strive to foster a culture that prioritises positive climate action while actively working to reduce our greenhouse gas (“GHG”) emissions. Acknowledging the urgency of the climate crisis, we are aware of our responsibility to contribute to the transition to a low-carbon economy. Climate-related risk considerations are embedded across all facets of our business operations as we persistently explore strategies to minimise our environmental impact.

MATERIAL MATTERS

 Climate Impact

GOALS

Goal 1

Accelerate enterprise decarbonisation

Goal 2

Build awareness, knowledge and skills needed to enable employees and stakeholders, to contribute positively to climate actions



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ENVIRONMENTAL STEWARDSHIP

CLIMATE IMPACT

Addressing the climate change impacts by managing carbon emissions and energy use through Kenanga’s operations, investments and services to mitigate environmental degradation.

WHY IT MATTERS

Upholding environmental stewardship is essential for preserving resources and reducing environmental impacts. Implementing energy efficiency practices not only cuts operational costs but also lowers GHG emissions, supporting global efforts to combat climate change.

Key Risks:

Non-compliance with environmental regulations, reliance on carbon-intensive industries, and climate-related disruptions can incur regulatory fines, asset devaluation, and operational costs.

Key Opportunities:

Regulatory compliance fosters trust, attracts investors, and ensures adherence to industry standards, while climate risk assessments help protect long-term value and strengthen portfolios. Moreover, investing in energy-efficient technologies lowers costs and promotes greater operational sustainability.

Key Activities:






- Updated Climate Change and Principle-based Taxonomy (CCPT) classification categories into our assessment of our private equity investments, corporate loans and bonds. Our exposure in C1, C3 and C5(b) totalled RM119.2 million, RM151.2 million, RM403 million, respectively.
- Completed a baselining exercise of our Scope 3 Category 15 Investments (financed and facilitated emissions) across both on-balance sheet and off-balance sheet activities as key metrics for our decarbonisation journey.
- Conducted a Climate Scenario Analysis and stress testing exercise to assess Kenanga’s climate risk exposure at the portfolio level and offer guidance for strategic decision-making.
- Developed a Decarbonisation Roadmap to guide our overall strategy in managing and reducing GHG emissions, complemented by the upcoming Group Responsible Investing Framework to further guide decision-making for investment activities.
- Enhanced the Group Outsourcing Risk Management Framework and Procurement Framework to include climate risk considerations when evaluating third-party service providers to ensure that the environmental and climate risk profiles of outsourced partners or suppliers are considered and any potential indirect risks to the organisation are mitigated.
- Subscribed to the Green Electricity Tariff from Tenaga Nasional Berhad as part of our initiative to source electricity from renewable sources.
- Total Operational GHG Emission – Scope 1 & Scope 2 for Kenanga Tower and Branch Offices: **2,268.2 tCO₂e**
- Total Scope 3 – Employee Commuting: **3,841.0 tCO₂e**
- Total Scope 3 – Business Travel: **532.7 tCO₂e**
- Total Scope 3 – Financed Emission: **111,278.3 tCO₂e**
- Total Scope 3 – Facilitated Emission: **38,509.9 tCO₂e**
- Total Portfolio Emission – **2,145,968.3 tCO₂e**
- Total Energy Consumption – **19,213.2 GJ**
- Total Water Consumed for Kenanga Tower and Branch Offices – **40,577.3 m³**
- Total Waste Managed Responsibly – **25,769 kg**

 Refer to pages 57 to 78 of our Sustainability Report 2024 for more information on our approach and progress on Environmental Stewardship.

EMPOWERING PEOPLE AND COMMUNITIES

We believe that investing in our people, nurturing talent, and uplifting communities are key to fostering inclusive growth, social wellbeing, and long-term prosperity. Through strategic initiatives in employee wellbeing, financial literacy and community outreach, we aim to create meaningful impact, bridge social gaps and drive positive change.

MATERIAL MATTERS

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

GOALS

Goal 1

Maintain and promote workforce diversity and maintain anti-discrimination culture

Goal 2

Integrate mental health as a topic of overall wellbeing of employees

Goal 3

Increase social impact towards marginalised and deserving communities through consistent programmes and initiatives

Goal 4

Expand investing literacy reach through online and offline channels



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EMPOWERING PEOPLE AND COMMUNITIES



DIVERSITY AND INCLUSION

Ensuring equal opportunities regardless of gender, race or background by creating a positive and equitable work environment where all employees can thrive.

WHY IT MATTERS

Embracing diversity and inclusion allows us to attract a wider talent pool while fostering new ideas and perspectives that help enhance our business. We aim to provide equal opportunities for all employees to succeed professionally, regardless of their age, gender, ethnicity and background.

Key Risks:

Non-compliance with labour laws on anti-discrimination and inclusivity can result in legal and reputational risks. Workforce inequities may undermine morale and engagement, while inadequate diversity and inclusion efforts may lead to higher turnover and challenges in attracting top talent.

Key Opportunities:

An inclusive workforce enhances branding by improving employee engagement, increasing retention, and attracting top talent, particularly those seeking purpose-driven roles. This cultivates a strong reputation and appeals to both employees and customers.

Key Activities:

- 52% of the overall workforce are female, with average gender pay ratio men to women of 1:0.92.
- Through our ongoing collaboration with LeadWomen, we were proud to support the inaugural LeadWomen APAC DEI Summit 2024.
- Recognised at the UN Women Asia-Pacific WEPs Awards with the Leadership Commitment Award.
- Conducted several initiatives in conjunction with International Women's Day 2024 to further promote gender equality among employees, including pop quizzes, the dissemination of online awareness material and the #InspireInclusion Strike a Pose challenge.



EMPLOYEE SAFETY, HEALTH AND WELLBEING

Ensuring the safety, health, and overall wellbeing of employees through implementing policies and practices that protect employees from workplace hazards and promote physical and mental health.

WHY IT MATTERS

We recognise the importance of prioritising our employees' health, safety and wellbeing, of our employees as it ensures regulatory compliance and enhances operational efficiency. It also fosters a responsible corporate culture that prioritises minimising risks and long-term resilience. We strive to nurture a safe working environment culture while advancing initiatives that support physical and emotional wellness.

Key Risks:

Failure to comply with health and safety regulations can lead to legal action and financial penalties. Poor workplace health practices contribute to higher absenteeism and reduced productivity. Additionally, neglecting health and safety concerns may raise investor apprehensions, influencing their investment choices.

Key Opportunities:

Emphasising employee wellbeing strengthens the Group's reputation as an employer of choice, attracting top talent and improving productivity. Prioritising health and safety further solidifies the commitment to responsibility and compliance, building trust with employees and investors.

Key Activities:

- Zero workplace injuries were reported in FY2024.
- Conducted our inaugural Employee Health Day, which featured wellness talks, physical health checks, and the promotion of health and wellbeing related products to employees.
- Established the Group Occupational Safety and Health Committee in November 2024.
- Conducted training on Fire Safety Awareness for the floor marshals.
- Expanded our programmes to encompass physical, financial, and social aspects, in addition to our existing mental health and wellbeing initiatives such as sessions on meditation, sound healing therapy, and financial wellness.

EMPOWERING PEOPLE AND COMMUNITIES



TALENT ATTRACTION, DEVELOPMENT, AND MANAGEMENT

Attracting, retaining and developing top talent by creating career development opportunities, providing training, and fostering a culture of continuous learning and growth.

WHY IT MATTERS

At Kenanga, we understand that a dynamic workforce is critical to our organisation's long-term success. We are dedicated to investing in our people by providing technical, professional, and personal development opportunities. This approach equips our employees with the knowledge and skills needed to excel in their careers.

Key Risks:

Attracting top talent for specialised roles can be challenging, leading to high turnover and understaffed teams. Rapid technological changes require ongoing employee development to avoid skill gaps. In addition, financial institutions risk non-compliance if they fail to adhere to strict recruitment and talent management regulations.

Key Opportunities:

Enhancing career growth, flexibility, work-life balance, and competitive compensation strengthens the employer brand and attracts top talent. Continuous upskilling and reskilling opportunities nurture a growth culture, while fostering a purpose-driven work environment.

Key Activities:

- Invested over RM2.7 million on training and development.
- Recorded over 42,000 training hours, with an average of 31.7 hours per employee.
- Supported 45 employees in obtaining professional certifications from various certification programmes, including Certification for Climate Risk by the Asian Institute of Chartered Bankers ("AICB"), Advanced Certification in Anti-Money Laundering and Counter Financing of Terrorism by AICB, Certification for Microsoft Azure Security Technologies by Iverson Malaysia, and Certification for Investment Management and Corporate Finance Programme by the Securities Industry Development Corporation.
- 244 employees took part in ESG and sustainability-related trainings with 1,019.9 training hours recorded.
- Hosted our inaugural Sustainability Day in 2024, a milestone event designed to enhance sustainability awareness and engagement among key stakeholders.
- Extended the Kenanga Leadership Programme, aimed at offering employees a comprehensive and targeted learning experience to develop their leadership capabilities, to include People Managers.
- Identified key successors guided by Kenanga's Talent and Succession Management Framework, ensuring a robust pipeline for critical roles.
- Leveraged on LinkedIn Learning platform, enabling employees to access curated, competency-based learning paths tailored to their roles and Individual Development Plans ("IDP"), building on the IDP initiative rolled out in 2023 for more targeted, role-based learning and talent development.



EMPOWERING PEOPLE AND COMMUNITIES



COMMUNITY INVESTMENT

Contributing to societal development through initiatives that prioritise the wellbeing of the communities where we operate, including supporting philanthropic efforts, participating in volunteerism and supporting local economies.

WHY IT MATTERS

Supporting local communities is essential for building stronger and more resilient societies where people can thrive. To achieve this, we engaged with communities in need by providing focused social investments and encouraging active employee volunteerism.

Key Risks:

Neglecting community interest and wellbeing can damage the Group's reputation, undermine stakeholders' trust, and may lead to negative publicity. This can result in missed growth opportunities, challenges in attracting top talent, and a weakened connection with key stakeholders.

Key Opportunities:

Community investment enhances the Group's reputation strengthens customer loyalty, attracts top talent, and expands market opportunities. It also fosters long-term partnerships and supports business sustainability.

Key Activities:

- Invested over RM640,000 in community outreach programmes benefitting over 2,740 people.
- Accumulated a total of 2,808 hours of volunteering service in 2024 through our employee volunteering programme.
- Kenanga Investors Berhad continued its collaboration with Dialogue Includes All Academy to host an immersive empathy workshop, with over 210 employees and advisers participating this year.



FINANCIAL INCLUSION

Making financial services accessible to underserved populations, ensuring that individuals and businesses, regardless of their socioeconomic status, have access to essential financial services.

WHY IT MATTERS

Financial inclusion, a key material issue within Kenanga's ESG framework, supports social equity in finance. It addresses financial access inequalities, aims to enhance livelihoods, and builds community resilience. Kenanga ensures that financial services are accessible, affordable, and meaningful, especially for underserved communities, leveraging digital solutions to bridge gaps in banking, investment, and wealth management.

Key Risks:

Limited financial inclusivity and literacy can restrict access to essential financial services, preventing businesses from reaching underserved segments. This may also lead to compliance risks and expose companies to financial fraud and scams, resulting in reputational damage and hindering growth.

Key Opportunities:

Expanding financial inclusivity and literacy to underserved segments enhances customer engagement and loyalty. Providing accessible financial education fosters informed decision-making among the investing community, strengthens relationships, and broadens market reach. Addressing financial literacy also ensures regulatory compliance, reduces fraud risks, and enhances the Group's reputation.

Key Activities:

- Shared investment knowledge through published articles, webinars, virtual roadshows, exhibitions and various social media platforms. Our financial literacy outreach initiative via social media garnered a total of 5,200,563 views.
- Launched digital platforms such as KDi GO to democratise access to financial solutions and promote financial inclusivity to reach underserved markets. As of December 2024, nearly 50% of our clients are women, 50% are from outside the Klang Valley area, and 90% of our users come from the B40 and M40 income groups.

Refer to pages 79 to 102 of our Sustainability Report 2024 for more information on our approach and progress on Empowering People and Communities.

BURSA MALAYSIA SUSTAINABILITY REPORTING DISCLOSURES

Indicator	Measurement Unit	2021	2022	2023	2024
Bursa (Supply chain management)					
Bursa C7(a) Proportion of spending on local suppliers	Percentage	80.00	76.00	82.00	83.00
Bursa (Anti-corruption)					
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Key Management	Percentage	-	-	86.20	98.00
Senior Management	Percentage	-	-	80.50	90.70
Middle Management	Percentage	-	-	91.80	94.80
Junior Management	Percentage	-	-	91.50	86.70
Non-Executive	Percentage	-	-	36.60	37.40
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0	2
Bursa (Data privacy and security)					
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	0
Bursa (Energy management)					
Bursa C4(a) Total energy consumption	Megawatt	0.00	0.00	0.00	0.00
Total Energy Consumption	Gigajoules	12,520.60	17,890.30	19,389.90	19,213.20
Bursa (Emissions management)					
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	29.30	40.60	43.40	42.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	2,549.60	3,284.80	3,596.10	2,226.20
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	187.70	210.90	4,765.20	4,373.70
Bursa (Waste management)					
Bursa C10(a) Total waste generated	Metric tonnes	-	19.97	32.88	36.24
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	0.00	0.00	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	19.97	32.88	36.24

Internal assurance External assurance No assurance

(*)Restated

BURSA MALAYSIA SUSTAINABILITY REPORTING DISCLOSURES

Indicator	Measurement Unit	2021	2022	2023	2024
Bursa (Water)					
Bursa C9(a) Total volume of water used	Megalitres	18.500000	29.500000	42.200000	40.600000
Bursa (Diversity)					
Bursa C3(a) Percentage of employees by gender and age group, for each employee category					
Age Group by Employee Category					
Key Management	Percentage	0.00	0.00	0.00	0.00
Below 30	Percentage	5.90	15.00	0.00	0.00
30-39	Percentage	11.80	15.00	27.80	26.30
40-50	Percentage	82.30	70.00	72.20	73.70
Above 50	Percentage	0.00	0.00	0.00	0.00
Senior Management	Percentage	2.30	2.50	4.80	4.70
Below 30	Percentage	46.50	52.50	50.00	48.80
30-39	Percentage	51.20	45.00	45.20	46.50
40-50	Percentage	0.40	1.60	0.60	0.80
Above 50	Percentage	33.60	33.80	31.20	31.00
Senior Management	Percentage	36.50	35.80	39.00	40.60
Below 30	Percentage	29.50	28.80	29.20	27.60
30-39	Percentage	46.40	42.20	40.40	41.60
40-50	Percentage	23.60	26.90	28.50	27.90
Above 50	Percentage	22.10	21.10	20.00	18.40
Junior Management	Percentage	7.90	9.80	11.10	12.00
Below 30	Percentage	7.20	7.80	5.60	6.10
30-39	Percentage	23.20	20.00	18.70	19.20
40-50	Percentage	39.90	37.40	40.20	29.30
Above 50	Percentage	29.70	34.80	35.50	45.50

Internal assurance External assurance No assurance

(*)Restated

BURSA MALAYSIA SUSTAINABILITY REPORTING DISCLOSURES

Indicator	Measurement Unit	2021	2022	2023	2024
Gender Group by Employee Category					
Key Management Male	Percentage	70.60	70.00	66.70	63.20
Key Management Female	Percentage	29.40	30.00	33.30	36.80
Senior Management Male	Percentage	60.50	60.00	59.50	62.80
Senior Management Female	Percentage	39.50	40.00	40.50	37.20
Middle Management Male	Percentage	46.60	47.50	46.60	45.60
Middle Management Female	Percentage	53.40	52.50	53.40	54.40
Junior Management Male	Percentage	47.40	46.70	47.00	45.80
Junior Management Female	Percentage	52.60	53.30	53.00	54.20
Non-Executive Male	Percentage	60.90	66.10	70.10	69.70
Non-Executive Female	Percentage	39.10	33.90	29.90	30.30
Bursa C3(b) Percentage of directors by gender and age group					
Male	Percentage	-	75.00	75.00	67.00
Female	Percentage	-	25.00	25.00	33.00
50-59	Percentage	-	25.00	25.00	11.00
60-69	Percentage	-	50.00	50.00	56.00
Above 70	Percentage	-	25.00	25.00	33.00
Bursa (Labour practices and standards)					
Bursa C6(a) Total hours of training by employee category					
Key Management	Hours	-	-	1,310	1,477
Senior Management	Hours	-	-	1,509	2,145
Middle and Junior Management	Hours	-	-	36,231	37,666
Non-Executive	Hours	-	-	1,018	1,006
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	-	-	14.40	13.60
Bursa C6(c) Total number of employee turnover by employee category					

BURSA MALAYSIA SUSTAINABILITY REPORTING DISCLOSURES

Indicator	Measurement Unit	2021	2022	2023	2024
Bursa C6(c) Total number of employee turnover by employee category					
Key Management	Number	2	2	1	0
Senior Management	Number	5	5	3	1
Middle Management	Number	47	71	61	66
Junior Management	Number	106	149	129	74
Non-Executive	Number	8	22	14	1
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	0
Bursa (Health and safety)					
Bursa C5(a) Number of work-related fatalities	Number	-	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	-	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	34	91	18
Bursa (Community/Society)					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	689,000.00	180,344.50	636,809.93	648,226.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	447	4,000	2,700	2,740

FOUNDER EMERITUS & ADVISER'S PROFILE

YM TAN SRI DATO' PADUKA TENGKU NOOR ZAKIAH TENGKU ISMAIL

Founder Emeritus & Adviser

Malaysian | Female | 97



**“THERE
MUST BE
PASSION FOR
THE JOB AND
A SENSE OF
TRIUMPH
WITH EVERY
PUSH
FORWARD”**

DATE OF APPOINTMENT

1 February 2017
(Founder & Adviser of
Kenanga Group)

27 January 2021
(Founder Emeritus & Adviser of
Kenanga Group)

FOUNDER EMERITUS & ADVISER'S PROFILE

BIOGRAPHY

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

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

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

YM Tan Sri Dato' Paduka Tengku Noor Zakiah was conferred the ‘Lady Extraordinaire Award 2014’ by the Ministry of Women, Family and Community Development Malaysia in recognition of her remarkable and exceptional contributions and achievements in the field of stockbroking. She also received the ‘Ikon Peniagawati 2015’ award from the Association of Bumiputera Women in Business and Profession, Malaysia (PENIAGAWATI) in recognition of her entrepreneurship, and for being the first (1st) Bumiputera lady in the field of stockbroking in Malaysia, where she has served for more than five (5) decades, since 1964. For being a pioneer in the industry, she was awarded an entry to the Malaysia Book of Records as ‘The First Female Entrepreneur To Start Up A Stockbroking Company’. She was awarded ‘Top 10 Asia – Outstanding Personality Award 2019’ by Research House Asia for her contributions to the local financial and corporate world. The award was presented by YB Tuan Muhammad Bakhtiar bin Wan Chik, Deputy Minister of Tourism, Arts and Culture Malaysia. In 2024, she was awarded The BrandLaureate Brand Icon Leadership Award 2024 – Legendary Icon – Pride of the Nation Brand Icon Leadership Award at the BrandLaureate Awards, a prestigious accolade that celebrates her outstanding contributions and unwavering commitment to the business community and the nation.

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

PROFILES OF DIRECTORS

YAM TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL

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

Date of Appointment:
1 July 2020

**Length of Tenure as Director
(As at 31 March 2025):**
Four (4) Years Nine (9) Months

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

Membership of Board Committee(s):
Nil



73

Number of Board Meetings Attended in 2024: 12/12

Academic & Professional Qualification(s)

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

Award

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

Present Appointment(s)

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

Past Relevant Experiences

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

Declaration

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

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2024.

PROFILES OF DIRECTORS

ISMAIL HARITH MERICAN

Non-Independent Non-Executive
Director

Date of Appointment:
26 August 2010

**Length of Tenure as Director
(As at 31 March 2025):**
Fourteen (14) Years and Seven (7) Months

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

Membership of Board Committee(s):
Member of the Group Governance,
Nomination & Compensation
Committee



74

Number of Board Meetings Attended in 2024: 10/12

Academic & Professional Qualification(s)

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

Present Appointment(s)

- Director of Topaz GoldTree Sdn Bhd
- Managing Director of Zubaimas Realty Sdn Bhd
- Director of Alangseh Sdn Bhd

Past Relevant Experiences

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

Declaration

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

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

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2024.

PROFILES OF DIRECTORS

**LUK WAI HONG,
WILLIAM**

Non-Independent Non-Executive
Director

Date of Appointment:

- 1 November 2013 (Independent Non-Executive Director)
- 1 November 2022 (Re-designated as a Non-Independent Non-Executive Director)

Length of Tenure as Director

(As at 31 March 2025):
Eleven (11) Years and Five (5) Months

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

Nil

Membership of Board Committee(s):

- Member of the Group Board Risk Committee
- Member of the Group Board Digital Innovation & Technology Committee



61

Number of Board Meetings Attended in 2024: 12/12

Academic & Professional Qualification(s)

- Bachelor of Arts (Honours), Concordia University, Montreal, Canada
- Masters of Urban Planning, University of Michigan, United States of America ("USA")
- Executive Fellowship awarded by the State of Washington, USA

Present Appointment(s)

- Director of Far East Mining Pte Ltd
- Director of Investment of Cotton Tree Capital Ltd
- Non-Independent Non-Executive Director of Kenanga Investors Berhad ("KIB"), a wholly-owned subsidiary of KIBB
- Chairman and Non-Independent Non-Executive Director of Eq8 Capital Sdn Bhd, a wholly-owned subsidiary of KIB
- Chairman of Investment Committee of KIB
- Member of the Audit and Risk Committee of KIB

Past Relevant Experiences

- Chairman of the Group Board Risk Committee as well as Member of the Audit Committee, Group Governance, Nomination & Compensation Committee and Employees' Share Scheme Committee, KIBB
- Independent Non-Executive Director, K & N Kenanga Holdings Berhad
- Principal and Portfolio Manager of Pacific Advantage Capital, Hong Kong and Singapore
- Managing Director and Co-Head of Saba Proprietary Trading Group Asia in Deutsche Bank AG, Hong Kong
- Managing Director and Co-Head of Global Credit Trading and Principal Finance Asia in Deutsche Bank AG, Singapore
- Director and Head of Structured Credit Trading and Principal Finance Asia in Deutsche Bank AG, Singapore
- Senior Associate Director and Senior Credit and Derivatives Trader in Deutsche Bank AG, Singapore
- Senior Fixed Income Trader in HSBC Markets, Hong Kong
- Fixed Income and Credit Trader in Lehman Brothers Asia, Hong Kong and Japan
- Executive Fellow and Transportation Finance Specialist in the Office of Financial Management in the State of Washington, USA

Declaration

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

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2024.

PROFILES OF DIRECTORS

**JEREMY
NASRULHAQ**

Senior Independent Non-Executive
Director

Date of Appointment:

1 June 2017

Length of Tenure as Director

(As at 31 March 2025):
Seven (7) Years and Ten (10) Months

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

Nil

Membership of Board Committee(s):

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



71

Number of Board Meetings Attended in 2024: 12/12

Academic & Professional Qualification(s)

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

Present Appointment(s)

- Nil

Past Relevant Experiences

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

Declaration

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

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2024.

PROFILES OF DIRECTORS

**NORAZIAN AHMAD
TAJUDDIN**

Independent Non-Executive Director

Date of Appointment:
15 December 2017

**Length of Tenure as Director
(As at 31 March 2025):**
Seven (7) Years and Three (3) Months

**Shareholding in Kenanga Investment
Bank Berhad ("KIBB"):**
10,000 Shares

Membership of Board Committee(s):

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



64

Number of Board Meetings Attended in 2024: 12/12

Academic & Professional Qualification(s)

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

Present Appointment(s)

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

Past Relevant Experiences

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

Declaration

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

She has never been charged for any offence within the past five (5) years nor has she had any public sanction and/ or penalty imposed on her by any relevant regulatory bodies during the Financial Year Ended 31 December 2024.

PROFILES OF DIRECTORS

**KANAGARAJ
LORENZ**

Independent Non-Executive Director

Date of Appointment:
26 December 2017

**Length of Tenure as Director
(As at 31 March 2025):**
Seven (7) Years and Three (3) Months

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

Membership of Board Committee(s):

- Chairman of the Group Board Digital Innovation & Technology Committee
- Member of the Audit Committee
- Member of the Group Board Risk Committee



67

Number of Board Meetings Attended in 2024: 12/12

Academic & Professional Qualification(s)

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

Present Appointment(s)

Nil

Past Relevant Experiences

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

Declaration

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

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2024.

PROFILES OF DIRECTORS

CHOY KHAI CHOON

Non-Independent Non-Executive
Director

Date of Appointment:
13 December 2021

**Length of Tenure as Director
(As at 31 March 2025):**
Three (3) Years and Three (3) Months

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

Membership of Board Committee(s):

- Member of the Group Governance, Nomination & Compensation Committee
- Member of the Group Board Risk Committee
- Member of the Group Board Digital Innovation & Technology Committee



67

Number of Board Meetings Attended in 2024: 12/12

Academic & Professional Qualification(s)

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

Present Appointment(s)

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

Declaration

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

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2024.

PROFILES OF DIRECTORS

CHIN SIEW SIEW

Independent Non-Executive Director

Date of Appointment:
1 June 2022

**Length of Tenure as Director
(As at 31 March 2025):**
Two (2) Years Ten (10) Months

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

Membership of Board Committee(s):

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



60

Number of Board Meetings Attended in 2024: 12/12

Academic & Professional Qualification(s)

- Bachelor of Science in Computer Science from University of Arkansas, United States of America

Present Appointment(s)

- Independent Non-Executive Director of AIG Malaysia Insurance Berhad
- Independent Non-Executive Director of Southern Steel Berhad ("SSB") and also serves as the Chairperson of SSB's Nomination Committee, as well as member of Audit and Risk Committee

Past Relevant Experiences

- Chief Digital Officer for IBM Malaysia
- Regional Sales Leader for IBM ASEAN Region
- Business Operation Leader for IBM ASEAN Region
- General Manager for Global Technology Services, IBM Malaysia

Declaration

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

She has never been charged for any offence within the past five (5) years nor has she had any public sanction and/ or penalty imposed on her by any relevant regulatory bodies during the Financial Year Ended 31 December 2024.

PROFILES OF DIRECTORS

ANGELINE-ONG SU MING

Independent Non-Executive Director

Date of Appointment:
4 June 2024

**Length of Tenure as Director
(As at 31 March 2025):**
Ten (10) Months

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

Membership of Board Committee(s):

- Member of the Group Board Risk Committee (Appointed on 1 August 2024)



52

Number of Board Meetings Attended in 2024: 7/7

Academic & Professional Qualification(s)

- Master of Science in Financial Engineering & Quantitative Analysis (Distinction), The University of Reading, United Kingdom
- Bachelor of Science in Accounting & Financial Analysis (1st Class Hons), The University of Warwick, United Kingdom
- Chartered Financial Analyst ("CFA"), CFA Institute, United States of America

Past Relevant Experiences

- Asia Pacific Head of Liquidity & Investments Client Solutions, Liquidity Management Services, Treasury & Trade Solutions, Citicorp Investment Bank (Singapore) Limited
- Asia Head of Derivatives Sales & Structuring, Markets, Citicorp Investment Bank (Singapore) Limited
- Head of Corporate Sales & Structuring, Markets, Citibank Berhad

Present Appointment(s)

Nil

Declaration

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

She has never been charged for any offence within the past five (5) years nor has she had any public sanction and/ or penalty imposed on her by any relevant regulatory bodies during the Financial Year Ended 31 December 2024.

GROUP MANAGING DIRECTOR'S PROFILE

DATUK CHAY WAI LEONG

Group Managing Director
Singaporean, Permanent Resident of Malaysia
| Male | 61

Date of Appointment:
17 May 2011

**Security Holding in Kenanga
Investment Bank Berhad ("KIBB"):**
7,820,000 Ordinary Shares



Academic & Professional Qualification(s)

- Bachelor of Business Administration (Major in Finance) (1987), National University of Singapore

Directorship(s) in Public Company(ies)

- K & N Kenanga Holdings Berhad

Present Appointment(s)

- Bursa Malaysia Berhad
- Member of Sustainability and Development Committee

Past Relevant Experiences

- Securities Industry Development Corporation
- Director (September 2010 - June 2024)
- Bursa Malaysia Berhad
- Independent Non-Executive Director (March 2013 - March 2019)
- Bursa Malaysia Derivatives Berhad
- Non-Executive Director (September 2015 - March 2019)
- Bursa Malaysia Derivatives Clearing Berhad
- Non-Executive Director (September 2015 - March 2019)
- RHB Investment Bank Berhad
- Managing Director, RHB Investment Banking (2006 - 2011)
- RHB Banking Group
- Director of Corporate and Investment Banking (2006 - 2011)
- Standard Bank Group
- Country Head, Malaysia and Head of Regional Origination for Southeast Asia (2002 - 2006)
- JPMorgan Chase Bank
- Director, Head of Investment Banking Malaysia (2000 - 2002)
- Jardine Fleming, Hong Kong
- Director, Investment Banking (1990 - 2000)
- Bankers Trust, Singapore
- Senior Investment Analyst (1987 - 1990)

Declaration

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

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2024.

SENIOR MANAGEMENT PROFILES



DATUK ROSLAN HJ TIK

Executive Director,
Head of Group Investment Banking and Islamic Banking
Malaysian | Male | 56

Date of Appointment

16 May 2011

Qualification(s)

- Bachelor of Science in Combined Studies (Accounting with Law) (1992), De Montfort University, Leicester, United Kingdom
- Advanced Certificate in Management, Massachusetts Institute of Technology, Boston, United States of America ("USA")

Directorship(s) In Public Company(ies)

- K & N Kenanga Holdings Berhad

Relevant Experiences

- RHB Investment Bank Berhad
 - Division Head/ Senior Vice President, Corporate and IB Services (2004 - 2011)
- KAF Discounts Berhad
 - General Manager, Debt Capital Markets (2001 - 2004)
- Malaysian Rating Corporation Berhad
 - Vice President, Corporate Debt (1996 - 2001)
- Rating Agency Malaysia Berhad
 - Analyst, Rating Department (1994 - 1996)
- Maybank Finance Berhad
 - Officer, Corporate Marketing/ Share Margin Trading Unit (1993)

Present Appointment(s)

- Representing KIBB as the Council Member of Malaysian Investment Banking Association ("MIBA") (Alternate Representative)
- Representing MIBA to the Chartered Institute of Islamic Finance Professionals (CIIF)'s Charter Governing Panel
- Board of Trustees of Capital Market Development Fund (CMDF)



DATUK LEE KOK KHEE

Executive Director,
Head of Group Equity Business
Malaysian | Male | 57

Date of Appointment

19 May 2011

Qualification(s)

- Certified Public Accountant (1993), The Malaysian Institute of Certified Public Accountants

Directorship(s) In Public Company(ies)

- ECML Berhad

Relevant Experiences

- Tokyo Mitsubishi International (Singapore) Ltd
 - Vice President, Merger and Acquisition (1999 - 2000)
- Arab-Malaysian Merchant Bank Berhad
 - Senior Manager, Corporate Finance (1992 - 1998)
- Ernst & Young
 - Senior Auditor (1988 - 1992)

Present Appointment(s)

- Nil



DATUK WIRA ISMITZ MATTHEW DE ALWIS

Chief Executive Officer/ Executive Director,
Kenanga Investors Berhad
Malaysian | Male | 51

Date of Appointment

10 February 2015

Qualification(s)

- ABS Executive Education (2017), University of Cambridge, United Kingdom
- Advanced Business Management Programme (2013), International Institute of Management Development (IMD) Lausanne, Switzerland
- Islamic Financial Planner (2018), Islamic Business & Finance Institute Malaysia
- Certified Financial Planner, USA (2002)
- Master in Business Administration with Distinction (1999), Southern Cross University Australia
- Bachelor of Business Administration (Economics and Finance) (1996), Royal Melbourne Institute of Technology, Australia
- Graduate Diploma in Marketing (1995), Chartered Institute of Marketing, United Kingdom

Directorship(s) In Public Company(ies)

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

Relevant Experiences

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

Present Appointment(s)

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

SENIOR MANAGEMENT PROFILES



MAHESWARI A/P G KANNIAH

Group Chief Regulatory and Compliance Officer
Malaysian | Female | 64

Date of Appointment

1 June 2011

Qualification(s)

- Chartered Banker, Asian Institute of Chartered Bankers and the Chartered Banker Institute, United Kingdom
- Fellow (Life) of the Institute of Corporate Directors Malaysia ("ICDM")
- Certified Fraud Examiner (CFE), Association of Certified Fraud Examiners ("ACFE"), USA/Malaysia
- Fellow Chartered Secretary and Chartered Governance Professional of the Chartered Governance Institute, United Kingdom
- Fellow of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA")
- Certified Expert in ESG and Impact Investing, Frankfurt School of Finance & Management
- Certified Capital Market Professional - Compliance Advocate
- Specialist Diploma in Company Secretarial Practice

Directorship(s) In Public Company(ies)

- Turiya Berhad

Relevant Experiences

- RHB Investment Bank Berhad
 - Senior Vice President/ Head, Compliance (2007 - 2011)
- Malayan Banking Berhad
 - Vice President/ Head of Group Compliance (2007)
- Maybank Investment Bank Berhad
 - Vice President/ Head of Compliance Supervision (2002 - 2007)
- Malayan Banking Berhad
 - Corporate Services Department (1978 - 2002)

Present Appointment(s)

- Board of Regents, ACFE, USA
- Board Member of ICDM
- Member of the Audit and Risk Management Committee of ICDM
- Chairman of the Membership Committee of ICDM
- Member of the Risk Management Committee of University Malaya
- Adviser to the ACFE, Malaysian Chapter
- Council Member of MAICSA
- Deputy Chairman of Editorial Board of MAICSA
- Deputy Chairman of Conference Organising Committee of MAICSA
- Member of the Membership Committee of MAICSA

SENIOR MANAGEMENT PROFILES



CHEONG BOON KAK

Group Chief Financial and Operations Officer

Malaysian | Male | 55

Date of Appointment

1 November 2016

Qualification(s)

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

Directorship(s) In Public Company(ies)

- Kenanga Trustees Berhad
- K & N Kenanga Holdings Berhad

Relevant Experiences

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

Present Appointment(s)

- Nil



AZILA ABDUL AZIZ

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

Malaysian | Female | 56

Date of Appointment

1 December 2012

Qualification(s)

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

Directorship(s) In Public Company(ies)

- Nil

Relevant Experiences

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

Present Appointment(s)

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



CYNTHIA WOON CHENG YEE

Head of Group Treasury

Malaysian | Female | 59

Date of Appointment

25 May 2017

Qualification(s)

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

Directorship(s) In Public Company(ies)

- Nil

Relevant Experiences

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

Present Appointment(s)

- Nil

SENIOR MANAGEMENT PROFILES



NIK HASNIZA NIK IBRAHIM

Group Chief Human Resource Officer

Malaysian | Female | 59

Date of Appointment

1 July 2014

Qualification(s)

- Bachelor of Science in Computer Science (1987), Indiana University, Indiana, United States of America

Directorship(s) In Public Company(ies)

- Nil

Relevant Experiences

- Kuwait Finance House Malaysia Berhad
 - Head, Human Capital (2012 - 2014)
- INTI Education Group
 - Senior Vice President, Group Human Resource (2009 - 2012)
- Watson Wyatt (Malaysia) Sdn Bhd
 - Senior Advisor, Human Capital Group (“HCG”) (2009)
- RHB Banking Group
 - Head, Group Human Resource (2008 - 2009)
- Watson Wyatt (Malaysia) Sdn Bhd
 - Senior Consultant, HCG (2006 - 2008)
- Mesiniaga-SCS Sdn Bhd
 - General Manager/ Director (1999 - 2006)
- Mesiniaga-Tactics Sdn Bhd
 - General Manager (1995 - 1998)
- Mesiniaga Sdn Bhd
 - Programmer Analyst, Systems Analyst, Development Services Manager and Business Development Manager (1987 - 1995)

Present Appointment(s)

- Nil

SENIOR MANAGEMENT PROFILES



WOO KING HUAT
Chief Credit Officer

Malaysian | Male | 54

Date of Appointment
1 July 2015

Qualification(s)

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

Directorship(s) In Public Company(ies)

- Nil

Relevant Experiences

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

Present Appointment(s)

- Nil



TERENCE TAN KIAN MENG
Group Chief Internal Auditor

Malaysian | Male | 56

Date of Appointment
17 January 2011

Qualification(s)

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

Directorship(s) In Public Company(ies)

- Nil

Relevant Experiences

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

Present Appointment(s)

- Nil



CHUAH SZE PHING
Group Chief Sustainability Officer and
Head of Group Marketing and Communications

Malaysian | Female | 48

Date of Appointment
1 September 2012

Qualification(s)

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

Directorship(s) In Public Company(ies)

- Nil

Relevant Experiences

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

Present Appointment(s)

- Nil



NORLIZA ABD SAMAD
Group Company Secretary

Malaysian | Female | 59

Date of Appointment
19 November 2012

Qualification(s)

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

Directorship(s) In Public Company(ies)

- Nil

Relevant Experiences

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

Present Appointment(s)

- Nil

SENIOR MANAGEMENT PROFILES



TAI YAN FEE
Group Chief Risk Officer

Malaysian | Male | 53

Date of Appointment
1 August 2017

Qualification(s)

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

Directorship(s) In Public Company(ies)

- Nil

Relevant Experiences

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

Present Appointment(s)

- Nil



VAITHIYANATHAN MADAVAN
Chief Operations Officer

Malaysian | Male | 54

Date of Appointment
1 October 2024

Qualification(s)

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

Directorship(s) In Public Company(ies)

- ECML Berhad

Relevant Experiences

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

Present Appointment(s)

- Nil



IAN W. LLOYD
Chief Executive Officer/ Executive Director,
Kenanga Digital Sdn Bhd

American | Male | 42

Date of Appointment
3 January 2022

Qualification(s)

- Master of Business Administration (MBA) (2010), Warwick Business School, University of Warwick, United Kingdom
- MSc, Information Systems & Technology (2006), Drexel University, Pennsylvania, USA

Directorship(s) In Public Company(ies)

- Nil

Relevant Experiences

- MatchMove Pay (Singapore & Malaysia)
 - Vice President, Head of Banking-as-a-Service (BaaS) Strategy & Delivery (2019 - 2021)
- CIMB (Malaysia)
 - Digital Entrepreneur in Residence & Group Enterprise Architect (2016 - 2019)
- Deloitte (United Kingdom)
 - Business & Technology Consulting Advisor, Financial Services (2011 - 2016)

Present Appointment(s)

- Nil



LOW JIA YEE
Chief Technology Officer

Malaysian | Male | 42

Date of Appointment
9 May 2022

Qualification(s)

- Bachelor of Software Engineering (2003), Coventry University, United Kingdom

Directorship(s) In Public Company(ies)

- Nil

Relevant Experiences

- MetLife, Inc.
 - Head of Product and Platform Engineering Asia (2022)
 - Head of Enterprise Architecture Asia (2019 - 2021)
- DHL
 - Principal Architect (2012 - 2019)
- Hewlett-Packard
 - Development Manager (2011 - 2012)
 - Software Architect (2009 - 2011)
- Firium Solution Sdn Bhd
 - Technical Lead (2006 - 2009)
- Others
 - Software Engineer (2003 - 2006)

Present Appointment(s)

- PIKOM (The National Tech Association of Malaysia) CIO Chapter Member

Unless otherwise stated herein

- All members of the Senior Management Team do not have any family relationships with any Director and/ or major shareholder of KIBB.
- None of the Senior Management personnel have conflict of interest or potential conflict of interest, including interest in any competing business with KIBB or its subsidiaries.
- None of the Senior Management personnel have been convicted of any offence within the past five (5) years nor have they been imposed any penalty by the relevant regulatory bodies during the Financial Year Ended 31 December 2024.
- Directorship indicated herein reflects the directorship in public companies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

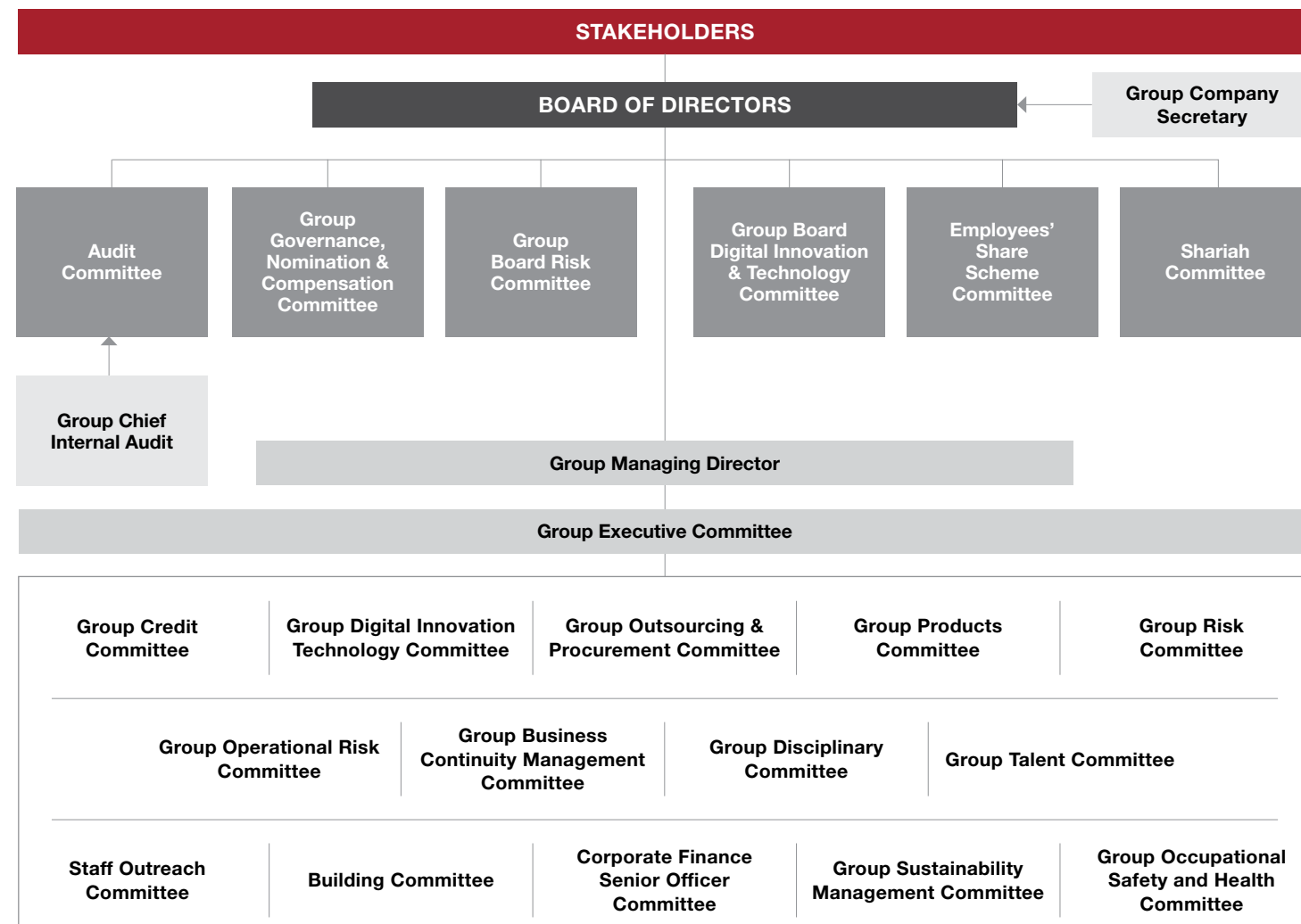
CORPORATE GOVERNANCE IS REGARDED BY THE BOARD OF DIRECTORS (“**BOARD**”) AS VITAL TO THE SUCCESS OF THE BUSINESS OF KENANGA INVESTMENT BANK BERHAD (“**KIBB**” OR “**THE COMPANY**”). THEREFORE, THE BOARD IS UNRESERVEDLY COMMITTED TO APPLYING THE PRINCIPLES NECESSARY TO ENSURE THAT THE PRINCIPLES OF GOOD GOVERNANCE ARE PRACTISED IN ALL OF THE COMPANY’S BUSINESS DEALINGS AND OPERATIONS.

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

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

CORPORATE GOVERNANCE FRAMEWORK

■ Board Committees □ Management Committees



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A

Board Leadership and Effectiveness

Board Responsibilities

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

The Board’s key responsibilities include -

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Reserved Matters

The Board's key activities during the Financial Year Ended 31 December 2024, included amongst others, reviewing, deliberating, recommending and approving where appropriate, key matters as outlined below.

Strategy/ Financials

- Budget and Business Plan for KIBB Group for the Financial Year Ending 31 December 2025
- Proposals on New Investments/ Business Collaborations/ New Business Initiatives/ New Joint Venture/ Corporate Exercises and Subsequent Updates
- Monthly Management Accounts
- Quarterly Financial Results
- Waiver of Intercompany Balance for Dormant Companies
- Audited Financial Statements for the Financial Year Ended 31 December 2023 and the Reports for the Directors and Auditors
- Proposed Dividend for the Financial Year Ended 31 December 2023
- Representation Letter to Ernst & Young PLT (“EY”) in Relation to the Audit for the Financial Year Ended 31 December 2023
- Re-Appointment of External Auditors and Audit Fees for the Financial Year Ended 31 December 2024
- Report on Non-Budgeted Expenditure Exceeding RM250,000
- 2024 Equity Derivatives' Business Plan and Proposed Market Risk Limits
- Reports on Associate and Joint Venture Companies
- Renewal of Solvency Statement in Relation to the Share Buy-Back Exercise
- Provision of Financial Support and Contingency Funding for Subsidiaries
- Update on Utilisation of Treasury Shares for Settlement of Employees' Share Option Scheme (“ESOS”)
- Annual Impairment Assessment of Goodwill and Intangibles for the Financial Year Ended 31 December 2024
- Share Buy-Back Statement in Relation to the Proposed Renewal of Authority for the Company to Purchase Its Own Shares of Up to 10% of the Total Number of Issued Shares of the Company
- Appointment of EY as the External Consultant for the Development and Implementation of Climate Risk Scenario Analysis
- Appointment of a Certification Body for the Purpose of Obtaining ISO 37001:2016 Anti-Bribery Management System Certification for KIBB
- Proposed Increase in the Quantum of Share Buy-Back and Renewal of Solvency Statement in Relation to the Share Buy-Back Exercise

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Risk, Compliance and Oversight

- Monthly Regulatory Reports and Compliance Reports
- Regulatory Audit/ Examinations Reports
- Monthly Risk Management Reports
- Year-End Status of Annual Work Plan 2023 of Group Regulatory and Corporate Services
- Statement on Risk Management and Internal Control (“SORMIC”) and Representation Letter to the External Auditors
- Recovery Time Objectives (“RTO”) and Maximum Tolerable Downtime (“MTD”) for Critical Business Functions/ Systems 2024
- Business Continuity Plan and Disaster Recovery Plan Test Matrix 2024
- Interim Dividend for the Financial Year Ended 31 December 2023
- Update on Limit Down Issues
- Revision to the Group Business Continuity Management Committee's Term of Reference
- Monthly Reports on Kenanga Investment Bank Berhad's Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities
- Internal Capital Adequacy Assessment Process (“ICAAP”) 2023 (with BNM Semi-Annual Stress Testing Report 31 December 2023 embedded)
- Asset and Liability Management Policy Update
- Review of Financial Markets Product Framework (“FMPF”) and Linear Combination Product Programme (“LCPP”)
- Operational Risk Capital Charge Assessment for Year 2023
- Pillar 3 Disclosure as at 31 December 2023
- Submission of Leveraged Collar as Live Example for LCPP to BNM
- BNM's Net Stable Funding Ratio (“NSFR”) Thematic Review and Follow-Up Status Update
- Structured Financing Product Programme (“SFPP”)
- 2024 Equity Derivatives Business Plan and Market Risk Limits Review
- Submission of Protected Financing as Live Example for SFPP to BNM
- Operational Risk Scenario Analysis Assessment 2024
- Revision to the Technology Risk Management Framework
- BNM's Semi-Annual Stress Testing Report for Position as at 30 June 2024
- Independent Price Verification for Imagine System
- Revision to the Group Operational Risk Committee's Terms of Reference
- Underlying Suitability Assessment – Master Framework
- RTO and MTD for Critical Business Functions and Systems 2025
- Revision to the Cyber Resilience Framework
- ICAAP Trigger Event – Notification of Tier-1 Capital Ratio Deviation and Endorsement of the Proposed Action Plan
- Rollover of the Skim Perbankan Islam Structured Placement with Kenanga Investors Berhad (“KIB”), a Wholly Owned Subsidiary of KIBB and Extension of KIB as the Designated Fund Manager to Manage This Fund via a Shariah Compliant Non-Discretionary Investment Management Mandate

Governance

- Appointment and Re-Appointments of Directors within KIBB Group
- Holistic Review of the Compositions of the Boards and Board Committees of KIBB Group
- Revision to the Terms of Reference of Board Committees
- Reports by Board Committees on Matters Discussed at the Respective Board Committees' Meetings
- Retirement of Directors of KIBB and Its Subsidiaries at the Annual General Meetings of the Respective Entities
- Assessment on the Fitness and Propriety and Nomination of Members of Shariah Committee of KIBB and Review of Their Remuneration
- Directors' Training Calendar for 2024 and Quarterly Status Report on KIBB Group Directors' Training for 2023/ 2024
- Disclosures for 2023 Annual Report
- Remuneration and Benefits for Directors of KIBB Group
- Notification by Directors and Principal Officers in Relation to Dealings in the Securities of KIBB
- Key Human Resource Matters
 - Review of the List of Management Key Responsible Persons (“KRPs”) of KIBB Group as of 1 January 2024
 - 2023 Performance Appraisal and Annual Assessment on Fit and Proper for GMD, Group Chief Regulatory and Compliance Officer, Management KRPs, Head of Group Compliance and Group Company Secretary
 - Renewal of Group Staff Insurance Policies for 2025
 - 2024 Balanced Scorecards for Management KRPs
 - 2023 Performance Bonus and 2024 Annual Salary Increment
 - Updates on Management KRPs' Succession Plan
 - Re-Appointment of YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail as Adviser of KIBB
 - Identification and Updating of the List of Material Risk Takers and List of Other Material Risk Takers within KIBB Group
 - Review of Material Risk Takers and Other Material Risk Takers Compensation

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Separation of the Roles of Chairman and GMD

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

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

Board Composition

The Board of KIBB currently comprises the following nine (9) members, six (6) of whom are Independent Non-Executive Directors ("INEDs") and the remaining three (3) are Non-Independent Non-Executive Directors ("NINEDs"):

- ▶ **YAM TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL**
Chairman, INED
- ▶ **ENCIK ISMAIL HARITH MERICAN**
NINED
- ▶ **MR. LUK WAI HONG, WILLIAM**
NINED
- ▶ **ENCIK JEREMY NASRULHAQ**
Senior INED
- ▶ **PUAN NORAZIAN AHMAD TAJUDDIN**
INED
- ▶ **MR. KANAGARAJ LORENZ**
INED
- ▶ **MR. CHOY KHAI CHOON**
NINED
- ▶ **MADAM CHIN SIEW SIEW**
INED
- ▶ **MS. ANGELINE-ONG SU MING**
INED (Appointed as an INED on 4 June 2024)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

At the moment, the Board is represented by three (3) or 33% women Directors, namely Puan Norazian Ahmad Tajuddin, Madam Chin Siew Siew and Ms. Angeline-Ong Su Ming.

Tenure of Independent Directors

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

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

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

In this regard, the GNC and the Board have always been cognisant of the need for the compositions of the Board and Board Committees of entities within KIBB Group to be periodically reviewed for purposes of succession planning and Board refresh.

The profile of each Director is available on pages 62 to 70 of this Integrated Annual Report 2024.



SNAPSHOT OF THE BOARD'S PROFILE

Board Balance and Composition

Ratio of Independent Directors (3) vs **Non-Independent Directors** (3)

Gender Diversity on Board

Number of Independent Directors under Different Tenure (as at 31 March 2025)

Directors' Nationality

8 Malaysian, 1 Hong Kong

Skills and Experience

Number of Directors under Different Age Group (as at 31 March 2025)

Ethnicity

Number of Directors under Different Tenure (as at 31 March 2025)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board and Board Committee Meetings

In 2024, twelve (12) Board meetings were held, three (3) of which were special meetings which were convened to discuss and consider urgent proposals that required the Board's expeditious deliberation and consideration.

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

During the Financial Year Ended 31 December 2024, eight (8) out of the nine (9) Directors of the Company attended 100% of the Board meetings convened, demonstrating a strong commitment and dedication of the Board members in fulfilling and discharging their respective roles and responsibilities as Directors of the Company.

The Directors' attendance at Board and Board Committee meetings held during the Financial Year Ended 31 December 2024 are provided below.

Board	Number of Meetings		
	Held ⁽¹⁾	Attended	Percentage (%)
YAM Tan Sri Dato' Seri Syed Anwar Jamalullail (Chairman)	12	12	100.0%
Encik Ismail Harith Merican	12	10	83.3%
Mr. Luk Wai Hong, William	12	12	100.0%
Encik Jeremy Nasrulhaq	12	12	100.0%
Puan Norazian Ahmad Tajuddin	12	12	100.0%
Mr. Kanagaraj Lorenz	12	12	100.0%
Mr. Choy Khai Choon	12	12	100.0%
Madam Chin Siew Siew	12	12	100.0%
Ms. Angeline-Ong Su Ming ⁽²⁾	7	7	100.0%

Notes

⁽¹⁾ Reflects the number of meetings held during the time the Director held office.

⁽²⁾ Appointed as Board member on 4 June 2024

Audit Committee ("AC")	Number of Meetings		
	Held ^{(1) (2)}	Attended	Percentage (%)
Encik Jeremy Nasrulhaq (Chairman)	7	7	100.0%
Mr. Kanagaraj Lorenz	7	7	100.0%
Puan Norazian Ahmad Tajuddin	7	7	100.0%

Notes

⁽¹⁾ Reflects the number of meetings held during the time the Director held office.

⁽²⁾ Total number of meetings held was inclusive of one (1) joint meeting between the AC and the GBRC which was held on 18 October 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Group Governance, Nomination & Compensation Committee ("GNC")	Number of Meetings		
	Held ⁽¹⁾	Attended	Percentage (%)
Madam Chin Siew Siew (Chairman)	6	6	100.0%
Encik Jeremy Nasrulhaq	6	6	100.0%
Encik Ismail Harith Merican	6	6	100.0%
Puan Norazian Ahmad Tajuddin	6	6	100.0%
Mr. Choy Khai Choon	6	6	100.0%

Note

⁽¹⁾ Reflects the number of meetings held during the time the Director held office.

Group Board Risk Committee ("GBRC")	Number of Meetings		
	Held ^{(1) (2)}	Attended	Percentage (%)
Puan Norazian Ahmad Tajuddin (Chairman)	7	7	100.0%
Mr. Luk Wai Hong, William	7	7	100.0%
Mr. Kanagaraj Lorenz	7	7	100.0%
Mr. Choy Khai Choon	7	7	100.0%
Madam Chin Siew Siew ⁽³⁾	4	4 ⁽⁴⁾	100.0%
Ms. Angeline-Ong Su Ming ⁽⁵⁾	3	3	100.0%

Notes

⁽¹⁾ Reflects the number of meetings held during the time the Director held office.

⁽²⁾ Total number of meetings held was inclusive of one (1) joint meeting between the AC and the GBRC which was held on 18 October 2024 except for Madam Chin Siew Siew.

⁽³⁾ Ceased to be a member of the GBRC on 1 August 2024.

⁽⁴⁾ Attended all the four (4) meetings held up to 24 July 2024.

⁽⁵⁾ Appointed as a member of the GBRC on 1 August 2024.

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

Note

⁽¹⁾ Reflects the number of meetings held during the time the Director held office.

Shariah Committee	Number of Meetings		
	Held ⁽¹⁾	Attended	Percentage (%)
Dr. Ghazali Jaapar (Chairman)	12	12	100.0%
Dr. Mohammad Firdaus Mohammad Hatta	12	12	100.0%
Dr. Fadillah Mansor	12	11	91.7%

Note

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Group Governance, Nomination & Compensation Committee

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

Details on the GNC's composition, as well as its members' attendance at the GNC meetings during the Financial Year Ended 31 December 2024 are provided on pages 8 and 87 of this Integrated Annual Report 2024 and in Section B of the Corporate Governance Report ("CG Report") which is available on KIBB's website at <https://www.kenanga.com.my/investor-relations/AGM2025>.

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

During the Financial Year Ended 31 December 2024, the GNC had deliberated, reviewed and made appropriate recommendations to the Board for approval, pertaining to key matters stated below.

- Appointment and Re-Appointments of Directors within KIBB Group
- Holistic Review of the Compositions of the Boards and Board Committees of KIBB Group
- Establishment of Kenanga Group's Guiding Principles for Board and Board Committee Composition
- Retirement of Directors of KIBB and Its Subsidiaries at the Forthcoming Annual General Meetings of the Respective Entities
- Assessment on the Fitness and Propriety and Nomination of Members of Shariah Committee of KIBB and Review of Their Remuneration
- Directors' Training Calendar for 2024 and Status Report on KIBB Group Directors' Training for 2023/ 2024
- Disclosures for 2023 Annual Report
- Payment of Directors' Fees for the Financial Year Ended ("FYE") 31 December 2024 and Meeting Allowances for FYE 31 December 2025 for KIBB Group
- Remuneration and Benefits for Directors of KIBB Group
- Notification by Directors and Principal Officers in Relation to Dealings in the Securities of KIBB
- Review Code of Ethics and Conduct for Directors of Kenanga Group
- Review of Board Succession Planning Framework and Fit and Proper Policy for Kenanga Group
- Review of the List of Management KRPs KIBB Group as of 1 January 2024
- 2023 Performance Appraisal and Annual Assessment on Fit and Proper for GMD, Group Chief Regulatory and Compliance Officer, Management KRPs, Head of Group Compliance and Group Company Secretary
- Renewal of Group Staff Insurance Policies for 2025
- 2024 Balanced Scorecards for Management KRPs
- 2023 Performance Bonus and 2024 Annual Salary Increment
- Review of Management KRPs' Succession Plan
- Re-Appointment of YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail as Adviser of KIBB
- Identification and Updating of the List of Material Risk Takers and List of Other Material Risk Takers within KIBB Group
- Review of Material Risk Takers and Other Material Risk Takers Compensation

Board Appointment Framework

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the Financial Year Ended 31 December 2024, the Board composition had undergone a change with the appointment of Ms. Angeline-Ong Su Ming as an INED of KIBB on 4 June 2024.

With the change, the Board still comprises a majority of Independent Directors and further strengthened the Board's composition in terms of gender diversity with the ratio of women Directors being increased to 33% from 25% previously.

Employees' Share Scheme Committee

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

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

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

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

Shariah Committee

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

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

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

Board Diversity and Gender

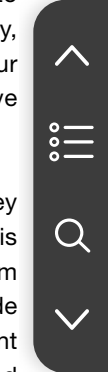
In recognition of the benefits of a diverse Board in terms of the ability to tap into the many talents which the Board members from their different ages, cultural backgrounds, industry exposure, expertise, competency, experience, knowledge and gender bring to the Company, as well as their abilities to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

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

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

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

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

Board Education and Development

1 Induction Programme for Newly Appointed Director

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

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

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

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

In relation thereof, during the Financial Year 2024, in-house Induction Programme for Newly Appointed Non-Executive Directors had been provided for the following newly appointed Directors within the Group:

Company	Name of Newly Appointed Director	Date of In-House Induction Programme
KIBB	Ms. Angeline-Ong Su Ming	9 and 10 July 2024
KIB	Puan Norazilla Md Tahir	16 February 2024
Eq8 Capital	Puan Norazilla Md Tahir	7 October 2024

2 Directors' Continuous Education and Development

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

In addition to completing the Mandatory Accredited Programmes I and II ("MAP I and II")¹ as required by Bursa Securities under Paragraph 15.08 of the MMLR, the Financial Institutions Directors' Education ("FIDE") Core Programme and the Islamic Finance for Board Programme ("IF4BOD") as required by BNM, and the Capital Market Director Programme ("CMDP") as required by the SC for newly appointed Directors, the Board members are also encouraged to attend training programmes, conducted by recognised professionals/ providers, which are relevant to the Company's operations and business.

During 2024, the Board members of KIBB and its subsidiaries, KIB and Eq8 Capital completed the mandatory training programmes required by the respective regulators as stated below.

Training Programme	Attendees	Date
MAP I	<ul style="list-style-type: none"> Norazilla Md Tahir Angeline-Ong Su Ming 	13 and 14 March 2024 10 and 11 June 2024
MAP II	<ul style="list-style-type: none"> Ismail Harith Merican Angeline-Ong Su Ming Norazilla Md Tahir 	6 and 7 May 2024 26 and 27 August 2024 18 and 19 September 2024
CMDP Module 1: Directors as Gatekeepers or Market Participants	<ul style="list-style-type: none"> Norazilla Md Tahir Angeline-Ong Su Ming 	13 May 2024 5 August 2024
CMDP Module 2A: Business Challenges and Regulatory Expectations – What Directors Need to Know (Equities and Future Broking)	<ul style="list-style-type: none"> Angeline-Ong Su Ming 	5 August 2024
CMDP Module 2B: Business Challenges and Regulatory Expectations – What Directors Need to Know (Fund Management)	<ul style="list-style-type: none"> Norazilla Md Tahir 	15 May 2024
CMDP Module 3: Risk Oversight and Compliance – Action Plan for Board of Directors	<ul style="list-style-type: none"> Norazilla Md Tahir Angeline-Ong Su Ming 	16 May 2024 6 August 2024
CMDP Module 4: Emerging and Current Regulatory Issues in the Capital Market	<ul style="list-style-type: none"> Norazilla Md Tahir Angeline-Ong Su Ming 	17 May 2024 7 August 2024

As for the FIDE Core Programme i.e. Modules A and B, as well as IF4BOD, Ms. Angeline-Ong Su Ming has registered herself for the programmes and is expected to complete the same within the stipulated timeframe.

Training Programme	Date
FIDE Core Programme – Module A	30 June to 3 July 2025
FIDE Core Programme – Module B	14 July to 17 July 2025
IF4BOD	9 and 10 July 2025

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

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

¹ For a person who is appointed for the first time as a Director of a listed company, MAP I and II are required to be completed within four (4) and eighteen (18) months, from the date of appointment, respectively

² To be completed within three (3) years of their respective appointments

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Based on the feedback received from the Directors during the Board Effectiveness Evaluation conducted in 2024, the following areas were identified to be included in the Directors' training needs:

- Sustainability, Environmental, Social and Governance (“ESG”) Risks and Climate Change Risks;
- Fintech, Technology Innovations, Artificial Intelligence, including Information Sharing on Market Developments in Digital Products and Competitors;
- Risks Management in Islamic Finance;
- Cyber Security; and
- Refresher in-house programmes on product knowledge such as Equity Derivatives, Treasury, Digital Business, and Money Market, as well as Anti-Money Laundering and Counter Financing of Terrorism, Section 17A of the Malaysian Anti-Corruption Commission Act 2009, and Consequence Management Process in respect of Management KRPs, the GMD and the Board.

3 Training Programmes Attended by Directors During Financial Year 2024

The training programmes attended by the Directors during the Financial Year Ended 31 December 2024 are listed below.

Title of Programme	Attended By
Property, Insurance, Strategy, Accounting & Finance, Governance, Economy, Leadership, Business, Risk, Tax	
1. IIC Corporate Governance Conference 2024 - Countdown to 2030: Investing Towards Sustainable Development in Malaysia by Securities Industry Development Corporation (“SIDC”)	JN/ NAT
2. Beyond Box-Ticking: Enhancing Effectiveness of Nominating Committees by Asia School of Business (“ASB”)	JN
3. BNM-FIDE FORUM: Responsibility Mapping Engagement with Directors of Financial Institution by FIDE FORUM	NAT/ CKC
4. Being Sued as and INED - A Personal Journey by Institute of Corporate Directors Malaysia (“ICDM”)	NAT
5. FIDE Elective: Risk Management Committees - Banking Sector by ASB	CSS
6. MIA International Accountants Conference 2024 by Malaysian Institute of Accountants (“MIA”)	JN
7. SP Setia Berhad's In-House Directors' Training: <ul style="list-style-type: none"> - Today's Consumer Sentiment, Their Habits & Emerging Trends - New Beneficial Ownership Requirements 	TSAJ
8. PNB Knowledge Forum 2024 - Economic Complexity: Navigating the Threads of Economic Relatedness organised by SP Setia Berhad	TSAJ
9. SP Setia Berhad's Directors' In-House Training - Board's Role in Value Creation	TSAJ
10. Leading the Way: Developing Credible Transition Plans for Financial Institutions by FIDE FORUM	NAT
11. SP Setia Berhad's In-House Directors' Training: <ul style="list-style-type: none"> - The Pulse of Malaysian Real Estate: Current Market Dynamics & Future Outlook - Utilising Big Data to Determine Market Absorption Probabilities by Knight Frank Urban Metry 	TSAJ

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Title of Programme	Attended By
Property, Insurance, Strategy, Accounting & Finance, Governance, Economy, Leadership, Business, Risk, Tax	
12. Asset and Funds Management Programme by SIDC	JN
13. Technical Updates: Key Amendments to The Occupational Safety & Health (Amendment) Act 2022 by SP Setia Berhad	TSAJ
Regulatory and Compliance, Dialogue and Discussion with Regulators, Institutions	
14. MAP I by Bursa Malaysia	AOSM
15. MAP II - Leading for Impact by Bursa Malaysia	IHM/ AOSM
16. Engagement Session with FIDE FORUM Members on BNM Annual Report 2023, Economic and Monetary Review 2023 and Financial Stability Review 2H 2023 by FIDE FORUM	CSS
17. Kenanga's Directors' In-House Training: Anti-Money Laundering, Countering the Financing of Terrorism & Countering Proliferation Financing by Nature of Life	TSAJ/ IHM/ LWH/ JN/ NAT/ RL/ CKC/ CSS/ AOSM
18. CMDP - Module 1: Directors as Gatekeepers or Market Participants by SIDC	AOSM
19. CMDP - Module 2A: Business Challenges and Regulatory Expectations – What Directors Need to Know (Equities and Future Broking) by SIDC	AOSM
20. CMDP Module 3: Risk Oversight and Compliance – Action Plan for Board of Directors by SIDC	AOSM
21. CMDP Module 4: Emerging and Current Regulatory Issues in the Capital Market by SIDC	AOSM
22. Advisory Services (Rules & Regulations) Programme by SIDC	JN
23. Launch of the Directors' Remuneration Report 2024 by FIDE FORUM	JN
Information Technology / Digitalisation / Cyber Security	
24. Prevent Fraud: The Board's Roles and Responsibilities by FIDE FORUM	JN/ NAT/ CKC/ AOSM
25. Distinguished Board Leadership Series 2024: Digital Transformation of the World's Best Bank by FIDE FORUM	RL/ CSS/ AOSM
26. Live Webinar - Bursa 2024 Market Intermediaries Advocacy Programme - The New Technologies: Elevating Cyber Resilience Against Emerging Threats presented by The Institute of Internal Auditors Malaysia	CSS
27. BCP is Out: Director Preparedness for AI Powered Attacks on People, Tech and Governance by ICDM	CSS
28. Kenanga's Directors' In-House Training: Cyber Security - Cyber Threat Landscape 2024 by Ensign InfoSecurity	TSAJ/ IHM/ LWH/ JN/ NAT/ RL/ CKC/ CSS/ AOSM
29. SCxSC Fintech Summit by SC	RL/ CKC/ CSS
30. Singapore Fintech Festival 2024	IHM/ JN/ RL/ CKC/ CSS/ AOSM
31. Techguard: Empowering Capital Markets with Resilient Technology Risk Framework by SIDC	CSS
Sustainability and ESG	
32. MIA Webinar Series: ESG Audit for Internal Auditors - How to ascertain methods of scoping for ESG Performance Audit by MIA	JN
33. Kenanga's Directors' In-House Training: ESG by PricewaterhouseCoopers Malaysia	TSAJ/ IHM/ LWH/ JN/ NAT/ RL/ CKC/ CSS/ AOSM
34. CGM Masterclass: Latest Developments in Climate-Aligned Executive Compensation by FIDE FORUM	NAT
35. Kenanga's Directors' In-House Training: ESG Training: Financed Emission Board Training by Enterprise Risk Management	TSAJ/ IHM/ LWH/ JN NAT/ RL/ CKC/ CSS/ AOSM
36. Setia Risk, Audit & Integrity Day 2024 by SP Setia Berhad	TSAJ
37. Setia Sustainability Day 2024 by SP Setia Berhad	TSAJ



CORPORATE GOVERNANCE OVERVIEW STATEMENT

Title of Programme	Attended By
Sustainability and Environment, Social and Governance ("ESG")	
38. Masterclass 1: Boardroom Climate Essentials, Philippe Jourbet, Founder & CEO of Earth on Board - National Climate Governance Summit by Climate Governance Malaysia (" CGM ")	AOSM
39. Masterclass 1: A Primer on Introducing Carbon Pricing in Malaysia, Taisei Matsuki, Senior Climate Change Specialist, World Bank Singapore by CGM	AOSM
40. ESG Briefing by Ernst & Young Consulting Sdn Bhd	CKC
41. Carbon Market: What Directors Need to Know by ASB (ICLIF Executive Education Centre)	NAT
42. Board Ethics: Growing Concerns from New Technology, Stakeholder Interests & Conflict of Interest - Collaboration between Bursa Academy and ICDM	JN
43. Setia Sustainability and Risk Management Masterclass by SP Setia Berhad	TSAJ

Legend

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

4 Training Programmes Attended by Members of Shariah Committee During Financial Year 2024

The training programmes attended by the Shariah Committee members during the Financial Year Ended 31 December 2024 are provided below.

Title of Programme	Attended By
1. 2 nd Nadwah of Shariah Advisers in Islamic Capital Market 2024 by SC	DGJ, DMF, DFM
2. ESG and Sustainability: Addressing Climate Change as Part of ESG Journey in Malaysia Capital Market by CHK Consultancy Sdn Bhd (" CHK Consultancy ")	DGJ
3. Shariah Risk & Governance for Islamic Financial Institutions by REDmoney Events	DGJ, DMF
4. Synergies of Tech Integration: Artificial Intelligence (AI), Fintech, Blockchain, Big Data, IoT, and Cloud in a Wealth Management Ecosystem by CHK Consultancy	DMF
5. SCxSC FinTech Summit: SCxSC2024 by SC	DMF
6. ESG and Sustainability – Green Finance and Green Economics by CHK Consultancy	DFM
7. The Psychology of Finance and Investment Decisions by Asian Banking School	DFM

Legend

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Succession Plan

Board and Board Committee

The Board had, in October 2015, formalised the Board Succession Planning Framework ("**Framework**") which outlines the guiding principles for effective succession planning, as well as the detailed procedure in ensuring smooth transition in the Board's process and functioning as existing Directors leave, and new ones come on board. This Framework is reviewed on a regular basis to ensure its alignment with the latest development in the relevant regulatory requirements, if necessary.

Senior Management

In July 2015, the Board had, upon the GNC's recommendation, approved the Talent and Succession Management Framework and Methodology for the Group, which aims at ensuring ready successors for leadership positions capable of driving business growth and achieving the Group's strategic business plan, ensuring a pool of qualified and competent staff prepared and ready to fill up critical positions within the Group as and when required; and ensuring effective development, engagement and retention of high potential employees.

Non-Executive Directors' Remuneration Framework

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

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

The remuneration of GMD and Senior Management are made up of two (2) components i.e., fixed basic salary and a variable component comprising the annual discretionary performance bonus and share awards under the ESS. The share awards will only be vested upon the GMD and Senior Management meeting the agreed Key Performance Indicators ("**KPIs**"). Details of such share awards are set out in Note 55 of the Financial Statements section of this Integrated Annual Report 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

For the Financial Year Ended 31 December 2024, the Directors and Shariah Committee Members are paid the annual fees and meeting allowances for each meeting of the Board, Board Committee or Shariah Committee that they have attended, as stated below.

Financial Year Ended 31 December 2024	Fees
Chairman of the Board	RM520,000.00
Director	RM270,000.00
Chairman of AC	RM60,000.00
Chairman of GNC/ GBRC/ GBDITC	RM40,000.00
Chairman of Shariah Committee	RM78,000.00
Member of AC/ GNC/ GBRC/ GBDITC	RM30,000.00
Member of Shariah Committee ⁽¹⁾	RM54,000.00
	RM48,000.00

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

Note

⁽¹⁾ The Annual Fee for the Financial Year Ended 31 December 2024 was based on the number of years served as a Shariah Committee member, as well as the scope of roles and responsibilities being undertaken.

The payment of Directors' fees will be made after obtaining the Shareholders' approval at the Annual General Meeting ("AGM").

The breakdown of the remuneration of individual Directors which includes fees, other emoluments and benefits-in-kind for the FYE 2024 is set out below.

Group Level	Fees ⁽¹⁾ RM	Salaries RM	Other Emoluments RM	Bonus RM	Benefits-in- Kind RM	Total RM
YAM Tan Sri Dato' Seri Syed Anwar Jamalullail	520,000.00 ⁽²⁾	-	26,000.00	-	31,150.00 ⁽³⁾	577,150.00
Encik Ismail Harith Merican	300,000.00	-	34,000.00	-	-	334,000.00
Mr. Luk Wai Hong, William	454,000.00	-	98,000.00	-	-	552,000.00
Encik Jeremy Nasrulhaq	390,000.00	-	66,000.00	-	-	456,000.00
Puan Norazian Ahmad Tajuddin	520,000.00	-	118,000.00	-	-	638,000.00
Mr. Kanagaraj Lorenz	370,000.00	-	66,000.00	-	-	436,000.00
Mr. Choy Khai Choon	450,000.00	-	122,820.00	-	-	572,820.00
Madam Chin Siew Siew	357,459.02	-	60,000.00	-	-	417,459.02
Ms. Angeline-Ong Su Ming	168,196.72 ⁽⁴⁾	-	20,000.00	-	-	188,196.72
TOTAL	3,529,655.74	-	610,820.00	-	31,150.00	4,171,625.74

Notes

⁽¹⁾ Subject to the Shareholders' approval at the forthcoming AGM.

⁽²⁾ Included RM40,000 in lieu of Club Membership.

⁽³⁾ Benefits-in-kind for the current Chairman included leave passage, driver, car and other claimable benefits.

⁽⁴⁾ Annual Directors' Fee was pro-rated for the period Ms. Angeline-Ong Su Ming was in office following her appointment on 4 June 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Company Level	Fees ⁽¹⁾ RM	Salaries RM	Other Emoluments RM	Bonus RM	Benefits-in- Kind RM	Total RM
YAM Tan Sri Dato' Seri Syed Anwar Jamalullail	520,000.00 ⁽²⁾	-	26,000.00	-	31,150.00 ⁽³⁾	577,150.00
Encik Ismail Harith Merican	300,000.00	-	34,000.00	-	-	334,000.00
Mr. Luk Wai Hong, William	330,000.00	-	54,000.00	-	-	384,000.00
Encik Jeremy Nasrulhaq	390,000.00	-	66,000.00	-	-	456,000.00
Puan Norazian Ahmad Tajuddin	370,000.00	-	64,000.00	-	-	434,000.00
Mr. Kanagaraj Lorenz	370,000.00	-	66,000.00	-	-	436,000.00
Mr. Choy Khai Choon	360,000.00	-	98,680.00	-	-	458,680.00
Madam Chin Siew Siew	357,459.02	-	60,000.00	-	-	417,459.02
Ms. Angeline-Ong Su Ming	168,196.72 ⁽⁴⁾	-	20,000.00	-	-	188,196.72
TOTAL	3,165,655.74	-	488,680.00	-	31,150.00	3,685,485.74

Notes

⁽¹⁾ Subject to the Shareholders' approval at the forthcoming AGM.

⁽²⁾ Included RM40,000 in lieu of club membership.

⁽³⁾ Benefits-in-kind for the current Chairman included leave passage, driver, car and other claimable benefits.

⁽⁴⁾ Annual Directors' Fee was pro-rated for the period Ms. Angeline-Ong Su Ming was in office following her appointment on 4 June 2024.

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

Group Level	Salary RM'000	Bonus RM'000	Defined Contribution Plan - EPF RM'000	Other Emoluments RM'000	Benefits-in- Kind RM'000	Total RM'000
Datuk Chay Wai Leong	1,667	2,084	600	-	652	5,003

Board Effectiveness Evaluation

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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

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

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

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

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

With regard to the assessment conducted in respect of FYE 2024, based on the approved evaluation criteria, the overall rating of the Board, Board Committees and Individual Directors, were as provided below.

Part I: Board and Board Committee Effectiveness Evaluation

In terms of the effectiveness of the Board and Board Committees, based on the assessment of each of the evaluation criteria listed below, the Board had scored between 63.00% to 80.33% with an Overall Scoring of 43.39 out of the total marks of 52 or 83.4%.

The lowest score given was in respect of Board Remuneration where the scoring was only 63%.

Criteria	Average Scoring
Section A: Overall Board Effectiveness	7.78/10.00 (78.00%)
Section B: Board Responsibilities	2.26/3.00 (75.33%)
Section C: Board Culture	2.23/3.00 (74.33%)
Section D: Board Chair	2.29/3.00 (76.33%)
Section E: Board Composition	2.32/3.00 (77.33%)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Criteria	Average Scoring
Section F: Committees	
a. Board Committees Evaluation	2.32/3.00 (77.33%)
b. Board Committees Self Evaluation	
i. Audit Committee	2.47/3.00 (82.33%)
ii. Employees Share Scheme Committee	2.11/3.00 (70.33%)
iii. Group Board Digital Innovation & Technology Committee	2.33/3.00 (77.66%)
iv. Group Board Risk Committee	2.22/3.00 (74.00%)
v. Group Governance, Nomination & Compensation Committee	2.22/3.00 (74.00%)
Section G: GMD	2.41/3.00 (80.33%)
Section H: Board Remuneration	1.89/3.00 (63%)
Section I: Board Administration and Process	2.19/3.00 (73.00%)
Section J: Board Education	2.11/3.00 (70.33%)
OVERALL SCORING FOR BOARD	39.15/52.00 (75.29%)

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

1. Overall Board Effectiveness

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

2. Board Responsibilities

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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

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

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

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

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

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

3. Board Culture

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

4. Board Chair

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

5. Board Composition

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

6. Board Committee

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

7. GMD

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

8. Board Remuneration

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

9. Board Administration and Process

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Part II: Directors' Effectiveness Evaluation

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

Section A:
Board Dynamics and Participation

Section B:
Leadership, Integrity and Objectivity

Section C:
Knowledge and Expertise

Section A: Board Dynamics and Participation

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

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

Based on the outcome of the assessment, all the Directors achieved an average scoring of between 2.81/3.00 to 2.94/3.00. There was no adverse feedback given to any of the Directors.

Section B: Leadership, Integrity and Objectivity

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

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

Based on the outcome of the assessment, all the Directors achieved an average scoring of between 2.76/3.00 to 2.91/3.00. There was no adverse feedback given to any of the Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Section C: Knowledge and Expertise

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

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

Based on the outcome of the assessment, all the Directors achieved an average scoring of between 2.76/3.00 to 2.98/3.00. There was no adverse feedback given to any of the Directors.

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

Criteria	Average Scoring
Section A: Board Dynamics and Participation	2.88/3.00 (96.00%)
Section B: Leadership, Integrity and Objectivity	2.87/3.00 (95.66%)
Section C: Knowledge and Expertise	2.87/3.00 (95.66%)
OVERALL SCORING FOR BOARD	2.87/3.00 (95.66%)

As a result of the assessment and the feedback received from members of the Board, as well as Board Committees, the following key initiatives to improve the Board's, as well as individual Directors' overall effectiveness had been identified:

- 1 Continuous development for the Directors to ensure the Directors are kept abreast with regional and global changes impacting the Company, as a financial institution.
- 2 In respect of Board continuous development, areas to be covered moving forward would be Artificial Intelligence/ Disruptive Technology/ Digitalisation, Sustainability and Climate Change, Regulatory Updates, and Risk Management (Market Risk);
- 3 More focus to be put on investor relations, regional partnerships and building of KIBB's ecosystem to enhance shareholder's value;
- 4 Engagement of external consultant to conduct the Board Effectiveness Evaluation;
- 5 Improvement in the timeline for dissemination of meeting papers from five (5) days before meeting currently to seven (7) days before meeting, to allow adequate review and meeting preparation by the Board members;
- 6 More Board discussions on succession plan and talent management for the Board, GMD and key management personnel; and
- 6 More regular reviews to be conducted on the Company's compensation philosophy to continue to attract talents.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Independent Professional Advice

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

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

Directorships in Other Companies

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

PRINCIPLE B

EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

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

Details on the AC's composition, as well as its members' attendance at the AC meetings during the FYE 2024 are provided on pages 8 and 86 of this Integrated Annual Report 2024 and Section B of the CG Report which are available on KIBB's website at <https://www.kenanga.com.my/investor-relations/AGM2025>.

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Internal Audit Function

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

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Group Board Risk Committee

The GBRC comprises three (3) INEDs and two (2) NINEDs and is chaired by an INED other than the Chairman of the Board.

Details on the GBRC's composition, as well as its members' attendance at the GBRC meetings during the Financial Year Ended 31 December 2024 are provided on pages 8 and 87 of this Integrated Annual Report 2024 and in Section B of the CG Report which are available on KIBB's website at <https://www.kenanga.com.my/investor-relations/AGM2025>.

The GBRC was established to support the Board in meeting the expectations on risk management as set out in BNM's Policy Document on Risk Governance. It also assists the Board in the implementation of a sound remuneration system, by examining whether incentives provided by the remuneration system take into consideration risks, capital, liquidity and the likelihood and timing of earnings, without prejudice to the tasks of the GNC. In addition, the GBRC supports the Board in carrying out the oversight governance function of sustainability risks and opportunities and its underlying ESG matters of the Group.

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

During the Financial Year Ended 31 December 2024, the GBRC had deliberated, reviewed and made appropriate recommendations to the Board for approval, pertaining to key matters as stated below.

- Proposed Interim Dividend for the Financial Year Ended 31 December 2023
- RTO and MTD for Critical Business Functions and Systems 2024
- 2023 Performance Appraisal of Group Chief Risk Officer ("GCRO") of KIBB
- 2024 Balanced Scorecard for GCRO of KIBB
- Proposed ICAAP 2023 (with BNM Semi-Annual Stress Testing Report 31 December 2023 Embedded)
- Asset and Liability Management Policy Update
- Review of Financial Markets Product Framework and LCPP
- Pillar 3 Disclosure as at 31 December 2023
- Submission of Leveraged Collar as Live Example for LCPP to BNM
- BNM's Net Stable Funding Ratio Thematic Review and Follow-up Status Update
- SFPP

- 2024 Equity Derivatives Business Plan and Market Risk Limits Review
- Submission of Protected Financing as Live Example for SFPP to BNM
- Revision of Technology Risk Management Framework
- Proposed BNM Semi-Annual Stress Testing Report for Position as at 30 June 2024
- Independent Price Verification for Imagine System
- Underlying Suitability Assessment – Master Framework
- RTO and MTD for Critical Business Functions and Systems 2025
- Proposed Revision of Cyber Resilience Framework
- Statement on Risk Management and Internal Control
- Rollover of the Skim Perbankan Islam Structured Placement with KIB, a Wholly Owned Subsidiary of KIBB and Extension of KIB as the Designated Fund Manager to Manage This Fund via a Shariah Compliant Non-Discretionary Investment Management Mandate

Besides approving the 2024 Balanced Scorecard for the Head of Independent Credit, the following updates had also been tabled to the GBRC during the Financial Year Ended 31 December 2024, for its deliberation and notation:

- Risk Management Reports
- Status Updates of Implementation Plan in Respect of BNM's Policy Document on Climate Risk Management and Scenario Analysis
- Ageing Report for Treasury Bonds, Held-for-Trading and Available-for-Sale Portfolios
- Kenanga Research Macroeconomic Outlook Summary
- Operational Risk Capital Charge Assessment for Year 2023
- Investment Portfolio Updates by Kenanga Private Equity Sdn Bhd
- Review of the Loss Event Reporting Procedure
- Post Approval Review of Corporate Banking Loans/ Financing
- Post Approval Review of Share Margin Financing
- Utilisation of Portfolio and Risk Management System (Imagine)
- Lesson Learnt Report on Limit Down Incident in January 2024
- Operational Risk Scenario Analysis Assessment 2024
- Revision to the Group Operational Risk Committee's Terms of Reference
- Update on the Recovery Status of Accounts Having Concerned
- ICAAP Trigger Event – Notification of Tier-1 Capital Ratio Deviation and Endorsement of the Proposed Action Plan
- Updates of the Climate Change & Principle-based Taxonomy Classification

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Group Board Digital Innovation & Technology Committee

The GBDITC comprises three (3) INEDs and two (2) NINEDs and is chaired by an INED other than the Chairman of the Board.

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

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

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

Risk Management and Internal Control

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

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

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

The details of KIBB Group's internal control system and risk management framework are set out in the SORMIC appearing on pages 126 to 130 of this Integrated Annual Report 2024.

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Audit Committee to Ensure Compliance with Financial Reporting Standards

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

disclosures in the Annual Report, the interim financial reports and preliminary announcements in relation to the preparation of financial statements.

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

Investor Relations and Shareholder Communications

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

To ensure continuous communication between KIBB Group and its stakeholders, as well as to facilitate mutual understanding, the Group employs a wide range of communication channels via its Kenanga Digital Channels such as Facebook, Instagram, LinkedIn, TikTok, YouTube, direct communication and publication of all relevant Group information on its website at <https://www.kenanga.com.my>. The Group utilises its corporate website and social media channels as a means of providing information to its Shareholders and the broader investment community. In 2023, the Company released its first-ever Sustainability Report which is intended to enhance the Group's ESG disclosures to stakeholders.

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

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

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

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

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

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

General Meetings

In line with its digital transformation efforts, the Company has focused on the dissemination of its Annual Report via its website at <https://www.kenanga.com.my/investor-relations/AGM2025> in order to reach a wider spectrum of Shareholders who are active internet users.

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

As Malaysia transitions to endemic phase, the Company had conducted its Fiftieth (50th) AGM virtually on 30 May 2024 in accordance with the revised Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers issued by the SC on 18 April 2020 and revised on 7 April 2022. The AGM was held virtually via live streaming and online remote voting using the Remote Participation and Electronic Voting Facilities ("RPEV Facilities") operated by

KIBB's Share Registrar, Boardroom Share Registrars Sdn Bhd ("Boardroom").

Shareholders who logged in to participate in the AGM at the Virtual AGM Portal at <https://meeting.boardroomlimited.my/> were able to cast their votes online via the same portal using the same login credentials and pose their questions to the Board on a real time basis.

In addition to offering the Shareholders with the opportunities to participate in the AGM, pose questions and vote remotely via the RPEV Facilities, the Company had also offered e-Proxy lodgement via Boardroom Smart Investor Portal, a service also rendered by Boardroom. This alternative mode of submitting the Proxy Form via electronic means was a step up to enable more Shareholders to exercise their voting rights by appointing a Proxy to attend and vote in their stead.

To assist Shareholders in manoeuvring the RPEV Facilities, an Administrative Guide with detailed steps was provided to the Shareholders to guide them through the process. In addition, Boardroom also provided a Helpdesk service to assist Shareholders who were less-IT savvy.

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

To foster better engagement with the Shareholders during the Fiftieth (50th) AGM, the Company had also arranged for one (1) of its Senior Management personnel to brief the Shareholders on live telecast on the Company's financial performance and operations in respect of the Financial Year Ended 31 December 2023 and Business Prospects for 2024 to keep them abreast of the Company's achievements and plans moving forward.

Following the presentation, the GMD presided over the Q&A session by reading out the questions raised by the Shareholders prior to the AGM and answering them accordingly. The GMD also answered all the questions submitted on real time basis during the AGM. In 2024 AGM, there were no questions received from the Minority Shareholders Watch Group.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The aforementioned virtual platform has enabled the Company to reach out to a wider spectrum of Shareholders by giving them the opportunity to exercise their rights as Shareholders by participating at the AGM via real-time interaction with the Board and Senior Management, and voting from wherever location they might be, even from the comfort of their homes.

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

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

Sustainability Management

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Sustainability Plan

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

Sustainability Pillar	Material Matters
Sustainable Economic Growth	<ul style="list-style-type: none"> Responsible Investment Digitalisation
Environmental Stewardship	<ul style="list-style-type: none"> Climate Impact
Empowering People and Communities	<ul style="list-style-type: none"> Diversity, Inclusion and Well-Being Community Investment
Corporate Governance	<ul style="list-style-type: none"> Good Business Conduct

Double Materiality Assessment

In 2024, we conducted our first double materiality assessment to meet evolving sustainability reporting standards and manage stakeholder expectations in line with the implementation of National Sustainability Reporting Framework. This assessment provided an overview of our business impact towards the environment and society and identified sustainability risks and opportunities that may influence our financial performance. Further, based on the outcomes of the Double Materiality Assessment, the GSMC, through the GNC, recommended the refreshed ESG Framework and material matters to the KIBB Board for endorsement. These updates are intended to better inform and support the execution of the Group's sustainability strategy.

Updated Kenanga ESG Framework

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

Following a comprehensive Double Materiality Assessment, 13 material matters were identified as most significant to the Group and its stakeholders. This assessment also introduced two new topics: **Financial Inclusion** and **Risk Management**. Financial Inclusion underscores Kenanga Group's commitment

to enhancing access to financial services, fostering inclusive economic development, and advancing social equity. Risk Management highlights the importance of proactively addressing market, credit, and climate-related risks to safeguard client interests and support long-term organisational resilience. Below are the updated Material Matters:

Sustainability Pillar	Updated Material Matters
Good Governance	<ul style="list-style-type: none"> Good Business Conduct Risk Management Regulatory Compliance
Sustainable Economic Growth	<ul style="list-style-type: none"> Responsible Investment Digitalisation Cyber Security Client Experience
Environmental Stewardship	<ul style="list-style-type: none"> Climate Impact
Empowering People and Communities	<ul style="list-style-type: none"> Diversity and Inclusion Employee Safety, Health and Wellbeing Talent Attraction, Development and Management Community Investment Financial Inclusion

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

Kenanga Group Climate Risk Management

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

To ensure effective implementation of the frameworks, a robust government structure which involves the Board, Board Committees, Management Committees, Business Units and Group Risk Management was established.

The CCRM Framework was updated in 2023, to align it with BNM's Policy Document on Climate Risk Management and Scenario Analysis issued in November 2022, and again in 2024 to incorporate updates on BNM's FAQs and Due Diligence Questions on CCPT classification. As the climate policy landscape continues to shift, the framework will be updated accordingly to remain aligned with applicable regulations and strategic drivers.

In 2024, the Group embarked on the pursuit of the Climate Risk Scenario Analysis and Stress Testing ("**CRST**") exercise as planned. For this, the Group has completed the CRST in January 2025. The CRST exercise, which aim to identify the potential risks and vulnerabilities affected by the change in climate environment, takes into accounts the 3 NGFS scenarios. The Group shall leverage on this CRST results to develop appropriate and resilient strategies.

The Group has also conducted a baseline assessment of its Scope 3, Category 15 emissions (financed and facilitated emissions), covering both on- and off-balance sheet activities.

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

ADDITIONAL INFORMATION

Audit and Non-Audit Fees

The details of the audit and non-audit fees payable to the External Auditors, EY and its affiliates, for the Financial Year Ended 31 December 2024 are provided below.

	Group (RM)	KIBB (RM)
Statutory Audit	576,900	380,000
Audit/ Assurance Related	58,435	58,435
Non-Audit Fees – EY Assurance Team	141,000	90,500
Non-Audit Fees – EY Tax Team	0	0
Total Non-Audit	141,000	90,500
Grand Total	776,335	528,935

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

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

Material Contracts Involving Interests of Directors, GMD or Major Shareholders

There were no material contracts entered into by the Company or its subsidiary companies involving the interests of the Directors, the GMD or Major Shareholders which still subsisted at the end of the FYE 2024.

Utilisation of Proceeds Raised from Corporate Proposals

There was no new fund-raising corporate exercise during the Financial Year Ended 31 December 2024.

The proceeds from the previous issuance of Subordinated Notes under the RM250 million in nominal value Tier 2 Subordinated Note Programme which was established on 27 March 2017 are being utilised by the Company for working capital requirement.

Details on the outstanding subordinated notes under the programme are set out under Note 26 of the Financial Statements section appearing on page 251 of this Integrated Annual Report 2024.

Employees’ Share Scheme

After obtaining the Shareholders’ approval at an EGM held on 25 May 2017, KIBB had, on 21 September 2017, established and implemented an ESS of up to 10% of its total issued share capital

(excluding treasury shares) at any one time during the duration of the Scheme for the Eligible Employees which would be valid for a period of five (5) years from its commencement date. Following the Board of KIBB’s approval on 10 June 2020, the duration of the ESS has been extended for another five (5) years from 21 September 2022 to 20 September 2027 in accordance with the provisions of the By-Laws of the ESS.

The ESS comprises the ESOS and Employees’ Share Grant Plan (“ESGP”). It is governed by the ESS By-Laws approved by the Shareholders at the aforesaid EGM and administered by the ESS Committee, comprising three (3) INEDs.

Since the commencement of the ESS on 21 September 2017, six (6) offers had been made under the ESOS on 2 January 2018, 31 May 2018, 2 May 2019, 17 June 2019, 1 July 2020 and 2 August 2021 respectively. As for the ESGP, the Board of KIBB had on 4 March 2021, approved the granting of the Performance Share Plan (“PSP”) Award to Eligible Employees of the Company and its non-dormant subsidiaries on 3 May 2021 where the PSP shares were vested on 2 June 2021 (“Vesting Date”).

In determining the total number of shares to be awarded to each Eligible Employee, the ESS Committee and the GNC had taken into consideration amongst others, the Eligible Employees’ performance, seniority (denoted by corporate rank) and contribution to the growth and performance of KIBB Group. As part of the condition attached to the PSP Award, the PSP Grantee is restricted from selling/ transferring the shares issued to him/ her for a period of one (1) year from the Vesting Date.

The details of the ESS are set out under Note 55 of the Financial Statements section appearing on pages 357 to 365 of this Integrated Annual Report 2024.

Brief details on the number of options granted, exercised, forfeited and outstanding since the commencement of the ESS on 21 September 2017 and during the Financial Year (“FY”) 2018, FY 2019, FY 2020, FY 2021, FY 2022, FY 2023 and FY 2024 are set out below.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

For the Period from 21 September 2017 to 31 December 2018

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	59,423,000	10,000,000 ⁽³⁾	16,580,000 ⁽³⁾	32,843,000 ⁽³⁾
Exercised	194,400	0	0	194,400
Forfeited⁽⁴⁾	1,479,000	0	0	1,479,000
Outstanding	57,749,600	10,000,000	16,580,000	31,169,600

For the FY from 1 January 2019 to 31 December 2019

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	6,431,000	0	750,000 ⁽⁵⁾	5,681,000 ⁽⁵⁾
Exercised	0	0	0	0
Forfeited⁽⁴⁾	1,528,000	0	0	1,528,000
Cancelled⁽⁶⁾	265,500	0	195,000	70,500
Outstanding	62,387,100	10,000,000	17,135,000	35,252,100

For the FY from 1 January 2020 to 31 December 2020

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	3,311,000	0	0	3,311,000 ⁽⁵⁾
Exercised	9,247,100	0	1,161,000	8,086,100
Forfeited	1,731,000	0	450,000 ⁽⁷⁾	1,281,000 ⁽⁴⁾
Cancelled⁽⁶⁾	952,500	0	195,000	757,500
Outstanding	53,767,500	10,000,000	15,329,000	28,438,500

For the FY from 1 January 2021 to 31 December 2021

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	4,578,000	0	0	4,578,000 ⁽⁵⁾
Adjustment⁽⁸⁾	0	0	80,000	-80,000
Exercised	25,675,000	3,000,000	9,419,000	13,256,000
Forfeited⁽⁴⁾	2,158,000	0	300,000	1,858,000
Cancelled⁽⁶⁾	227,500	0	0	227,500
Reinstatement⁽⁹⁾	450,000	0	450,000	0
Lapsed⁽¹⁰⁾	86,000	0	0	86,000
Outstanding	30,649,000	7,000,000	6,140,000	17,509,000

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	3,610,000	320,000	2,030,000	1,260,000
Vested⁽¹¹⁾	3,610,000	320,000	2,030,000	1,260,000
Outstanding	0	0	0	0

CORPORATE GOVERNANCE OVERVIEW STATEMENT

For the FY from 1 January 2022 to 31 December 2022

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	0	0	0	0
Adjustment ⁽¹²⁾	0	0	840,000	-840,000
Exercised	12,673,500	0	5,758,000	6,915,500
Forfeited ⁽⁴⁾	956,500	0	0	956,500
Cancelled ⁽⁶⁾	269,500	0	0	269,500
Lapsed ⁽¹⁰⁾	39,500	0	0	39,500
Outstanding	16,710,000	7,000,000	1,222,000	8,488,000

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	0	0	0	0
Adjustment	0	0	50,000	-50,000
Vested	0	0	0	0
Outstanding	0	0	0	0

For the FY from 1 January 2023 to 31 December 2023

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	0	0	0	0
Adjustment	0	0	0	0
Exercised	1,791,500	1,000,000	0	791,500
Forfeited	1,154,500	0	0	1,154,500
Cancelled ⁽⁶⁾	118,500	0	0	118,500
Lapsed ⁽¹⁰⁾	2,092,000	2,000,000	0	92,000
Outstanding	11,553,500	4,000,000	1,222,000	6,331,500

For the FY from 1 January 2024 to 31 December 2024

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	0	0	0	0
Adjustment	0	0	0	0
Exercised ⁽¹³⁾	4,855,000	1,000,000	732,000	3,123,000
Forfeited	230,000	0	0	230,000
Cancelled ⁽⁶⁾	52,000	0	0	52,000
Lapsed ⁽¹⁰⁾	3,502,500	3,000,000	0	502,500
Outstanding	2,914,000	0	0	2,914,000

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Notes

- ⁽¹⁾ The Employee(s) of the KIBB Group who meet(s) the criteria of eligibility for participation in the Scheme as set out in By-Law 5.
- ⁽²⁾ The GMD is not a Director of KIBB. None of the Directors of KIBB is entitled to participate in the ESOS and the ESGP.
- ⁽³⁾ The offer to the GMD was granted on 31 May 2018 while the offer to Senior Management and Other Entitled Employees was granted on 2 January 2018 respectively.
- ⁽⁴⁾ ESOS forfeiture due to staff resignation.
- ⁽⁵⁾ The offer to Other Entitled Employees and Senior Management was granted on 2 May 2019, 17 June 2019, 1 July 2020 and 2 August 2021 respectively.
- ⁽⁶⁾ ESOS cancellation due to vesting conditions not fully met.
- ⁽⁷⁾ ESOS forfeiture in compliance with Section 92 of the Financial Services Act 2013.
- ⁽⁸⁾ Adjustment made due to an employee's appointment as the Chief Executive Officer of Eq8 Capital Sdn Bhd (Formerly known as i-VCAP Management Sdn Bhd). Hence, the re-categorisation of the ESOS.
- ⁽⁹⁾ Reinstatement of the earlier forfeited ESOS in Note 7.
- ⁽¹⁰⁾ ESOS lapsed due to unexercised options within the three (3) years of the Exercisable Period.
- ⁽¹¹⁾ PSP Grant vested and credited to employees' CDS account.
- ⁽¹²⁾ Adjustment made due to an employee's appointment as a Group EXCO Member of KIBB. Hence, the re-categorisation of the ESOS.
- ⁽¹³⁾ In 2024, a total of sixty-four (64) Eligible Employees had exercised their ESOS, i.e. GMD (21%), four (4) Senior Management personnel (15%) and fifty-nine (59) under Other Entitled Employees (64%).

Maximum Allowable Allocation of the Scheme

The aggregate maximum number of KIBB shares that may be offered to an Eligible Person under the Scheme shall be determined at the sole and absolute discretion of the ESS Committee after taking into consideration, amongst others, the provisions of the By-Laws of the ESS, MMLR of Bursa Securities or other applicable regulatory requirements prevailing during the option period relating to employees' and/ or Directors' share issuance schemes, as well as, the performance, targets, position, annual appraised performance, seniority and length of service of the Eligible Person or such other matters which the ESSC may in its sole and absolute discretion deem fit and subject to the following:

Aggregate maximum number of KIBB shares which may be made available under the Scheme shall not in aggregate exceed 10% of the issued share capital of the Company (excluding treasury shares) ("ESS Shares") at any point in time during the duration of the Scheme ("Maximum ESS Shares").

Not more than 10% of the aggregate number of KIBB shares to be issued under the Scheme shall be allocated to any individual Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the issued share capital of KIBB (excluding treasury shares, if any).

The ESS granted to the GMD and Senior Management during the Financial Year Ended 31 December 2024 and since the commencement of the ESS up to 31 December 2024 is tabulated below.

Description	1 January 2024 to 31 December 2024	Since Commencement Up to 31 December 2024
Percentage of the Aggregate Maximum Allocation over the Maximum ESS Shares	0%	33.16%
Actual Percentage of the ESOS Granted over the Maximum ESS Shares	0%	29.90%
Actual Percentage of the ESGP Vested over the Maximum ESS Shares	0%	3.26%

In respect of FY 2024, there was no allocation of the shares under the ESS made to the Eligible Employees and hence, no review was conducted.

TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL
Chairman of the Board

ETHICS AND COMPLIANCE STATEMENT

ETHICS AND COMPLIANCE STATEMENT

INTEGRITY AS OUR FOUNDATION

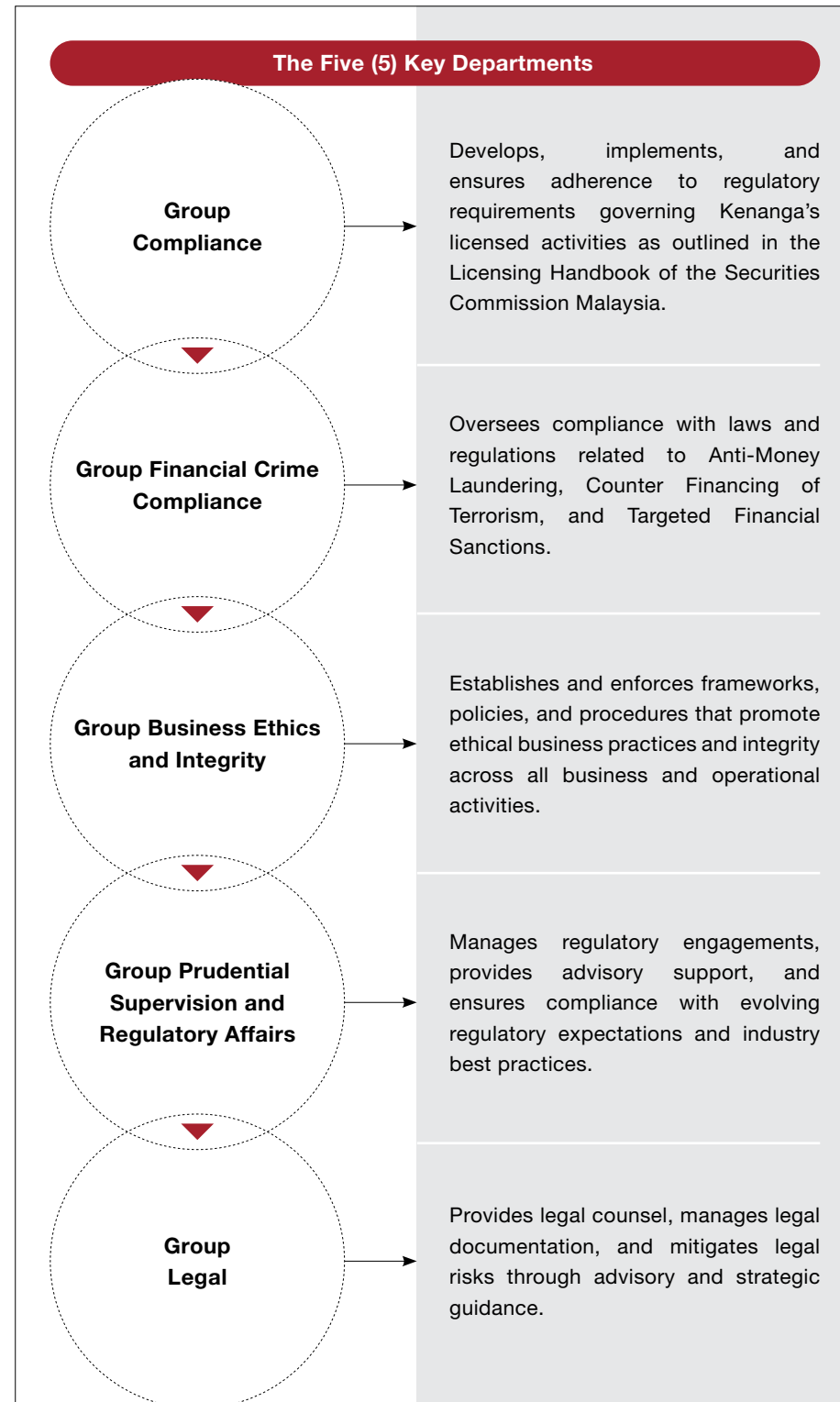
At Kenanga Investment Bank Berhad and its subsidiary companies (“**Kenanga Group**” or “**the Group**”), integrity and ethical conduct are fundamental to how we do business. We uphold the highest standards of ethics and regulatory compliance, ensuring that transparency, accountability, and responsibility are embedded in every aspect of our operations. This commitment not only safeguards stakeholder interests but also reinforces a culture of trust and sound governance.

By integrating these principles into our corporate culture and decision-making processes, we strengthen our reputation as a responsible financial institution. Our focus on ethical business practices allows us to navigate evolving challenges with confidence, fostering long-term success and responsible growth while supporting strong governance and the Group’s broader ESG goals.

STRENGTHENING ETHICS AND COMPLIANCE GOVERNANCE

Compliance goes beyond merely meeting regulatory requirements; it is about cultivating a culture where ethical principles guide decision-making at every level. Our commitment to ethical business conduct forms the foundation of our stakeholder relationships and drives our adherence to the highest standards of integrity, transparency, and corporate governance.

To maintain a structured and effective approach to ethics and compliance, five (5) key departments within the Group Regulatory Division work in close collaboration to uphold our governance standards and regulatory expectations:



Given the critical role of these functions, Group Regulatory maintains direct and independent reporting access to the Board of Directors (“**the Board**”), ensuring its autonomy in providing objective advice and recommendations that support the Board in making well-informed decisions.

OUR ETHICAL AND COMPLIANCE COMMITMENTS

• Survey on Effective Management of Ethics and Integrity in Kenanga Group

The Group actively encourages employees to share their views and concerns on matters affecting the organisation, as this enables us to identify potential gaps and implement necessary preventive or corrective measures. In line with this commitment, the Survey on Ethics and Integrity Culture at Workplace (“**Ethics Survey**”) was introduced as a key initiative to assess and enhance our ethical framework.

The Ethics Survey was conducted for the fourth time, providing employees with a structured platform to evaluate and express their perspectives on the application of ethical principles and integrity within the Group. As with previous iterations, the survey categorised employees into three (3) groups based on seniority, with tailored questionnaires addressing three (3) core values:

Top Level Commitment	Evaluates the visibility, communication, and actions of leadership in setting and upholding governance principles. This ensures that transparency, accountability and responsibility remain integral to the organisation’s culture.
Professional Accountability	Measures individual responsibility in executing tasks, making decisions, and proactively engaging in ethical and governance matters. It reflects how employees align their conduct with organisational standards while demonstrating ownership and accountability.
Personal Integrity	Assesses the role of honesty, ethical alignment, and personal values in shaping professional behaviour and decision-making. This stresses how individual integrity fosters trust, strengthens ethical culture, and enhances team dynamics.

Employees rated various statements reflecting the Group’s commitment to accountability and ethical practices, both from an organisational standpoint and in relation to personal conduct that may impact job functions.

A strong 82.41% of employees participated in the Ethics Survey, with the following response rates across job levels:

JOB LEVEL	PARTICIPATION RATE
Senior Associate & Associate (SA & A)	80.63%
Vice President & Assistant Vice President (VP & AVP)	85.47%
Senior Vice President & Above (SVP & Above)	76.13%
Overall	82.41%

ETHICS AND COMPLIANCE STATEMENT

The results reaffirm Kenanga Group's high standards of ethics and integrity, with employees across all levels overwhelmingly recognising the organisation's emphasis on ethical business practices:

Top Level Commitment	SVP and Above	Agree ✓ 99.15%	Disagree ✗ 0.85%
	AVP and VP	Agree ✓ 99.20%	Disagree ✗ 0.80%
	Associate and SA	Agree ✓ 99.64%	Disagree ✗ 0.36%
Professional Accountability	SVP and Above	Agree ✓ 100.00%	Disagree ✗ 0.00%
	AVP and VP	Agree ✓ 99.93%	Disagree ✗ 0.07%
	Associate and SA	Agree ✓ 100.00%	Disagree ✗ 0.00%
Personal Integrity	SVP and Above	Agree ✓ 100.00%	Disagree ✗ 0.00%
	AVP and VP	Agree ✓ 100.00%	Disagree ✗ 0.00%
	Associate and SA	Agree ✓ 100.00%	Disagree ✗ 0.00%

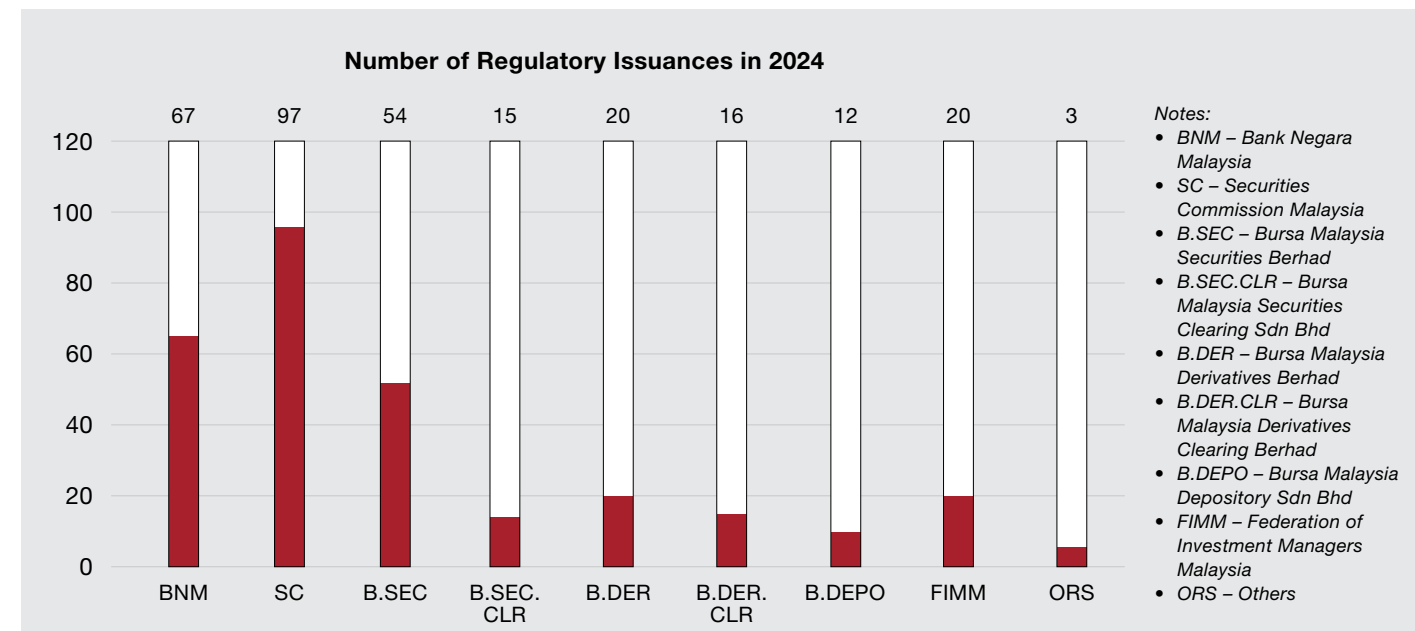
While the results are overwhelmingly positive, the Group acknowledges the feedback from a very small segment of employees indicating a need for greater visibility of leadership's commitment to ethics. This valuable insight will guide targeted initiatives to further strengthen ethical leadership engagement and communication.

The findings from the Ethics Survey will be leveraged to refine and enhance our ethical and compliance culture, ensuring that Kenanga Group continues to uphold the highest standards of integrity while continuously improving where necessary.

• Tool for Regulatory Awareness and Compliance

- Dissemination of Regulatory Issuances

Group Regulatory plays an essential role in Kenanga Group's regulatory landscape, ensuring employees remain informed of evolving regulatory requirements. In 2024, the team facilitated the dissemination of 281 revised and new frameworks, guidelines, and circulars, along with 23 consultation papers. These efforts are key to maintaining compliance with regulatory requirements across the organisation.



ETHICS AND COMPLIANCE STATEMENT

In preparation for the FATF evaluation, extensive efforts were undertaken, including:

- A comprehensive walkthrough of the Group's end-to-end AML/CFT/CPF processes, alongside in-depth discussions with regulators to enhance understanding of the organisation's AML/CFT/CPF compliance framework.
- Collaborative engagement with regulators through information requests, questionnaires, and statistical surveys to provide greater insights into the capital market's AML/CFT/CPF practices.

Kenanga Group remains committed to maintaining the highest AML/CFT/CPF compliance standards, ensuring that the capital markets industry continues to uphold regulatory expectations and safeguard Malaysia's financial integrity.

ENSURING STRONG COMPLIANCE AND ETHICAL PRACTICES

The Board oversees ethics and compliance risks, ensuring the seamless execution of strategies, frameworks, and policies. Through collaboration with stakeholders, Group Regulatory integrates governance and business direction, fostering a culture where professionalism, ethics, and compliance are deeply embedded.

• Commitment to Anti-Fraud, Bribery and Corruption

Kenanga Group adheres to the Malaysian Anti-Corruption Commission Act 2009 ("MACCA") and all relevant laws, regulations, and guidelines governing fraud, bribery, and corruption. Our stance is unequivocal – zero tolerance towards any form of fraudulent or corrupt activities. This expectation extends to our Board, Senior Management, employees, and all third parties engaged with the Group in any capacity.

To reinforce this commitment, the Group Anti-Fraud, Bribery, and Corruption Policy ("AFBC Policy") serves as the foundation for managing risks associated with fraud, bribery, and corruption. It outlines key principles, including leadership commitment, enterprise-wide risk assessments, control mechanisms, monitoring protocols, and training initiatives.

Complementing the AFBC Policy, the Group Anti-Fraud, Bribery, and Corruption Reporting Procedure ("AFBC Reporting Procedure") provides comprehensive guidance on reporting misconduct related to fraud, bribery, and corruption, ensuring appropriate actions are taken.

- Enhancing Regulatory Awareness and Compliance

To strengthen compliance awareness and ensure alignment with regulatory requirements, Group Regulatory has introduced two (2) key initiatives, Regulatory Brew and Regulatory EDGE. Both initiatives aim to provide employees with the necessary tools and processes to stay informed on regulatory updates and maintain a high standard of compliance.

Regulatory EDGE

A structured review exercise that tracks new and revised regulations, ensuring affected departments take necessary actions. The initiative includes verification elements to assure the Board on the organisation's compliance level. Departments use this process to update policies, conduct training, upgrade systems, and issue memos.

Regulatory Brew

An engaging coffee-themed newsletter that consolidates weekly regulatory updates, compliance trends, and non-compliance issues. By presenting information in a digestible and visually appealing format, it encourages employees to stay informed and integrate compliance into their daily routines to reinforce compliance obligations.

These efforts reflect our commitment to fostering a culture of responsibility, continuous improvement, and resilience in the ever-evolving regulatory landscape.

• Contribution to Upholding AML/CFT/CPF Standards in the Capital Markets Industry

Kenanga Group represented the capital markets industry during the recent Mutual Evaluation Exercise ("MEE") by the Financial Action Task Force ("FATF"). This evaluation is critical in determining Malaysia's international rating on Anti-Money Laundering ("AML"), Countering the Financing of Terrorism ("CFT"), and Counter-Proliferation Financing ("CPF") compliance. The outcome of this assessment will significantly impact the nation's global standing, financial reputation, economic stability, trade relations, and national security.

ETHICS AND COMPLIANCE STATEMENT

- Strengthening Anti-Bribery and Corruption Risk Assessment

Kenanga Group takes proactive measures to evaluate bribery and corruption risks, engaging Baker Tilly MH Consulting Sdn Bhd (“**BTMHC**”) in 2022 to conduct an extensive review. This assessment aligns with the Guidelines on Adequate Procedures and underscores the importance of periodic evaluations of every three (3) years to uphold compliance.

The review, covering all Kenanga Group entities, confirmed the effectiveness of our existing policies, procedures, and controls in managing high-risk areas. Following these insights, BTMHC recommended further expanding the assessment scope to align with the Securities Commission Malaysia’s best practices on corporate liability compliance. This reinforces the Group’s dedication to mitigating risks and maintaining adherence to regulatory expectations.

• Commitment Towards AML/CFT/CPF and Targeted Financial Sanctions (“TFS”) Measures

Kenanga Group continues to prioritise the implementation and enforcement of rigorous AML/CFT/CPF/TFS policies and procedures across all aspects of our operations.

In light of the rapid digital transformation and the evolving landscape of artificial intelligence and machine learning, we recognise the increasing complexity of financial transactions, the need for robust systems to detect and prevent illicit activities and regulatory demands. Kenanga Group has invested in digitalisation from time to time to strengthen the AML/CFT/CPF/TFS compliance frameworks, ensuring they are fully aligned with regulations and regulatory standards.

Prevention of Money Laundering, Terrorism Financing and Proliferation Financing (“ML/TF/PF”)

We ensure that our business operations do not facilitate ML/TF/PF. Through comprehensive Know-Your-Customer (“**KYC**”) protocols, transaction monitoring, and risk assessment practices, we strive to identify and mitigate potential risks in a timely and effective manner. We remain vigilant in identifying and addressing any financial transactions that may involve money laundering, support terrorism or proliferation of weapons of mass destruction.

Compliance with Domestic and International Sanctions

We strictly adhere to all relevant domestic and international sanctions’ regimes, including those targeting individuals, entities, and countries associated with criminal or terrorist activities. Our compliance efforts are continually updated to reflect changes in sanctions lists, domestic and international regulatory frameworks.

Leveraging Technology for Enhanced Monitoring

We actively endeavour to integrate new technologies, digitalisation and automation for strengthening our monitoring capabilities. These technologies enable us to more effectively analyse data and detect suspicious patterns or behaviours that may indicate potential risks associated with money laundering, terrorism financing, proliferation financing or sanctions violations.

Ongoing Training and Awareness

We provide regular training for all employees to ensure they are informed about the latest regulatory requirements and best practices. This includes ongoing education in the detection of potential AML/CFT/CPF risks and the legal obligations related to sanctions compliance.

ETHICS AND COMPLIANCE STATEMENT

• Ethical Conduct and Integrity in the Workplace**- Employee Code of Conduct**

Kenanga Group reinforces ethical behaviour through the Group Code of Ethics and Conduct for Employees (“**Employees Ethics Code**”), equipping employees with the necessary guidance, resources, and support to uphold ethical standards. To us, a strong ethical foundation is essential for positive outcomes across our client base, stakeholders, and the wider capital markets.

Trust in our workforce is fundamental, and the Employees Ethics Code embodies this by defining professional, ethical, and responsible behaviour expectations. Employees are required to maintain high standards of integrity and professionalism, ensuring impartiality in all internal and external interactions.

Commitment to the Employees Ethics Code is secured through formal acknowledgment. New hires confirm their understanding upon joining, while existing employees provide annual reaffirmations.

- Whistleblowing Framework

Kenanga Group promotes a culture of transparency through its Group Speak Up Policy (“**Speak Up Policy**”), which encourages employees and stakeholders to report unethical or unlawful practices without fear of retaliation. Emphasising the Group’s commitment to safe and open communication, the Speak Up Policy serves as a key pillar of the bank’s strong governance framework. Since 2013, the introduction of an independent third-party reporting channel has further enhanced whistleblowing mechanisms, providing a secure and confidential platform that reinforces confidence in the reporting process.

• Managing Conflict of Interest

Kenanga Group recognises that managing conflicts is vital to maintaining transparency and upholding trust. Our Group Conflict Management Policy (“**Conflicts Policy**”) sets out clear guidelines for identifying and addressing conflicts of interest, categorised into personal and business-related conflicts.

To further enhance conflict management, we have implemented the Guidance on Conflict of Interest offering additional resources to aid employees in identifying and addressing potential conflicts. Employees, divisions, and subsidiaries must disclose actual, potential, or perceived conflicts to ensure impartial decision-making aligned with the Group’s best interests.

• Gifts, Entertainment and Hospitality Controls

Kenanga Group upholds stringent ethical standards in business interactions through the Group Gifts, Entertainment, and Hospitality Policy (“**GGEH Policy**”). This policy establishes clear parameters on giving and receiving gifts, entertainment, and hospitality, mitigating the risk of bribery and conflicts of interest.

Beyond defining threshold limits and approval requirements, the GGEH Policy strictly prohibits any exchange of gifts or hospitality intended to exert improper influence over business decisions, ensuring integrity in all dealings.

• Safeguarding Confidential Information and Preventing Insider Trading

Kenanga Group is committed to protecting confidential business and client information. The Group Chinese Wall Policy (“**Chinese Wall Policy**”) is designed to control the flow of confidential, material non-public, and price-sensitive information (“**MNPI**”) across divisions and departments.

The Chinese Wall Policy sets out strict internal control measures to prevent insider trading and ensure compliance with legal and regulatory obligations. Employees are required to maintain the confidentiality of MNPI and refrain from disclosing such information unless permitted under the policy.

• Commitment to Fair Competition

Kenanga Group upholds sound and responsible business practices, with the Board and Senior Management leading the charge in promoting a fair and transparent corporate culture. The Group Competition Act Compliance Policy (“**Competition Policy**”) underlines our commitment to fair business dealings and explicitly prohibits anti-competitive behaviour.

By establishing a clear compliance framework, the Competition Policy aims to prevent violations of competition laws and promptly address any potential infringements, reinforcing our dedication to ethical business conduct.

ETHICS AND COMPLIANCE STATEMENT

• Compliance with International Tax Reporting Standards

- Common Reporting Standard (“CRS”)

Kenanga Group submitted the financial account information of non-resident clients to the Inland Revenue Board of Malaysia (“IRBM”) in June 2024 in compliance with CRS requirements. The submission covered 95 entities and funds registered with the IRBM for CRS purposes.

- Foreign Account Tax Compliance Act (“FATCA”)

Kenanga Group completed its FATCA reporting in July 2024. The reporting complies with submission requirements to the IRBM for the 2023 reporting year by 15 August 2024.

• Upholding Ethical Business Standards in Vendor Engagement

Kenanga Group sets high ethical and professional standards for all vendors, service providers, and business partners through its Group Code of Conduct for Vendors (“Vendor Code”). This ensures alignment with our core values of integrity, accountability, and ethical business practices, covering key areas such as compliance with laws, business ethics, confidentiality, human rights, and environmental responsibility. Vendors must adhere to all applicable regulations, avoid fraud and corruption, protect sensitive information, maintain fair labour practices, and implement sustainable operations.

To ensure compliance, the Group conducts due diligence and periodic assessments. Vendors found in violation may face corrective actions, including suspension or termination of business relationships. By enforcing the Vendor Code, we foster trust, transparency, and strong corporate governance across our vendor relationships.

COMMITMENT TO CONTINUOUS EDUCATION AND AWARENESS

Effective communication is essential to ensuring employees understand their responsibilities, uphold integrity, and protect stakeholder interests. To support this, Group Regulatory actively engages employees through structured training and awareness initiatives, keeping them informed of regulatory developments, ethical expectations, and corporate governance enhancements.

A range of methods is utilised to deliver these initiatives effectively. Employees gain access to informative video content, interactive quizzes that reinforce key concepts, and webinars that facilitate in-depth discussions and real-time engagement. Additionally, post-training assessments evaluate comprehension and ensure employees accurately grasp the intended information. This multi-channel approach cultivates a well-informed workforce equipped to navigate regulatory and ethical requirements effectively.

• Fraud Awareness Campaign

Kenanga Group has been a Corporate Alliance Partner of the Association of Certified Fraud Examiners (“ACFE”) since 2015. This partnership reflects our strong commitment to combating fraud by fostering education, reinforcing ethical leadership, and setting a clear tone of integrity from the top.

In 2024, the Group organised its 8th annual Fraud Awareness Week (“FAW”) programmes from 18 November to 22 November, held in conjunction with ACFE’s International FAW. The theme, **Innovate, Integrate, Insulate**, captures our proactive approach to navigating the ever-changing business and regulatory landscape. It reinforces our dedication to driving innovation, strengthening collaboration, and building resilience in all our initiatives.

Beyond advancing fraud prevention and detection, FAW provides a platform for promoting good business practices, reinforcing governance, and nurturing a corporate culture that thrives in the face of evolving regulations. This commitment aligns with the United Nations Global Compact’s 10th Principle, which calls on businesses to take a firm stand against corruption.

The 8th FAW also reaffirms the Group’s dedication to the ‘Governance’ pillar of our broader Environmental, Social, and Governance (“ESG”) compliance strategy. By driving awareness of fraud risks in the financial industry, the Group continues to emphasise the importance of good governance, ensuring that fraud detection and prevention remain top priorities.

ETHICS AND COMPLIANCE STATEMENT

FAW Opening Ceremony

The Opening Ceremony of the Group’s FAW 2024 was held on Wednesday, 20 November, at the Auditorium Azman Hashim, Bangunan Asian Institute of Chartered Bankers (“AICB”), Kuala Lumpur. It marked a significant return to an in-person format after being conducted virtually since 2020. With over 150 attendees, the strong turnout showed a shared commitment to fighting fraud and upholding ethical standards in the financial sector.

The ceremony featured insightful talks and discussions on fraud, bribery, and corruption. Tan Sri Dato’ Seri Panglima Haji Azam Bin Baki, Chief Commissioner of the Malaysian Anti-Corruption Commission, spoke about the latest strategies in fraud and corruption prevention. Tan Sri Dato’ Seri Syed Anwar Jamalullail, Chairman of Kenanga Investment Bank Berhad, shared the Group’s perspective, emphasising the importance of working together to combat fraud and thanking attendees for their continued support.

The event also celebrated outstanding contributions to fraud prevention, including Kenanga Group employees who played a key role in preventing fraud.

FAW Games

The FAW Games 2024 reached a new milestone with 250 teams competing, a 14.16% increase from 2023. The edu-games saw strong participation from both internal and external teams, with 147 teams from Kenanga Group and 103 teams from leading organisations across various industries. The overwhelming response highlights the FAW Games’ significant role in promoting awareness, teamwork, and excellence in fraud prevention.

External teams included major institutions such as the Malaysian Anti-Corruption Commission, the Securities Commission Malaysia, Bursa Malaysia Berhad, Securities Industry Development Corporation (“SIDC”), and Kumpulan Wang Simpanan Pekerja, alongside well-known companies like PETRONAS, Permodalan Nasional Berhad, SD Guthrie, and FGV Holdings Berhad. Strengthening its global presence, the FAW Games welcomed nine (9) teams from Singapore, Indonesia, India, South Africa, and Belgium. The competition had nine (9) rounds, with early matches held virtually, leading up to intense in-person battles from the Quarterfinals onward.

Video Contest on Scam Awareness

Kenanga Group introduced the Video Contest on Scam Awareness as part of the FAW Campaign to educate, inspire, and drive action against financial fraud. Open to both the public and Kenanga Group employees, the contest used creativity as a tool to simplify complex fraud concepts, making them more relatable and impactful. By providing an interactive and engaging platform, the initiative raised awareness and encouraged the community to take an active role in preventing scams.

Participants were invited to produce engaging and informative video content highlighting various scam tactics, making complex fraud schemes more accessible and relatable to a broader audience. This initiative aligned with FAW’s goal of promoting vigilance and proactive awareness within the financial ecosystem.

A panel of three (3) external judges, Ms. Cindy Sim Theng Siew from Bursa Malaysia Berhad, Mr. Srithar Sriramulu from PETRONAS, and Puan Maizurah Hatta from the Malaysian Institute of Chartered Secretaries and Administrators, evaluated the submissions based on creativity, message clarity, relevance, and overall impact.

FAW 2024 Countdown Quiz

In the lead-up to FAW 2024, the FAW 2024 Countdown Quiz engaged Kenanga Group employees with a series of quizzes released on three (3) designated days, turning compliance-related learning into an interactive experience. The initiative highlighted key principles, ensuring employees entered FAW 2024 with a stronger awareness of ethical responsibilities.

Designed to build anticipation and reinforce key knowledge, the quiz covered essential topics such as whistleblowing, workplace ethics, integrity, and measures against fraud, bribery, and corruption. In recognition of their efforts, 50 employees who submitted all-correct responses received small tokens.

Beyond generating excitement for FAW 2024, the Countdown Quiz emphasised the importance of vigilance, ethical decision-making, and fraud prevention in an engaging and memorable way.

ETHICS AND COMPLIANCE STATEMENT

- **Annual Regulatory Seminar**

The 9th Annual Regulatory Seminar (“ARS”) in 2024 was once again integrated as one of the events under the 8th FAW. In line with FAW’s objective of addressing key contemporary issues, the theme of the 9th ARS was aligned accordingly. This seminar featured a structured nine-part e-learning programme covering critical topics relevant to the regulatory landscape, fraud detection, ethics and integrity, governance, cybersecurity, and regulatory expectations.

Training sessions were conducted by a diverse group of subject-matter experts from Kenanga Group, along with invited speakers from various fields. These pre-recorded sessions were made available online to all employees across the country through the Group’s learning portal, ensuring accessibility and flexibility for participants. To reinforce learning and assess employees’ understanding, a short pre-and-post quiz was administered, measuring comprehension of the topics covered.

The 9th ARS saw a total of 1,150 employees participating. Employees holding a Capital Markets Services Representative’s Licence who successfully completed the quiz with a minimum score of 80% within the specified timeframe were eligible to receive ten (10) CPE points accredited by the SIDC.

- **Compliance Awareness Week 2024**

Kenanga Group held Compliance Awareness Week on 3 September and 4 September to strengthen employees’ understanding of regulatory compliance and reinforce the Group’s commitment to integrity and resilience. Themed “Navigating Compliance Together – Embrace, Empower & Excellence”, the event aimed to equip employees with the necessary knowledge and skills to uphold compliance as a core value.

The two-day event attracted nearly 200 participants and featured distinguished speakers, including Assistant Commissioner of Police (ACP) Lee Ching Lai from the Royal Malaysia Police, who spoke on “Combating Online Scams”, and Mhd Syazni Idris from SIDC, who shared insights on “Compliance – Everyone’s Game”. Their sessions highlighted the critical role of compliance in fostering a strong and ethical organisation.

Beyond the talks, employees engaged in interactive compliance-themed activities and quizzes, making the learning experience both informative and engaging. The event reaffirmed Kenanga’s commitment to compliance, not just as a regulatory requirement but as an integral part of its corporate culture.

- **Enhanced AML/CFT/TFS Review**

Kenanga Group is continuously evaluating and enhancing the systems, processes, and technological capabilities to stay ahead of emerging ML/TF/PF risks and ensure full compliance with all applicable laws and regulations. Below are the key focus areas of our AML/CFT/CPF compliance programme in identifying, monitoring, and mitigating ML/TF/PF risks on a risk-based approach:

Regular Risk Assessment

A regular review of the Group’s exposure to AML/CFT/CPF risks across various business units with focus on clients’ risk assessments to enhance the transaction monitoring programme based on Kenanga Group’s risk profile.

Enhanced Due Diligence (“EDD”)

Strengthened EDD protocols for high-risk customers and transactions, including enhanced monitoring of high-value or unusual transactions and reporting of suspicious activities, in line with the highest standards of compliance.

Training & Awareness

A focus on training programmes for directors, senior management and all employees to ensure awareness of the latest AML/CFT/CPF regulations and their roles in safeguarding Kenanga Group from illicit financial activities.

Continuous Evaluation and Improvement

A continuous evaluation and improvement process has been integrated into Kenanga Group’s AML/CFT/CPF compliance framework. This includes regular internal audits, as well as assessments, reviews carried out on a group-wide basis to assess the effectiveness of our AML/CFT/CPF measures and address any gaps or weaknesses on a concerted effort.

Accordingly, the above enhanced AML/CFT/CPF review programme not only strengthens our compliance capabilities but also ensures that we remain adaptable to regulatory changes, enhancing our commitment to integrity and the prevention of financial crimes.

STRATEGIC VISION FOR 2025: INNOVATING GOVERNANCE AND ETHICS

As we look toward 2025, the Group is committed to strengthening our governance frameworks and ethical standards in response to the fast-evolving business landscape. Technological advancements, regulatory shifts, and growing ESG expectations shape our strategy, which integrates innovation with robust compliance practices to ensure long-term resilience.

Our focus remains on building a culture of transparency, accountability, and responsibility, while proactively addressing emerging risks. The Group is dedicated to leading with strong governance and ethics, reinforcing our role as a trusted institution in an increasingly complex business.

- **Transforming Governance Practices for a Changing Regulatory Environment**

In response to shifting regulations and ESG expectations, Kenanga Group is focused on evolving its governance practices to ensure long-term sustainability. Our approach is rooted in the integration of governance with the broader sustainability objectives into our business operations.

- **Leveraging Technology to Strengthen Compliance Risk Management**

As technological advancements reshape the business landscape, the Group embraces digital tools to enhance our compliance and risk management systems. We prioritise adopting innovative technologies that align with regulatory standards and ensure that we remain agile and responsive to emerging challenges.

- **Combating Financial Crimes with Advanced Compliance Frameworks**

The increasing sophistication of financial crimes calls for a robust and adaptive compliance framework. Kenanga Group is committed to strengthening its AML/CFT measures, integrating them with ESG considerations to address both traditional and emerging financial risks.

» FORWARD LOOKING STATEMENT

We remain committed to ethical governance and operational excellence, ready to meet the challenges of a rapidly evolving regulatory and technological landscape. Our focus on integrating innovation with governance empowers us to proactively manage emerging risks while ensuring we maintain the highest standards of integrity.

Guided by our core principles, Kenanga Group continues to foster a culture of transparency, accountability, and responsibility throughout the organisation. With strong support from our Board and Senior Management, we enable our employees to uphold these values. As we further strengthen our ESG initiatives and compliance frameworks, we aim to not only meet regulatory requirements but also create lasting value for our stakeholders, aligning business growth with positive societal impact.

Through innovation and ethical leadership, Kenanga Group is committed to building a resilient foundation that drives sustainable growth, cultivates stakeholder trust, and shapes the future of responsible business.

ETHICS AND COMPLIANCE STATEMENT

- **Building a Resilient Culture of Ethics and Integrity**

A culture of ethics and integrity is foundational to the Group’s mission. We are committed to instilling a strong sense of responsibility at all levels of the organisation, ensuring that ethical principles guide decision-making and actions across the company.

- **Championing Transparency and Ethical Communication Across All Levels**

We emphasise the importance of open communication in fostering a culture of transparency. Our Speak Up channels and open-door policies empower employees to report concerns, ensuring accountability and reinforcing our commitment to ethical business conduct.

- **Enhancing Compliance Oversight with Continuous Monitoring and Assessment**

Kenanga Group is dedicated to ensuring the highest standards of compliance. Through continuous monitoring and risk-based assessments, we proactively address compliance gaps and ensure that our business operations remain aligned with the latest regulatory requirements.

- **Safeguarding Data Privacy and Security in the Age of Digital Transformation**

As we continue our digital transformation journey, Kenanga Group places great emphasis on safeguarding personal and corporate data. By adhering to stringent data protection regulations, we ensure that our technological advancements are secure, responsible, and compliant with the expected standards.

- **Driving Compliance Excellence through Continuous Education and Training**

Our commitment to governance excellence is reinforced through ongoing employee education and training. Kenanga Group ensures that employees are well-equipped to navigate complex regulatory changes, strengthening our ethical practices and fostering a compliance culture throughout the organisation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), a listed issuer must ensure that its Board of Directors (“Board”) includes in its annual report a statement about the state of its risk management and internal controls as a group. In addition, the Malaysian Code on Corporate Governance (“MCCG”) also stipulates that the Board should maintain a sound system of internal controls and review its effectiveness to safeguard Shareholders’ investments and the Group’s assets.

Set out below is the Board’s Statement on Risk Management and Internal Control in compliance with the MMLR of Bursa Malaysia.

BOARD RESPONSIBILITY

The Board is committed to maintaining a sound system of internal controls and has instituted a risk management framework, as well as good corporate governance measures to monitor the effectiveness of the measures and controls put in place by the Group to safeguard Shareholders’ investments and the Group’s assets.

The Board is responsible for determining key strategies and policies for significant risks and control issues, whereas Management is responsible for the effective implementation of the Board’s policies by way of identifying, monitoring and managing risks. However, as any system of internal controls will have its inherent limitations, the system has been designed to manage risks rather than provide absolute assurance against material misstatement, fraud or loss.

The Board has also received reasonable assurance from the Group Managing Director and Group Chief Financial and Operations Officer that the Group’s risk management and internal control system is operating adequately and effectively, in all material aspects.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board and Management of the Group are committed to the implementation of an internal control system to manage those risks that could affect the Group’s continued growth and financial viability.

Measures are taken to continuously evaluate changes in the risk profile of the Group and business complexities to assist the Board and Management to anticipate and manage all potential risks and protect Shareholders’ value.

The key elements of the Group’s internal control system include the following:

Risk Management Framework

The risk governance structure in the Enterprise Risk Management Framework defines the roles and responsibilities throughout the organisation to ensure accountability and ownership. It sets out the principles of sound corporate governance to assess and manage risks to ensure that risk taking activities are aligned with the Group’s long-term viability and its capacity to absorb losses.

The risk management philosophy adopted by the Group is based on the three (3) lines of defence approach. The line management is the first (1st) line of defence and is primarily responsible for the day-to-day risk management by identifying the risks, assessing impact and taking appropriate actions to manage and mitigate risks.

The second (2nd) line of defence is the oversight functions comprising Group Risk Management and Group Regulatory. They perform independent monitoring of business units as well as reporting to Management and the Board to ensure that the Group conducts its business and operations within internal guidelines and in compliance with relevant regulatory requirements.

The third (3rd) line of defence is Group Internal Audit (“GIA”) which provides independent assurance to the Board on the adequacy and effectiveness of system of internal controls, risk management and governance processes.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Governance

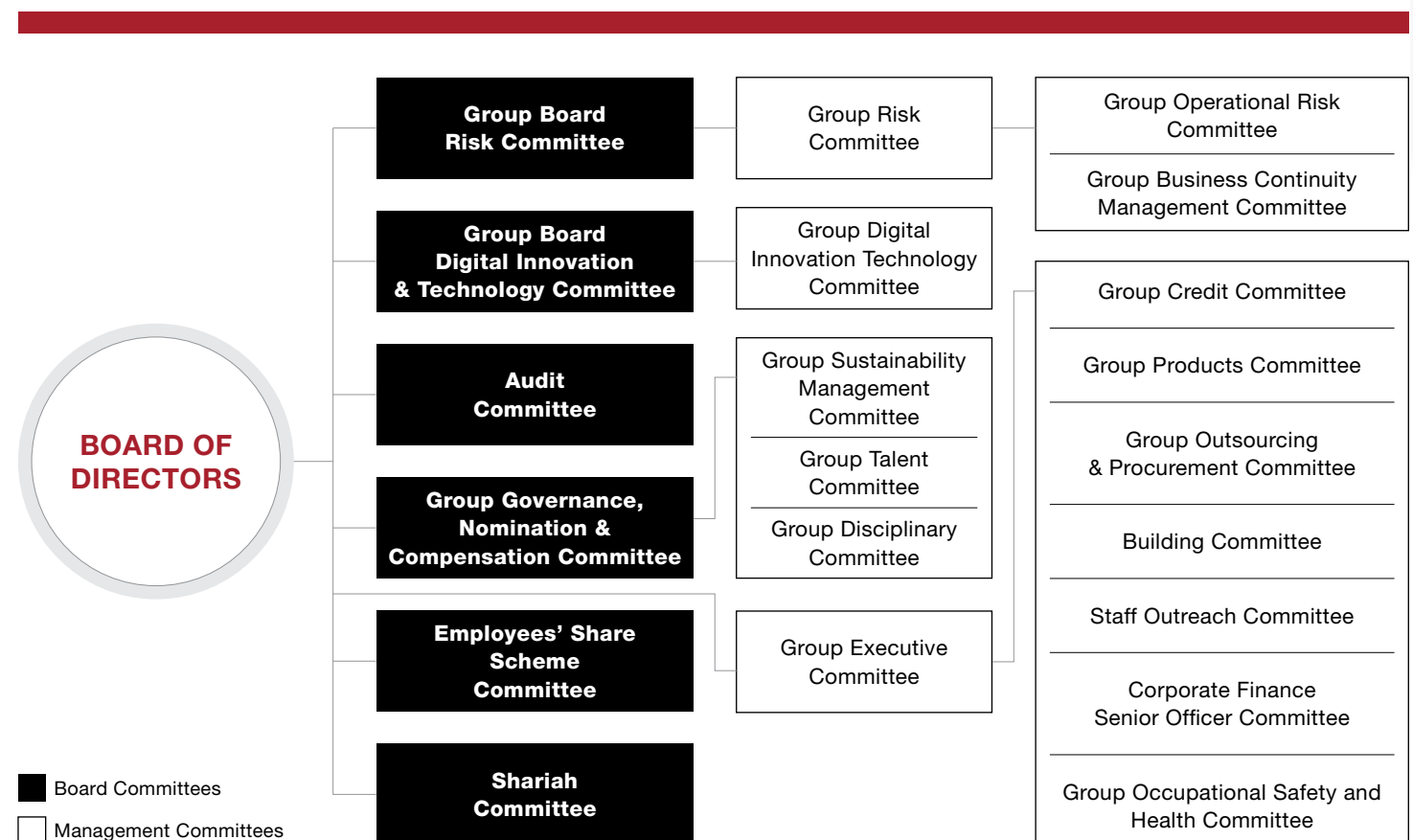
The Board, through its appointed committees such as the Group Board Risk Committee (“GBRC”) and Group Board Digital Innovation & Technology Committee (“GBDITC”), ensures that the Group’s activities are consistent with its approved risk appetite, strategies and policies.

The GBRC is supported by the Group Risk Committee (“GRC”) that provides a forum to address and review the management of credit, operational, market, liquidity, technology and other significant risks including climate change risk, to enable effective oversight, accountability and responsibilities for risk taking decisions. Assisting the GRC is the Group Operational Risk Committee and the Group Business Continuity Management Committee.

The GBDITC on the other hand, focuses on technologies and information technology (“IT”) risk of the Group at the Board level and is supported by the Group Digital Innovation Technology Committee which covers the Group’s technology plans and projects.

Quarterly meetings as well as special or ad hoc meetings as and when required, are held by the Audit Committee (“AC”) together with Management to review issues highlighted in the reports by internal and external auditors, as well as audits conducted by regulators such as Bank Negara Malaysia (“BNM”), the Securities Commission Malaysia (“SC”) and Bursa Malaysia; and the remedial measures or actions taken by Management in addressing the audit findings raised by the regulators.

The Group Governance, Nomination & Compensation Committee (“GNC”) was established with the objective, among others, to support the Board in the effectiveness and the enhancement of the Group’s governance structure, framework and policies and its compliance with the applicable statutory and regulatory requirements in relation thereof, including but not limited to, the MMLR of Bursa Malaysia, BNM’s Policy Document on Corporate Governance, the MCCG and the Malaysian Anti-Corruption Commission Act 2009, as well as the relevant latest developments in the corporate governance area.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Management Committees (“MC”) are established to oversee specific responsibilities based on defined terms of references. MC meetings are held regularly to ensure that business operations are executed in accordance with approved strategies, policies and business directions. The MCs are responsible for, amongst others:

- 1 Reviewing the actual performance against expectations and budget;
- 2 Addressing any internal control issues with the AC, GBRC, GBDITC, GNC, Employees’ Share Scheme Committee (“ESSC”), GIA, regulators and the external auditors; and
- 3 Addressing any matters arising from the meetings of the Board, AC, GBRC, GBDITC, GNC and the ESSC; and ensuring that actions are taken in relation to these matters.

Risk Management Process and Infrastructure

The risk management process is a combination of both bottom-up and top-down approaches to facilitate decision-making based on available information known at the time and creating opportunities to refine inputs when new information is available.

In addition to establishment of risk policies, tools and methodologies to identify, quantify and manage the risks, Group Risk Management is also responsible for establishing the risk measurement and monitoring process to ensure that the Group’s risk profile and portfolio concentration are reported to the various risk committees on a regular basis.

Internal Policies and Procedures

Policies and procedures which set out standard day-to-day operations and managing risks are formulated based on current regulatory requirements and industry best practices.

The adequacy and compliance with regulatory requirements of the policies and procedures are assessed by independent control functions such as risk management, compliance and audit, prior to obtaining approval from the Board or relevant MC.

Existing policies and procedures are reviewed regularly to ensure improvements and in consideration of emerging or changing risk profiles, new products or services as well as new or updated regulatory requirements.

Annual Business Plans and Budgets

The Board reviews and approves the business plans and budgets which are developed in line with the Group’s strategies and risk appetite. Actual performances against the approved budgets are escalated to the Management and Board on a monthly basis allowing responses and corrective actions to be taken.

Human Capital Management

The organisational structure, which is aligned to business and operational requirements is led by Heads of Divisions or Chief Executive Officers of Subsidiary Companies with accountability in place.

Policies and procedures on human resource are reviewed regularly to ensure they remain relevant to manage operational and people related risks. There are regular training and updates for employees on the requirements and guidelines set by regulatory bodies such as BNM, SC and Bursa Malaysia, as well as on the importance of corporate governance, risk management and internal control. Various awareness programmes that address the operational risks, ethics and fraud are also conducted regularly.

Comprehensive background screenings of employees are carried out during the hiring process and repeated annually, with appropriate actions taken in response to any adverse findings or risks identified.

Key Performance Indicators are cascaded to each employee annually in alignment with the Group and Division goals and objectives, and performance appraisals are conducted based on the achievement of the set targets. Management’s Compensation and Rewards is based on Pay for Performance principle. Compensation of Material Risk Takers and Other Material Risk Takers are reviewed annually by the GNC and Board.

Employee misconduct is managed through the established Consequence Management Framework and Group Disciplinary Policy and Procedure.

Business Continuity Management

Business Continuity Plans and Disaster Recovery Plans are established to ensure non-disruption of business or efficient business resumption. Regular testing or drills are also conducted for the purpose of staff preparedness, readiness of disaster recovery site, effectiveness of communication, escalation and recovery procedures. For effective business continuity management (“BCM”), awareness training is held annually for BCM coordinators and key persons.

Information Technology Security

The use of IT is essential and central to the Group’s business. In order to ensure the reliability and resiliency of the business operations to meet the expectations of customers and all stakeholders, and in line with the guidelines of regulators such as BNM’s Policy Document on Risk Management in Technology and SC’s Guidelines on Technology Risk Management, the Group has established the corporate Cyber Security Policy and implemented the necessary security procedures to protect the confidentiality, integrity and availability of information systems and data.

With the increase in the adoption of digitalisation and service delivery via cyberspace, the Group will continue to reinforce its IT security efforts and initiatives to be aligned with the Group’s current and envisaged operations, strategies and business environments. The IT security posture of the Group is also continuously reviewed and enhanced to mitigate the risks arising from new and emerging threats. In-house IT security training and security updates on the latest threats are constantly provided to all staff to ensure their awareness on the importance of IT security.

Climate Change Risk Management

Managing ‘Climate Change Risk’ is core to our sustainability journey. We take a wholesome and integrated risk-based approach in addressing the multi-dimensional implications of climate change risk, including incorporating climate change risk drivers across credit, market, liquidity, operational and reputational risks. Considering the wide-ranging and significant implications of climate change risk on our business operations and, in line with BNM’s guidelines such as Climate Risk Management & Scenario Analysis and Climate Change and Principle-Based Taxonomy, we developed our Climate Change Risk Management Framework to provide strategic guidance to the Group in respect of climate change risk governance.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This includes risk management practices, transition pathway and corporate direction in aligning its strategies and business operations with the applicable regulatory policies on climate change risk.

Climate change risk management related matters, where relevant, are deliberated at Management’s level by the GRC and/or Group Sustainability Management Committee and at the Board’s level by the GBRC and/or GNC.

Compliance Function

The Board is unreservedly committed and always strives to adopt the principles and recommendations of the MCCG issued by the SC, as well as other relevant regulatory requirements relating to corporate governance. Compliance reviews and monitoring are undertaken by Group Regulatory using various tools and approaches based on the framework set by Group Compliance, a department of Group Regulatory. These reviews and monitoring are performed to assess the level of compliance with the relevant regulatory requirements and the respective companies’ internal policies and procedures. Any regulatory deviation or compliance breaches will be reported to the respective Boards of operating entities within the Group and the relevant regulators. Pursuant to this, appropriate corrective actions including disciplinary actions will be taken to address the breach with a view to pre-empt and prevent the occurrence of a similar breach.

Aside from Group Compliance, the four (4) other departments of Group Regulatory undertake functions to review and monitor compliance in their respective areas. In this respect, the Group Financial Crime Compliance, Group Prudential Supervision & Regulatory Affairs, Group Business Ethics & Integrity and Group Legal provide timely, structured and comprehensive advice and support to the Group in matters relating to the laws, rules and regulations applicable to the Group.

Group Regulatory has also implemented self-assessment framework to facilitate and promote regulatory compliance by the business within the Group. For this purpose, a list of identified laws, regulations and other regulatory instruments applicable to the Group are documented and maintained to facilitate compliance.

Please refer to the ‘Ethics and Compliance Statement’ for more details on functions, roles and responsibilities of Group Regulatory.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Internal Audit

GIA provides independent and objective assurance to the Board that the established internal controls, risk management and governance processes are adequate and are operating effectively and efficiently.

To ensure independence and objectivity, GIA reports independently to the AC of KIBB and has no responsibilities or authority over any of the activities it reviews. GIA's scope of work and activities are guided by the Internal Audit Charter, mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework and relevant regulatory guidelines.

An Annual Audit Plan based on the appropriate risk-based methodology has been developed and approved by the AC. On a quarterly basis, audit reports and status of internal audit activities including the sufficiency of GIA resources are presented to the AC for review.

Periodic follow-up reviews are conducted to ensure adequate and timely implementation of Management's action plans.

Associate and Joint Venture Companies

The Board does not regularly review the internal control systems of associate and joint venture companies as the Board does not have any direct control over their operations. Notwithstanding this, the Group's interests are served through representation on the Boards of the respective companies via receipt and review of management accounts, periodical reports as well as deliberation on proposals related to these companies. Such representation also provides the Board with information for decision-making on the continuity of the Group's investments based on the performance of these associate and joint venture companies.

CONCLUSION

The Board, through the AC and GBRC, confirms that it has reviewed and considered the effectiveness of the Group's risk management and internal control system as adequate during the financial year and has taken into consideration any material developments up to the date of approval of the Annual Report and Audited Financial Statements for the Financial Year Ended 31 December 2024. The main financial risk areas faced by the Group and the guidelines and policies adopted to manage them are provided in detail under Note 51 of the Audited Financial Statements of KIBB for the Financial Year Ended 31 December 2024.

The Board is satisfied that there is an effective on-going process for identification, evaluation and management of risks and there are regular reviews to ensure controls are efficient and effective.

Review of the Statement by External Auditors

As required by Paragraph 15.23 of the MMLR of Bursa Malaysia, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with the Audit and Assurance Practice Guides ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. Based on the review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process that the Board has adopted in the review of the adequacy and integrity of the internal controls of the Group. AAPG 3 does not require the external auditors to, and they did not, consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 27 January 2025.

AUDIT COMMITTEE REPORT

1. COMPOSITION

- 1.1 The Audit Committee ("AC") of Kenanga Investment Bank Berhad ("KIBB" or "the Company") presently comprises solely Independent Non-Executive Directors as follows:

**ENCIK JEREMY
NASRULHAQ**
Chairman, Senior Independent
Non-Executive Director ("INED")

MR. KANAGARAJ LORENZ
Member, INED

**PUAN NORAZIAN AHMAD
TAJUDDIN**
Member, INED

- 1.2 The composition of the AC is in line with Paragraphs 15.09(1)(a) and 15.09(1)(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), as well as Standard 12.3 of Bank Negara Malaysia ("BNM")'s Policy Document on Corporate Governance, which require the AC to comprise no fewer than three (3) members, all of whom must be Non-Executive Directors, with a majority of them being Independent Directors.

The AC currently comprises solely Independent Directors, which is in line with Step-Up Practice 9.4 of the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia ("SC"). Adopting Practice 1.4 of the MCCG, the Chairman of the Board of Directors ("Board") is not a member of the AC.

Two (2) of the AC members, namely Encik Jeremy Nasrulhaq, currently the Chairman of the AC and Mr. Kanagaraj Lorenz, are members of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants respectively, in line with the requirements of the MMLR of Bursa Malaysia. This strengthens the effectiveness of the AC and facilitates the AC's succession plan in terms of its membership to ensure full compliance with the relevant regulatory requirements.

- 1.3 The effectiveness of the AC as a whole, as well as its members individually, is assessed annually in accordance with the Board Effectiveness Evaluation Framework based on a set of criteria covering the areas of composition, processes and procedures, interaction with Management, as well as roles and responsibilities. Based on the assessment conducted for 2024, the Board is satisfied with the performance of the AC and with the manner in which the AC has discharged its roles and responsibilities as stipulated in its Terms of Reference ("TOR"), which is available at the Company's corporate website at <https://www.kenanga.com.my>.

2. AC MEETINGS HELD DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

- 2.1 During the Financial Year Ended 31 December 2024, the AC had convened six (6) meetings. The meetings were appropriately structured where members were given the agenda and sufficient notification. The AC meetings were of adequate length to allow the AC to accomplish its agenda with sufficient time to discuss the emerging issues.

Other than the regular meetings of the AC scheduled throughout 2024, one (1) joint meeting between the AC and the Group Board Risk Committee ("GBRC") was held on 18 October 2024 to deliberate on matters that were considered common for both committees.

The AC conducted its meeting in an open and constructive communication mode and encouraged focused discussion, questioning and expressions of differing opinions.

AUDIT COMMITTEE REPORT

2.2 The Group Chief Internal Auditor (“**GCIA**”) attended all meetings of the AC to present the respective internal audit reports. As and when necessary, the AC would request the attendance of relevant personnel at its meetings to brief the AC on specific issues arising from the internal audit reports.

The Group Chief Financial and Operations Officer (“**GCFOO**”) and the Head of Group Finance on the other hand, attended the AC meetings to present the unaudited quarterly financial statements, audited financial statements, as well as other financial reporting related matters for the AC’s deliberation and recommendation to the Board for approval.

2.3 In addition, separate private discussions were also held between the Chairman of the AC and/ or the AC with the GCIA and between the AC and the External Auditors, Ernst & Young PLT (“**EY**”), without the presence of Management. During the period under review, the AC met with the External Auditors without Management’s presence twice i.e., on 24 January 2024 and 24 October 2024, after the tabling of the Update Report in respect of the Financial Year Ended 31 December 2023’s audit and the External Auditors’ 2024 Audit Plan respectively.

During these meetings, the AC sought the feedback from the External Auditors with regard to the support provided by Management in terms of providing timely and accurate information, as well as the adequacy of resources in the financial reporting functions. Based on the External Auditors’ feedback, Management was noted to have provided full cooperation to the External Auditors in the course of the External Auditors’ audit assignments. The External Auditors had also indicated that Management had been very pro-active in approaching them for any issues arising during the year, which contributed to an effective audit planning by the External Auditors.

2.4 In fulfilling its reporting responsibility to the Board, after each meeting, the Chairman of the AC reported the AC’s deliberations and recommendations to the Board.

The Minutes of each AC meeting were recorded and tabled for confirmation at the following AC meeting and subsequently presented to the Board for notation.

2.5 AC Members’ Attendance at Meetings

The details of the AC members’ attendance at its meetings held during the Financial Year Ended 31 December 2024 are as stated below.

AC Name of Member	Number of Meetings		
	Held ⁽¹⁾	Attended	Percentage (%)
Encik Jeremy Nasrulhaq (Chairman)	7	7	100%
Mr. Kanagaraj Lorenz	7	7	100%
Puan Norazian Ahmad Tajuddin	7	7	100%

Note

(1) Total number of meetings held is inclusive of one (1) joint meeting between the AC and GBRC held on 18 October 2024.

AUDIT COMMITTEE REPORT

3. SUMMARY OF THE AC’S ACTIVITIES DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3.1 Financial Reporting

a In discharging its role and responsibility pertaining to the Company’s financial reporting, the AC had at its meeting held on 24 January 2024, reviewed the quarterly financial statements for the quarter ended 31 December 2023, as well as the Audited Financial Statements in respect of the Financial Year Ended 31 December 2023.

In reviewing the Audited Financial Statements, the AC discussed with Management and the External Auditors, the accounting principles and standards that were applied and their judgment of the items that might affect the financial statements.

The AC also deliberated on audit issues and key audit matters raised by the External Auditors and the action plans required to address those issues, based on the External Auditors’ recommendations.

At the same meeting, the AC had also deliberated and recommended to the Board for approval, the revised Group Accounting Policy - Financial Instrument: Policy on Credit Impairment Assessment and Provision (Issue 8), which set out the minimum requirements on the expected credit loss impairment assessment and provision.

b The subsequent quarterly financial statements for the quarters ended 31 March 2024, 30 June 2024 and 30 September 2024 were tabled and reviewed by the AC at its quarterly meetings held on 29 April 2024, 25 July 2024 and 24 October 2024 respectively, upon which the AC had recommended the quarterly financial statements to the Board for approval.

c The AC had at its meeting held on 24 October 2024, reviewed the adoption of the impairment approach and the assumptions used in the annual assessment for impairment of assets of KIBB and Its Subsidiaries (“**KIBB Group**”) for the Financial Year Ended 31 December 2024 and recommended the same for the Board’s approval.

d At each of its quarterly meeting, the AC was also notified of the amount of non-audit fees incurred and paid by KIBB Group to the External Auditors and their affiliate to ensure compliance with the Group’s Policy on Non-Audit Services by External Auditors.

3.2 External Audit

a The report by the External Auditors on the statutory audit of the financial statements of KIBB and KIBB Group for the Financial Year Ended 31 December 2023 was reviewed and deliberated by the AC at its meeting held on 24 January 2024.

During its deliberations, the AC was briefed by the External Auditors on the various areas of audit emphasis, including Management’s assessment, EY’s independent assessment and conclusion made for each of the identified areas.

b The AC had also at the same meeting reviewed the list of services provided by the External Auditors during the financial year which comprised audit and regulatory-related services, issuance of a written communication to Management and the AC pertaining to the External Auditors’ audit/ findings, together with the recommendations for improvements in controls and procedures.

The External Auditors’ services also included the review of the Statement on Risk Management and Internal Control, as well as other regulatory submissions as required under the various regulatory requirements.

AUDIT COMMITTEE REPORT

c At its meeting held on 27 February 2024, the AC was updated by the External Auditors, on the latest status of the statutory audits conducted on KIBB Group in respect of the Financial Year Ended 31 December 2023. The AC had, at the same meeting, duly deliberated on the audit matters which required its attention.

During its deliberations, in addition to the relevant disclosures in the Audited Financial Statements, the AC had also considered the recommendations made by the External Auditors towards enhancing the internal controls and procedures.

d Pursuant to Section 67(1) of the Financial Services Act 2013, an auditor appointed by a licensed person shall meet the qualification criteria set out in BNM's Policy Document on External Auditor and shall continue to meet the criteria throughout the audit engagement.

In addition, BNM's letter dated 3 May 2012 on "Supervisory Expectations on AC Pertaining to the Appointment/ Re-Appointment of External Auditors" also sets out the areas of assessment to be performed.

Being a licensed financial institution under the Financial Services Act 2013, the Company is required to undertake an annual assessment on areas focusing on performance and independence of External Auditors.

In relation to the audit of the Company's financial statements for the Financial Year Ended 31 December 2023, the External Auditors had given a written assurance to the AC that they were independent in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Code of Ethics for Professional Accountants (including International Independence Standards), throughout their audit engagement for 2023.

This written assurance by the External Auditors was contained in the External Auditors' Report which was presented to the AC on 24 January 2024.

Following the implementation of the requirement for Annual Transparency Reporting by the SC's Audit Oversight Board and in line with the MCGG's criteria to guide decisions on the appointment and re-appointment of the External Auditors, the 2023 Transparency Report issued by EY was presented to the AC on 24 January 2024.

After taking into consideration the assessment carried out by Management and the 2023 Transparency Report, the AC at the same meeting, had concluded that the External Auditors had fulfilled all the qualification criteria set out in BNM's Policy Document on External Auditor in terms of its performance and independence and had therefore, recommended the re-appointment of EY as the Company's External Auditors for the Financial Year Ending 31 December 2024 to the Board for approval.

e At its meeting held on 24 October 2024, the AC reviewed and approved the External Auditors' 2024 Audit Planning Memorandum outlining their scope of work and proposed fees covering their recurring audit assignments, as well as other regulatory-related services.

During the presentation of their 2024 Audit Planning Memorandum, the External Auditors had also highlighted to the AC the National Sustainability Reporting Framework which set 2027 as the proposed year for mandatory adoption of IFRS S1 and IFRS S2 in Malaysia with first (1st)-year transition reliefs available for preparers, and the developments in the financial reporting (as at 30 June 2024) as summarised below.

AUDIT COMMITTEE REPORT

New Malaysian Financial Reporting Standards ("MFRS") Issued as at 30 June 2024.

Description	Effective Date*
Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2024
Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 Leases)	1 January 2024
Disclosures: Supplier Finance Arrangements (Amendments to MFRS 107 and MFRS 7)	1 January 2024
Lack of Exchangeability (Amendments to MFRS 121)	1 January 2025
Classification and Measurement of Financial Instruments (Amendments to MFRS 9 and MFRS 7)	1 January 2026
MFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Effective date had been postponed

Note

* Effective for annual periods beginning on or after this date.

3.3 Internal Audit

a At its meeting on 24 January 2024, the AC had reviewed and approved the 2024 Internal Audit Plan tabled by Group Internal Audit ("GIA") after considering the adequacy of scope and comprehensiveness of the coverage of activities within KIBB Group, as well as the adequacy of resources in GIA.

b In 2024, the AC had reviewed and deliberated on a total of forty (40) Internal Audit Reports, together with the audit recommendations made by GIA and Management's responses to those recommendations, in relation to the audits carried out by GIA.

Where appropriate, the AC had directed Management to rectify and improve the control and workflow procedures based on GIA's recommendations.

The AC, at all its quarterly meetings, also reviewed the implementation status of the corrective actions arising from the audit recommendations to ensure that the key risks and control lapses were addressed adequately and in a timely manner.

With regard to long outstanding audit recommendations, where appropriate, the relevant Heads of Department were invited to the AC meeting to provide relevant explanation for the delay in implementing such audit recommendations.

In ensuring timely implementation of audit recommendations, the Company, under its Performance Management Framework, had introduced a demerit system for any delay in implementing high-risk audit recommendations of more than six (6) months and medium-risk audit recommendations of more than twelve (12) months.

c In addition to the audit conducted on the processes and systems of Support and Business Units within KIBB Group, during the Financial Year 2024, GIA also conducted various regulatory required reviews in areas including amongst others, Anti-Money Laundering/ Counter Financing of Terrorism, Basel II (Pillar 3), Related Party Transactions, Verification of RM Marketable Securities, Staff Training Fund, Federation of Investment Managers Malaysia ("FIMM") Annual Compliance Review Checklist for Kenanga Investors Berhad and FIMM Annual Compliance Review Checklist for KIBB.

AUDIT COMMITTEE REPORT

d The AC at its meeting on 24 January 2024 had taken note of GIA's Annual Confirmation on Organisational Independence of Internal Audit Activity for the Financial Year 2023 in line with the International Standards for Professional Practice of Internal Auditing (Standards – 1110).

e For the purpose of evaluating the performance of the GCIA, the AC had at its meeting on 24 January 2024, reviewed and deliberated on the GCIA's 2023 Performance Appraisal and 2024 Balanced Scorecard, prior to submission of the same to the Group Governance, Nomination & Compensation Committee ("**GNC**") for its further recommendation to the Board of KIBB for approval.

The revised 2024 Balanced Scorecard incorporating the feedback provided by the AC, was recommended to the GNC for the latter's further recommendation to the Board of KIBB for approval by the AC at its meeting held on 24 January 2024.

The AC's recommendation on the GCIA's 2023 Performance Appraisal and 2024 Balanced Scorecard were subsequently approved by the Board of KIBB on 31 January 2024 and 7 March 2024 respectively.

f The AC had also at its meetings on 29 April 2024 and 25 July 2024, deliberated on the GCIA's Individual Development Plan ("**IDP**"). Progress update on the implementation of the IDP had also been provided to the AC.

g The AC at its meeting on 24 October 2024, had taken note of the results of the Internal Quality Assessment Review, being part of GIA's Quality Assurance and Improvement Programme to assess the Internal Audit activity's conformance with the Internal Audit Standards for the Internal Audit Staff (Pillar 2).

h The AC, at all of its quarterly meetings also reviewed and noted the confirmed minutes of meetings of the Audit & Risk Committee of Kenanga Investors Berhad and the Group Outsourcing & Procurement Committee of KIBB.

3.4 Regulatory Examinations/ Inspection Report

As stipulated in its TOR, the AC also deliberates on reports issued by the regulators arising from their examinations or inspections on entities within KIBB Group. This is to ensure proper and adequate implementation of appropriate remedial and corrective measures in respect of the findings raised by the respective regulators arising from their respective examinations/ inspections.

There was no regulatory report tabled at the AC for the year 2024.

3.5 Related Party Transactions and Conflict of Interest

The AC considered transactions with a related party and/ or interested persons to ensure that such transactions are undertaken on an arm's length basis, on normal commercial terms consistent with KIBB Group's business practices and policies, not prejudicial to the interests of KIBB and its minority shareholders and on terms which are generally no more favourable to the related parties and/ or interested persons.

During its quarterly meetings, the AC also reviewed the existing related party transactions and recurrent related party transactions entered into by the Company and/ or its group of companies to ensure compliance with the MMLR of Bursa Malaysia. During the Financial Year 2023, no new related party transactions and/ or recurrent related party transactions were reported.

In terms of conflict of interest, it was managed by Group Business Ethics and Integrity ("**GBEI**"), the details of which are provided under Paragraph 3.9(a) below.

AUDIT COMMITTEE REPORT

3.6 Disclosure for Annual Report 2024

Under its TOR, the AC was also tasked to review the accuracy and adequacy of the Chairman's Message to be disclosed in KIBB's Annual Report, corporate governance disclosures and internal control, interim financial reports and preliminary announcements in relation to the preparation of financial statements.

In this regard, the AC at its meetings on 24 January 2024 and 26 March 2024 respectively, had reviewed and recommended to the Board of KIBB for approval, the following reports and/ or statements:

For Disclosures in KIBB's 2024 Annual Report



For Announcement to Bursa Malaysia Together with the Announcement of KIBB's 2024 Annual Report



At the same meeting, the AC had also granted its concurrence on the Chairman's Message and the Group Managing Director's Management Discussion & Analysis Statement for incorporation into KIBB's 2024 Annual Report.

The AC's recommendation was subsequently approved by the Board of KIBB on 31 January 2024 and 4 April 2024 respectively.

3.7 List of Disciplinary Actions Meted Out on Employees' Misconducts within KIBB Group

The list of disciplinary actions meted out on KIBB Group's employees who had committed misconduct was tabled by Group Human Resource for the AC's notation at its meetings held on 27 February 2024, 25 July 2024 and 24 October 2024.

3.8 Post Approval Review by Independent Credit Review Unit ("ICR")

Pursuant to Paragraph 17.5 of BNM's Policy Document on Credit Risk, the outcomes of independent credit reviews are required to be escalated directly to the Board Risk Committee, Board Audit Committee and Senior Management.

In fulfilling the aforementioned requirement, ICR of Group Risk Management, upon completion of its reviews, would table its review reports to the AC for its deliberation.

AUDIT COMMITTEE REPORT

In this regard, during 2024, the AC had deliberated on the following review reports tabled by ICR:

Date of AC Meeting	Titles of Review Report
24 January 2024	Post Approval Review of Share Margin Financing
26 March 2024	Post Approval Review of Corporate Banking's Loans/ Financing Post Approval Review of Kenanga Capital Sdn Bhd's Loan

During its deliberation, the AC had taken note of the findings raised by ICR arising from the respective reviews, as well as the recommendations made by ICR together with Management's action plans in addressing those findings.

3.9 Integrity, Regulatory and Governance

- a** KIBB Group had implemented numerous policies to facilitate its adherence to the Guidelines on Adequate Procedures issued pursuant to Section 17A (5) of the Malaysian Anti-Corruption Commission Act 2009, and to keep abreast with the best practices and high standards of ethics and integrity, and these policies include the following:

Group Conflict Management Policy

Group Incoming Non-Commercial Sponsorship Policy

Group Gifts, Entertainment and Hospitality Policy

Pursuant to the Group Conflict Management Policy, the Register of Conflict of Interest would be maintained by three (3) departments, namely Group Company Secretarial, Group Compliance and Group Human Resource, to capture the conflict of interest within KIBB Group in respect of the Board members, business and employees and the same would be submitted to GBEI for consolidation.

In line with the requirement specified in the aforesaid policies, the information in relation to actual or potential conflicts, sponsorships, gifts, entertainment and hospitality, which fell within the scope of these policies received from the employees will be compiled and relevant report will be tabled by GBEI to the AC for its notification on an annual basis.

In relation thereto, the AC at its meeting held on 27 February 2024 had taken note of the summary of information submitted by the employees within KIBB Group to GBEI for the period from January 2023 until December 2023.

- b** The AC, at its meetings held on 26 March 2024 and 24 October 2024 had also taken note of the outcome of the review performed by Group Prudential Supervision & Regulatory Affairs ("GPSRA") in relation to the status of implementation of action plans taken by the relevant departments following GPSRA's regulatory issuances of new, revised and updated regulations to ensure KIBB's compliance with the relevant regulatory requirements prescribed by the respective regulators.

- c** At its meeting held on 25 July 2024, the AC had reviewed and deliberated on the investigation report pertaining to a reported whistleblowing case. The case was further deliberated by the Board of KIBB on 12 August 2024.

AUDIT COMMITTEE REPORT

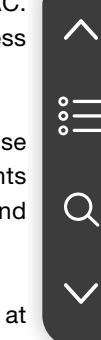
3.10 Joint Meetings Between the AC and the GBRC

Pursuant to BNM's Policy Document on Risk Governance, the GBRC and the AC are expected to periodically meet to ensure effective exchange of information to enable effective coverage of all risks, including emerging risk issues that could have an impact on KIBB Group's risk appetite and business plans.

In this regard, joint meeting between the AC and the GBRC was held on 18 October 2024 in line with the aforementioned BNM's requirement to deliberate on the Post Approval Review of Corporate Banking Loans/ Financing.

4. INTERNAL AUDIT FUNCTION

- 4.1** The internal audit function of KIBB is established in-house. In discharging its responsibilities, GIA, which reports functionally to the AC and administratively to the Group Managing Director, provides independent and objective assurance to the Board and Management that the policies, procedures and operations that Management has put in place for risk management, control and governance are adequate, operating effectively and efficiently, and in compliance with prescribed laws and regulations.
- 4.2** During the year under review, GIA carried out internal audit reviews based on its 2024 Audit Plan as approved by the AC. This Audit Plan was developed using a risk-based methodology. The audit reviews conducted by GIA included business support processes, Information Technology/ technical audits and compliance audits on regulatory requirements.
- 4.3** All GIA's reports, detailing the audit findings, audit recommendations, as well as Management's responses to those recommendations were circulated to the Group Managing Director and Heads of the respective Divisions/ Departments within KIBB Group. Follow-up reviews were performed on the implementation status of the audit recommendations and reported to the AC accordingly.
- 4.4** The total costs incurred by GIA in discharging its functions and responsibilities in 2024 amounted to RM5.455 million. As at 31 December 2024, GIA's headcount was twenty-three (23).



FIVE (5)-YEAR GROUP FINANCIAL SUMMARY

	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
RESULTS					
Operating revenue	1,003,797	821,056	723,086	891,491	973,762
Profit before taxation continuing operations	117,249	88,110	74,150	148,236	134,715
Profit after taxation for the financial year attributable to equity holders of KIBB	95,755	72,641	54,511	118,390	102,082
ASSETS					
Total assets	7,656,913	6,582,888	5,962,357	6,418,522	6,575,067
SHAREHOLDERS' FUNDS					
Paid-up share capital	253,834	253,834	253,834	253,834	246,249
Shareholders' funds attributable to equity holders of KIBB	1,117,842	1,070,975	1,017,280	1,050,329	999,838
FINANCIAL RATIOS					
Net return on average shareholders funds (%)	8.75	6.96	5.27	11.55	10.72
Net return on average assets (%)	1.34	1.16	0.88	1.82	1.55
SHARE INFORMATION					
Basic earnings per share (sen)	13.18	10.04	7.50	16.29	14.56
Net assets backing per share (RM)	1.53	1.48	1.41	1.45	1.42
Dividend cover (times)	1.63	1.41	1.23	1.54	1.59
Net dividend per share (sen)	8.00	7.00	6.00	10.50	8.80

FIVE (5)-YEAR GROUP FINANCIAL HIGHLIGHTS

Operating Revenue (RM'000)

2024	1,003,797
2023	821,056
2022	723,086
2021	891,491
2020	973,762

Shareholders' Funds (RM'000)

2024	1,117,842
2023	1,070,975
2022	1,017,280
2021	1,050,329
2020	999,838

Profit Before Taxation (RM'000)

2024	117,249
2023	88,110
2022	74,150
2021	148,236
2020	134,715

Basic Earnings per Share (sen)

2024	13.18
2023	10.04
2022	7.50
2021	16.29
2020	14.56

FINANCIAL STATEMENTS

Five (5)-Year Group Financial Summary	141
Five (5)-Year Group Financial Highlights	141
Directors' Report	142
Statement by Directors	149
Statutory Declaration	149
Independent Auditors' Report	150
Shariah Committee's Report	156
Consolidated Statement of Financial Position	157
Statement of Financial Position	158
Statements of Profit or Loss and Other Comprehensive Income	159
Consolidated Statement of Changes in Equity	161
Statement of Changes in Equity	163
Statements of Cash Flows	165
Notes to the Financial Statements	167

DIRECTORS' REPORT

DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of Kenanga Investment Bank Berhad ("the Bank" or "KIBB") and its subsidiaries ("the Group" or "Kenanga Group") for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Bank is principally engaged in the investment banking business, provision of stockbroking and related financial services. The principal activities of the subsidiaries and associates are as described in Note 13 and Note 14 to the financial statements, respectively.

There were no significant changes to the nature of the principal activities during the financial year.

RESULTS

	Group RM'000	Bank RM'000
Profit before taxation and zakat	117,249	85,212
Taxation and zakat	(21,494)	(13,224)
Profit for the financial year	95,755	71,988
Attributable to:		
Equity holders of the Bank	95,755	71,988

There were no material transfers to or from reserves or provisions during the financial year other than those that have been disclosed in the statements of profit or loss and other comprehensive income and the statements of changes in equity.

In the opinion of the Directors, the results of the operations of the Group and of the Bank during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

During the financial year, an interim single tier dividend of 7.0 sen per ordinary shares on 725,083,299 ordinary shares in respect of the financial year ended 31 December 2023, which amounted to RM50,755,831 was paid on 16 April 2024.

Subsequent to the financial year end, on 26 February 2025, the Directors have declared an interim single tier dividend of 8.00 sen per ordinary share in respect of the financial year ended 31 December 2024 which amounted to total dividend payable of approximately RM58,861,008. This is computed based on issued and paid-up capital as at 31 December 2024 of 735,762,599 ordinary shares. The actual amount of dividend to be paid will depend on the number of shares in issue at the date of entitlement.

The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

KENANGA GROUP'S EMPLOYEES' SHARE SCHEME ("ESS" OR "SCHEME")

The Kenanga Group's ESS is governed by the By-Laws approved by the shareholders of the Bank at an Extraordinary General Meeting held on 25 May 2017. The ESS was implemented on 21 September 2017. It is valid for a period of five (5) years from its commencement date, and is administered by the ESS Committee. The ESS has been extended for another five (5) years from 21 September 2022 to 20 September 2027 in accordance with the provisions of the By-Laws of the ESS.

The aggregate maximum number of the shares which may be made available by the Bank under the Scheme shall not in aggregate exceed 10% of the issued share capital of the Bank (excluding treasury shares) at any point in time during the duration of the Scheme.

Other principal features of the ESS are as follows:

- (i) The employees eligible to participate in the ESS must be at least eighteen (18) years of age on the Award Date and are employed by, and are on the payroll of the Kenanga Group and are confirmed in service. The ESS applies to the Bank and its non-dormant subsidiaries.
- (ii) The entitlement under the ESS for the Executive Directors are subject to the approval of the shareholders in a general meeting and are not prohibited or disallowed by the relevant authorities or laws from participation in the Scheme.

The ESS encompasses two (2) primary schemes in the form of Employee Share Option Scheme ("ESOS") and Employee Share Grant Plan ("ESGP").

The actual allocation of share options to senior management of the Group over the maximum ESS shares was 31.33% as at 31 December 2024.

The actual allocation of share grant to senior management of the Group over the maximum ESS shares was 3.29% as at 31 December 2024.

More details of the ESS are as disclosed in Note 55 to the financial statements.

ISSUANCE OF SHARES AND DEBENTURES

There were no new ordinary shares or debentures issued during the financial year.

SHARE BUY-BACK

During the financial year, the Bank bought back 620,000 ordinary shares at an average price of RM0.929 from the open market. The share buy-back transactions were financed by internally generated funds. As at 31 December 2024, the total number of shares held as treasury shares in accordance with the provisions of Section 127 of the Companies Act 2016 was 7,457,800. Such treasury shares are held at a carrying amount of RM7,441,000 (2023: RM11,739,000), as disclosed in Note 28 to the financial statements.

DIRECTORS' REPORT

DIRECTORS' REPORT

BUSINESS REVIEW FOR 2024

The profit before taxation ("PBT") of the Group and of the Bank for the financial year ended 31 December 2024 ("FYE24") were RM117.2 million and RM85.2 million, compared to PBT of RM88.1 million and RM58.7 million, respectively, in the previous financial year ("FYE23").

The performance of the Group's respective business segments are analysed below:

STOCKBROKING

Stockbroking division achieved higher operating profits of RM17.2 million for FYE24 as compared to operating loss of RM4.3 million last year on the back of higher net brokerage and trading income. Due to several market events, credit provisions of RM5.7 million was incurred for current year as compared to reversals from recovery last year. Consequently, PBT of RM15.4 million was registered for FYE24 (FYE23: RM16.1 million).

INVESTMENT BANKING

Investment Banking registered a higher PBT of RM6.2 million for FYE24 (FYE23: PBT of RM5.7 million) mainly due to higher investment banking fee income but partially offset by higher interest expenses incurred during the year.

ASSET AND WEALTH MANAGEMENT

With strong growth in assets under management ("AUM") for institutional and retail sectors, Asset and Wealth Management registered management and performance fees income of RM294.1 million and PBT of RM47.0 million in FYE24 respectively.

LISTED DERIVATIVES

The Listed Derivatives segment has reported a higher PBT of RM7.8 million for FYE24 (FYE23: PBT of RM6.2 million) largely due to the higher trading commission earned and the interest income generated during the year on the back of higher trading activities in the listed derivatives market.

CAPITAL RATIOS

The Group and the Bank remain on strong financial footing with total capital ratios of 22.967% (FYE23: 29.433%) and 24.736% (FYE23: 31.565%) respectively, well above the minimum prescribed by Bank Negara Malaysia ("BNM") of 10.5% including capital conservation buffer of 2.50%.

OUTLOOK AND PROSPECTS FOR 2025

The Malaysian economy is set for stable growth in 2025, supported by strong domestic demand. Growth will be driven by sustained expansion in the services and manufacturing sectors, supported by rising household incomes, increased tourist arrivals, ongoing technology upcycle, materialisation of previously approved investment, and record-high allocations under Federal Budget 2025. Gross Domestic Product ("GDP") is projected to grow by 4.8% (2024: 5.0%), reflecting the moderation from a high base in 2024 and normalised economic activity.

Nonetheless, growth faces external downside risks. These include the prospect of slower growth in advanced economies, uncertainties surrounding China's economic recovery, prolonged geopolitical tensions in the Middle East and Eastern Europe, as well as renewed trade disputes amid policy shifts under the new US administration.

On monetary policy, Bank Negara Malaysia ("BNM") is expected to keep the Overnight Policy Rate ("OPR") at 3.00% throughout 2025. Despite rising inflationary pressures from the impact of subsidy rationalisation, BNM is expected to prioritise supporting economic growth and aligning it with structural reforms and initiatives under the Madani government.

The Group is cautious about the outlook for 2025, as uncertainties from external factors are expected to weigh heavily on Malaysia's capital market. It will maintain prudent management practices while actively pursuing its digitalisation strategy.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Bank has maintained a Directors and Officers Liability Insurance on a group basis up to the aggregate limit of RM30.0 million against any legal liability incurred by the Directors and Officers in the discharge of their duties while holding office for the Group. The Directors and Officers shall not be indemnified by such insurance for any gross negligence, fraud, intentional breach of law or breach of trust proven against them. The total amount of insurance premium paid for the Directors and Officers of the Group and of the Bank for the current financial year were RM59,000 and RM44,238, respectively.

DIRECTORS

The names of the Directors of the Bank in office since the beginning of the financial year and at the date of this report are:

Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail	(Independent Non-Executive Director/Chairman)
Ismail Harith Merican	(Non-Independent Non-Executive Director)
Luk Wai Hong, William	(Non-Independent Non-Executive Director)
Jeremy Bin Nasrulhaq	(Senior Independent Non-Executive Director)
Norazian Binti Ahmad Tajuddin	(Independent Non-Executive Director)
Kanagaraj Lorenz	(Independent Non-Executive Director)
Choy Khai Choon	(Non-Independent Non-Executive Director)
Chin Siew Siew	(Independent Non-Executive Director)
Angeline-Ong Su Ming (appointed on 4 June 2024)	(Independent Non-Executive Director)

The names of the Directors of the subsidiaries who served the respective Boards of the subsidiaries since the beginning of the current financial year to the date of this report are disclosed in Note 54 to the financial statements.

In accordance with Clause 78 of the Bank's Constitution, Jeremy Bin Nasrulhaq, Norazian Binti Ahmad Tajuddin and Choy Khai Choon will retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. Additionally, Angeline-Ong Su Ming, who was appointed as an additional Director, will retire under Clause 84 of the Bank's Constitution at the same meeting and, being eligible, offer herself for re-election.

DIRECTORS' REPORT

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Bank was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors of the Bank as shown in Note 40 of the financial statements or from related corporations) by reason of a contract made by the Bank or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

DIRECTORS' REMUNERATION

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors' remuneration	4,131	3,998	3,653	3,544

DIRECTORS' INTERESTS

According to the Register of Director's shareholdings, the interests of Directors in office at the end of the financial year, in shares of the Bank, were as follows:

The Bank:	Number of Ordinary Shares			
	At 1.1.2024	Addition	Disposal	At 31.12.2024
Direct interest:				
Norazian Binti Ahmad Tajuddin	10,000	-	-	10,000
Kanagaraj Lorenz	388,000	-	-	388,000

Other than as disclosed above, none of the other Directors in office at the end of the financial year had any interest in shares of the Bank or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Bank were made out, the Directors took reasonable steps:
- 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
 - to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Bank inadequate to any substantial extent; and
 - the values attributed to current assets in the financial statements of the Group and of the Bank misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Bank misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Bank which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- any charge on the assets of the Group or of the Bank which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - any contingent liability in respect of the Group and of the Bank which has arisen since the end of the financial year other than those arising in the normal course of business as disclosed in Note 43 and Note 44 to the financial statements.
- (f) In the opinion of the Directors:
- no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group or of the Bank to meet their obligations as and when they fall due, other than those arising in the normal course of business as disclosed in Note 43 and Note 44 to the financial statements; and
 - no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Bank for the financial year in which this report is made.

COMPLIANCE WITH BANK NEGARA MALAYSIA'S POLICY DOCUMENT ON FINANCIAL REPORTING

The Directors have taken reasonable steps to ensure that the preparation of the financial statements of the Group and of the Bank are in compliance with the BNM's Policy Document on Financial Reporting.

DIRECTORS' REPORT

SIGNIFICANT AND SUBSEQUENT EVENTS

There was no significant event during the financial year and subsequent to the financial year ended 31 December 2024 other than the events disclosed in Note 56 to the financial statements.

AUDITORS AND AUDITORS' REMUNERATION

The auditors, Messrs. Ernst & Young PLT, have expressed their willingness to continue in office. The auditors' remuneration for the financial year amounted to:

	Group	Bank
	2024 RM'000	2024 RM'000
Auditors' remuneration	776	529

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors on 4 March 2025.

Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail
Kuala Lumpur, Malaysia

Jeremy Bin Nasrulhaq

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail and Jeremy Bin Nasrulhaq, being two (2) of the Directors of Kenanga Investment Bank Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 157 to 366 are drawn up in accordance with the MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors on 4 March 2025.

Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail
Kuala Lumpur, Malaysia

Jeremy Bin Nasrulhaq

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Cheong Boon Kak, being the officer primarily responsible for the financial management of Kenanga Investment Bank Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 157 to 366 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Cheong Boon Kak
at Kuala Lumpur in the Federal Territory
on 4 March 2025.

Cheong Boon Kak
(MIA No: 10259)

Before me,

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KENANGA INVESTMENT BANK BERHAD (INCORPORATED IN MALAYSIA)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KENANGA INVESTMENT BANK BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Kenanga Investment Bank Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Bank, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Bank for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 157 to 366.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Bank in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Bank for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Bank as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Key audit matters (cont'd.)

Risk area and rationale	Our response
<p><i>Expected credit losses of loans, advances and financing and investments not carried at fair value through profit or loss</i></p> <p>As at 31 December 2024, loans, advances and financing represent RM1,823.85 million or 23.82% and RM1,849.73 million or 27.51% of the total assets of the Group and of the Bank, respectively, and debt instruments carried at amortised cost and fair value through other comprehensive income represent RM1,388.17 million or 18.13% and RM1,388.17 million or 20.65% of the total assets of the Group and of the Bank, respectively.</p> <p>The Group and the Bank are required to account for impairment losses on loans, advances and financing, and debt instruments carried at amortised cost and fair value through other comprehensive income using the expected credit loss ("ECL") approach.</p> <p>The measurement of ECL requires the application of significant judgement and increased complexity which include the identification of on-balance sheet and off-balance sheet credit exposures with significant deterioration in credit quality, assumptions used in the ECL models (for exposures assessed individually or collectively) such as the expected future cash flows, forward looking macroeconomic factors and probability-weighted scenarios.</p>	<p>Our audit procedures included the assessment of key controls over the origination, segmentation, internal credit quality assessments, recording and monitoring of the loans, advances and financing and the investments.</p> <p>We assessed the processes and effectiveness of key controls over the transfer criteria (for the three stages of credit exposures based on credit quality), impairment measurement methodologies, governance for development, maintenance and validation of ECL models, inputs, basis and assumptions used by the Group and the Bank in staging the credit exposures and calculating the ECL.</p> <p>For staging and identification of credit exposures with significant deterioration in credit quality, we assessed and tested the reasonableness of the transfer criteria applied by the Group and the Bank for different types of credit exposures. We evaluated if the transfer criteria are consistent with the Group's and the Bank's credit risk management practices.</p> <p>For the measurement of ECL, we assessed and tested reasonableness of the Group's and of the Bank's ECL models, including model input, model design and model performance and management overlays. We challenged whether historical experience is representative of current circumstances and of the recent losses incurred and assessed the reasonableness of forward looking adjustments, macroeconomic factor analysis and probability-weighted scenarios.</p>

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF KENANGA INVESTMENT BANK BERHAD
(INCORPORATED IN MALAYSIA)

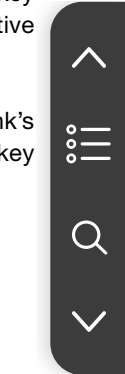
Key audit matters (cont'd.)

Risk area and rationale	Our response
<p><i>Expected credit losses of loans, advances and financing and investments not carried at fair value through profit or loss (cont'd.)</i></p> <p>Refer to the material accounting policy information in Note 3.4(k) (ii), significant accounting estimates and judgements in Note 4(iii) and the disclosures of loans, advances and financing in Note 9, investments other than those carried at fair value through profit or loss in Note 7 and disclosure of credit risk exposures in Note 51(a) to the financial statements.</p>	<p>We evaluated if changes in modeling approaches, parameters and assumptions are needed and if any changes made were appropriate. We also assessed, tested and monitored the sensitivity of the credit loss provisions to changes in modelling assumptions.</p> <p>With respect to individually assessed ECL which are mainly in relation to the impaired assets in Stage 3, we reviewed and tested a sample of loans, advances and financing and investments to evaluate the timely identification by the Group and the Bank of exposures with significant deterioration in credit quality or which have been impaired. For cases where impairment has been identified, we assessed the Group's and the Bank's assumptions on the expected future cash flows, including the value of realisable collaterals based on available market information and the scenarios considered. We have challenged the assumptions and compared estimates to external evidence where available.</p> <p>We also assessed whether the financial statement disclosures are adequate and appropriately reflect the Group's and the Bank's exposures to credit risk.</p>
<p><i>Impairment of goodwill</i></p> <p>As at 31 December 2024, the goodwill recognised in the financial statements of the Group and of the Bank are RM241.03 million or 3.15% and RM252.91 million or 3.76% of the total assets of the Group and of the Bank, respectively.</p> <p>Goodwill impairment testing of cash generating units ("CGUs") relies on estimates of value-in-use ("VIU") based on estimated future cash flows. The Group and the Bank are required to annually test the amount of goodwill for impairment.</p> <p>These involve management judgement and are based on assumptions that are affected by expected future market and economic conditions.</p> <p>Refer to material accounting policy information in Note 3.4(e) (i), significant accounting estimates and judgements in Note 4(i) and the disclosure of intangible assets in Note 17 to the financial statements.</p>	<p>Our audit procedures included, among others, evaluating the assumptions and methodologies used by the Group and the Bank in performing the impairment assessment.</p> <p>We tested the basis of preparing the cash flow forecasts taking into account the back testing results on the accuracy of previous forecasts and the historical evidence supporting underlying assumptions.</p> <p>We assessed the appropriateness of the other key assumptions, such as the growth rates used to extrapolate the cash flows and the discount rates applied, by comparing against internal information, external economic and market data.</p> <p>We assessed the sensitivity analysis performed by management on the key inputs to the impairment models, to understand the impact that reasonable alternative assumptions would have on the overall carrying amounts.</p> <p>We also reviewed the adequacy of the Group's and of the Bank's disclosures within the financial statements about those key assumptions to which the VIU is most sensitive.</p>

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF KENANGA INVESTMENT BANK BERHAD
(INCORPORATED IN MALAYSIA)

Key audit matters (cont'd.)

Risk area and rationale	Our response
<p><i>Valuation of investments in unquoted equity instruments</i></p> <p>As at 31 December 2024, the carrying values of the Group's and of the Bank's investments in unquoted securities classified as fair value through profit or loss and fair value through other comprehensive income amounted to RM255.02 million and RM1.42 million, and RM257.22 million and RM1.42 million, respectively.</p> <p>The valuation of unquoted investments involved a range of judgement and estimates which are based on current and future market and economic conditions.</p> <p>As the fair values of unquoted financial investments cannot be obtained directly from active markets, they are determined using the market and income approach, as well as the adjusted net asset method. Each approach has its own inputs and valuation technique in determining the fair value.</p> <p>The Group and the Bank use a variety of valuation techniques appropriate in the circumstances that include the use of financial models. The inputs to these models are taken from relevant observable inputs where possible to minimise the use of unobservable inputs. Such inputs include using prices and other relevant information of comparable peer companies, prices of recent transactions involving similar instruments and adjusted net assets amount. Judgements include considerations such as selection of comparable peer companies, growth rates and discount rates.</p> <p>Refer to material accounting policy information in Note 3.4(j), significant accounting estimates and judgements in Note 4(ii) and the disclosures of fair value of financial instruments in Note 52 to the financial statements.</p>	<p>Our audit procedures include reviewing and evaluating management's rationale for selecting and using the valuation models to assess if the use of such models was appropriate.</p> <p>We assessed the accuracy and appropriateness of market observable inputs. Our audit procedures also included, among others, understanding management's controls related to the development and calibration of any model used, challenged and assessed the assumptions used, taking into account historical evidence supporting underlying assumptions and comparing internal information against external economic and market data.</p> <p>As the fair values are sensitive towards changes to some of the key inputs, we also assessed the impact that reasonable alternative assumptions would have on the overall carrying amounts.</p> <p>We also reviewed the adequacy of the Group's and of the Bank's disclosures within the financial statements about those key assumptions to which the fair value is most sensitive.</p>



INDEPENDENT AUDITORS' REPORTTO THE MEMBERS OF KENANGA INVESTMENT BANK BERHAD
(INCORPORATED IN MALAYSIA)*Information other than the financial statements and auditors' report thereon*

The directors of the Bank are responsible for the other information. The other information comprises the information included in the Directors' Report and the Annual Report, but does not include the financial statements of the Group and of the Bank and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Bank does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Bank, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Bank or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard on the Directors' Report.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Bank and take appropriate action.

Responsibilities of directors for the financial statements

The directors of the Bank are responsible for the preparation and fair presentation of the financial statements of the Group and of the Bank that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Bank that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Bank, the directors are responsible for assessing the Group's and the Bank's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Bank or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibility for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Bank, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Bank's internal control.

INDEPENDENT AUDITORS' REPORTTO THE MEMBERS OF KENANGA INVESTMENT BANK BERHAD
(INCORPORATED IN MALAYSIA)*Auditors' responsibility for the audit of the financial statements (cont'd.)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Bank or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Bank, including the disclosures, and whether the financial statements of the Group and of the Bank represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Bank for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the members of the Bank, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT.
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
4 March 2025

Ahmad Siddiq Bin Ahmad Hasbullah
03675/07/2026 J
Chartered Accountant

SHARIAH COMMITTEE'S REPORT

In the name of Allah, the Most Beneficent, the Most Merciful.

In compliance with the letter of appointment, we are required to submit the following report:

We have reviewed the principles and the contracts relating to the transactions and applications introduced by the Skim Perbankan Islam of Kenanga Investment Bank Berhad ("KIBB SPI") during the financial year ended 31 December 2024. We have also conducted our review to form an opinion as to whether KIBB SPI has complied with the Shariah principles and with the Shariah rulings issued by the Shariah Advisory Council of Bank Negara Malaysia, as well as Shariah decisions made by us.

The management of KIBB is responsible for ensuring that KIBB SPI conducts its business in accordance with Shariah principles. It is our responsibility to form an independent opinion, based on our review of the operations of KIBB SPI, and to report to you.

We have assessed the work carried out by Shariah review which included examining, on a test basis, each type of transaction, the relevant documentation adopted by KIBB SPI.

We planned and performed our review so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that KIBB SPI has not violated the Shariah principles.

In our opinion:

- (1). The contracts, transactions and dealings entered into by KIBB SPI during the financial year ended 31 December 2024 that we have reviewed are in compliance with the Shariah principles;
- (2). The allocation of profit and charging of losses relating to investment accounts conform to the basis that had been approved by us in accordance with Shariah principles;
- (3). No gharamah (penalty) being charged during the said financial period;
- (4). Relating to the financial year 2024, KIBB SPI will make zakat payment on its business to two (2) states zakat authorities and the zakat is computed using the profit and loss method. The beneficiaries of the zakat fund are Pusat Pungutan Zakat Majlis Agama Islam Wilayah Persekutuan and Lembaga Zakat Selangor; and
- (5). Nothing has come to the Shariah committee's attention that causes the Shariah committee to believe that the operations, business, affairs and activities of KIBB SPI involve any material Shariah non-compliances.

We, the members of the Shariah Committee of KIBB, do hereby confirm that the operations of KIBB SPI for the financial year ended 31 December 2024 have been conducted in conformity with the Shariah principles.

Chairman of the Shariah Committee:

Dr. Ghazali Jaapar

Shariah Committee Member:

Dr. Mohammad Firdaus Mohammad Hatta

Dr. Fadillah Mansor

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

Group	Note	2024 RM'000	2023 RM'000 Restated (Note 57)
Assets			
Cash and bank balances	5	2,098,059	1,482,513
Financial assets at fair value through profit or loss	6	552,301	438,660
Debt instruments at fair value through other comprehensive income	7(a)	867,152	875,939
Equity instruments at fair value through other comprehensive income	7(a)	1,421	1,343
Debt instruments at amortised cost	7(b)	521,018	470,796
Derivative financial assets	8	49,697	75,938
Loans, advances and financing	9	1,823,852	1,701,004
Balances due from clients and brokers	10	454,947	570,715
Other assets	11	439,768	191,381
Statutory deposit with Bank Negara Malaysia	12	73,768	60,620
Tax recoverable		37,251	24,599
Investment in associates	14	158,996	121,619
Investment in joint ventures	15	27,710	31,650
Property, plant and equipment	16	154,441	152,776
Intangible assets	17	341,040	333,609
Right-of-use assets	18	22,543	24,226
Deferred tax assets	19	32,949	25,500
Total assets		7,656,913	6,582,888
Liabilities			
Deposits from customers	20	3,762,594	3,610,595
Deposits and placements of banks and other financial institutions	21	729,835	331,803
Balances due to clients and brokers	22	1,012,438	775,015
Derivative financial liabilities	23	60,133	45,097
Other liabilities	24	659,717	430,507
Obligations on securities sold under repurchase agreements	25	69,514	97,232
Borrowings	26	189,500	180,500
Lease liabilities	27	23,274	24,750
Provision for taxation and zakat		32,018	16,358
Deferred tax liabilities	19	48	56
Total liabilities		6,539,071	5,511,913
Equity			
Share capital	28	253,834	253,834
Treasury shares	28	(7,441)	(11,739)
Reserves	29	871,449	828,880
Total equity attributable to equity holders of the Bank		1,117,842	1,070,975
Total liabilities and shareholders' equity		7,656,913	6,582,888
Commitments and contingencies	43	6,442,908	4,775,217

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

Bank	Note	2024	2023
		RM'000	RM'000 Restated (Note 57)
Assets			
Cash and bank balances	5	1,386,786	974,727
Financial assets at fair value through profit or loss	6	553,541	438,474
Debt instruments at fair value through other comprehensive income	7(a)	867,152	875,939
Equity instruments at fair value through other comprehensive income	7(a)	1,421	1,343
Debt instruments at amortised cost	7(b)	521,018	470,796
Derivative financial assets	8	49,697	75,938
Loans, advances and financing	9	1,849,731	1,726,728
Balances due from clients and brokers	10	454,837	570,636
Other assets	11	219,144	178,662
Statutory deposit with Bank Negara Malaysia	12	73,768	60,620
Tax recoverable		24,716	13,776
Investment in subsidiaries	13	77,812	60,812
Investment in associates	14	91,844	68,435
Investment in joint ventures	15	45,706	48,066
Property, plant and equipment	16	145,048	144,506
Intangible assets	17	333,576	335,920
Right-of-use assets	18	16,645	20,247
Deferred tax assets	19	11,169	6,807
Total assets		6,723,611	6,072,432
Liabilities			
Deposits from customers	20	3,904,816	3,764,714
Deposits and placements of banks and other financial institutions	21	729,835	331,803
Balances due to clients and brokers	22	360,633	344,719
Derivative financial liabilities	23	60,133	45,097
Other liabilities	24	338,078	262,127
Obligations on securities sold under repurchase agreements	25	69,514	97,232
Borrowings	26	180,500	180,500
Lease liabilities	27	17,161	20,594
Provision for taxation and zakat		17,071	427
Total liabilities		5,677,741	5,047,213
Equity			
Share capital	28	253,834	253,834
Treasury shares	28	(7,441)	(11,739)
Reserves	29	799,477	783,124
Total equity		1,045,870	1,025,219
Total liabilities and shareholders' equity		6,723,611	6,072,432
Commitments and contingencies	43	6,538,731	4,906,200

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

**STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Bank	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Operating revenue	30	1,003,797	821,056	695,591	555,868
Interest income	31	268,510	256,936	257,504	245,549
Interest expense	32	(199,581)	(162,074)	(204,462)	(178,193)
Net interest income		68,929	94,862	53,042	67,356
Net income from Islamic banking operations	53(b)	27,698	20,639	27,698	20,639
Other operating income	33	702,938	536,752	456,607	342,702
Net income		799,565	652,253	537,347	430,697
Other operating expenses	34	(644,021)	(569,804)	(427,725)	(376,905)
Operating profit		155,544	82,449	109,622	53,792
Credit loss expense	35	(54,277)	(5,526)	(29,754)	(5)
Bad debts recovered	36	5,333	4,919	5,344	4,909
		106,600	81,842	85,212	58,696
Share of results of associates and joint ventures		10,649	6,268	-	-
Profit before taxation and zakat		117,249	88,110	85,212	58,696
Taxation and zakat	41	(21,494)	(15,359)	(13,224)	(3,784)
Profit for the financial year		95,755	72,751	71,988	54,912
Other comprehensive income/(loss):					
Items that will not be reclassified subsequently to profit or loss:					
Fair value gain on equity instruments at fair value through other comprehensive income ("FVOCI")		79	49	79	49
Share of other comprehensive income in associates		6,223	9,767	-	-
Income tax relating to fair value gain on equity instruments	19	(19)	(12)	(19)	(12)
Items that will be reclassified subsequently to profit or loss:					
Foreign exchange differences on consolidation		(3,774)	4,761	-	-
Other comprehensive income carried forward:		2,509	14,565	60	37

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

Note	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other comprehensive income brought forward:	2,509	14,565	60	37
Items that will be reclassified subsequently to profit or loss (cont'd.):				
Fair value (loss)/gain on debt instruments at FVOCI	(3,141)	11,822	(3,141)	11,822
Income tax relating to fair value loss/(gain) on debt instruments	19 534	(2,581)	534	(2,581)
Other comprehensive (loss)/income for the financial year, net of tax	(98)	23,806	(2,547)	9,278
Total comprehensive income for the financial year, net of tax	95,657	96,557	69,441	64,190
Profit for the financial year attributable to:				
Equity holders of the Bank	95,755	72,641	71,988	54,912
Non-controlling interests	-	110	-	-
	95,755	72,751	71,988	54,912
Total comprehensive income attributable to:				
Equity holders of the Bank	95,657	96,447	69,441	64,190
Non-controlling interests	-	110	-	-
	95,657	96,557	69,441	64,190
Earnings per share attributable to equity holders of the Bank:				
Basic (sen)	42 13.18	10.04		
Diluted (sen)	42 13.18	10.01		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Non-distributable										Total attributable to equity holders RM'000
	Ordinary shares (Note 28) RM'000	Capital reserve (Note 29) RM'000	Fair value reserve (Note 29) RM'000	Regulatory reserve (Note 29) RM'000	Exchange reserve (Note 29) RM'000	ESS reserve (Note 29) RM'000	Treasury shares (Note 28) RM'000	Retained profits (Note 29) RM'000	Non-controlling interests RM'000		
At 1 January 2024	253,834	88,938	6,849	16,064	28,836	1,317	(11,739)	686,876	-	-	1,070,975
Net profit for the financial year	-	-	-	-	-	-	-	95,755	-	-	95,755
Share of other comprehensive income of associates	-	-	5,250	-	-	-	-	973	-	-	6,223
Other comprehensive loss	-	-	(2,547)	-	(3,774)	-	-	-	-	-	(6,321)
Total comprehensive income/(loss) for the financial year	-	-	2,703	16,064	(3,774)	-	-	96,728	-	-	95,657
Share-based payment under ESS scheme	-	-	-	-	-	(316)	-	-	-	-	(316)
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	-	-	(2,016)	-	-	2,858
Buy-back of shares	-	-	-	-	-	-	4,874	-	-	-	(576)
Transfer to regulatory reserve	-	-	-	684	-	-	-	(684)	-	-	-
Transfer to retained profits	-	-	-	-	-	(553)	-	553	-	-	-
Dividend paid (Note 46)	-	-	-	-	-	-	(50,756)	(50,756)	-	-	(50,756)
At 31 December 2024	253,834	88,938	9,552	16,748	25,062	448	(7,441)	730,701	-	-	1,117,842

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

Group	Non-distributable							Total attributable to equity holders RM'000		
	Ordinary shares (Note 28) RM'000	Capital reserve (Note 29) RM'000	Fair value reserve (Note 29) RM'000	Regulatory reserve (Note 29) RM'000	Exchange reserve (Note 29) RM'000	ESS reserve (Note 29) RM'000	Treasury shares (Note 28) RM'000		Retained profits (Note 29) RM'000	Non-controlling interests RM'000
At 1 January 2023	253,834	88,938	(10,922)	17,192	24,075	1,794	(13,538)	655,907	5,544	1,022,824
Net profit for the financial year	-	-	-	-	-	-	-	72,641	110	72,751
Share of other comprehensive income of associates	-	-	8,493	-	-	-	-	1,274	-	9,767
Other comprehensive income	-	-	9,278	-	4,761	-	-	-	-	14,039
Total comprehensive income for the financial year	-	-	17,771	-	4,761	-	-	73,915	110	96,557
Share-based payment under ESS scheme	-	-	-	-	-	(263)	-	-	-	(263)
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	-	1,799	(701)	-	1,098
Transfer to regulatory reserve	-	-	-	(1,128)	-	-	-	1,128	-	-
Transfer to retained profits	-	-	-	-	-	(214)	-	214	-	-
Dividend paid (Note 46)	-	-	-	-	-	-	-	(43,587)	-	(43,587)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(5,654)	(5,654)
At 31 December 2023	253,834	88,938	6,849	16,064	28,836	1,317	(11,739)	686,876	-	1,070,975

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Bank	Non-distributable							Total equity RM'000
	Ordinary shares (Note 28) RM'000	Regulatory reserve (Note 29) RM'000	Capital reserve (Note 29) RM'000	Fair value reserve (Note 29) RM'000	ESS reserve (Note 29) RM'000	Treasury shares (Note 28) RM'000	Retained profits (Note 29) RM'000	
At 1 January 2024	253,834	16,064	153,863	2,856	1,317	(11,739)	609,024	1,025,219
Net profit for the financial year	-	-	-	-	-	-	71,988	71,988
Other comprehensive loss	-	-	-	(2,547)	-	-	-	(2,547)
Total comprehensive (loss)/income for the financial year	-	-	-	(2,547)	-	-	71,988	69,441
Share-based payment under ESS scheme	-	-	-	-	(316)	-	-	(316)
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	4,874	(2,016)	2,858
Buy-back of shares	-	-	-	-	-	(576)	-	(576)
Transfer to regulatory reserve	-	684	-	-	-	-	(684)	-
Transfer to retained profits	-	-	-	-	(553)	-	553	-
Dividend paid (Note 46)	-	-	-	-	-	-	(50,756)	(50,756)
At 31 December 2024	253,834	16,748	153,863	309	448	(7,441)	628,109	1,045,870

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D.)

	Non-distributable					Total equity RM'000		
	Ordinary shares (Note 28) RM'000	Regulatory reserve (Note 29) RM'000	Capital reserve (Note 29) RM'000	Fair value reserve (Note 29) RM'000	ESS reserve (Note 29) RM'000		Treasury shares (Note 28) RM'000	Retained profits (Note 29) RM'000
Bank								
At 1 January 2023	253,834	17,192	153,863	(6,422)	1,794	(13,538)	597,058	1,003,781
Net profit for the financial year	-	-	-	-	-	-	54,912	54,912
Other comprehensive income	-	-	-	9,278	-	-	-	9,278
Total comprehensive income for the financial year	-	-	-	9,278	-	-	54,912	64,190
Share-based payment under ESS scheme	-	-	-	-	(263)	-	-	(263)
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	1,799	(701)	1,098
Transfer to regulatory reserve	-	(1,128)	-	-	-	-	1,128	-
Transfer to retained profits	-	-	-	-	(214)	-	214	-
Dividend paid (Note 46)	-	-	-	-	-	-	(43,587)	(43,587)
At 31 December 2023	253,834	16,064	153,863	2,856	1,317	(11,739)	609,024	1,025,219

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Bank	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities					
Profit before taxation and zakat		117,249	88,110	85,212	58,696
Adjustments for:					
Depreciation of property, plant and equipment	34	10,925	11,182	9,209	9,869
Amortisation of intangible assets - software licence and client relationships	34	9,086	7,654	7,082	6,185
Amortisation of right-of-use assets	34	8,054	8,640	6,432	6,672
Lease interest expenses	32	1,344	475	1,011	879
ESS reversal	34	(319)	(265)	(319)	(265)
Credit loss expense	35	54,277	5,526	29,754	5
Property, plant and equipment and computer software written-off	34	51	40	16	34
Impairment allowance on intangible assets	34	-	195	-	195
Fixed assets expensed off		10	24	-	-
Bad debts written-off	36	4	6	-	-
Gain on disposal of a subsidiary	33(c)	-	(1,509)	-	-
(Gain)/loss on disposal of a joint venture	33(c)	(479)	-	2,360	-
Gross dividend income from investments	33(b)	(3,503)	(1,419)	(45,493)	(57,500)
Gain on disposal of property, plant and equipment	33(c)	-	(2)	-	(3)
Net gain from sale of financial assets at fair value through profit or loss and derivatives		(33,485)	(60,776)	(30,875)	(59,286)
Net gain from sale of financial instruments at FVOCI		(4,195)	(22)	(4,195)	(22)
Net (gain)/loss on derecognition of right-of-use assets and lease liabilities	18 & 27	(79)	-	70	-
Share of results of associates and joint ventures		(10,649)	(6,268)	-	-
Unrealised (gain)/loss on revaluation of financial assets at fair value through profit or loss and derivatives	33(b)	(89,048)	4,434	(90,950)	7,108
Operating profit/(loss) before working capital changes		59,243	56,025	(30,686)	(27,433)
(Increase)/decrease in operating assets:					
Loans, advances and financing		(118,582)	(8,048)	(119,511)	(4,864)
Other assets		(291,199)	(31,738)	(25,535)	(70,281)
Statutory deposit with Bank Negara Malaysia		(13,148)	(2,217)	(13,148)	(2,217)
Balances due from clients and brokers		100,224	(143,232)	100,255	(143,314)
Trust monies and deposits	5	(260,189)	(624)	1,432	(907)
Increase/(decrease) in operating liabilities:					
Other liabilities		229,255	70,102	76,022	13,391
Balances due to clients and brokers		237,423	42,306	15,914	81,743
Deposits from customers		151,999	449,517	140,102	465,409
Deposits and placements of banks and other financial institutions		398,032	(83,556)	398,032	(83,556)
Obligations on securities sold under repurchase agreements		(27,718)	97,232	(27,718)	97,232
Cash generated from operations		465,340	445,767	515,159	325,203
Net income tax and zakat paid		(25,428)	(9,931)	(11,367)	(8)
Rental/lease payment (interest)	27	(1,344)	(475)	(1,011)	(879)
Net cash generated from operating activities		438,568	435,361	502,781	324,316

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	Note	Group		Bank	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from investing activities					
Capitalisation of subsidiaries	13	-	-	(17,000)	-
Sale proceeds from disposal of a subsidiary, net of cash		-	3,649	-	-
Dividends received		3,503	1,419	13,493	57,500
Dividends received from an associate		3,547	2,080	-	-
Purchase of property, plant and equipment		(12,696)	(7,786)	(9,783)	(3,366)
Purchase of intangible assets		(23,241)	(12,325)	(11,966)	(11,200)
Proceeds from disposal of property, plant and equipment and intangible assets		6,769	24	6,760	21
Capital injection in a joint venture	15	-	(6,516)	-	(6,516)
Subscription of new share in an associate	14	(6,605)	-	(6,607)	-
Net purchase of securities		(7,246)	(591,268)	(9,380)	(592,759)
Deposits with bank	5	-	(100)	-	-
Net cash used in investing activities		(35,969)	(610,823)	(34,483)	(556,320)
Cash flows from financing activities					
Dividend paid	46	(50,756)	(43,587)	(50,756)	(43,587)
Rental/lease payments (principal)	27	(7,768)	(8,546)	(6,333)	(6,612)
Net drawdown/(repayment) of borrowings		9,000	(24,500)	-	(8,000)
Share buy-back		(576)	-	(576)	-
Proceeds from exercise of ESS		2,858	1,098	2,858	1,098
Net cash used in financing activities		(47,242)	(75,535)	(54,807)	(57,101)
Net increase/(decrease) in cash and cash equivalents		355,357	(250,997)	413,491	(289,105)
Cash and cash equivalents at beginning of financial year		949,650	1,200,647	885,705	1,174,810
Cash and cash equivalents at end of financial year	5	1,305,007	949,650	1,299,196	885,705
Cash and cash equivalents comprise of the followings (Note 5):					
Cash and balances with banks		1,892,493	1,376,248	1,192,036	878,937
Deposits and placements with banks and other financial institutions		205,566	106,265	194,750	95,790
Less: Monies and short-term deposits held in trust on behalf of dealers' representatives		(87,590)	(89,022)	(87,590)	(89,022)
Less: Monies and short-term deposits held in trust on behalf of funds' clients		(243,081)	(67,481)	-	-
Less: Segregated funds from customers		(462,281)	(376,260)	-	-
Less: Deposits more than 3 months		(100)	(100)	-	-
		1,305,007	949,650	1,299,196	885,705

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

1. CORPORATE INFORMATION

The Bank is principally engaged in the investment banking business, provision of stockbroking and related financial services.

The Bank is a public limited liability company incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Bank is located at Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan.

The principal activities of the subsidiaries and associates are as described in Note 13 and Note 14, respectively. There have been no significant changes to the nature of the principal activities during the financial year.

The financial statements have been approved and authorised for issue in accordance with a resolution of the Board of Directors on 4 March 2025.

2. CHANGES IN ACCOUNTING POLICIES

2.1 Amended MFRS Accounting Standards adopted

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amended MFRS Accounting Standards, which became effective for the Group and the Bank during the current financial year:

- Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 *Leases*)
- Non-current Liabilities with Covenants (Amendments to MFRS 101 *Presentation of Financial Statements*)
- Supplier Finance Arrangements (Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosures*)

The adoption of the amended MFRS Accounting Standards did not have any significant impact on the financial position or performance of the Group and of the Bank.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. CHANGES IN ACCOUNTING POLICIES (CONT'D.)

2.2 Standards issued but not yet effective

The following are new and amended MFRS Accounting Standards issued by the Malaysian Accounting Standards Board ("MASB") that will be effective for the Group and the Bank in future years. The Group and the Bank intend to adopt the relevant standards when they become effective.

Description	Effective for annual periods beginning on or after
Lack of Exchangeability (Amendments to MFRS 121 <i>The Effect of Changes in Foreign Exchange Rates</i>)	1 January 2025
Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i>)	1 January 2026
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRS Accounting Standards - Volume 1	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investments in Associates and Joint Ventures</i>)	To be announced by MASB

The directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application.

3. ACCOUNTING POLICIES

3.1 Basis of preparation

The financial statements of the Group and of the Bank have been prepared on a historical cost basis unless otherwise indicated.

3.2 Statement of compliance

The financial statements of the Group and of the Bank have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Bank's functional currency and all values are rounded to the nearest thousand ("RM'000"), unless otherwise stated.

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information

(a) Basis of consolidation

The consolidated financial statements comprise of the financial statements of the Bank and its subsidiaries as at the reporting date.

The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Bank and consistent accounting policies are applied for like transactions and events in similar circumstances.

The Bank controls an investee if and only if the Bank has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

When the Bank has less than a majority of the voting rights of an investee, the Bank considers the following in assessing whether or not the Bank's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Bank's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Bank, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Bank has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are fully consolidated from the date of acquisition, being the date of which the Group obtains control, and continue to be consolidated until the date when such control ceases. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Bank.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(a) Basis of consolidation (cont'd.)

When the Group loses control of a subsidiary, a gain or loss is calculated as the difference between:

- (i) The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (ii) The previous carrying amount of the assets and liabilities of the subsidiary and any differences is recognised in profit or loss. The subsidiary's cumulative gain and loss which have been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of an investment in an associate or a joint venture.

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting.

The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed to statement of profit or loss and disclosed under administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with MFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree on previous acquisition date is remeasured to fair value at the later stage's acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net assets of the subsidiary acquired. The accounting policy for goodwill is set out in Note 3.4(e)(i).

For business combinations involving entities or businesses under common control, the Group applies the merger (or common control) accounting, whereby no assets or liabilities are restated to their fair values. Instead, the acquirer incorporates predecessor carrying values. No new goodwill arises in merger accounting.

The acquirer incorporates the acquired entity's results and balance sheet prospectively from the date on which the business combination between entities under common control occurred. Prior financial period's numbers are restated to reflect as if these entities have been under common control since the beginning of the earliest financial period presented in the financial statements.

Merger accounting may lead to a difference between the cost of the transaction and the carrying value of the net assets. The difference is recorded in reorganisation reserve.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(b) Subsidiaries

In the Bank's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(c) Investment in associates

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

On acquisition of an investment in associate, any excess of the investment cost over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

An associate is equity accounted from the date on which the investee becomes an associate.

Under the equity method, the investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate is recognised in the Group's financial statements only to the extent of unrelated investors' interest in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associate are prepared as of the same reporting date as the Bank. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment as a single asset, by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Bank's separate financial statements, investment in associate is accounted for at cost less accumulated impairment losses. On disposal of such investment, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(d) Investment in joint ventures

Joint ventures are entities over which there is contractually agreed sharing of control by the Group with one or more parties where the strategic financial and operating decisions relating to the entities require unanimous consent of the parties sharing control.

The Group's interest in joint ventures is accounted for in the financial statements by the equity method of accounting. Equity accounting involves recognising the Group's share of the post-acquisition results of joint ventures in profit or loss and its share of post-acquisition changes of the investee's reserves in other comprehensive income. The cumulative post-acquisition changes are adjusted against the cost of the investment and include goodwill on acquisition (net of accumulated impairment loss).

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Where necessary, adjustments have been made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with those of the Group.

(e) Goodwill and intangible assets

(i) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the date of acquisition, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where the recoverable amount of the cash-generating unit is less than the carrying amount of the cash-generating unit, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.4(l).

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(e) Goodwill and intangible assets (cont'd.)

(ii) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the financial year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embedded in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible assets.

Intangible assets are amortised over their finite useful lives at the following annual rate:

Computer software and licence	14.28% to 33.33%
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Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in the useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(f) Financial instruments – initial recognition

Financial assets and liabilities, with the exception of loans, advances and financing to customers and balances due to clients, are initially recognised on the trade date, i.e., the date that the Group and the Bank become a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans, advances and financing to customers are recognised when funds are transferred to the customers' accounts. The Bank recognises balances due to clients when settlement has yet to be made on outstanding contracts which have been entered into on behalf of the clients.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(f) Financial instruments – initial recognition (cont'd.)

(i) Initial recognition and subsequent measurement

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Note 3.4(g)(i). Financial instruments are initially measured at their fair value (as defined in Note 3.4(j)), except in the case of financial assets and financial liabilities recorded at fair value through profit or loss ("FVTPL"), transaction costs are added to, or subtracted from this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group and the Bank account for the Day 1 profit or loss.

(ii) Measurement categories of financial assets and liabilities

The Group and the Bank classify all of their financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- (a) Amortised Cost, as explained in Note 3.4(g)(i);
- (b) FVOCI, as explained in Notes 3.4(g)(v) and 3.4(g)(vi); or
- (c) FVTPL, as explained in Notes 3.4(g)(iv) and 3.4 (g)(viii).

The Group and the Bank classify and measure their derivative and trading portfolio at FVTPL as explained in Notes 3.4(g)(ii) and 3.4(g)(iv). The Group and the Bank may designate financial instruments at FVTPL, if doing so eliminates or significantly reduces measurement or recognition inconsistencies, as explained in Note 3.4(g)(viii).

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied, as explained in Note 3.4(g)(viii).

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Bank become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(g) Financial assets and liabilities

(i) Financial assets at amortised cost

The Group and the Bank measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(g) Financial assets and liabilities (cont'd.)

(i) Financial assets at amortised cost (cont'd.)

The details of these conditions are outlined below:

(1) Business model assessment

The Group and the Bank determine their business model at the level that best reflects how they manage groups of financial assets to achieve their business objective.

The Group's and the Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the key entity's management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- The expected frequency, value and timing of sales are also important aspects of the Group's and of the Bank's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's and the Bank's original expectations, the Group and the Bank do not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward, unless it has been determined that there has been a change in the original business model.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(g) Financial assets and liabilities (cont'd.)

(i) Financial assets at amortised cost (cont'd.)

(2) The SPPI test

The Group and the Bank assess the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. For the SPPI assessment, the Group and the Bank apply judgement and consider relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

(ii) Derivatives recorded at fair value through profit or loss

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e. the 'underlying');
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors; and
- It is settled at a future date.

The Bank enters into derivative transactions with various counterparties. These include equity swaps, forward foreign exchange contracts and options on foreign currencies and equities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(g) Financial assets and liabilities (cont'd.)

(iii) Embedded derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract. A derivative that is attached to a financial instrument, but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument.

Derivatives embedded in financial liability or a non-financial host are separated from the host and accounted for as separate derivatives if:

- the economic characteristics and risks are not closely related to the host;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative (as defined above); and
- the hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Financial assets are classified based on the business model and SPPI assessments as outlined in Notes 3.4(g)(i)(1) and 3.4(g)(i)(2).

(iv) Financial assets or financial liabilities held for trading

The Group and the Bank classify financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised in net trading income. Interest and dividend income or expense are recorded in net trading income according to the terms of the contract, or when the right to payment has been established.

Included in this classification are debt securities, equities and short positions that have been acquired principally for the purpose of selling or repurchasing in the near term.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(g) Financial assets and liabilities (cont'd.)

(v) Debt instruments at FVOCI

The Group and the Bank classify debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset meet the SPPI test.

Debt instruments at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost as explained in Note 3.4(s)(ii). The ECL calculation for debt instruments at FVOCI is explained in Note 3.4(k)(ii). Where the Group and the Bank hold more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

(vi) Equity instruments at FVOCI

Upon initial recognition, the Group and the Bank have the option to elect to classify irrevocably some of their equity investments as equity instruments at FVOCI when they meet the definition of Equity under MFRS 132 *Financial Instruments: Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Equity instruments classified as FVOCI are measured at fair value. Any gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Group and the Bank benefit from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

(vii) Financial liabilities at amortised cost

Except for derivatives, the Group and the Bank classify and measure all other financial liabilities at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on issued funds, and costs that are an integral part of the effective interest rate ("EIR"). A compound financial instrument which contains both a liability and an equity component is separated at the issue date in the issuer's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(g) Financial assets and liabilities (cont'd.)

(viii) Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the statement of financial position at fair value.

Changes in fair value are recorded in profit or loss. Interest earned or incurred on instruments designated at FVTPL are accrued in other operating income, respectively, using the EIR, taking into account any discount/premium and qualifying transaction costs being an integral part of instrument.

(ix) Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Group and the Bank are required to provide a loan or financing with pre-specified terms to the customer. These contracts fall under the scope of the ECL requirements.

The nominal contractual value of undrawn loan commitments, where the loan or financing agreed to be provided is on market terms, are not recorded on in the statement of financial position. The nominal values of these instruments together with the corresponding ECLs are disclosed in Note 9.2(d).

The Group and the Bank occasionally issue loan commitments at below market interest rates drawdown. Such commitments are subsequently measured at the higher of the amount of the ECL allowance (as explained in Notes 3.4(k)(i) and 51(a)) and the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

(h) Reclassification of financial assets and liabilities

The Group and the Bank have not reclassified their financial assets and financial liabilities subsequent to their initial recognition, apart from the exceptional circumstances in which the Group and the Bank acquire, dispose of, or terminate a business line.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(i) Derecognition of financial assets and liabilities

(a) Derecognition due to substantial modification of terms and conditions

The Group and the Bank derecognise a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated substantially to the extent that, it becomes a new loan, with the difference in fair value recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated Credit Impaired ("POCI").

When assessing whether or not to derecognise a loan to a customer, amongst others, the Group and the Bank consider the following factors:

- Introduction of an equity feature;
- Change in counterparty; and
- If the modification is such that the instrument would no longer meet the SPPI criterion.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets). For financial liabilities, the Bank considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent. For financial assets, this assessment is based on qualitative factors.

(b) Derecognition other than for substantial modification - Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group and the Bank also derecognise the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition as follows:

- The Group and the Bank have transferred their contractual rights to receive cash flows from the financial asset; or
- They retain the rights to the cash flows, but have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(i) Derecognition of financial assets and liabilities (cont'd.)

(b) Derecognition other than for substantial modification - Financial assets (cont'd.)

Pass-through arrangements are transactions whereby the Group and the Bank retain the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Group and the Bank have no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates;
- The Group and the Bank cannot sell or pledge the original asset other than as security to the eventual recipients; and
- The Group and the Bank have to remit any cash flows it collect on behalf of the eventual recipients without material delay. In addition, the Group and the Bank are not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group and the Bank have transferred substantially all the risks and rewards of the asset; or
- The Group and the Bank have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Bank consider control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group and the Bank have neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's and of the Bank's continuing involvement, in which case, the Group and the Bank also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Bank have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group and the Bank could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Group and the Bank would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(i) Derecognition of financial assets and liabilities (cont'd.)

(c) Derecognition other than for substantial modification - Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

(j) Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group and the Bank use valuation techniques that are appropriate in the circumstances for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 52.

For financial instruments measured at fair value, where available, quoted and observable market prices in an active market or dealer price quotations are used to measure fair value. These include listed equity securities and broker quotes from Bloomberg.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(k) Impairment of financial assets

(i) Overview of the ECL principles

The Group and the Bank adopt a forward-looking ECL approach. The Group and the Bank calculate and record an allowance for expected credit losses for all loans and other debt financial assets not held at FVTPL together with loan commitments contracts. Equity instruments are not subject to impairment.

The ECL allowance is based on the credit losses expected to arise over the life of the financial instruments (the lifetime expected credit loss or "LTECL"), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss ("12mECL") as outlined in Note 3.4(k)(ii).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group and the Bank have established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. This is further explained in Note 51(a).

General approach

The Group and the Bank classify their loans or assets into Stage 1, Stage 2, Stage 3 and POCI, as described below:

- Stage 1: When loans or assets are first recognised, the Group and the Bank recognise an allowance based on 12mECLs. Stage 1 loans or assets also include facilities where the credit risk has improved and the loan or the assets has been reclassified from Stage 2.
- Stage 2: When a loan or an asset has shown a significant increase in credit risk ("SICR") since origination, the Group and the Bank record an allowance for the LTECLs. Stage 2 loans or assets also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: Loans or assets considered as credit-impaired (as outlined in Note 51(a)). The Group and the Bank record an allowance for the LTECLs.
- POCI assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Group and the Bank have no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(k) Impairment of financial assets (cont'd.)

(i) Overview of the ECL principles (cont'd.)

Simplified approach

The simplified approach does not require tracking change in credit risk, but instead requires a loss allowance to be recognised based on LTECLs at each reporting date.

The simplified approach is required for trade receivables or contract assets that do not contain a significant financing component.

However, either the general approach or the simplified approach can be applied separately, as an accounting policy choice, for:

- All trade receivables or contract assets that result from transactions within the scope of MFRS 15 Revenue from Contracts with Customers and that contain a significant financing component.
- All lease receivables that result from transaction that are within the scope of MFRS 16 Leases.

(ii) The calculation of ECLs

The Group and the Bank calculate ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at original EIR. A cash shortfall is the difference between the cash flows that are due to the Group and the Bank in accordance with the contract and the cash flows that the Group and the Bank expect to receive.

The key elements of the ECL calculations are outlined as follows:

- **PD** The Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 51(a).
- **EAD** The Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The EAD is further explained in Note 51(a).
- **LGD** The Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is further explained in Note 51(a).

When estimating the ECLs, the Group and the Bank consider three scenarios (a base case, an upside or a downside). When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Group and the Bank have the legal right to call it earlier, or when the asset is revolving in nature, as further explained in Note 51(a).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(k) Impairment of financial assets (cont'd.)

(ii) The calculation of ECLs (cont'd.)

The mechanics of the ECL method are summarised below:

- **Stage 1:** The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group and the Bank calculate the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date.

These expected 12-month default probabilities ("PD") are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.
- **Stage 2:** When a loan or an asset has shown a SICR since origination, the Group and the Bank record an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PD and LGD are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- **Stage 3:** For loans or assets considered credit-impaired, the Group and the Bank recognise the LTECLs for these loans or assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.
- **POCI:** POCI assets are financial assets that are credit impaired on initial recognition. The Group and the Bank only recognise the cumulative changes in LTECLs since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit adjusted EIR.
- **Loan commitments:** When estimating LTECLs for undrawn loan commitments, the Group and the Bank estimate the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For revolving facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan.

(iii) Debt instruments measured at FVOCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit or loss upon derecognition of the assets.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(k) Impairment of financial assets (cont'd.)

(iv) Forward looking information

In their ECL models, the Group and the Bank rely on a broad range of forward looking information as economic inputs, such as:

- Gross Domestic Products ("GDP") growth rate; and
- Kuala Lumpur Composite Index ("KLCI")

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs and multiple-scenario analysis are provided in Note 51(a).

(v) Collateral valuation

To mitigate its credit risks on financial assets, the Group and the Bank seek to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The Group's and the Bank's accounting policy for collateral assigned to it through its lending arrangements is such that collateral, unless repossessed, is not recorded on the Group's and the Bank's statement of financial position.

However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a monthly basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Group and the Bank use active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as real estate valuers, or based on housing price indices.

(vi) Collateral repossessed

The Group's and the Bank's policy are to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in line with the Group's and the Bank's policy.

In its normal course of business, the Group and the Bank do not physically repossess properties or other assets in its portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the properties under legal repossession processes are not recorded on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(k) Impairment of financial assets (cont'd.)

(vii) Write-offs

Financial assets are written off either partially or in their entirety only when the Group and the Bank have stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

(viii) Rescheduled and restructured ("R&R") loans

The Group and the Bank sometimes make concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or otherwise enforce collection of collateral. The Group and the Bank consider a loan as R&R when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Group and the Bank would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns. A rescheduling and restructuring of a loan may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Group's and the Bank's policy to monitor impaired R&R loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 (credit-impaired) asset until it is collected or written off.

When the loan has been renegotiated or modified but not derecognised, the Group and the Bank also reassess whether there has been a significant increase in credit risk, as set out in Note 51(a). Where a credit-impaired loan has been classified as R&R, the loan will continue to be classified as impaired until repayments based on the rescheduled or restructured terms have been observed continuously for a period of 6 months.

(l) Impairment of non-financial assets

The Group and the Bank assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment assessment for an asset is required, the Group and the Bank make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(l) Impairment of non-financial assets (cont'd.)

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to OCI. In this case the impairment is also recognised in OCI up to the amount of any previous revaluation.

An assessment is made at each reporting date to determine whether there is indication that previously recognised impairment losses no longer exist or have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine that asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(m) Cash and cash equivalents

Cash and cash equivalents as stated in the statements of cash flows comprise cash and short-term funds and deposits and placements with financial institutions that are readily convertible into cash with insignificant risk of changes in value.

(n) Provisions

Provisions are recognised when the Group and the Bank have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(o) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.4(l).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(o) Property, plant and equipment and depreciation (cont'd.)

Depreciation are not made on freehold land because it has indefinite useful life and capital work-in-progress as these assets are not ready for use. Depreciation of other property, plant and equipment is provided for on a straight-line-basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Building	2%
Motor vehicles	20% to 25%
Computer equipment	20% to 33.33%
Plant and office equipment	10%
Furniture and fittings	10% to 20%
Renovations	10%

The residual values, useful life and depreciation method are reviewed at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

(p) Leases

The Bank assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are presented in Note 18 and are subject to impairment in line with the Bank's policy as described in Note 3.4(l).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(p) Leases (cont'd.)

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Bank recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Bank and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

(q) (i) Share capital

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared. The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(ii) Treasury shares

When the Bank re-acquires its own equity shares, the amount of the consideration paid, including directly attributable costs, is recognised in equity. Shares re-acquired are held as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares. Should such treasury shares be reissued by re-sale in the open market, the difference between the sales consideration and the carrying amount are shown as a movement in equity, as appropriate.

(r) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which derivative contracts are entered into and are subsequently remeasured at their fair values. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. Derivative financial instruments are presented separately in the statements of financial position as assets (positive changes in fair values) and liabilities (negative changes in fair values). Any gains or losses arising from changes in the fair value of the derivatives are recognised immediately in profit or loss.

(s) Income recognition

The Group and the Bank recognise revenue from contracts with customers for the provision of services based on the five-step model as set out below:

- Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(s) Income recognition (cont'd.)

The Group and the Bank recognise revenue from contracts with customers for the provision of services based on the five-step model as set out below (cont'd.):

- Determine the transaction price. The transaction price is the amount of consideration to which the Group and the Bank expect to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties.
- Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group and the Bank allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Bank expect to be entitled in exchange for satisfying each performance obligation.
- Recognise revenue when (or as) the Group and the Bank satisfy a performance obligation.

The Group and the Bank satisfy a performance obligation and recognise revenue over time if the Group's and the Bank's performance:

- Do not create an asset with an alternative use to the Group and the Bank, and have an enforceable right to payment for performance completed to-date; or
- Create or enhance an asset that the customer controls as the asset is created or enhanced; or
- Provide benefits that the customer simultaneously receives and consumes as the Group and the Bank perform.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group and the Bank satisfy a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

(i) The effective interest rate method

Interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instruments designated at FVTPL. Interest income on interest bearing financial assets measured at FVOCI is also recorded by using the EIR method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group and the Bank recognise interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(s) Income recognition (cont'd.)

(i) The effective interest rate method (cont'd.)

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the statement of financial position with an increase or reduction in interest income. The adjustment is subsequently amortised through interest and similar income in the statement of profit or loss.

(ii) Interest and similar income

The Group and the Bank calculate interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired (as set out in Note 3.4(k)(i)) and is, therefore, regarded as 'Stage 3', the Group and the Bank calculate interest income by applying the effective interest rate to the net amortised cost of the financial asset.

For POCI financial assets (as set out in Note 3.4(k)(iv)), the Group and the Bank calculate interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI financial assets.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net trading income and net gains or losses on financial assets at FVTPL, respectively.

(iii) Fee and other income

Brokerage fees are recognised on contract date upon execution of trade on behalf of clients computed based on a pre-determined percentage of the contract value.

Loan arrangement fees and commissions, management and participation fees, underwriting fees and placement fees are recognised as income when all conditions precedent are fulfilled.

Custodian fees, guarantee fees and fund management fees are recognised as income based on time apportionment basis.

Corporate advisory fees are recognised as income on the completion of each stage of the assignment.

Rollover fee is recognised upon the rollover of specific contracts under share margin financing.

Gain or loss on disposal of investments is recognised upon the transfer of risks and rewards of ownership.

(iv) Islamic banking income

Income from Islamic banking scheme is recognised on an accrual basis in accordance with Shariah principles.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(s) Income recognition (cont'd.)

(v) Dividend income

Dividend income is recognised when the right to receive the payment is established.

(t) Interest, financing and profit expense

Interest expense on deposits from customers, placements of financial institutions and borrowings is recognised using EIR.

(u) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Group and of the Bank and recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rates of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(v) Income taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Zakat

This represents business zakat payable by the Group and the Bank in compliance with Shariah principles and as approved by the Group's and the Bank's Shariah Committee.

(iii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(v) Income taxes (cont'd.)

(iii) Deferred tax (cont'd.)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(w) Employee benefits

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and of the Bank. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in profit or loss as incurred. Once the contributions have been paid, the Group and the Bank have no further payment obligations.

(iii) Kenanga Group's Employees' Share Scheme

Employees (including Executive Directors and senior management) of the Group and of the Bank receive a remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are set out in Note 55. ESS cost is recognised in staff costs (Note 34), together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(w) Employee benefits (cont'd.)

(iii) Kenanga Group's Employees' Share Scheme ("ESS" or "Scheme") (cont'd.)

Equity-settled transactions (cont'd.)

Service performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Service performance conditions are reflected within the grant date fair value.

Where the terms of equity-settled awards are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

(x) Segment information

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group and of the Bank who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 50, including the factors used to identify the reportable segments and the measurement basis of segment information.

(y) Contingent liabilities and contingent assets

The Group and the Bank do not recognise a contingent liability but disclose its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and of the Bank or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

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

(z) Fiduciary assets

The Group provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients. Assets held in fiduciary capacity are not recognised as assets of the Group other than those recognised in Note 5.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

3. ACCOUNTING POLICIES (CONT'D.)

3.4 Material accounting policy information (cont'd.)

(aa) Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date are not derecognised from the statement of financial position as the Bank retains substantially all of the risks and rewards of ownership.

The corresponding cash received is recognised in the consolidated statement of financial position as an asset with a corresponding obligation to return it, including accrued interest as a liability within cash collateral on securities lent and repurchase agreements, reflecting the transaction's economic substance as a loan to the Bank. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of agreement using the EIR. When the counterparty has the right to sell or re-pledge the securities, the Bank reclassifies those securities in its statement of financial position to financial assets held for trading pledged as collateral or to financial investments available-for-sale pledged as collateral, as appropriate.

Conversely, securities purchased under agreements to resell at a specified future date are not recognised in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position, within cash collateral on securities borrowed and reverse repurchase agreements, reflecting the transaction's economic substance as a loan by the Bank. The difference between the purchase and resale prices is recorded in net interest income and is accrued over the life of the agreement using the EIR.

If securities purchased under an agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within financial liabilities held for trading and measured at fair value with any gains or losses included in net trading income.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in accordance with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amount of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Judgements, estimates and assumptions are continually evaluated and are based on past experience, reasonable expectations of future events and other factors. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's and the Bank's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's and the Bank's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

- (i) The Group and the Bank determine whether goodwill and other intangible assets are impaired at least on an annual basis. This requires an estimation of the value-in-use of the CGU to which goodwill and other intangible assets are allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. More detailed disclosures on the assessment of impairment of goodwill and other intangible assets are disclosed in Note 17.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

- (ii) The fair value of financial assets at fair value through profit or loss (Note 6), financial investments measured at FVOCI and at amortised cost (Note 7), derivative financial assets (Note 8) and derivative financial liabilities (Note 23) are derived from quoted and observable market prices. However, if the financial instruments are not traded in an active market, fair value may be established by using a valuation technique which includes but is not limited to using recent arm's length market transactions between knowledgeable, willing parties, and reference to the current fair value of another instrument that is substantially the same. The Group and the Bank use acceptable valuation techniques which involves making assumptions based on market conditions and other factors as of the reporting date. Further information relating to the fair values are disclosed in Note 52.
- (iii) The measurement of impairment losses on financial assets subject to impairment assessment requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's and the Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's and the Bank's internal credit rating model, which assigns PDs to the individual grades;
- The Group's and the Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECLs basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs; and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Group's and the Bank's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment losses on financial assets are disclosed in Notes 7,9,10 and 11.

Management overlays for ECL

The management overlays were taken to reflect the latest macroeconomic outlook not captured in the modelled outcome and the potential impact to delinquencies and defaults after taking into account the uncertainties in the market.

The management overlays involved significant level of judgement and reflect the management's views of possible severities of the economic conditions and paths of recovery in the forward looking assessment for ECL estimation purposes. The management overlays were generally made at portfolio level in determining the sufficient level of ECL.

Total management overlays for ECL inclusive of the macro-economic adjustments maintained by the Group and the Bank as at 31 December 2024 are RM0.8 million (2023: RM7.3 million).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

Management overlays for ECL (cont'd.)

The scenarios applied in the management overlays in estimating the reported ECL include:

- (i) Drop in counterparty ratings
 - (ii) Stressed security values
 - (iii) Uncertainties arising from macroeconomic factors
- (iv) The Group and the Bank estimate the useful lives of property, plant and equipment and software based on factors such as the expected level of usage due to physical wear and tear, future technological developments and legal or other limits on the use of the relevant assets. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment, and software would increase the recorded depreciation and decrease their carrying value. The total carrying amounts of property, plant and equipment, and software are disclosed in Notes 16 and 17 respectively.
- (v) Deferred tax assets are recognised for all unutilised tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. As at financial year end, the total carrying value of unutilised tax losses and unabsorbed capital allowances are disclosed in Note 19.
- (vi) The Group and the Bank assess whether there is any indication that investments in subsidiaries and investments in associates may be impaired at each reporting date.

If indicators are present, these assets are subject to impairment review. The impairment review comprises comparison of the carrying amount of the investment and the investment's estimated recoverable amount.

Judgements made by management in the process of applying the Group's and the Bank's accounting policies in respect of investments in subsidiaries and investments in an associate are as follows:

- The Bank determines whether its investments are impaired following certain indications of impairment such as, amongst others, significant changes with adverse effects on the investments and deteriorating financial performance of the investments due to observed changes and fundamentals.
- Depending on their nature and the industries in which the investments relate to, judgements are made by management to select suitable methods of valuation such as, amongst others, discounted cash flows and realisable net asset value.

Once a suitable method of valuation is selected, management makes certain assumptions concerning the future to estimate the recoverable amount of the investment. These assumptions and other key sources of estimation uncertainty at the reporting date may have a significant risk of causing material adjustment to the carrying amounts of the investments within the next financial year. Depending on the specific individual investment, assumptions made by management may include, amongst others, assumptions on expected future cash flows, revenue growth, discount rate used for purposes of discounting future cash flows which incorporates the relevant risks, and expected future outcome of certain past events.

Investments in subsidiaries and associates of the Group are disclosed in Notes 13 and 14 respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

5. CASH AND BANK BALANCES

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and balances with banks and other financial institutions	822,675	500,062	206,301	116,341
Money at call and deposit placements	1,275,384	982,451	1,180,485	858,386
	2,098,059	1,482,513	1,386,786	974,727
Included in cash and bank balances are:				
Cash and cash equivalents	1,305,007	949,650	1,299,196	885,705
Monies held in trust on behalf of funds' clients, dealers' representatives and segregated funds for customers	792,952	532,763	87,590	89,022
Deposits more than 3 months	100	100	-	-
	2,098,059	1,482,513	1,386,786	974,727
Of which deposits with original maturity of:				
- 3 months or less	1,275,284	982,351	1,180,485	858,386
- more than 3 months	100	100	-	-
	1,275,384	982,451	1,180,485	858,386

Monies held in trust on behalf of clients of RM1,734,642,000 (2023: RM980,227,000) in respect of the stockbroking business are excluded from the cash and bank balances of the Group and of the Bank in accordance with Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 18.

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At fair value				
Quoted securities:				
Shares and funds in Malaysia	275,869	248,446	274,906	247,887
Shares and funds outside Malaysia	21,415	19,384	21,415	19,384
Unquoted securities:				
Shares and funds in Malaysia	255,017	170,830	257,220	171,203
	552,301	438,660	553,541	438,474

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

7. FINANCIAL INVESTMENTS OTHER THAN THOSE MEASURED AT FVTPL

	Group and Bank	
	2024 RM'000	2023 RM'000
(a) Financial instruments at Fair Value Through Other Comprehensive Income ("FVOCI"):		
Debt instruments:		
Malaysian Government Securities	291,869	177,379
Malaysian Government Investment Certificates	402,651	331,282
Islamic Negotiable Instruments of Deposits	-	159,644
Islamic Corporate Sukuk	137,238	167,187
Corporate Bonds	35,394	40,447
	867,152	875,939
Equity instruments:		
Unquoted Shares in Malaysia	1,421	1,343
Total financial instruments at FVOCI	868,573	877,282

Impairment losses on financial instruments subject to impairment assessment

Debt instruments at FVOCI

The table below shows the fair value of the Group's and of the Bank's debt instruments measured at FVOCI by credit risk, based on the Group's and the Bank's internal credit rating system and year-end stage classification. Details of the Group's and of the Bank's internal rating system are explained in Note 51(a).

Group and Bank	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Internal rating grade				
Investment grade	867,152	-	-	867,152

Group and Bank	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Internal rating grade				
Investment grade	875,939	-	-	875,939

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

7. FINANCIAL INVESTMENTS OTHER THAN THOSE MEASURED AT FVTPL (CONT'D.)

(a) Financial instruments at FVOCI (cont'd.):

Impairment losses on financial instruments subject to impairment assessment (cont'd.)

Debt instruments at FVOCI (cont'd.)

An analysis of changes in the fair value and the corresponding ECLs is as follows:

Group and Bank	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	875,939	-	-	875,939
New assets originated or purchased	533,815	-	-	533,815
Assets derecognised or matured (excluding write-offs)	(542,028)	-	-	(542,028)
Change in fair value	(574)	-	-	(574)
As at 31 December	867,152	-	-	867,152

Group and Bank	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	312,901	4,978	-	317,879
New assets originated or purchased	1,121,317	-	-	1,121,317
Assets derecognised or matured (excluding write-offs)	(568,974)	(4,896)	-	(573,870)
Change in fair value	10,695	(82)	-	10,613
As at 31 December	875,939	-	-	875,939

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

7. FINANCIAL INVESTMENTS OTHER THAN THOSE MEASURED AT FVTPL (CONT'D.)

(a) Financial instruments at FVOCI (cont'd.):

Impairment losses on financial instruments subject to impairment assessment (cont'd.)

Debt instruments at FVOCI (cont'd.)

An analysis of changes in the fair value and the corresponding ECLs is as follows (cont'd.):

Group and Bank ECL allowances	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	1,460	-	-	1,460
New assets originated or purchased	86	-	-	86
Net remeasurement of allowances	(409)	-	-	(409)
Changes in model assumption and methodology	(107)	-	-	(107)
Assets derecognised or matured (excluding write-offs)	(491)	-	-	(491)
As at 31 December	539	-	-	539

Group and Bank ECL allowances	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	261	128	-	389
Net remeasurement of allowances	(95)	-	-	(95)
Changes in model assumption and methodology	1,294	-	-	1,294
Assets derecognised or matured (excluding write-offs)	-	(128)	-	(128)
As at 31 December	1,460	-	-	1,460

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

7. FINANCIAL INVESTMENTS OTHER THAN THOSE MEASURED AT FVTPL (CONT'D.)

(b) Financial instruments at amortised cost:

	Group and Bank	
	2024 RM'000	2023 RM'000
Debt instruments:		
Malaysian Government Securities	125,560	125,853
Malaysian Government Investment Certificates	260,201	228,204
Islamic Corporate Sukuk	136,411	116,739
	522,172	470,796
Less: Allowance for ECL	(1,154)	-
Total financial instruments at amortised cost	521,018	470,796

Debt instruments measured at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's and the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's and of the Bank's internal grading system are explained in Note 51(a).

Group and Bank Internal rating grade	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Investment grade	522,172	-	-	522,172

Group and Bank Internal rating grade	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Investment grade	470,796	-	-	470,796

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

7. FINANCIAL INVESTMENTS OTHER THAN THOSE MEASURED AT FVTPL (CONT'D.)

(b) Financial instruments at amortised cost (cont'd.):

An analysis of changes in the gross carrying amount and the corresponding ECLs is as follows:

Group and Bank Gross carrying amount	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	470,796	-	-	470,796
New assets purchased	71,740	-	-	71,740
Assets derecognised or matured (excluding write-offs)	(20,000)	-	-	(20,000)
Change in fair value	(364)	-	-	(364)
As at 31 December	522,172	-	-	522,172

Group and Bank Gross carrying amount	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	449,114	-	-	449,114
New assets purchased	253,770	-	-	253,770
Assets derecognised or matured (excluding write-offs)	(231,886)	-	-	(231,886)
Change in fair value	(202)	-	-	(202)
As at 31 December	470,796	-	-	470,796

Group and Bank ECL allowances	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	-	-	-	-
New assets purchased	394	-	-	394
Net remeasurement of allowances	760	-	-	760
As at 31 December	1,154	-	-	1,154

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

7. FINANCIAL INVESTMENTS OTHER THAN THOSE MEASURED AT FVTPL (CONT'D.)

(b) Financial instruments at amortised cost (cont'd.):

An analysis of changes in the gross carrying amount and the corresponding ECLs is as follows (cont'd.):

Group and Bank ECL allowances	2023			Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
As at 1 January/31 December	-	-	-	-

Included in financial investments measured at amortised cost are financial assets sold under repurchase agreements as follows:

	Group and Bank	
	2024 RM'000	2023 RM'000
Malaysian Government Securities (Note 25)	-	97,232
Malaysian Government Investment Certificates (Note 25)	69,514	-
	69,514	97,232

8. DERIVATIVE FINANCIAL ASSETS

	Group and Bank	
	2024 RM'000	2023 RM'000
At fair value		
Dual currency investment - Options	23	5
Foreign exchange related contracts	203	-
Equity related contracts - Options	2,761	26,415
Equity related contracts - Swap	898	209
Equity related contracts - Forward	45,812	49,309
	49,697	75,938

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

8. DERIVATIVE FINANCIAL ASSETS (CONT'D.)

	Group and Bank	
	2024 RM'000	2023 RM'000
Contract/Notional amount		
Dual currency investment - Options	16,410	3,074
Foreign exchange related contracts	31,688	-
Equity related contracts - Options	-	25,985
Equity related contracts - Swap	26,974	19,439
Equity related contracts - Forward	79,445	51,342
	154,517	99,840

The contractual or underlying notional amounts of derivative financial assets held at fair value through profit or loss reflect the value of transactions outstanding as at reporting date, and do not represent amounts at risk.

9. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	2024 RM'000	2023 RM'000 Restated (Note 57)	2024 RM'000	2023 RM'000 Restated (Note 57)
At amortised cost				
Term loans/financing	651,153	561,143	664,182	574,172
Share margin financing	1,148,571	1,134,235	1,148,571	1,134,235
Other lending and factoring receivables	31,373	12,200	-	-
Subordinated term loan*	-	-	45,140	25,038
Gross loans, advances and financing	1,831,097	1,707,578	1,857,893	1,733,445
Less: Allowance for ECL				
- Stage 1 - 12-month ECL	(803)	(537)	(1,720)	(680)
- Stage 2 - Lifetime ECL non-credit impaired	(750)	(2,741)	(750)	(2,741)
- Stage 3 - Lifetime ECL credit impaired	(5,692)	(3,296)	(5,692)	(3,296)
Net loans, advances and financing	1,823,852	1,701,004	1,849,731	1,726,728

* Subordinated term loan to a subsidiary

The subordinated loan granted to a subsidiary, Kenanga Futures Sdn Bhd, is unsecured with effective interest rate of 6.30% per annum (2023: 6.02%) and is repayable by March 2027.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

(i) Gross loans, advances and financing analysed by type of customer are as follows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Domestic business enterprises				
- Small and medium enterprises	208,829	195,811	194,310	188,041
- Others	496,095	492,366	541,236	517,405
Domestic non-banking financial institution	-	-	13,029	13,029
Individuals	1,126,173	1,019,401	1,109,318	1,014,970
	1,831,097	1,707,578	1,857,893	1,733,445

(ii) Gross loans, advances and financing analysed by geographical distribution are as follows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
In Malaysia	1,827,771	1,704,115	1,854,567	1,729,982
Outside Malaysia	3,326	3,463	3,326	3,463
	1,831,097	1,707,578	1,857,893	1,733,445

(iii) Gross loans, advances and financing analysed by interest rate/profit rate sensitivity are as follows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fixed rate				
- Other fixed rate loans	1,179,944	1,146,435	1,148,571	1,134,235
Variable rate				
- Other variable rates	651,153	561,143	709,322	599,210
	1,831,097	1,707,578	1,857,893	1,733,445

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

(iv) Gross loans, advances and financing analysed by economic purpose are as follows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Purchase of securities	1,346,448	1,382,070	1,346,448	1,382,070
Working capital	121,916	108,716	178,073	139,014
Others	362,733	216,792	333,372	212,361
	1,831,097	1,707,578	1,857,893	1,733,445

(v) Gross loans, advances and financing analysed by residual contractual maturity are as follows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Within one year	1,479,606	1,478,996	1,473,852	1,486,858
More than one year	351,491	228,582	384,041	246,587
	1,831,097	1,707,578	1,857,893	1,733,445

9.1 Movements in impaired loans, advances and financing ("Impaired LAF")

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At beginning of the financial year	61,471	43,179	57,041	30,346
Impaired during the financial year	52,157	31,663	52,157	31,663
Disposal of a subsidiary	-	(484)	-	-
Amount recovered during the financial year	(15,213)	(12,887)	(15,048)	(4,968)
At end of the financial year	98,415	61,471	94,150	57,041
Less: Allowance for ECL	(5,692)	(3,296)	(5,692)	(3,296)
Net impaired LAF	92,723	58,175	88,458	53,745
Net impaired LAF as a % of net loans, advances and financing	5.08%	3.42%	4.78%	3.11%

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9.1 Movements in impaired loans, advances and financing ("Impaired LAF") (cont'd.)

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
9.1.1 Impaired LAF by geographical distribution				
Malaysia	98,415	61,471	94,150	57,041
9.1.2 Impaired LAF by purpose				
Purchase of securities	94,150	57,041	94,150	57,041
Others	4,265	4,430	-	-
	98,415	61,471	94,150	57,041

9.2 Impairment allowance for loans, advances and financing are as follows:

(a) Term loans/financing and subordinated term loan

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's and the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of ECL allowances. Details of the Group's and of the Bank's internal rating system are explained in Note 51(a).

Group Internal rating grade	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Performing:				
- Strong	50,017	-	-	50,017
- Satisfactory	470,708	-	-	470,708
- Substandard	117,193	13,235	-	130,428
Total	637,918	13,235	-	651,153

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9.2 Impairment allowance for loans, advances and financing are as follows (cont'd.):

(a) Term loans/financing and subordinated term loan (cont'd.)

Group Internal rating grade	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Performing:				
- Satisfactory	438,091	-	-	438,091
- Substandard	84,870	38,182	-	123,052
Total	522,961	38,182	-	561,143

Bank Internal rating grade	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Performing:				
- Strong	50,017	-	-	50,017
- Satisfactory	528,877	-	-	528,877
- Substandard	117,193	13,235	-	130,428
Total	696,087	13,235	-	709,322

Bank Internal rating grade	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Performing:				
- Satisfactory	476,158	-	-	476,158
- Substandard	84,870	38,182	-	123,052
Total	561,028	38,182	-	599,210

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9.2 Impairment allowance for loans, advances and financing are as follows (cont'd.):

(a) Term loans/financing and subordinated term loan (cont'd.)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans/financing and subordinated term loan is as follows:

Group	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount				
As at 1 January	522,961	38,182	-	561,143
New assets originated or purchased	291,889	2,242	-	294,131
Assets derecognised or repaid (excluding write-offs)	(176,932)	(27,189)	-	(204,121)
As at 31 December	637,918	13,235	-	651,153

Group	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount				
As at 1 January	437,519	63,386	-	500,905
New assets originated or purchased	273,305	4,059	-	277,364
Assets derecognised or repaid (excluding write-offs)	(187,863)	(29,263)	-	(217,126)
As at 31 December	522,961	38,182	-	561,143

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9.2 Impairment allowance for loans, advances and financing are as follows (cont'd.):

(a) Term loans/financing and subordinated term loan (cont'd.)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans/financing and subordinated term loan is as follows (cont'd.):

Bank	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount				
As at 1 January	561,028	38,182	-	599,210
New assets originated or purchased	314,934	2,242	-	317,176
Assets derecognised or repaid (excluding write-offs)	(179,875)	(27,189)	-	(207,064)
As at 31 December	696,087	13,235	-	709,322

Bank	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount				
As at 1 January	507,634	63,386	-	571,020
New assets originated or purchased	276,478	4,059	-	280,537
Assets derecognised or repaid (excluding write-offs)	(223,084)	(29,263)	-	(252,347)
As at 31 December	561,028	38,182	-	599,210

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9.2 Impairment allowance for loans, advances and financing are as follows (cont'd.):

(a) Term loans/financing and subordinated term loan (cont'd.)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans/financing and subordinated term loan is as follows (cont'd.):

Group ECL allowances	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	537	2,741	-	3,278
New assets originated or purchased	98	-	-	98
Assets derecognised or repaid (excluding write-offs)	(53)	-	-	(53)
Net remeasurement of allowances	221	(1,991)	-	(1,770)
As at 31 December	803	750	-	1,553

Group ECL allowances	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	170	2,900	-	3,070
New assets originated or purchased	531	-	-	531
Assets derecognised or repaid (excluding write-offs)	(226)	-	-	(226)
Net remeasurement of allowances	85	(159)	-	(74)
Changes in model assumption or methodology	(23)	-	-	(23)
As at 31 December	537	2,741	-	3,278

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9.2 Impairment allowance for loans, advances and financing are as follows (cont'd.):

(a) Term loans/financing and subordinated term loan (cont'd.)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans/financing and subordinated term loan is as follows (cont'd.):

Bank ECL allowances	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	680	2,741	-	3,421
New assets originated or purchased	149	-	-	149
Assets derecognised or repaid (excluding write-offs)	(59)	-	-	(59)
Net remeasurement of allowances	950	(1,991)	-	(1,041)
As at 31 December	1,720	750	-	2,470

Bank ECL allowances	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	569	2,900	-	3,469
New assets originated or purchased	556	-	-	556
Assets derecognised or repaid (excluding write-offs)	(391)	-	-	(391)
Net remeasurement of allowances	(46)	(159)	-	(205)
Changes in model assumption or methodology	(8)	-	-	(8)
As at 31 December	680	2,741	-	3,421

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9.2 Impairment allowance for loans, advances and financing are as follows (cont'd.):

(b) Share margin financing

Group and Bank Internal rating grade	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2024				
Performing:				
- Strong	303,566	-	-	303,566
- Satisfactory	721,377	8,498	-	729,875
- Substandard	20,980	-	-	20,980
Non-performing:				
- Default	-	-	94,150	94,150
Total	1,045,923	8,498	94,150	1,148,571
2023				
Performing:				
- Strong	350,187	51	-	350,238
- Satisfactory	726,587	12	-	726,599
- Substandard	357	-	-	357
Non-performing:				
- Default	-	-	57,041	57,041
Total	1,077,131	63	57,041	1,134,235

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to share margin financing is as follows:

Group and Bank Gross carrying amount	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	1,077,131	63	57,041	1,134,235
New assets originated or purchased	848,345	493	2,743	851,581
Assets derecognised or repaid (excluding write-offs)	(788,817)	(16,252)	(15,048)	(820,117)
Transfers of stages	(72,536)	23,469	49,067	-
Impact of remeasurement	(18,200)	725	347	(17,128)
As at 31 December	1,045,923	8,498	94,150	1,148,571

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9.2 Impairment allowance for loans, advances and financing are as follows (cont'd.):

(b) Share margin financing (cont'd.)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to share margin financing is as follows (cont'd.):

Group and Bank Gross carrying amount	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	1,092,272	30,438	30,346	1,153,056
New assets originated or purchased	730,988	1,213	-	732,201
Assets derecognised or repaid (excluding write-offs)	(712,771)	(13,196)	(4,968)	(730,935)
Transfers of stages	(12,868)	(18,795)	31,663	-
Impact of remeasurement	(20,490)	403	-	(20,087)
As at 31 December	1,077,131	63	57,041	1,134,235

Group and Bank ECL allowances	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	-	-	3,296	3,296
New assets originated or purchased	-	-	5,394	5,394
Assets derecognised or repaid (excluding write-offs)	-	-	(2,235)	(2,235)
Net remeasurement of allowances	-	-	(763)	(763)
As at 31 December	-	-	5,692	5,692

Group and Bank ECL allowances	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	-	-	17,033	17,033
Assets derecognised or repaid (excluding write-offs)	-	-	(1,500)	(1,500)
Net remeasurement of allowances	-	-	(12,237)	(12,237)
As at 31 December	-	-	3,296	3,296

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9.2 Impairment allowance for loans, advances and financing are as follows (cont'd.):

(c) Other lending and factoring receivables

Group Internal rating grade	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Performing:				
- Satisfactory	13,194	-	-	13,194
- Substandard	13,914	-	-	13,914
Non-performing:				
- Default	-	-	4,265	4,265
Total	27,108	-	4,265	31,373

Group Internal rating grade	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Performing:				
- Strong	5,022	-	-	5,022
- Satisfactory	-	737	-	737
- Substandard	2,011	-	-	2,011
Non-performing:				
- Default	-	-	4,430	4,430
Total	7,033	737	4,430	12,200

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9.2 Impairment allowance for loans, advances and financing are as follows (cont'd.):

(c) Other lending and factoring receivables (cont'd.)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other financing is as follows:

Group Gross carrying amount	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	7,033	737	4,430	12,200
New assets originated or purchased	27,295	-	365	27,660
Assets derecognised or repaid (excluding write-offs)	(7,220)	(737)	(530)	(8,487)
As at 31 December	27,108	-	4,265	31,373

Group Gross carrying amount	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	46,052	-	12,833	58,885
New assets originated or purchased	13,433	-	706	14,139
Assets derecognised or repaid (excluding write-offs)	(41,586)	-	(8,625)	(50,211)
Disposal of subsidiary	(10,129)	-	(484)	(10,613)
Transfers of stages	(737)	737	-	-
As at 31 December	7,033	737	4,430	12,200

Group ECL allowances	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January/ 31 December	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

9.2 Impairment allowance for loans, advances and financing are as follows (cont'd.):

(c) Other lending and factoring receivables (cont'd.)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other financing is as follows (cont'd.):

Group ECL allowances	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	-	-	2,270	2,270
Assets derecognised or repaid (excluding write-offs)	-	-	(1,786)	(1,786)
Disposal of a subsidiary	-	-	(484)	(484)
As at 31 December	-	-	-	-

10. BALANCES DUE FROM CLIENTS AND BROKERS

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Balances due from clients and brokers	473,299	573,523	473,189	573,444
Less: Allowance for ECL	(18,352)	(2,808)	(18,352)	(2,808)
	454,947	570,715	454,837	570,636

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

10. BALANCES DUE FROM CLIENTS AND BROKERS (CONT'D.)

10.1 ECL allowance for balances due from clients and brokers are as follows:

An analysis of changes in the ECL allowances in relation to balances due from clients and brokers is as follows:

Group and Bank	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
2024			
ECL allowances			
As at 1 January	1,553	1,255	2,808
Charged during the financial year	263	2,801	3,064
Net remeasurement of allowances	-	13,337	13,337
Written back during the financial year	(291)	(566)	(857)
As at 31 December	1,525	16,827	18,352

Group and Bank	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
2023			
ECL allowances			
As at 1 January	1,531	1,246	2,777
Charged during the financial year	157	598	755
Written back during the financial year	(135)	(465)	(600)
Written off during the financial year	-	(124)	(124)
As at 31 December	1,553	1,255	2,808

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

11. OTHER ASSETS

	Note	Group		Bank	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Assets segregated for customers	(a)	225,773	54,658	-	-
Interest/income receivable		14,029	12,981	13,862	12,683
Amounts due from subsidiaries	(b)	-	-	33,866	27,784
Amounts due from related companies	(c)	79	53	79	53
Prepayments and deposits		20,055	21,907	15,442	18,950
Other debtors	(d)	225,851	137,517	133,004	91,288
Dividend receivable from subsidiaries		-	-	32,000	52,000
Treasury trade receivables		29,904	-	29,904	-
		515,691	227,116	258,157	202,758
Allowance for ECL					
- Other debtors	11.1	(75,923)	(35,735)	(38,507)	(24,002)
- Amount due from subsidiaries	11.2	-	-	(506)	(94)
		439,768	191,381	219,144	178,662

11.1 ECL allowance for other debtors are as follows:

Group ECL allowances	2024		
	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
As at 1 January	141	35,594	35,735
New assets originated or purchased	466	25,838	26,304
Assets derecognised or repaid (excluding write-offs)	-	(6,880)	(6,880)
Amount written off	-	(2,620)	(2,620)
Transfer of stages	(498)	498	-
Net remeasurement of allowances	-	23,384	23,384
As at 31 December	109	75,814	75,923

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

11. OTHER ASSETS (CONT'D.)

11.1 ECL allowance for other debtors are as follows (cont'd.):

Group ECL allowances	2023		
	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
As at 1 January	404	11,255	11,659
New assets originated or purchased	1,842	11,814	13,656
Assets derecognised or repaid (excluding write-offs)	-	(2,911)	(2,911)
Transfer of stages	(2,105)	2,105	-
Net remeasurement of allowances	-	9,268	9,268
Changes in model assumption or methodology	-	4,063	4,063
As at 31 December	141	35,594	35,735

Bank ECL allowances	2024		
	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
As at 1 January	141	23,861	24,002
New assets originated or purchased	466	979	1,445
Assets derecognised or repaid (excluding write-offs)	-	(6,880)	(6,880)
Amount written off	-	(2,620)	(2,620)
Transfer of stages	(498)	498	-
Net remeasurement of allowances	-	22,560	22,560
As at 31 December	109	38,398	38,507

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

11. OTHER ASSETS (CONT'D.)

11.1 ECL allowance for other debtors are as follows (cont'd.):

Bank ECL allowances	2023		Total RM'000
	Non-Credit Impaired RM'000	Credit- Impaired RM'000	
As at 1 January	404	6,400	6,804
New assets originated or purchased	1,842	4,936	6,778
Assets derecognised or repaid (excluding write-offs)	-	(2,911)	(2,911)
Transfer of stages	(2,105)	2,105	-
Net remeasurement of allowances	-	9,268	9,268
Changes in model assumption or methodology	-	4,063	4,063
As at 31 December	141	23,861	24,002

11.2 ECL allowance for amounts due from subsidiaries are as follows:

Bank ECL allowances	2024			Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
As at 1 January	94	-	-	94
Net remeasurement of allowances	412	-	-	412
As at 31 December	506	-	-	506

Bank ECL allowances	2023			Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
As at 1 January	240	-	-	240
Net remeasurement of allowances	(146)	-	-	(146)
As at 31 December	94	-	-	94

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

11. OTHER ASSETS (CONT'D.)

(a) Assets segregated for customers

These represent margin deposits paid by a subsidiary to Bursa Malaysia Derivatives Clearing Berhad.

(b) Amounts due from subsidiaries

Included in the amount due from subsidiaries is a term loan of RM30.0 million to a subsidiary, Kenanga Investors Berhad. The loan is unsecured and bears interest of 1.0% (2023: 1.0%) per annum above cost of funds. The tenure for the loan is 6 years from 5 July 2019.

(c) Amounts due from related companies

Amounts due from all related companies comprised of payments of expenses made on behalf of these related companies and are unsecured, non-interest bearing and repayable on demand.

(d) Other debtors

Included in other debtors are receivables from corporate advisory billings which are non-interest bearing and generally on 30 day (2023: 30 day) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

12. STATUTORY DEPOSIT WITH BANK NEGARA MALAYSIA ("BNM")

The non-interest bearing statutory deposit is maintained with BNM in compliance with Section 26(2)(c) of the Central Bank of Malaysia Act 2009. The amount is determined as a set percentage of net eligible liabilities.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

13. INVESTMENT IN SUBSIDIARIES

	Bank	
	2024 RM'000	2023 RM'000
Unquoted shares:		
At cost	73,064	73,064
Add: Capital injection into subsidiaries	17,000	-
Less: Accumulated impairment losses	(12,252)	(12,252)
	77,812	60,812

- (i) On 12 December 2024, the Bank injected additional capital of RM15 million to Kenanga Digital Sdn. Bhd., a wholly own subsidiary of the Bank.
- (ii) On 13 December 2024, the Bank injected additional capital of RM2 million to Kenanga Futures Sdn. Bhd., a wholly own subsidiary of the Bank.

Details of the subsidiaries are as follows:

Name	Principal place of business	Principal activities	Effective equity interest	
			2024 %	2023 %
<u>Local subsidiaries</u>				
Kenanga Futures Sdn Bhd	Malaysia	Futures broker	100	100
Kenanga Nominees (Asing) Sdn Bhd	Malaysia	Provision of nominee services	100	100
Kenanga Nominees (Tempatan) Sdn Bhd	Malaysia	Provision of nominee services	100	100
Kenanga Private Equity Sdn Bhd	Malaysia	Private equity management	100	100
ECML Berhad	Malaysia	Dormant (previously dealing in securities and derivatives, and provision of corporate finance and other advisory services)	100	100
Kenanga Digital Sdn Bhd	Malaysia	Online digital platform or portal business and provision of information technology services	100	100
Avenue Kestrel Sdn Bhd	Malaysia	Dormant (previously a stockbroking business)	100	100

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

13. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows (cont'd.):

Name	Principal place of business	Principal activities	Effective equity interest	
			2024 %	2023 %
<u>Local subsidiaries (cont'd.)</u>				
K & N Kenanga Holdings Berhad	Malaysia	Investment holding	100	100
The subsidiary of K & N Kenanga Holdings Berhad is:				
SSSB Management Services Sdn Bhd	Malaysia	Dormant (previously a stockbroking business)	100	100
Kenanga Management & Services Sdn Bhd	Malaysia	Investment in property and provision of management and maintenance services	100	100
Kenanga Investors Berhad	Malaysia	Promotion and management of collective investment schemes and management of investment funds	100	100
The subsidiaries of Kenanga Investors Berhad are:				
Kenanga Islamic Investors Berhad	Malaysia	Management of Islamic collective investment schemes and Islamic investment funds	100	100
EQ8 Capital Sdn Bhd (formerly known as i-VCAP Management Sdn Bhd)	Malaysia	Provision of Shariah-compliant investment management services	100	100
KUT Nominees (Tempatan) Sdn Bhd	Malaysia	Provision of nominee services	100	100
KUT Nominees (Asing) Sdn Bhd	Malaysia	Provision of nominee services	100	100
Kenanga Trustees Berhad	Malaysia	Provision of trustee services	100	100
Kenanga Capital Sdn Bhd	Malaysia	Licensed money lender	100	100

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

14. INVESTMENT IN ASSOCIATES

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unquoted shares at cost	71,618	71,618	68,435	68,435
Add: Transfer from investment at FVTPL	10,000	-	10,000	-
Add: Subscription of new redeemable convertible preference shares	6,605	-	6,605	-
Add: Fair value revaluation gain	6,804	-	6,804	-
Share of post acquisition gain	39,945	23,904	-	-
Share of changes in other comprehensive income	9,242	3,993	-	-
Dividends received	(5,729)	(2,182)	-	-
Foreign exchange differences	25,060	28,835	-	-
	163,545	126,168	91,844	68,435
Less: Accumulated impairment losses	(4,549)	(4,549)	-	-
	158,996	121,619	91,844	68,435
Represented by:				
Share of net tangible assets	158,996	121,619		

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

14. INVESTMENT IN ASSOCIATES (CONT'D.)

(a) Details of the associates are as follows:

Name	Principal place of business	Principal activities	Effective equity interest	
			2024 %	2023 %
Kenanga Investment Corporation Ltd *	Sri Lanka	Investment banking related activities	45.0	45.0
Al Wasatah Al Maliah Company * ("Wasatah Capital")	Kingdom of Saudi Arabia	Dealing as principal and provision of underwriting, arranging, managing investment funds and custodian services	29.6	29.6
Kenanga Capital Islamic Sdn Bhd *	Malaysia	Islamic factoring and leasing	20.0	20.0
Tokenize Technology (M) Sdn Bhd * ^	Malaysia	Market Operators for Digital Asset Exchanges	19.0	-

* Audited by firms other than Messrs. Ernst & Young PLT.

^ Details of changes in composition of the Group are disclosed in Note 56 (a)(ii).

The Group and the Bank carried out an impairment assessment on the associates in accordance with the accounting policy stated in Note 3.4(l). The recoverable amount is based on the Group's share of net assets of the associates. Based on management's assessment, the Group and the Bank have made adequate provision for impairment loss on the investments as at the financial year end.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

14. INVESTMENT IN ASSOCIATES (CONT'D.)

(b) Summarised financial information of the material associate is as follows:

The summarised financial information represents the amounts in the MFRS Accounting Standards financial statements of the material associate and not the Group's share of those amounts.

(i) Summarised statement of financial position

	Wasatah Capital	
	2024 RM'000	2023 RM'000
Current assets	170,801	216,684
Non-current assets	295,435	192,118
Total assets	466,236	408,802
Current liabilities	27,824	24,407
Non-current liabilities	6,317	5,549
Total liabilities	34,141	29,956
Net assets *	432,095	378,846

* The net assets are net of zakat expenses which are not shared by non-Saudi shareholders in accordance with the regulations of Zakat department of Zakat & Income Tax as applicable in the Kingdom of Saudi Arabia. Therefore, the net assets will not represent the Group's and the Bank's share of net assets in Wasatah Capital as disclosed in Note 14(b)(iii) below. The difference will be the total zakat expenses that were fully borne by the Saudi shareholders.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

14. INVESTMENT IN ASSOCIATES (CONT'D.)

(b) Summarised financial information of the material associate is as follows (cont'd.):

(ii) Summarised statement of profit or loss and other comprehensive income

	Wasatah Capital	
	2024 RM'000	2023 RM'000
Revenue	107,938	54,632
Profit before taxation	62,724	30,570
Tax expense	(3,835)	(1,616)
Profit after taxation	58,889	28,954
Other comprehensive income	21,011	33,005
Total comprehensive income	79,900	61,959

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in the material associate

	Wasatah Capital	
	2024 RM'000	2023 RM'000
Net assets at 1 January	446,926	367,557
Profit before taxation	62,724	30,570
Other comprehensive income	21,011	33,005
Movement of foreign exchange reserve	(12,889)	15,794
Net assets at 31 December	517,772	446,926
Interest in Wasatah Capital	29.60%	29.60%
Share of net assets at 31 December	153,261	132,290
Dividend received	(5,626)	(2,080)
Accumulated Group's share of tax expense	(10,483)	(6,648)
Accumulated impairment losses	(4,549)	(4,549)
Carrying value of the Group's interest in Wasatah	132,603	119,013
Carrying value of other associates	26,393	2,606
Total carrying value of Group's interest in associates	158,996	121,619

(c) Aggregate information of associates that are not individually material

	2024 RM'000	2023 RM'000
The Group's share of results in associates, inclusive of total comprehensive income	337	272

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

15. INVESTMENT IN JOINT VENTURES

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unquoted shares				
At beginning of the financial year	48,066	41,550	48,066	41,550
Add: Subscription of new shares	5,706	6,516	5,706	6,516
Less: Disposal of a joint venture company (Note 56(a)(i))	(8,066)	-	(8,066)	-
	45,706	48,066	45,706	48,066
Cumulative share of results	(17,996)	(16,416)	-	-
At the end of financial year	27,710	31,650	45,706	48,066

(a) The summarised income and expenses of the joint ventures are as follows:

	Group	
	2024 RM'000	2023 RM'000
Revenue	43,623	38,466
Loss after taxation	(8,668)	(2,856)

(b) The summarised assets and liabilities of the joint ventures are as follows:

	Group	
	2024 RM'000	2023 RM'000
Total assets	107,388	106,116
Total liabilities	52,331	58,726

(c) Details of the joint ventures held by the Bank are as follows:

Name	Principal place of business	Percentage (%) of equity held		Principal activities
		2024	2023	
Rakuten Trade Sdn Bhd	Malaysia	50	50	Provision of online brokerage services
Rakuten Trade Singapore Pte. Ltd. [^]	Singapore	-	50	Development of software and applications and other business support services

[^] Details of changes in composition of the Group are disclosed in Note 56 (a)(i).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

16. PROPERTY, PLANT AND EQUIPMENT

Group	2024	Freehold land RM'000	Building RM'000	Motor vehicles RM'000	Computer hardware RM'000	Office equipment RM'000	Furniture and fittings RM'000	Renovations RM'000	Capital work-in-progress RM'000	Total RM'000
	Transfer *	-	-	-	80	194	383	1,780	(2,475)	(38)
	Additions	-	-	-	2,635	162	217	604	9,096	12,714
	Disposals/write-off	-	-	(5)	(3,498)	(256)	(2,286)	(824)	-	(6,869)
	Adjustment to expenses	-	-	-	(2)	-	-	-	(10)	(12)
	At 31 December 2024	81,910	46,830	5,612	37,521	28,692	25,597	39,724	7,161	273,047
Accumulated depreciation	At 1 January 2024	-	7,246	4,373	31,312	22,102	22,259	27,184	-	114,476
	Depreciation charge for the financial year (Note 34)	-	937	440	3,833	2,183	1,352	2,180	-	10,925
	Disposals/write-off	-	-	(5)	(3,467)	(245)	(2,281)	(795)	-	(6,793)
	Adjustment to expenses	-	-	-	(2)	-	-	-	-	(2)
	At 31 December 2024	-	8,183	4,808	31,676	24,040	21,330	28,569	-	118,606
Net carrying amount	At 31 December 2024	81,910	38,647	804	5,845	4,652	4,267	11,155	7,161	154,441

* Transfer to computer software.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group	Freehold land RM'000	Building RM'000	Motor vehicles RM'000	Computer hardware RM'000	Office equipment RM'000	Furniture and fittings RM'000	Renovations RM'000	Capital work-in-progress RM'000	Total RM'000
2023									
Cost									
At 1 January 2023	81,910	46,830	4,722	37,137	28,086	26,348	34,724	847	260,604
Transfer *	-	-	-	21	-	-	-	-	21
Disposal of a subsidiary	-	-	-	(67)	(5)	(28)	(12)	-	(112)
Additions	-	-	890	1,248	363	447	682	4,156	7,786
Reclassification	-	-	5	243	187	829	3,165	(4,429)	-
Disposals/write-off	-	-	-	(276)	(39)	(313)	(395)	-	(1,023)
Adjustment to expenses	-	-	-	-	-	-	-	(24)	(24)
At 31 December 2023	81,910	46,830	5,617	38,306	28,592	27,283	38,164	550	267,252
Accumulated depreciation									
At 1 January 2023	-	6,310	3,921	27,288	19,940	21,323	25,601	-	104,383
Disposal of a subsidiary	-	-	-	(57)	(5)	(23)	(11)	-	(96)
Depreciation charge for the financial year (Note 34)	-	936	452	4,340	2,200	1,268	1,986	-	11,182
Disposals/write-off	-	-	-	(259)	(33)	(309)	(392)	-	(993)
At 31 December 2023	-	7,246	4,373	31,312	22,102	22,259	27,184	-	114,476
Net carrying amount									
At 31 December 2023	81,910	39,584	1,244	6,994	6,490	5,024	10,980	550	152,776

* Transfer from computer software.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Bank	Freehold land RM'000	Building RM'000	Motor vehicles RM'000	Computer hardware RM'000	Office equipment RM'000	Furniture and fittings RM'000	Renovations RM'000	Capital work-in-progress RM'000	Total RM'000
2024									
Cost									
At 1 January 2024	81,910	46,830	5,101	34,943	26,893	24,190	30,474	186	250,527
Additions	-	-	-	2,479	100	37	232	6,935	9,783
Disposals/write-off	-	-	-	(3,211)	(124)	(1,539)	(568)	-	(5,442)
Adjustment to expenses	-	-	-	(2)	-	-	-	-	(2)
At 31 December 2024	81,910	46,830	5,101	34,209	26,869	22,688	30,138	7,121	254,866
Accumulated depreciation									
At 1 January 2024	-	7,247	4,219	28,532	20,984	20,694	24,345	-	106,021
Depreciation charge for the financial year (Note 34)	-	937	341	3,476	2,020	1,037	1,398	-	9,209
Disposals/write-off	-	-	-	(3,189)	(116)	(1,536)	(569)	-	(5,410)
Adjustment to expenses	-	-	-	(2)	-	-	-	-	(2)
At 31 December 2024	-	8,184	4,560	28,817	22,888	20,195	25,174	-	109,818
Net carrying amount									
At 31 December 2024	81,910	38,646	541	5,392	3,981	2,493	4,964	7,121	145,048

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Bank	Freehold land		Building	Motor vehicles	Computer hardware	Office equipment	Furniture and fittings	Renovations	Capital work-in-progress	Total
	RM'000	RM'000								
2023										
Cost										
At 1 January 2023	81,910	46,830	4,436	34,100	26,599	24,065	29,897	307	248,144	
Additions	-	-	660	1,112	301	438	674	181	3,366	
Reclassification	-	-	5	-	-	-	297	(302)	-	
Disposals/write-off	-	-	-	(269)	(7)	(313)	(394)	-	(983)	
At 31 December 2023	81,910	46,830	5,101	34,943	26,893	24,190	30,474	186	250,527	
Accumulated depreciation										
At 1 January 2023	-	6,311	3,856	24,862	18,929	19,903	23,254	-	97,115	
Depreciation charge for the financial year (Note 34)	-	936	363	3,924	2,061	1,101	1,484	-	9,869	
Disposals/write-off	-	-	-	(254)	(6)	(310)	(393)	-	(963)	
At 31 December 2023	-	7,247	4,219	28,532	20,984	20,694	24,345	-	106,021	
Net carrying amount										
At 31 December 2023	81,910	39,583	882	6,411	5,909	3,496	6,129	186	144,506	

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

17. INTANGIBLE ASSETS

	Note	Group		Bank	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Total intangible assets					
With indefinite useful life					
Goodwill	(a)	241,027	241,027	252,909	252,909
Merchant banking licence	(b)	52,500	52,500	52,500	52,500
Fund management contracts	(c)	4,169	4,169	-	-
Trading and clearing rights for derivatives broking	(e)	416	416	-	-
With definite useful life					
Computer software and work-in-progress	(d)	40,969	33,092	28,167	30,511
Client relationships	(f)	1,959	2,405	-	-
		341,040	333,609	333,576	335,920
(a) Goodwill					
Cost					
At beginning/end of the financial year		276,794	276,794	288,676	288,676
Accumulated impairment loss					
At beginning/end of the financial year		35,767	35,767	35,767	35,767
Net carrying amount		241,027	241,027	252,909	252,909
(b) Merchant banking licence					
Carrying amount					
At beginning/end of the financial year		52,500	52,500	52,500	52,500
(c) Fund management contracts					
Carrying amount					
At beginning/end of the financial year		4,169	4,169	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

17. INTANGIBLE ASSETS (CONT'D.)

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(d) Computer software and work-in-progress				
(i) Computer software				
Cost				
At beginning of the financial year	75,882	65,153	70,677	60,994
Transfer *	38	(21)	-	-
Disposal of a subsidiary	-	(58)	-	-
Additions	17,728	8,507	8,224	7,382
Reclassification	4,081	2,384	4,081	2,384
Disposals/write-off	(7,541)	(83)	(6,987)	(83)
At end of the financial year	90,188	75,882	75,995	70,677
Accumulated amortisation				
At beginning of the financial year	49,319	42,170	44,771	38,637
Disposal of a subsidiary	-	(25)	-	-
Amortisation (Note 34)	8,640	7,225	7,082	6,185
Disposals/write-off	(1,995)	(51)	(1,441)	(51)
At end of the financial year	55,964	49,319	50,412	44,771
Net carrying amount	34,224	26,563	25,583	25,906
* Transfer from/(to) property, plant and equipment.				
(ii) Work-in-progress				
Cost				
At beginning of the financial year	6,724	5,290	4,800	3,366
Addition	5,979	3,818	3,742	3,818
Reclassification	(4,081)	(2,384)	(4,081)	(2,384)
Disposals/write-off	(1,682)	-	(1,682)	-
At end of the financial year	6,940	6,724	2,779	4,800
Accumulated impairment loss				
At beginning of the financial year	195	-	195	-
Impaired loss charged	-	195	-	195
At end of the financial year	195	195	195	195
Net carrying amount	6,745	6,529	2,584	4,605

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

17. INTANGIBLE ASSETS (CONT'D.)

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(e) Trading and clearing rights for derivatives broking				
Carrying amount				
At beginning/end of the financial year	416	416	-	-
(f) Client relationships				
Carrying amount				
At beginning of the financial year	2,405	2,834	-	-
Amortisation (Note 34)	(446)	(429)	-	-
At end of the financial year	1,959	2,405	-	-
(g) Impairment test on intangible assets				
<u>Goodwill and client relationships</u>				
Goodwill and client relationships have been allocated to the following CGUs:				
	Group			
	2024 RM'000	2023 RM'000		
Stockbroking	147,459	147,459		
Investment banking	55,651	55,651		
Investment management	39,876	40,322		
	242,986	243,432		
<u>Clients relationships</u>				
- Intangible asset relating to client relationships arising from the acquisition of one of the Bank's subsidiary operations is allocated to the unit trust and asset management (investment management) CGU.				
<u>Merchant banking licence</u>				
- Merchant banking licence which is allocated to the Bank's stockbroking and investment banking CGUs represents contribution to BNM for a licence to carry on merchant banking business to transform the Bank from a Universal Broker into an Investment Bank.				

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

17. INTANGIBLE ASSETS (CONT'D.)

(g) Impairment test on intangible assets (cont'd.)

Fund management contracts

- Intangible asset relating to fund management contracts arising from the acquisition of one of the Bank's subsidiary operations is allocated to the unit trust and asset management (investment management) CGU.

Trading and clearing rights

- The value of trading and clearing rights issued by Bursa Malaysia Derivatives Berhad which is allocated to the futures broking CGU.

Key assumptions used in value-in-use calculations

For annual impairment testing purposes, the recoverable amounts of the CGUs, which are reportable business segments, are determined based on their value-in-use. The value-in-use is computed by discounting the future cash flows of the unit, which is based on financial budget and projections approved by the Board.

The following describes key assumptions on which management has based its cash flow projections to undertake impairment testing of intangible assets:

(i) **Cash flow projections and growth rates**

Cash flow projections for the first to third year are based on the most recent three years financial budget and business plan approved by the Board, taking into account projected regulatory capital requirements. Cash flows for the fourth to fifth year are extrapolated using growth rates of 5% to 10% in revenue and expenses of the business. Cash flows beyond the fifth year are projected to remain constant and estimated as a terminal value by discounting future cash flows to present value.

(ii) **Discount rate**

The discount rate used is based on the business units' pre-tax weighted average cost of capital plus an appropriate risk premium at the date of assessment is at 8.57% (2023: 8.32%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

17. INTANGIBLE ASSETS (CONT'D.)

(h) **Sensitivity to changes in assumptions**

Management believes that a reasonably possible change in any of the above key assumptions would not cause, on overall basis, the recoverable amounts of the intangible assets to be lower than the carrying values of the CGUs.

18. RIGHT-OF-USE ASSETS

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Building				
Cost				
At 1 January	32,285	34,255	28,938	28,057
Additions	9,091	9,899	4,484	8,376
Derecognition	(7,871)	(11,869)	(4,384)	(7,495)
At 31 December	33,505	32,285	29,038	28,938
Accumulated amortisation				
At 1 January	8,059	9,291	8,691	7,517
Amortisation for the financial year (Note 34)	8,054	8,640	6,432	6,672
Derecognition	(5,151)	(9,872)	(2,730)	(5,498)
At 31 December	10,962	8,059	12,393	8,691
Net carrying amount				
At 31 December	22,543	24,226	16,645	20,247

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

19. DEFERRED TAXATION

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	25,444	25,120	6,807	12,966
Disposal of a subsidiary	-	(40)	-	-
Recognised in profit or loss (Note 41)	6,942	2,957	3,847	(3,566)
Recognised in other comprehensive income	515	(2,593)	515	(2,593)
At 31 December	32,901	25,444	11,169	6,807

Deferred tax assets and liabilities on the statements of financial position are as follows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deferred tax assets	32,949	25,500	11,169	6,807
Deferred tax liabilities	(48)	(56)	-	-
	32,901	25,444	11,169	6,807

Deferred tax assets and liabilities prior to offsetting are summarised as follows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deferred tax assets	44,572	39,173	20,457	18,914
Deferred tax liabilities	(11,671)	(13,729)	(9,288)	(12,107)
	32,901	25,444	11,169	6,807

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

19. DEFERRED TAXATION (CONT'D.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Fair value reserve RM'000	Excess of capital allowances over depreciation RM'000	Intangible assets/ Right-of-use assets RM'000	Total RM'000
At 1 January 2024	(287)	(7,401)	(6,041)	(13,729)
Recognised in profit or loss	-	1,235	536	1,771
Recognised in other comprehensive income	287	-	-	287
At 31 December 2024	-	(6,166)	(5,505)	(11,671)

At 1 January 2023	-	(6,646)	(4,925)	(11,571)
Disposal of a subsidiary	-	(2)	-	(2)
Recognised in profit or loss	-	(753)	(1,116)	(1,869)
Recognised in other comprehensive income	(287)	-	-	(287)
At 31 December 2023	(287)	(7,401)	(6,041)	(13,729)

Deferred tax assets of the Group:

	Fair value reserve RM'000	Impairment allowance and provisions RM'000	Unabsorbed capital allowances and tax losses RM'000	Intangible assets/ Lease liabilities RM'000	Total RM'000
At 1 January 2024	-	27,490	4,238	7,445	39,173
Recognised in profit or loss	-	4,754	(2,033)	2,450	5,171
Recognised in other comprehensive income	228	-	-	-	228
At 31 December 2024	228	32,244	2,205	9,895	44,572

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

19. DEFERRED TAXATION (CONT'D.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows (cont'd.):

Deferred tax assets of the Group:

	Fair value reserve RM'000	Impairment allowance and provisions RM'000	Unabsorbed capital allowances and tax losses RM'000	Intangible assets/ Lease liabilities RM'000	Total RM'000
At 1 January 2023	2,306	22,518	7,178	4,689	36,691
Disposal of a subsidiary	-	(38)	-	-	(38)
Recognised in profit or loss	-	5,010	(2,940)	2,756	4,826
Recognised in other comprehensive income	(2,306)	-	-	-	(2,306)
At 31 December 2023	-	27,490	4,238	7,445	39,173

Deferred tax liabilities of the Bank:

	Fair value reserve RM'000	Excess of capital allowances over depreciation RM'000	Right-of-use assets RM'000	Total RM'000
At 1 January 2024	(439)	(6,809)	(4,859)	(12,107)
Recognised in profit or loss	-	1,515	865	2,380
Recognised in other comprehensive income	439	-	-	439
At 31 December 2024	-	(5,294)	(3,994)	(9,288)
At 1 January 2023	-	(6,454)	(4,930)	(11,384)
Recognised in profit or loss	-	(355)	71	(284)
Recognised in other comprehensive income	(439)	-	-	(439)
At 31 December 2023	(439)	(6,809)	(4,859)	(12,107)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

19. DEFERRED TAXATION (CONT'D.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows (cont'd.):

Deferred tax assets of the Bank:

	Fair value reserve RM'000	Unabsorbed capital allowances and tax losses RM'000	Impairment allowance and provisions RM'000	Lease liabilities RM'000	Total RM'000
At 1 January 2024	-	2,285	10,783	5,846	18,914
Recognised in profit or loss	-	(2,285)	1,269	2,483	1,467
Recognised in other comprehensive income	76	-	-	-	76
At 31 December 2024	76	-	12,052	8,329	20,457
At 1 January 2023	2,154	7,205	9,379	5,612	24,350
Recognised in profit or loss	-	(4,920)	1,404	234	(3,282)
Recognised in other comprehensive income	(2,154)	-	-	-	(2,154)
At 31 December 2023	-	2,285	10,783	5,846	18,914

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2024 RM'000	2023 RM'000
Unutilised tax losses carried forward	23,286	19,565
Unutilised capital allowances carried forward	2,727	2,573
	26,013	22,138

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

19. DEFERRED TAXATION (CONT'D.)

	Group	
	2024 RM'000	2023 RM'000
Year of expiry of unutilised tax losses is analysed as follows:		
- 2028	9,754	9,754
- 2029	3,218	3,218
- 2030	2,937	2,937
- 2031	1,858	1,858
- 2032	2,575	709
- 2033	1,089	1,089
- 2034	1,855	-
	23,286	19,565

On 27 December 2018, the Finance Act 2018 was gazetted and section 10 of the Finance Act 2018 made amendments to Section 44 of Income Tax Act 1967 ("ITA"). Effective year of assessment ("YA") 2019, the ability to carry forward the unabsorbed losses is restricted to a maximum period of ten (10) consecutive years. The unabsorbed capital allowances for the Group are not subject to ten (10) year limitation period and available for offsetting against future taxable profits of the Group. These utilisation of carried forward tax losses and allowances are also subject to no substantial change in shareholding of the Group under the Income Tax Act 1967 and guidelines issued by the tax authority.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

20. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fixed term deposits	3,037,129	2,717,804	3,097,356	2,757,670
Short term money deposits	509,206	657,594	591,201	771,847
Negotiable instruments of deposits	131,431	145,127	131,431	145,127
Call money deposits	84,828	90,070	84,828	90,070
	3,762,594	3,610,595	3,904,816	3,764,714
(i) The maturity structure is as follows:				
On demand	84,828	90,070	84,828	90,070
Due within six months	3,029,175	2,559,141	3,170,897	2,713,260
Six months to one year	466,179	692,818	466,679	692,818
More than one year	182,412	268,566	182,412	268,566
	3,762,594	3,610,595	3,904,816	3,764,714
(ii) The deposits are sourced from the following types of customers:				
Government and statutory bodies	524,913	611,206	524,913	611,206
Individuals	191,916	182,798	191,916	182,798
Business enterprises	706,126	886,486	706,126	886,486
Non-bank financial institutions	2,339,639	1,606,945	2,339,639	1,606,945
Subsidiaries and related companies	-	323,160	142,222	477,279
	3,762,594	3,610,595	3,904,816	3,764,714

21. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group and Bank	
	2024 RM'000	2023 RM'000
Licensed banks	210,000	14,579
Licensed investment banks	90,000	100,000
Other financial institutions	140,157	217,224
Other related companies	289,678	-
	729,835	331,803

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

22. BALANCES DUE TO CLIENTS AND BROKERS

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Balances due to clients and brokers	1,012,438	775,015	360,633	344,719

Balances due to clients and brokers represent amounts payable in respect of outstanding contracts entered into on behalf of these clients where settlements have yet to be made. These balances are generally on 1 to 2 trading days (2023: 1 to 2 trading days) term.

23. DERIVATIVE FINANCIAL LIABILITIES

	Group and Bank	
	2024 RM'000	2023 RM'000
At fair value		
Dual currency investment - Options	23	5
Foreign exchange related contracts	780	-
Equity related contracts - Options	56,703	40,124
Equity related contract - Swaps	-	1,012
Equity related contract - Forward	2,627	3,956
	60,133	45,097
Contract/notional amount		
Dual currency investment - Options	16,410	3,074
Foreign exchange related contracts	139,780	-
Equity related contracts - Options	1,038,858	498,986
Equity related contract - Swaps	-	33,374
Equity related contract - Forward	50,007	80,738
	1,245,055	616,172

The contractual or underlying notional amounts of derivative financial liabilities held at fair value through profit or loss reflect the value of transactions outstanding as at reporting date, and do not represent amounts at risk.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

24. OTHER LIABILITIES

	Note	Group		Bank	
		2024 RM'000	2023 RM'000 Restated (Note 57)	2024 RM'000	2023 RM'000 Restated (Note 57)
Interest/income payable		34,929	28,775	35,307	29,226
Retention for contra losses		17	17	17	17
Structured products		16,410	3,474	16,410	3,474
Treasury trade payables		29,904	-	29,904	-
Accruals and provisions	(i)	265,043	190,739	66,618	65,028
Amount held in trust on behalf of dealer's representatives		87,590	89,022	87,590	89,022
Securities borrowing and lending		29,205	8,722	29,206	8,722
Deposits and other creditors		91,142	72,387	72,746	66,548
Allowances for impairment losses on loan commitments	(ii)	-	42	13	81
Amount due to trustees		105,477	37,329	-	-
Amount due to subsidiaries		-	-	267	9
		659,717	430,507	338,078	262,127

(i) The movements of provisions included in accruals and provisions are as follows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
As at 1 January	40,457	33,698	17,566	11,838
Provisions made, net	44,941	37,463	28,788	19,680
Utilisations	(35,948)	(30,704)	(18,056)	(13,952)
As at 31 December	49,450	40,457	28,298	17,566

The nature of the provisions made above are for provision for annual leave, bonus, directors' fee and other expenses.

(ii) The movements in allowances for impairment losses on loan commitments are as follows:

Group	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowances				
As at 1 January	42	-	-	42
Exposures derecognised or repaid (excluding write-offs)	(42)	-	-	(42)
As at 31 December	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

24. OTHER LIABILITIES (CONT'D.)

(ii) The movements in allowances for impairment losses on loan commitments are as follows (cont'd.):

Group	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowances				
As at 1 January	-	-	-	-
New exposures	160	-	-	160
Net remeasurement of allowances	(67)	-	-	(67)
Changes in model assumption or methodology	(51)	-	-	(51)
As at 31 December	42	-	-	42

Bank	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowances				
As at 1 January	81	-	-	81
Exposures derecognised or repaid (excluding write-offs)	(64)	-	-	(64)
Net remeasurement of allowances	(4)	-	-	(4)
As at 31 December	13	-	-	13

Bank	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowances				
As at 1 January	66	-	-	66
New exposures	230	-	-	230
Net remeasurement of allowances	(113)	-	-	(113)
Changes in model assumption or methodology	(102)	-	-	(102)
As at 31 December	81	-	-	81

25. OBLIGATIONS ON SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

	Group and Bank	
	2024 RM'000	2023 RM'000
Financial investments at amortised cost	69,514	97,232

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

26. BORROWINGS

	Note	Group		Bank	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unsecured:					
Revolving bank loans	(a)	9,000	-	-	-
Subordinated notes	(b)	180,500	180,500	180,500	180,500
		189,500	180,500	180,500	180,500

(a) For financial year ended 2024, the revolving bank loans bore interest of 1.60% to 2.00% p.a. over cost of funds plus cost of maintaining statutory reserve and liquidity requirements. The loans were payable on maturity and the maximum tenure was three (3) months.

(b) On 27 March 2017, the Bank established a RM250.0 million Tier 2 Subordinated Note Programme in nominal value which has a tenure of up to thirty (30) years.

The outstanding Subordinated Notes under this programme as at 31 December 2024 are as follows:

Issue date	Tranches	RM'000	Rate (p.a.)	Tenure
20 March 2020	4	50,000	5.25%	10 years (non-callable 5 years)
28 August 2020	5	47,000	4.40%	
28 May 2021	6	63,500	4.48%	
10 February 2023	7	20,000	5.60%	
		180,500		

27. LEASE LIABILITIES

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
As at 1 January	24,750	25,324	20,594	20,757
Additions	9,091	9,899	4,484	8,376
Accretion of interest	1,344	475	1,011	879
Payments	(9,112)	(9,021)	(7,344)	(7,491)
Derecognition	(2,799)	(1,927)	(1,584)	(1,927)
As at 31 December	23,274	24,750	17,161	20,594

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

27. LEASE LIABILITIES (CONT'D.)

The maturity analysis of lease liabilities is disclosed as below:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Within 1 year	7,498	6,529	6,116	6,230
Between one and five years	15,776	18,221	11,045	14,364
	23,274	24,750	17,161	20,594

Amounts recognised in statement of cash flows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Total cash outflow for leases	9,112	9,021	7,344	7,491

28. SHARE CAPITAL

	Group and Bank			
	Number of Ordinary Shares		Amount	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
Issued and fully paid, at no par value:				
Ordinary shares				
As at 1 January/31 December	735,762	735,762	253,834	253,834

Treasury shares

	Group and Bank			
	Number of Ordinary Shares		Amount	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
At 1 January	11,693	13,484	11,739	13,538
Share buy-back	620	-	576	-
Transfer to staff pursuant to ESS exercise	(4,855)	(1,791)	(4,874)	(1,799)
At 31 December	7,458	11,693	7,441	11,739

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

28. TREASURY SHARES (CONT'D.)

The shareholders of the Bank, via an ordinary resolution passed at the Annual General Meeting held on 30 May 2024, had approved its plan to purchase its own shares up to 10% of the total number of issued shares of the Bank.

During the financial year, the Bank bought back 620,000 (2023: Nil) ordinary shares at an average price of RM0.929 (2023: Nil) from the open market. The share buy-back transactions were financed by internally generated funds. As at 31 December 2024, the total number of shares held as treasury shares in accordance with the provisions of Section 127 of the Companies Act 2016 was 7,457,800. Accordingly the adjusted issued and paid-up share capital of the Bank (excluding 7,457,800 treasury shares) as at 31 December 2024 was RM246,392,920 (2023: RM242,094,762) comprising 728,304,799 (2023: 724,069,799) shares.

29. RESERVES

	Note	Group		Bank	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-distributable:					
Capital reserve		88,938	88,938	153,863	153,863
Fair value reserve	(a)	9,552	6,849	309	2,856
Exchange reserve	(b)	25,062	28,836	-	-
Regulatory reserve	(c)	16,748	16,064	16,748	16,064
ESS reserve		448	1,317	448	1,317
		140,748	142,004	171,368	174,100
Distributable:					
Retained profits		730,701	686,876	628,109	609,024
		871,449	828,880	799,477	783,124

The nature and purpose of each category of reserves are as follows:

- Fair value reserve is in respect of unrealised fair value gains and losses on financial investments at FVOCI, net of tax.
- The exchange reserve represents foreign exchange differences arising from the translation of the financial statements of the associated companies.
- Regulatory reserve is maintained in addition to the impairment allowance for non-impaired credit exposures that has been assessed and recognised in accordance with MFRS in compliance with BNM requirements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

30. OPERATING REVENUE

Revenue of the Group comprises all types of revenue derived from brokerage, lending, treasury, investment, trading and investment management and other banking activities undertaken by the Group.

Revenue of the Bank comprises all types of revenue derived from brokerage, lending, treasury, investment, trading and other banking activities undertaken by the Bank.

31. INTEREST INCOME

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Loans, advances and financing				
- Interest income other than recoveries from impaired loans	124,132	120,285	126,827	122,018
Money at call and deposit placements with financial institutions	88,479	77,171	74,826	64,127
Financial investments measured at FVOCI	25,951	14,932	25,951	14,932
Financial investments at amortised cost	17,353	14,060	17,353	14,060
Others	12,595	30,488	12,547	30,412
	268,510	256,936	257,504	245,549

32. INTEREST EXPENSE

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deposits from customers	146,218	123,198	150,551	127,444
Deposits and placements from banks and other financial institutions	12,303	3,273	12,303	3,273
Borrowings	8,783	9,952	8,658	9,520
Lease interest expenses	1,344	475	1,011	879
Monies held in trust	26,582	22,955	26,582	22,955
Others	4,351	2,221	5,357	14,122
	199,581	162,074	204,462	178,193

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

33. OTHER OPERATING INCOME

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(a) Fee income:				
Brokerage fees	210,912	170,467	210,912	170,467
Corporate advisory fees	11,323	8,489	11,398	8,591
Processing fees on loans, advances and financing	454	509	685	490
Underwriting commissions	1,258	1,366	1,258	1,366
Placement fees	13,331	15,443	13,331	13,440
Commissions	12,817	9,564	-	-
Management fee income	232,132	226,454	260	327
Other fee income	58,452	17,739	6,098	6,084
Others	4,099	2,698	3,729	2,354
	544,778	452,729	247,671	203,119

The timing of revenue recognition for fee income is as follows:

Fee income from providing financial services at a point in time:				
Brokerage fees	210,912	170,467	210,912	170,467
Corporate advisory fees	-	14	-	-
Processing fees on loans, advances and financing	454	509	685	490
Underwriting commissions	1,258	1,366	1,258	1,366
Placement fees	9,152	11,256	9,152	9,253
Commissions	12,817	9,564	-	-
Management fee income	28,966	59,052	-	327
Other fee income	53,812	17,739	6,098	6,084
Others	4,099	2,698	3,729	2,354
	321,470	272,665	231,834	190,341
Fee income from providing financial services over time:				
Corporate advisory fees	11,323	8,475	11,398	8,591
Placement fees	4,179	4,187	4,179	4,187
Management fee income	203,166	167,402	260	-
Other fee income	4,640	-	-	-
	223,308	180,064	15,837	12,778
Total fee income from contracts with customers	544,778	452,729	247,671	203,119

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

33. OTHER OPERATING INCOME (CONT'D.)

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(b) Investment and trading income:				
Net gain from sale of financial assets at fair value through profit or loss and derivatives	33,431	60,958	30,821	59,468
Unrealised gain/(loss) on revaluation of financial assets at fair value through profit or loss and derivatives	89,048	(4,434)	90,950	(7,108)
Net gain from sale of financial investments at FVOCI	3,255	23	3,255	23
Gross dividend income from:				
- Financial assets at FVTPL	3,454	1,321	3,447	1,321
- Financial investments at FVOCI	49	98	49	98
- Subsidiaries and associates	-	-	41,997	56,081
Interest income from financial assets at FVTPL	1,437	1,633	1,437	1,633
	130,674	59,599	171,956	111,516
(c) Other income:				
Foreign exchange gain, net	10,817	10,523	11,138	10,174
Gain on disposal of property, plant and equipment	-	2	-	3
Other operating income	2,649	1,341	15,351	8,759
Other non-operating income				
- Rental income	2,339	2,249	4,659	4,055
- Gain on disposal of a subsidiary	-	1,509	-	-
- Gain/(loss) on disposal of a joint venture (Note 56(a)(i))	479	-	(2,360)	-
- Others	11,202	8,800	8,192	5,076
	27,486	24,424	36,980	28,067
Total other operating income	702,938	536,752	456,607	342,702

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

34. OTHER OPERATING EXPENSES

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Personnel costs				
- Salaries, allowances and bonuses	196,088	186,682	141,128	129,727
- EPF	25,144	23,150	19,949	18,530
- ESS reversal	(313)	(260)	(319)	(265)
- Others	36,111	28,400	16,990	12,489
	257,030	237,972	177,748	160,481
Establishment costs				
- Depreciation of property, plant and equipment (Note 16)	10,925	11,182	9,209	9,869
- Amortisation of intangible assets (Note 17(d) and (f))	9,086	7,654	7,082	6,185
- Amortisation of right-of-use assets (Note 18)	8,054	8,640	6,432	6,672
- Rental of premises	5,558	500	5,493	440
- Rental of equipment	898	880	584	566
- Repairs and maintenance	5,288	4,033	4,030	3,880
- Information technology expenses	38,335	33,466	28,302	24,446
- Others	3,807	3,895	3,533	3,475
	81,951	70,250	64,665	55,533
Marketing expenses				
- Promotion and advertisements	19,716	13,875	4,684	3,574
- Travel and entertainment	5,128	5,640	2,630	3,000
- Others	1,102	1,868	1,052	1,813
	25,946	21,383	8,366	8,387
Administration and general expenses				
- Communication expenses	4,873	4,894	3,959	3,948
- Regulatory charges	20,862	16,511	19,537	15,438
- Publication and research material	12,447	12,324	10,038	10,408
- Administrative expenses	18,309	16,742	13,492	14,271
- Professional fees and legal fees	4,797	4,907	3,504	4,480
- Fees and brokerage	217,806	184,821	126,416	103,959
	279,094	240,199	176,946	152,504
Total other operating expenses	644,021	569,804	427,725	376,905
Included in the other operating expenses are the following:				
Auditors' remuneration				
- Statutory audit	577	569	380	370
- Assurance related	58	57	58	57
- Other services	141	74	91	32

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

34. OTHER OPERATING EXPENSES (CONT'D.)

Included in the other operating expenses are the following (cont'd.):

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors' remuneration (Note 40)	4,131	3,998	3,653	3,544
Property, plant and equipment and computer software written off	51	40	16	34
Impairment allowance on intangible assets (Note 17(d)(ii))	-	195	-	195

35. CREDIT LOSS (EXPENSE)/REVERSAL

	Note	Group		Bank	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
ECL on debt instruments and loans, advances and financing	(a)	4,075	18,705	2,915	17,348
ECL on other financial assets	(b)	(58,352)	(24,231)	(32,669)	(17,353)
		(54,277)	(5,526)	(29,754)	(5)

The table below shows the ECL charges on financial instruments for the financial year recorded in the statement of profit or loss:

Group

(a) Movements in ECL on debt instruments and loans, advances and financing:

2024	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Debts instruments at FVOCI (Note 7(a))	921	-	-	921
Debts instruments at amortised cost (Note 7(b))	(1,154)	-	-	(1,154)
Loans, advances and financing (Note 9.2)	(266)	1,991	(2,396)	(671)
Loan commitments	42	-	-	42
Recoveries from share margin financing	-	-	4,937	4,937
Credit loss (expense)/reversal	(457)	1,991	2,541	4,075

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

35. CREDIT LOSS (EXPENSE)/REVERSAL (CONT'D.)

Group (cont'd.)

(a) Movements in ECL on debt instruments and loans, advances and financing (cont'd.):

2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Debts instruments at FVOCI (Note 7(a))	(1,199)	128	-	(1,071)
Loans, advances and financing (Note 9.2)	(367)	159	15,523	15,315
Loan commitments	(42)	-	-	(42)
Recoveries from share margin financing	-	-	4,503	4,503
Credit loss (expense)/reversal	(1,608)	287	20,026	18,705

(b) Movements in ECL on other financial assets:

2024	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
Balances due from clients and brokers (Note 10.1)	28	(15,572)	(15,544)
Other debtors (Note 11.1)	(466)	(42,342)	(42,808)
Credit loss expense	(438)	(57,914)	(58,352)

2023	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
Balances due from clients and brokers (Note 10.1)	(22)	(133)	(155)
Other debtors (Note 11.1)	(1,842)	(22,234)	(24,076)
Credit loss expense	(1,864)	(22,367)	(24,231)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

35. CREDIT LOSS (EXPENSE)/REVERSAL (CONT'D.)

Bank

- (a) Movements in ECL on debt instruments, loan commitments, loans, advances and financing and amount due from subsidiaries:

2024	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Debts instruments at FVOCI (Note 7(a))	921	-	-	921
Debts instruments at amortised cost (Note 7(b))	(1,154)	-	-	(1,154)
Loans, advances and financing (Note 9.2)	(1,040)	1,991	(2,396)	(1,445)
Loan commitments	68	-	-	68
Recoveries from share margin financing	-	-	4,937	4,937
Amount due from subsidiaries (Note 11.2)	(412)	-	-	(412)
Credit loss (expense)/reversal	(1,617)	1,991	2,541	2,915

2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Debts instruments at FVOCI (Note 7(a))	(1,199)	128	-	(1,071)
Loans, advances and financing (Note 9.2)	(111)	159	13,737	13,785
Loan commitments	(15)	-	-	(15)
Recoveries from share margin financing	-	-	4,503	4,503
Amount due from subsidiaries (Note 11.2)	146	-	-	146
Credit loss (expense)/reversal	(1,179)	287	18,240	17,348

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

35. CREDIT LOSS (EXPENSE)/REVERSAL (CONT'D.)

Bank

- (b) Movements in ECL on other financial assets:

2024	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
Balances due from clients and brokers (Note 10.1)	28	(15,572)	(15,544)
Other debtors (Note 11.1)	(466)	(16,659)	(17,125)
Credit loss expense	(438)	(32,231)	(32,669)

2023	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
Balances due from clients and brokers (Note 10.1)	(22)	(133)	(155)
Other debtors (Note 11.1)	(1,842)	(15,356)	(17,198)
Credit loss expense	(1,864)	(15,489)	(17,353)

36. BAD DEBTS RECOVERED/(WRITTEN OFF)

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Loans, advances and financing	5,288	4,874	5,288	4,858
Balances due from clients and brokers	49	51	56	51
Other debtors	(4)	(6)	-	-
	5,333	4,919	5,344	4,909

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

37. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Bank had the following transactions with related parties during the financial year.

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Transactions				
Income earned:				
Brokerage fees:				
- Key management personnel	1	-	1	-
- Related company	1,779	2,383	1,779	2,383
Corporate advisory fees:				
- Subsidiaries	-	-	75	95
- Related company	-	21	-	21
Processing fees on loans, advances and financing:				
- Subsidiaries	-	-	323	276
Management fee income:				
- Subsidiary	-	-	17	16
Other income:				
- Subsidiary	-	-	166	167
- Related company	481	476	481	476
Interest on loans, advances and financing:				
- Subsidiaries	-	-	4,821	4,865
Interest on others:				
- Subsidiaries	-	-	8	12
Group support services charged:				
- Subsidiaries	-	-	8,621	7,414
- Related company	138	199	138	199
Dividend income:				
- Subsidiaries (Note 33)	-	-	38,450	54,000
- Related company	-	-	3,547	2,081

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

37. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D.)

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Transactions (cont'd.)				
Income earned (cont'd.):				
Rental of premises:				
- Subsidiaries	-	-	2,046	1,524
- Related company	348	352	348	352
Rental of car park:				
- Subsidiaries	-	-	275	269
- Related company	20	21	20	21
Referral and cost sharing fees:				
- Subsidiary	-	-	261	3,365
Expenditure incurred:				
Interest on deposits and placements:				
- Subsidiaries	-	-	4,334	4,273
- Key management personnel	71	92	71	92
- Related companies	11,986	11,022	11,986	11,022
- Other related party	-	662	-	662
Rollover fees				
- Related company	107	144	107	144
Interest on debt securities products:				
- Subsidiary	-	-	954	11,902
Staff training cost:				
- Subsidiaries	-	-	111	100
Direct placement cost:				
- Subsidiary	-	-	-	1,812
Management fees expenses				
- Subsidiary	-	-	2,610	1,491
Other expenses:				
- Subsidiary	-	-	1	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

37. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D.)

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Transactions (cont'd.)				
Expenditure incurred (cont'd.):				
Incentive fees- management fees income:				
- Subsidiary	-	-	1,222	1,787
Incentive fees- agent:				
- Subsidiary	-	-	1,215	1,012
Service charge:				
- Subsidiary	-	-	367	887
Balances				
Amount due from:				
Loans, advances and financing:				
- Subsidiaries	-	-	58,000	38,000
Commitment and guarantee fees receivables:				
- Subsidiaries	-	-	21	30
Other receivables:				
- Subsidiaries	-	-	33,866	27,784
- Related companies	79	53	79	53
Deposit for Index trading:				
- Subsidiary	-	-	496	759
Amount due to:				
Deposits and placements:				
- Subsidiaries	-	-	142,222	154,119
- Related companies	289,678	313,160	289,678	313,160
- Key management personnel	2,071	897	2,071	897
Balances due to clients and brokers:				
- Key management personnel	68	604	68	604
Interest receivable on loan, advances and financing:				
- Subsidiaries	-	-	169	67
Interest payable on deposits:				
- Subsidiaries	-	-	379	451
- Related company	2,084	2,007	2,084	2,007

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

37. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D.)

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000

Balances (cont'd.)

Other payables:

- Subsidiaries

-	-	267	9
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Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, or if one other party controls both. The related parties of the Bank are:

(i) Subsidiaries

Details of the subsidiaries are shown in Note 13.

(ii) Associates

Details of the associates are as disclosed in Note 14.

(iii) Joint Ventures

Details of the joint ventures are disclosed in Note 15.

(iv) Other related parties

Name**Relationship**

Cahya Mata Capital Sdn Bhd

Substantial shareholder of the Bank

Cahya Mata Sarawak Berhad

Holding company of a substantial shareholder of the Bank

The Directors are of the opinion that the above transactions were entered into in the normal course of business and have been established under terms that are no less favourable than those obtainable in transactions with unrelated parties.

38. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

Credit transactions and exposures to connected parties as disclosed below include the extension of credit facilities and/or off-balance sheet credit exposures such as loan commitments:

	Group and Bank	
	2024 RM'000	2023 RM'000
Outstanding credit exposures with connected parties	192,530	190,000

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

38. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES (CONT'D.)

	Group and Bank	
	2024 RM'000	2023 RM'000
Percentage of outstanding credit exposures to connected parties:		
- as a proportion of total credit exposures	5.55%	5.70%
- which is impaired or in default	-	-

The disclosure on Credit Transactions and Exposures with Connected Parties above is presented in accordance with paragraph 9.1 of BNM's revised Guidelines on Credit Transactions and Exposures with Connected Parties issued on 16 July 2014, which will be effective from 1 January 2008.

Based on these guidelines, connected parties refer to the following:

- (i) Directors of the Bank and their close relatives;
- (ii) Controlling shareholder and his close relatives;
- (iii) Executive officer, being a member of management having authority and responsibility for planning, directing and/or controlling the activities of the Bank, and his close relatives;
- (iv) Officers who are responsible for or have the authority to appraise and/or approve credit transactions or review the status of existing credit transactions, either as a member of a committee or individually, and their close relatives;
- (v) Firms, partnerships, companies or any legal entities which control, or are controlled by any person listed in (i) to (iv) above, or in which they have an interest, as a director, partner, executive officer, agent or guarantor, and their subsidiaries or entities controlled by them;
- (vi) Any person for whom the persons listed in (i) to (iv) above is a guarantor; and
- (vii) Subsidiary of or an entity controlled by the Bank and its connected parties.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

39. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of Directors and other members of key management during the financial year was as follows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Group Managing Director				
- Short term employee benefits	4,403	2,956	4,403	2,956
- Post-employment benefits: EPF	600	463	600	463
Senior Management				
- Short term employee benefits	21,757	19,103	12,998	11,296
- Post-employment benefits: EPF	3,269	2,910	1,967	1,730
	30,029	25,432	19,968	16,445

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Bank either directly or indirectly including all executive directors and senior management.

40. DIRECTORS' REMUNERATION

Remuneration in aggregate for Directors for the financial year is as follows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors of the Bank:				
Non-executive directors' remuneration:				
- Fees	3,530	3,362	3,166	3,010
- Other remuneration, including meeting allowance	570	568	456	466
Total directors' remuneration	4,100	3,930	3,622	3,476
Estimated money value of benefits-in-kind	31	68	31	68
Total for directors of the Bank (Note 34)	4,131	3,998	3,653	3,544

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

40. DIRECTORS' REMUNERATION (CONT'D.)

The total remuneration (including benefits-in-kind) of the Directors of the Bank are as follows:

	Remuneration received from the Group			
	Fees RM'000	Other emolument RM'000	Benefits- in-kind RM'000	Total RM'000
31 December 2024				
Non-Executive Directors:				
Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail	520	26	31	577
Ismail Harith Merican	300	34	-	334
Luk Wai Hong, William	454	98	-	552
Jeremy Bin Nasrulhaq	390	66	-	456
Norazian Binti Ahmad Tajuddin	520	118	-	638
Kanagaraj Lorenz	370	66	-	436
Choy Khai Choon	450	82	-	532
Chin Siew Siew	358	60	-	418
Angeline-Ong Su Ming	168	20	-	188
Total Directors' remuneration	3,530	570	31	4,131

31 December 2023**Non-Executive Directors:**

Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail	520	22	68	610
Ismail Harith Merican	300	40	-	340
Luk Wai Hong, William	454	94	-	548
Jeremy Bin Nasrulhaq	390	72	-	462
Norazian Binti Ahmad Tajuddin	530	120	-	650
Kanagaraj Lorenz	370	66	-	436
Choy Khai Choon	428	82	-	510
Chin Siew Siew	370	72	-	442
Total Directors' remuneration	3,362	568	68	3,998

41. TAXATION AND ZAKAT

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current income tax:				
Tax expense for the financial year	31,409	15,931	16,454	-
(Over)/under provision in prior years	(3,590)	1,958	-	(209)
	27,819	17,889	16,454	(209)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

41. TAXATION AND ZAKAT (CONT'D.)

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deferred tax (Note 19):				
Relating to origination and reversal of temporary differences	(5,744)	3,237	(2,872)	4,960
Under provision of deferred tax assets in prior years	(1,198)	(6,194)	(975)	(1,394)
	(6,942)	(2,957)	(3,847)	3,566
Zakat	617	427	617	427
Total income tax expense	21,494	15,359	13,224	3,784

Domestic income tax is calculated at the statutory tax rate of 24% (2023: 24%) on the estimated chargeable profit for the financial year.

A reconciliation of taxation applicable to profit before taxation at the statutory income tax rate to taxation at the effective tax rate of the Group and of the Bank is as follows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before taxation and zakat	117,249	88,110	85,212	58,696
Taxation at Malaysian statutory income tax rate of 24% (2023: 24%)	28,140	21,146	20,451	14,087
Effect of income not subject to tax	(11,534)	(8,942)	(10,058)	(13,298)
Effect of expenses not deductible for tax purposes	8,129	7,651	3,189	4,171
Utilisation of previously unrecognised/(recognised) tax loss and unabsorbed capital allowances	-	(219)	-	-
Deferred tax asset not recognised/(recognised) on unutilised business losses and unabsorbed capital allowances	930	(468)	-	-
Under provision of deferred tax assets in prior years (Over)/under provision of income tax expense in prior years	(1,198)	(6,194)	(975)	(1,394)
	(3,590)	1,958	-	(209)
Tax expense for the year	20,877	14,932	12,607	3,357
Zakat	617	427	617	427
Tax expense and zakat for the financial year	21,494	15,359	13,224	3,784

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

42. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share amounts are calculated by dividing profit for the financial year attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2024	2023
Profit for the financial year attributable to equity holders of the Bank (RM'000)	95,755	72,641
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	726,623	723,291
Effects of dilution ('000)	106	2,089
Adjusted weighted average number of ordinary shares in issue ('000)	726,729	725,380
Earnings per share (sen)		
- basic	13.18	10.04
- fully diluted	13.18	10.01

There were no potential dilutive ordinary shares outstanding as at 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

43. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group and the Bank enter into various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

As at reporting date, the commitments and contingencies are as follows:

	Group		Bank	
	2024 Principal amount RM'000	2023 Principal amount RM'000	2024 Principal amount RM'000	2023 Principal amount RM'000
Commitments to extend credit with maturity of less than 1 year:				
- share margin financing	2,953,118	2,882,629	2,953,118	2,882,629
- foreign exchange related contracts	171,468	55,232	171,468	55,232
Other commitments with an original maturity of less than 1 year:				
- corporate loans	74,817	65,392	131,817	116,392
Other commitments with an original maturity of more than 1 year:				
- corporate loans	74,250	54,541	89,250	89,541
- others	-	6,000	-	6,000
Monies held in trust on behalf of client (Note 5)	1,734,642	980,227	1,734,642	980,227
Securities borrowing and lending	27,893	8,367	27,893	8,367
Derivative financial assets (Note 8):				
- dual currency investment - options	16,410	3,074	16,410	3,074
- equity related contracts - options	-	25,985	-	25,985
- equity related contracts - swap	26,974	19,439	26,974	19,439
- equity related contracts - forward	79,445	51,342	79,445	51,342
- foreign exchange related contracts	31,688	-	31,688	-
Derivative financial liabilities (Note 23):				
- dual currency investment - options	16,410	3,074	16,410	3,074
- equity related contracts - options	1,038,858	498,986	1,038,858	498,986
- equity related contracts - swaps	-	33,374	-	33,374
- equity related contracts - forward	50,007	80,738	50,007	80,738
- foreign exchange related contracts	139,780	-	139,780	-
Capital commitment:				
- Authorised and contracted for	7,148	6,817	6,796	6,809
Investment in equity funds	-	-	24,175	44,991
	6,442,908	4,775,217	6,538,731	4,906,200

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

44. CONTINGENT LIABILITIES

	Group and Bank	
	2024 RM'000	2023 RM'000
On 27 November 2019, the Bank was served with a sealed Writ of Summons and Statement of Claim filed by Lai Sing Foo ("the Plaintiff"). The Plaintiff is alleging that, inter alia, the second (2nd) Defendant (who is a Dealer's Representative ("DR") of KIBB has arranged for the Plaintiff to purchase shares of a public listed company with a promise to buy back at a higher price from the third (3rd) Defendant (a third party). The Plaintiff alleges that the 3rd Defendant has failed to buy back the said shares which caused the Plaintiff to suffer losses and claims, inter alia, the difference between the sale proceeds of the said shares and RM3.6 million. The Plaintiff's claims against KIBB are on the basis that, inter alia, the 2nd Defendant is a DR with KIBB. In this regard, KIBB will contest the Plaintiff's claim in the Court. The Plaintiff, KIBB and the 3rd Defendant presented their evidence during the trial from 11 to 13 August 2021. On 3 November 2021, the High Court dismissed the Plaintiff's claim against KIBB and the 3rd Defendant with costs of RM25,000 to be paid to each. The Plaintiff's claim against the 2nd Defendant was allowed with costs of RM25,000 to be paid to the Plaintiff. On 25 November 2021, the Plaintiff filed a Notice of Appeal in the Court of Appeal against the High Court's decision. On 21 August 2024, the Court of Appeal dismissed the Plaintiff's appeal against KIBB and awarded costs of RM15,000 to KIBB.	-	3,600

45. OPERATING LEASE ARRANGEMENTS

A summary of the sub-lease receipts expected to be received under non-cancellable sublease are as follows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Future minimum sub-lease receipts:				
Subsidiaries	-	-	2,499	2,886
External parties	406	765	406	765
	406	765	2,905	3,651

46. DIVIDEND

During the financial year, an interim single tier dividend of 7.0 sen (2023 interim single tier dividend: 6.0 sen) per ordinary share on 725,083,299 ordinary shares (2023: 726,454,299 ordinary shares) in respect of the financial year ended 31 December 2023, which amounted to RM50,755,831 (2023: RM43,587,258) was paid on 16 April 2024.

Subsequent to the financial year end, on 26 February 2025, the Directors have declared an interim single tier dividend of 8.00 sen per ordinary share in respect of the financial year ended 31 December 2024 which amounted to total dividend payable of approximately RM58,861,008. This is computed based on issued and paid-up capital as at 31 December 2024 of 735,762,599 ordinary shares. The actual amount of dividend to be paid will depend on the number of shares in issue at the date of entitlement.

The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

47. OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements are as follows:

	Gross amounts of recognised financial asset/liability RM'000	Gross amounts of recognised financial liability set off in the statements of financial position RM'000	Net amounts of recognised financial assets presented in the statements of financial position RM'000	Related accounts not set off in the statements of financial position		Net amount RM'000
				Financial instruments RM'000	Cash collateral received RM'000	
Group						
2024						
Balances due from clients and brokers (Note 10)	874,402	(419,455)	454,947	2,572,085	195,966	-
Balances due to clients and brokers (Note 22)	1,792,527	(780,089)	1,012,438	-	-	1,012,438
2023						
Balances due from clients and brokers (Note 10)	1,214,996	(644,281)	570,715	2,585,311	195,677	-
Balances due to clients and brokers (Note 22)	1,764,015	(989,000)	775,015	-	-	775,015
Bank						
2024						
Balances due from clients and brokers (Note 10)	874,292	(419,455)	454,837	2,572,085	195,966	-
Balances due to clients and brokers (Note 22)	1,140,721	(780,088)	360,633	-	-	360,633
2023						
Balances due from clients and brokers (Note 10)	1,214,917	(644,281)	570,636	2,585,311	195,677	-
Balances due to clients and brokers (Note 22)	1,333,719	(989,000)	344,719	-	-	344,719

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

48. CAPITAL MANAGEMENT AND CAPITAL ADEQUACY

Capital management

The Group and the Bank maintain an actively managed capital base to cover risks inherent in the business. The adequacy of the Group's and of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision and adopted by BNM in supervising the Bank.

The primary objectives of the Group's and of the Bank's capital management are to ensure that the Group and the Bank comply with regulatory capital requirements and the Group and the Bank maintain strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders' value.

The Group and the Bank manage its capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group and the Bank may adjust the amount of dividend payments to its shareholders, return capital to its shareholders or issue capital securities. Nevertheless, it is under constant scrutiny of the Board.

Capital adequacy

The capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's revised Risk-Weighted Capital Adequacy Framework. The Bank has adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk (Basel II). The minimum regulatory capital adequacy requirements for Common Equity Tier 1 ("CET 1"), Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total risk weighted assets.

(i) Components of Tier 1 and Tier 2 capital:

The capital adequacy ratios of the Group and of the Bank are as follows:

	Group		Bank	
	2024	2023	2024	2023
Before deducting interim dividends *				
CET 1 capital ratio	16.671%	21.543%	17.264%	22.474%
Tier 1 capital ratio	16.671%	21.543%	17.264%	22.474%
Total capital ratio	22.967%	29.433%	24.736%	31.565%

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

48. CAPITAL MANAGEMENT AND CAPITAL ADEQUACY (CONT'D.)

Capital adequacy (cont'd.)

(i) Components of Tier 1 and Tier 2 capital (cont'd.):

	Group		Bank	
	2024	2023	2024	2023
After deducting interim dividends *				
CET 1 capital ratio	14.892%	19.570%	15.164%	20.201%
Tier 1 capital ratio	14.892%	19.570%	15.164%	20.201%
Total capital ratio	21.211%	27.487%	22.662%	29.330%

* Refer to interim dividends declared subsequent to the financial year end.

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CET 1 capital/Tier 1 capital				
Paid-up share capital	253,834	253,834	253,834	253,834
Retained profits	730,701	686,876	628,109	609,024
Other reserves	140,748	142,004	171,368	174,100
Less: Goodwill	(241,027)	(241,027)	(252,909)	(252,909)
55% of cumulative gains on financial investments at FVOCI	(5,254)	(3,767)	(170)	(1,571)
Deferred tax assets	(32,949)	(25,500)	(11,169)	(6,807)
Other intangibles	(100,013)	(92,582)	(80,667)	(83,011)
Regulatory reserve	(16,748)	(16,064)	(16,748)	(16,064)
Treasury shares	(7,441)	(11,739)	(7,441)	(11,739)
Other CET 1 regulatory adjustments specified by BNM	-	1,547	-	1,006
Investment in ordinary shares of unconsolidated financial entities	(186,706)	(153,268)	(215,162)	(177,112)
Total CET 1/Tier 1 capital	535,145	540,314	469,045	488,751
Tier 2 Capital				
Subordinated obligations capital	180,500	180,500	180,500	180,500
General provisions ^	21,628	17,380	22,478	17,212
Total Tier 2 capital *	202,128	197,880	202,978	197,712
Total Capital	737,273	738,194	672,023	686,463

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

48. CAPITAL MANAGEMENT AND CAPITAL ADEQUACY (CONT'D.)

Capital adequacy (cont'd.)

(i) Components of Tier 1 and Tier 2 capital (cont'd.):

^ Refers to loss allowances measured at an amount equal to 12-month and lifetime expected credit losses and regulatory reserve, to the extent they are ascribed to non-credit impaired exposures, determined under Standardised Approach for credit risk.

* The portion of regulatory adjustments not deducted from Tier 2 (as the Group and the Bank do not have enough Tier 2 to satisfy the deduction) is deducted from the next higher level of capital; as per paragraph 31.1 of the BNM's Capital Adequacy Framework (Capital Components).

Breakdown of risk weighted assets in the various categories of risks are as follows:

	2024		2023	
	Notional RM'000	Risk- weighted RM'000	Notional RM'000	Risk- weighted RM'000
Group				
Credit risk	7,160,027	1,911,823	5,444,902	1,390,445
Market risk	-	284,753	-	216,865
Operational risk	-	927,031	-	887,613
Large exposure risk	-	86,524	-	13,108
Total Risk Weighted Assets	7,160,027	3,210,131	5,444,902	2,508,031
Bank				
Credit risk	6,275,954	1,798,236	4,962,905	1,376,948
Market risk	-	282,104	-	215,327
Operational risk	-	549,963	-	569,376
Large exposure risk	-	86,524	-	13,108
Total Risk Weighted Assets	6,275,954	2,716,827	4,962,905	2,174,759

(ii) Transitional arrangements for regulatory capital treatment of accounting provisions

The Bank has elected to apply the transitional arrangements for regulatory capital treatment of accounting provisions for four financial years beginning on 1 January 2020 and apply the transitional arrangements with 31 December 2020 as the first reporting period. These transitional arrangements were concluded at the end of the financial year 2023.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

48. CAPITAL MANAGEMENT AND CAPITAL ADEQUACY (CONT'D.)

Capital adequacy (cont'd.)

(ii) Transitional arrangements for regulatory capital treatment of accounting provisions (cont'd.)

Under the transitional arrangements, the Bank is allowed to add back the amount of loss allowance measured at an amount equal to 12-month and lifetime expected credit losses to the extent they are ascribed to non-credit-impaired exposures ("Stage 1 and Stage 2 provisions") to CET 1 Capital.

The capital adequacy ratios of the Group and of the Bank are as follows:

With transitional arrangement

	Group		Bank	
	2024	2023	2024	2023
CET 1 capital ratio	N/A	21.543%	N/A	22.474%
Tier 1 capital ratio	N/A	21.543%	N/A	22.474%
Total capital ratio	N/A	29.433%	N/A	31.565%

In 2024, the transitional arrangements previously permitted by Bank Negara Malaysia ("BNM") regarding Expected Credit Loss ("ECL") provisions have been fully phased out.

Without transitional arrangement

	Group		Bank	
	2024	2023	2024	2023
CET 1 capital ratio	16.671%	21.482%	17.264%	22.427%
Tier 1 capital ratio	16.671%	21.482%	17.264%	22.427%
Total capital ratio	22.967%	29.372%	24.736%	31.518%

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

49. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts and the fair values of the financial assets and liabilities of the Group and of the Bank are as follows:

Group	2024		2023	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets				
Cash and bank balances	2,098,059	2,098,059	1,482,513	1,482,513
Financial assets at fair value through profit or loss	552,301	552,301	438,660	438,660
Financial investments at fair value through other comprehensive income	868,573	868,573	877,282	877,282
Financial investments at amortised cost	521,018	534,125	470,796	484,183
Derivative financial assets	49,697	49,697	75,938	75,938
Loans, advances and financing	1,823,852	1,835,276	1,700,962	1,707,116
Balances due from clients and brokers	454,947	454,947	570,715	570,715
Other assets, excluding prepayments and deposits	419,713	419,713	169,474	169,474
Statutory deposit with Bank Negara Malaysia	73,768	73,768	60,620	60,620
Financial liabilities				
Deposits from customers	3,762,594	3,762,594	3,610,595	3,610,595
Deposits and placements of banks and other financial institutions	729,835	729,835	331,803	331,803
Balances due to clients and brokers	1,012,438	1,012,438	775,015	775,015
Derivative financial liabilities	60,133	60,133	45,097	45,097
Other liabilities	522,660	522,660	285,488	285,488
Obligations on securities sold under repurchase agreements	69,514	69,514	97,232	97,232
Borrowings	189,500	182,998	180,500	172,003

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

49. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT'D.)

The carrying amounts and the fair values of the financial assets and liabilities of the Group and of the Bank are as follows (cont'd.):

Bank	2024		2023	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets				
Cash and bank balances	1,386,786	1,386,786	974,727	974,727
Financial assets at fair value through profit or loss	553,541	553,541	438,474	438,474
Financial investments at fair value through other comprehensive income	868,573	868,573	877,282	877,282
Financial investments at amortised cost	521,018	534,125	470,796	484,183
Derivative financial assets	49,697	49,697	75,938	75,938
Loans, advances and financing	1,849,731	1,861,726	1,726,647	1,733,014
Balances due from clients and brokers	454,837	454,837	570,636	570,636
Other assets, excluding prepayments and deposits	203,702	203,702	159,712	159,712
Statutory deposit with Bank Negara Malaysia	73,768	73,768	60,620	60,620
Financial liabilities				
Deposits from customers	3,904,816	3,904,816	3,764,714	3,764,714
Deposits and placements of banks and other financial institutions	729,835	729,835	331,803	331,803
Balances due to clients and brokers	360,633	360,633	344,719	344,719
Derivative financial liabilities	60,133	60,133	45,097	45,097
Other liabilities, excluding deposits	222,173	222,173	140,991	140,991
Obligations on securities sold under repurchase agreements	69,514	69,514	97,232	97,232
Borrowings	180,500	173,998	180,500	172,003

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

49. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT'D.)

The methods and assumptions used in estimating the fair values of financial instruments are as follows:

(i) Financial assets/liabilities for which fair value approximates carrying value

The carrying amounts of financial assets and financial liabilities that have a short-term maturity and deposits/accounts without a specific maturity, approximate fair values.

(ii) Financial assets at FVTPL, FVOCI and Amortised Cost

The fair values are estimated based on quoted or observable market prices at the reporting date. Where such quoted or observable market prices are not available, the fair values are estimated using pricing models or discounted cash flow techniques. Where discounted cash flow technique is used, the expected future cash flows are discounted using prevailing market rates for a similar instrument at the reporting date.

(iii) Derivatives

Fair values are estimated based on quoted or observable market prices at the reporting date.

Options are valued using Black-Scholes model and Swaps are valued using discounted cash flows. These valuation techniques incorporates various market and observable assumptions including market rate volatility.

(iv) Loans, advances and financing

The fair values of fixed rate loans with remaining maturity of less than one year and variable rate loans are estimated to approximate their carrying values. For fixed rate loans, advances and financing with remaining maturity of more than one year, the fair values are estimated based on expected future cash flows of contractual installment payments and discounted at applicable prevailing rates at the reporting date offered to new borrowers/customers with similar credit profiles.

(v) Deposits from customers

The fair values of deposit liabilities payable on demand (demand and savings deposits), or deposits with maturity of less than one year are estimated to approximate their carrying amounts. The fair values of fixed deposits with remaining maturities of more than one year are estimated based on expected future cash flows discounted at applicable prevailing rates offered for deposits of similar remaining maturities. The fair values of Islamic deposits are deemed to approximate their carrying amounts as profit rates are determined at the end of their holding periods based on the profit generated from the assets invested.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

49. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT'D.)

The methods and assumptions used in estimating the fair values of financial instruments are as follows (cont'd.):

(vi) Deposits and placements of banks and other financial institutions

The carrying values of these financial instruments with remaining maturity of less than one year approximate their carrying amounts due to the relatively short maturity of the financial instruments. For deposits and placements with maturities of one year and above, the estimated fair value is based on discounted cash flows using prevailing money market interest rates at which similar deposits and placements would be made with financial institutions of similar credit risk and remaining period to maturity.

(vii) Borrowings

The fair values of borrowings are estimated based on expected future cash flows discounted at applicable variable rates offered for borrowings.

50. SEGMENTAL REPORTING

The business segment results are prepared based on the Group's internal management reporting, which reflect the organisation's management reporting structure. The Group is organised into five major operating divisions. The division form the basis of which the Group reports its segment information.

- (i) Investment banking - Investment banking business, treasury and related financial services;
- (ii) Stockbroking - Dealings in securities and investment related services;
- (iii) Listed derivatives - Futures broking;
- (iv) Asset and Wealth Management - Management of funds, unit trusts and robo-advisory; and
- (v) Corporate and others - Money lending and financing, e-Services management platform, support services comprising all middle and back office functions costs that are not allocated out to business segments and include business operations conducted by the Group's associates in the Kingdom of Saudi Arabia, Malaysia and Sri Lanka and joint ventures, Rakuten Trade Sdn Bhd and Rakuten Trade Singapore Pte. Ltd. Rakuten Trade Singapore Pte. Ltd was disposed on 6 September 2024 and has now become a wholly-owned subsidiary of Rakuten Trade Sdn Bhd. Refer to Note 56(a)(i).

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group income taxes are managed on group basis and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

50. SEGMENTAL REPORTING (CONT'D.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segments:

2024	Investment banking RM'000	Stock broking RM'000	Listed derivatives RM'000	Asset and wealth management RM'000	Corporate and Others RM'000	Eliminations/consolidation adjustments RM'000	Total RM'000
Revenue							
External sales	187,906	430,838	25,989	295,438	63,626	-	1,003,797
- Interest income	142,557	135,810	13,447	10,205	2,167	-	304,186
- Fee income	30,168	221,931	12,649	285,415	-	-	550,163
- Trading and investment income	8,609	66,291	-	20	61,167	-	136,087
- Other operating income/(expense)	6,572	6,806	(107)	(202)	292	-	13,361
Inter-segment sales	58,527	(67,221)	1,597	8,468	15,139	(16,510)	-
Total revenue	246,433	363,617	27,586	303,906	78,765	(16,510)	1,003,797
Result							
Net income	74,487	338,618	25,414	293,398	115,524	(47,876)	799,565
Other operating expenses	(58,672)	(321,396)	(17,651)	(208,267)	(45,009)	6,974	(644,021)
Credit loss (expense)/reversal	(9,599)	(5,740)	-	(38,091)	(2,006)	1,159	(54,277)
Bad debt recovered/(written off)	11	3,923	(11)	-	1,410	-	5,333
Share of results in associates and joint ventures	-	-	-	-	10,649	-	10,649
Profit/(loss) before taxation and zakat	6,227	15,405	7,752	47,040	80,568	(39,743)	117,249
Taxation and zakat	-	-	-	-	-	-	(21,494)
Net profit for the financial year							95,755

50. SEGMENTAL REPORTING (CONT'D.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segments (cont'd.):

2024	Investment banking RM'000	Stock broking RM'000	Listed derivatives RM'000	Asset and wealth management RM'000	Corporate and Others RM'000	Eliminations/consolidation adjustments RM'000	Total RM'000
Other information							
Net interest and finance income	27,325	37,753	12,856	(728)	7,532	1,198	85,936
Depreciation and amortisation	(914)	(11,291)	(429)	(7,208)	(10,024)	1,801	(28,065)
Disposal of a joint venture	-	-	-	-	(2,360)	2,839	479
Non cash items	-	-	-	-	-	-	-
- Unrealised (loss)/gain on revaluation of financial assets at fair value through profit or loss and derivatives	(15)	30,480	-	20	60,393	(1,830)	89,048
Assets							
Investments in associates	-	-	-	-	158,996	-	158,996
Investment in joint ventures	-	-	-	-	27,710	-	27,710
Additions to property, plant and equipment and intangible assets	522	5,424	51	9,094	21,330	-	36,421
Segment assets	3,754,116	2,320,030	731,685	490,095	724,749	(363,762)	7,656,913
Liabilities							
Segment liabilities	4,820,817	604,513	705,207	388,898	293,459	(273,823)	6,539,071

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

50. SEGMENTAL REPORTING (CONT'D.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segments (cont'd.):

2023	Investment banking RM'000	Stock broking RM'000	Listed derivatives RM'000	Asset and wealth management RM'000	Corporate Others RM'000	Eliminations/ consolidation adjustments RM'000	Total RM'000
Revenue							
External sales	179,462	368,648	22,511	244,952	5,483	-	821,056
- Interest income	135,313	128,738	12,988	6,767	3,194	-	287,000
- Fee income	28,993	181,509	9,431	237,783	306	-	458,022
- Trading and investment income	9,667	52,365	-	141	2,105	-	64,278
- Other operating income/(expense)	5,489	6,036	92	261	(122)	-	11,756
Inter-segment sales	44,492	(60,168)	1,419	19,628	15,112	(20,483)	-
Total revenue	223,954	308,480	23,930	264,580	20,595	(20,483)	821,056
Result							
Net income	69,978	285,690	21,740	260,918	75,944	(62,017)	652,253
Other operating expenses	(60,720)	(290,011)	(15,492)	(188,275)	(21,448)	6,142	(569,804)
Credit loss (expense)/reversal	(3,516)	18,054	-	(13,973)	(5,663)	(428)	(5,526)
Bad debt recovered	-	2,328	-	-	2,591	-	4,919
Share of results in associates and joint ventures	-	-	-	-	6,268	-	6,268
Profit/(loss) before taxation and zakat	5,742	16,061	6,248	58,670	57,692	(56,303)	88,110
Taxation and zakat	-	-	-	-	-	-	(15,359)
Net profit for the financial year							72,751

50. SEGMENTAL REPORTING (CONT'D.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segments (cont'd.):

2023	Investment banking RM'000	Stock broking RM'000	Listed derivatives RM'000	Asset and wealth management RM'000	Corporate Others RM'000	Eliminations/ consolidation adjustments RM'000	Total RM'000
Other information							
Net interest and finance income	31,385	41,810	12,200	881	7,276	12,081	105,633
Depreciation and amortisation	(881)	(11,828)	(451)	(6,118)	(9,543)	1,345	(27,476)
Disposal of a subsidiary	-	-	-	-	3,099	(1,590)	1,509
Non cash items	-	-	-	-	-	-	-
- Unrealised gain/(loss) on revaluation of financial assets at fair value through profit or loss and derivatives	321	(8,831)	-	141	1,279	2,656	(4,434)
2023 Restated							
Assets							
Investments in associates	-	-	-	-	121,619	-	121,619
Investment in joint ventures	-	-	-	-	31,650	-	31,650
Additions to property, plant and equipment and intangible assets	1,850	1,771	69	6,055	10,366	-	20,111
Segment assets	3,160,805	2,390,883	484,167	349,604	574,338	(376,909)	6,582,888
Liabilities							
Segment liabilities	4,266,035	557,274	463,477	263,078	254,111	(292,062)	5,511,913

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

50. SEGMENTAL REPORTING (CONT'D.)

Notes

A Additions to non-current assets consist of:

	2024 RM'000	2023 RM'000
Property, plant and equipment		
- Additions during the financial year (Note 16)	12,714	7,786
Intangible assets		
- Additions during the financial year (Note 17)	23,707	12,325
	36,421	20,111

B The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2024 RM'000	2023 RM'000
Investments in subsidiaries	(96,100)	(79,250)
Investments in associates and joint ventures	46,906	34,517
Intangible assets	(39,650)	(39,617)
Inter-segment assets	(274,918)	(292,559)
	(363,762)	(376,909)

C The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2024 RM'000	2023 RM'000
Deposits accepted from subsidiaries	(142,222)	(154,119)
Inter-segment liabilities	(131,601)	(137,943)
	(273,823)	(292,062)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT

The Group and the Bank adopt a proactive and continuous approach in managing risks and have established a risk management framework to ensure that adequate policies and processes are in place to identify and manage the risks within the defined policies and guidelines as approved by the Board of Directors.

The Group's and the Bank's financial risks are centrally managed by the various committees within the delegated authority by the Board of Directors. These committees formulate, review and approve policies and limits to monitor and manage risk exposures under their respective supervision. The major policy decisions and proposals approved by these committees are subject to further review by the Group Board Risk Committee and the Board of Directors.

The Group Risk Management assumes the independent oversight of risks undertaken by the Group and the Bank, and takes the lead in the formulation of risk policies, controls and processes. This is further enhanced by the periodic risk assessment audit carried out by the Group's and the Bank's Internal Audit.

The main risk areas faced by the Group and the Bank and the guidelines and policies adopted to manage them are as follows:

(a) Credit risk

Credit risk or the risk of counterparties defaulting, are minimised by the application of credit approvals, limits, and monitoring procedures. Balance due from clients and brokers are monitored on an ongoing basis via periodic management reporting. The Group and the Bank through their directors and management, review all significant exposures to customers and counterparties as well as any major concentration of credit risk related to any financial instruments.

The Group and the Bank have risk management procedures in place to manage these risks to ensure that all the procedures and principles relating to risk management are adhered to.

Credit-related commitments risks

The Group and the Bank enter into various commitments which include commitments to extend credit lines and obligations under underwriting agreements. Such commitments expose the Group and the Bank to similar risks to loans and financing and are mitigated by the same processes and policies.

Impairment assessment

For the purpose of determining the risk of default occurring, default is defined based on the credit risk management practices.

Portfolio	Default
Loans, advances and financing	Declaration of event of default with rating "D" and below
Share margin financing	Margin of financing below 100% or declaration of event of default
Trade receivables- stockbroking	More than 30 days past due from contra losses
Other receivables- asset management	More than 30 days past due
Other receivables- advisory fees	More than 30 days past due
Other receivables- securities lending	Value of Loaned Securities including fee due > collateral value or declaration of event of default
Debt securities at amortised cost or FVOCI	Declaration of event of default with rating "D" and below

In the context of the Group and of the Bank, two approaches as specified in MFRS 9 shall be applied in the measurement of ECL i.e. general approach and simplified approach.

General approach recognises impairment based on a three-stages approach which is intended to reflect the deterioration in credit quality of a financial instrument.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Impairment assessment (cont'd.)

General approach

- Stage 1 covers financial instruments that have not deteriorated significantly in credit quality since initial recognition or (where the optional low credit risk simplification is applied) that have low credit risk.
- Stage 2 covers financial instruments that have deteriorated significantly in credit quality since initial recognition (unless the low credit risk simplification has been applied and is relevant) but that do not have objective evidence of a credit loss event.
- Stage 3 covers financial instruments that have objective evidence of impairment at the reporting date.

Low Credit Risk

The Group and the Bank shall adopt practical expedients for its applicable portfolios as detailed in the table below:

Practical Expedient	Low Credit Risk
Applicable portfolio	Government and quasi-government bonds, commercial paper, interbank deposit placement/lending.
Criteria	<ul style="list-style-type: none"> • the financial instrument has a low risk of default; • the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and • adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.
Measurement	12-month ECL
Methodology	PD x LGD x EAD formula

Definition of 12-month ECL

12-month ECL are a portion of the lifetime ECLs that represent the ECLs that resulting from probable default events on a financial instrument occurring in the next 12 months. They are weighted by the probability of such a default occurring.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Impairment assessment (cont'd.)

General approach (cont'd.)

Measurement of ECL by General Approach:

Stage 1

- For financial instruments in stage 1, the Group and the Bank are required to recognise 12 month ECL. For financial instruments that are deemed as low credit risk, 12 month ECL is recognised.

Stage 2

- When a financial instrument transfers to stage 2, the Group and the Bank are required to recognise lifetime ECL.

Stage 3

- For financial instruments in stage 3, the Group and the Bank will continue to recognise lifetime ECL but based on specific provision approach.

The ECL under general approach can be written in the formula below:

$$ECL = PD \times LGD \times EAD$$

Key Components of ECL Measurement

Probability of Default ("PD")

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. The calculation is based on the internal credit risk rating model, comprising both quantitative and qualitative factors. The estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact PD.

The Bank adopted external PD published by local rating agency i.e. RAM Rating Services Berhad ("RAM") as proxy, following adequate assessment and analysis on the suitability of data application i.e. rating mapping exercise due to lack of sufficient size and history.

The rating mapping exercise involves the process whereby the Group's and the Bank's existing Internal Credit Risk Rating ("ICRR") is being mapped against RAM rating. The Group and the Bank assess the definition of each ICRR rating band and makes reference to the definition of RAM rating band. Overall, both the rating models have the same rating band i.e. AAA, AA, A, BBB, BB, B, C & D with BBB as the lowest investment grade and BB and below as non-investment grade. The detailed rating characteristic for each rating band is similar in which AAA indicates superior or extremely high repayment capability and will be rated 'D' upon default. For unrated corporate loans, a default rating of 'BBB2' is applied (as per existing computation).

Details on mapping of the Group's and of the Bank's ICRR to the external ratings are presented in Note 51(a)(i).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Impairment assessment (cont'd.)

General approach (cont'd.)

Key Components of ECL Measurement (cont'd.)

Loss Given Default ("LGD")

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group and the Bank would expect to receive, taking into account cash flows from any collateral.

Exposure at Default ("EAD")

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

Simplified approach

The Group and the Bank shall adopt two practical expedients for their applicable portfolios as detailed in the table below:

Practical Expedient	Provision Matrix
Applicable portfolio	Trade receivables, contract assets and lease receivables, balances due from clients and brokers.
Criteria	<ul style="list-style-type: none"> Contract assets without significant financing component Trade receivables without a significant financing component
Measurement	Lifetime ECL
Methodology	Based on the 'age' of receivables i.e. ageing bucket

Definition of Lifetime ECL

Lifetime ECL are the losses that result from all possible events of default at any point during the expected life of the financial instrument.

Measurement of ECL by Simplified Approach

For financial instruments that apply the provision matrix, ageing bucket based on definition of default is established and incorporates the forward-looking element.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Impairment assessment (cont'd.)

Period over which ECL is measured

The Group and the Bank measure ECL considering the risk of default over the maximum contractual period (including extension options) over which the entity is exposed to credit risk and not a longer period, even if contract extension or renewal is common business practice. However, for financial instruments such as revolving credit facilities that include both a loan and an undrawn commitment component, the Group's and the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group's and the Bank's exposure to credit losses to the contractual notice period. For such financial instruments, the Bank measures ECL over the period that it is exposed to credit risk and ECL would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. These financial instruments do not have a fixed term or repayment structure and have a short contractual cancellation period.

Significant increase in credit risk ("SICR")

SICR is defined as a significant change in the estimated default risk over the remaining expected life of the financial instrument. A SICR event triggers the measurement of loss allowance at an amount equal to lifetime ECL instead of the 12-month ECL estimate.

The indicators for SICR are established to facilitate the staging assessment (from stage 1 to 2) for portfolios that apply the general approach in the measurement of ECL. An asset moves from 12-month ECL (stage 1) to lifetime ECL (stage 2) when there is a significant deterioration in credit quality after initial recognition. In assessing whether the credit risk of an asset has significantly increased, the Group and the Bank take into account qualitative and quantitative reasonable and supportable forward looking information.

An asset classified under stage 2 can potentially be transferred to stage 3 if the credit quality deteriorates further. It is also possible that an asset classified under stage 1 experiences drastic credit deterioration and requires to be directly transferred to stage 3. Accordingly, different stage transfer criteria/triggers are established to satisfy the mentioned staging assessment.

The assessment of SICR incorporates forward-looking information and is performed on a quarterly basis at a portfolio level for all the above portfolios. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the Group Risk Management.

Grouping financial assets measured on a collective basis

Asset classes where the Bank calculates ECL on a collective basis include:

- Debt instruments at fair value through other comprehensive income
- Debt instruments at amortised cost
- Loans, advances and financing
- Balances due from clients and brokers
- Other receivables

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Impairment assessment (cont'd.)

Grouping financial assets measured on a collective basis (cont'd.)

The Group and the Bank classify these exposures into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the financial assets, as described below:

For debt instruments these are:

- Internal grade
- Exposure value

For loan, advances and financing these are:

- Product type (corporate loan and share margin)
- Internal credit rating
- Exposure value
- Collateral type
- Borrower's industry

For balance due from clients and broker and other receivables these are:

- Exposure value
- Collateral type

Forward-looking and probability-weighted

To determine unbiased probability-weighted amount of ECL which considers range of possible outcomes and use of information about economic conditions, the Group and the Bank use external and internal information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

The Group and the Bank apply probabilities to the forecast scenarios. The Group and the Bank have identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data to estimate the relationships between macro-economic variables and credit risk and credit losses. These are being reviewed and monitored for appropriateness on a quarterly basis.

Linear Regression Analysis

Linear Regression analysis is used to determine which macro-economic variables are predictive of the portfolio PD over time and how to weigh the macro-economic variables against each other in the model. A variety of variable selection methods i.e. univariate and multivariate factor selections are used in the Linear Regression process to eliminate non-predictive macroeconomic variables.

Multiple-scenario Analysis

The Group and the Bank generate a 'base case' scenario of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. The Group and the Bank then use these forecasts, which are probability-weighted, to adjust their estimates of PDs.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Impairment assessment (cont'd.)

Forward-looking and probability-weighted (cont'd.)

Multiple-scenario Analysis (cont'd.)

The scenarios by state of economy namely, "Booming", "Normal" and "Downturn" were used as defined in below table:

State of Economy	GDP Growth Rate (annual)	Imports (Billions in USD)
Downturn (D)	<3.5%	<200
Normal (N)	3.5%-5.0%	200-250
Booming (B)	>5.0%	>250

The assumptions used for the ECL estimates as at 31 December 2024 are set out below:

Economic Factor	Scenario	2024	2025	2026
GDP Growth Rate	1	N	B	N
	2	N	N	N
	3	N	N	D
Imports (Billions in USD)	1	N	B	B
	2	B	B	B
	3	B	B	B

The assumptions used for the ECL estimates as at 31 December 2023 are set out below:

Economic Factor	Scenario	2023	2024	2025
GDP Growth Rate	1	B	B	B
	2	N	N	N
	3	D	D	D
KLCI Index	1	B	B	B
	2	B	B	B
	3	N	B	B

The weightings assigned to each state of economy as at 31 December 2024 were as follows:

All portfolios	State of Economy	Weighting
	B	10%
	N	60%
	D	30%

The weightings assigned to each state of economy as at 31 December 2023 were as follows:

All portfolios	State of Economy	Weighting
	B	10%
	N	60%
	D	30%

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Impairment assessment (cont'd.)

Expert judgement

Expert credit judgement is used to complement the assumptions made in the absence of sufficient data during the model development process and incorporation of forward-looking element over a range of possible scenarios into the ECL. The exercise of such judgement, together with any separately-calculated adjustments to the results to address limitations in the core modelling approach - will require particular attention in the governance process.

Therefore, the use of expert judgement shall be applied as and when necessary and shall be governed by the following:

- I. All expert judgements need to be properly documented and backed by reasonable and supportable information that is available without undue cost or effort.
- II. Any expert judgement including new proposal, changes or updates, is required to be endorsed in accordance with the governance process as stipulated in this Framework.
- III. The Group and the Bank intend to apply expert judgement including but not limited to below areas:
 - a. Definition of macroeconomic scenario and its probability for ECL measurement;
 - b. Assumptions made during modelling process in relation to ECL due to data limitations; and
 - c. Others as decided by relevant committee.
- IV. Any management adjustment made shall be tabled to Group Credit Committee for concurrence.

Risk concentration: maximum exposure to credit risk without taking account of any collateral and other credit enhancement

The Group's and the Bank's concentration risk is managed by counterparty and by industry sector. The Group and the Bank apply single counterparty exposure limits to protect against unacceptably large exposures to single counterparty risk.

The following table shows the maximum exposure to credit risk for the components of the statement of financial position, including derivatives, by industry before the effect of mitigation through the use of master netting and collateral agreements. Where financial instruments are recorded at fair value, the amounts shown represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

The maximum exposure to credit risk for the components of the statement of financial position, including derivatives, by geography before the effect of mitigation through the use of master netting and collateral agreements is not presented as the Group's and the Bank's activities are principally conducted in Malaysia.

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Industry analysis as at 31 December 2024

Group	Primary agriculture RM'000	Manufacturing (incl. agri-based) RM'000	Electricity, gas & water supply RM'000	Wholesale & retail trade, and hotel & restaurant RM'000	Real estate RM'000	Transport, storage and communications RM'000	Finance and insurance RM'000	Household RM'000	Others RM'000	Total RM'000
Financial assets	-	-	-	-	-	-	-	-	-	-
Cash and bank balances	-	-	-	-	-	-	2,098,059	-	-	2,098,059
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	73,768	-	-	73,768
Balances due from clients and brokers	1,112	-	-	2,535	5,301	15	210,206	226,682	9,096	454,947
Financial assets at FVTPL	-	-	26,662	-	-	-	130,558	-	97,797	255,017
Unquoted shares and funds in Malaysia	-	59	-	2	-	-	142	7,943	41,551	49,697
Derivative financial assets	-	-	-	-	-	-	-	-	-	-
Net loans, advances and financing	-	-	-	-	-	-	-	-	-	-
Term loans	-	-	-	30,136	45,021	-	-	141,743	310,624	527,524
Islamic term loans	-	-	-	-	26,076	-	-	48,986	47,014	122,076
Share margin financing	3,562	1,826	4,146	27,025	27,064	-	999	916,116	161,725	1,142,463
Islamic share margin financing	-	-	-	-	-	-	-	416	-	416
Others	12,506	-	-	-	-	-	2,012	16,855	-	31,373
Financial investments at FVOCI	-	-	-	-	-	-	-	-	-	-
Malaysian Government Securities	-	-	-	-	-	-	291,869	-	-	291,869
Malaysian Government Investment Certificates	-	-	-	-	-	-	402,651	-	-	402,651
Corporate Bonds	-	-	15,532	-	-	-	5,036	-	14,826	35,394
Islamic Corporate Sukuk	-	-	34,775	-	51,824	15,209	35,430	-	-	137,238
Unquoted equities	-	-	-	-	-	-	-	-	1,421	1,421
Financial investments at AC	-	-	-	-	-	-	-	-	-	-
Malaysian Government Securities	-	-	-	-	-	-	125,560	-	-	125,560
Malaysian Government Investment Certificates	-	-	-	-	-	-	260,201	-	-	260,201
Islamic Corporate Sukuk	-	-	5,000	-	14,996	9,300	67,115	-	38,846	135,257
Other assets, excluding prepayments and deposits	-	-	-	-	-	-	17,948	-	401,765	419,713
Group	17,180	1,885	86,115	59,698	170,282	24,524	3,721,554	1,358,741	1,124,665	6,564,644

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Industry analysis as at 31 December 2023

Group	Primary agriculture RM'000	Manufacturing (incl. agri-based) RM'000	Electricity, gas & water supply RM'000	Wholesale & retail trade, and hotel & restaurant RM'000	Real estate RM'000	Transport, storage and communications RM'000	Finance and insurance RM'000	Household RM'000	Others RM'000	Total RM'000
Financial assets										
Cash and bank balances	-	-	-	-	-	-	1,482,513	-	-	1,482,513
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	60,620	-	-	60,620
Balances due from clients and brokers	-	5,150	-	6,725	3,868	-	257,504	278,257	19,211	570,715
Financial assets at FVTPL										
Unquoted shares and funds in Malaysia	-	-	26,662	-	-	-	44,541	-	99,627	170,830
Derivative financial assets	-	-	-	-	-	15	-	2,181	49,309	75,938
Net loans, advances and financing										
Term loans	-	-	-	51,112	-	4,009	-	49,110	315,332	419,563
Islamic term loans	-	-	-	-	30,087	-	-	54,070	54,103	138,260
Share margin financing	4,787	-	-	24,767	29,991	-	955	907,436	162,169	1,130,105
Islamic share margin financing	-	-	-	-	-	-	-	834	-	834
Others	-	-	-	5,022	-	2,011	-	4,430	737	12,200
Financial investments at FVOCI										
Malaysian Government Securities	-	-	-	-	-	-	177,379	-	-	177,379
Malaysian Government Investment Certificates	-	-	-	-	-	-	331,282	-	-	331,282
Islamic Negotiable Instruments of Deposits	-	-	-	-	-	-	159,644	-	-	159,644
Corporate Bonds	-	-	25,639	-	-	-	-	-	14,808	40,447
Islamic Corporate Sukuk	-	-	54,081	-	37,173	30,423	45,510	-	-	167,187
Unquoted equities	-	-	-	-	-	-	-	-	1,343	1,343
Financial investments at AC										
Malaysian Government Securities	-	-	-	-	-	-	125,853	-	-	125,853
Malaysian Government Investment Certificates	-	-	-	-	-	-	228,204	-	-	228,204
Islamic Corporate Sukuk	-	-	5,000	-	14,997	9,245	87,497	-	-	116,739
Other assets, excluding prepayments and deposits	-	-	-	-	-	-	-	-	169,474	169,474
	4,787	5,150	111,382	87,626	140,549	45,703	3,001,502	1,296,318	886,113	5,579,130

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Industry analysis as at 31 December 2024

Bank	Primary agriculture RM'000	Manufacturing (incl. agri-based) RM'000	Electricity, gas & water supply RM'000	Wholesale & retail trade, and hotel & restaurant RM'000	Real estate RM'000	Transport, storage and communications RM'000	Finance and insurance RM'000	Household RM'000	Others RM'000	Total RM'000
Financial assets										
Cash and bank balances	-	-	-	-	-	-	1,386,786	-	-	1,386,786
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	73,768	-	-	73,768
Balances due from clients and brokers	1,112	-	-	2,535	5,301	15	210,206	226,682	8,986	454,837
Financial assets at FVTPL										
Unquoted shares and funds in Malaysia	-	-	26,662	-	-	-	130,558	-	100,000	257,220
Derivative financial assets	-	59	-	2	-	-	142	7,943	41,551	49,697
Net loans, advances and financing										
Term loans	-	-	-	30,136	45,021	-	27,817	141,743	340,059	584,776
Islamic term loans	-	-	-	-	26,076	-	-	48,986	47,014	122,076
Share margin financing	3,562	1,826	4,146	27,025	27,064	-	999	916,116	161,725	1,142,463
Islamic share margin financing	-	-	-	-	-	-	-	416	-	416
Financial investments at FVOCI										
Malaysian Government Securities	-	-	-	-	-	-	291,869	-	-	291,869
Malaysian Government Investment Certificates	-	-	-	-	-	-	402,651	-	-	402,651
Corporate Bonds	-	-	15,532	-	-	-	5,036	-	14,826	35,394
Islamic Corporate Sukuk	-	-	34,775	-	51,824	15,209	35,430	-	-	137,238
Unquoted equities	-	-	-	-	-	-	-	-	1,421	1,421
Financial investments at AC										
Malaysian Government Securities	-	-	-	-	-	-	125,560	-	-	125,560
Malaysian Government Investment Certificates	-	-	-	-	-	-	260,201	-	-	260,201
Islamic Corporate Sukuk	-	-	5,000	-	14,996	9,300	67,115	-	38,846	135,257
Other assets, excluding prepayments and deposits	-	-	-	-	-	-	-	-	185,754	203,702
	4,674	1,885	86,115	59,698	170,282	24,524	3,036,086	1,341,886	940,182	5,665,332

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Industry analysis as at 31 December 2023

Bank	Primary agriculture RM'000	Manufacturing (incl. agri-based) RM'000	Electricity, gas & water supply RM'000	Wholesale & retail trade, and hotel & restaurant RM'000	Real estate RM'000	Transport, storage and communications RM'000	Finance and insurance RM'000	Household RM'000	Others RM'000	Total RM'000
Financial assets	-	-	-	-	-	-	974,727	-	-	974,727
Cash and bank balances	-	-	-	-	-	-	60,620	-	-	60,620
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	257,504	278,257	19,132	570,636
Balances due from clients and brokers	5,150	5,150	6,725	6,725	3,868	-	-	-	-	-
Financial assets at FVTPL	-	-	26,662	-	-	-	44,541	-	100,000	171,203
Unquoted shares and funds in Malaysia	-	-	-	-	24,433	15	-	2,181	49,309	75,938
Derivative financial assets	-	-	-	-	-	-	-	-	-	-
Net loans, advances and financing	-	-	-	-	-	4,009	18,026	49,110	335,191	457,448
Term loans	-	-	-	51,112	-	-	-	54,070	54,103	138,260
Islamic term loans	-	-	-	24,767	30,087	-	-	907,436	162,169	1,130,105
Share margin financing	4,787	-	-	-	29,991	-	955	834	-	834
Islamic share margin financing	-	-	-	-	-	-	-	-	-	-
Financial investments at FVOCI	-	-	-	-	-	-	177,379	-	-	177,379
Malaysian Government Securities	-	-	-	-	-	-	331,282	-	-	331,282
Malaysian Government Investment Certificates	-	-	-	-	-	-	159,644	-	-	159,644
Islamic Negotiable Instruments of Deposits	-	-	25,639	-	-	-	-	-	14,808	40,447
Corporate Bonds	-	-	54,081	-	37,173	30,423	45,510	-	-	167,187
Islamic Corporate Sukuk	-	-	-	-	-	-	-	-	1,343	1,343
Unquoted equities	-	-	-	-	-	-	-	-	-	-
Financial investments at AC	-	-	-	-	-	-	125,853	-	-	125,853
Malaysian Government Securities	-	-	-	-	-	-	228,204	-	-	228,204
Malaysian Government Investment Certificates	-	-	-	-	-	-	87,497	-	-	87,497
Islamic Corporate Sukuk	-	-	5,000	-	14,997	9,245	-	-	-	116,739
Other assets, excluding prepayments and deposits	4,787	5,150	111,382	82,604	140,549	43,692	2,511,742	1,291,888	895,767	5,087,561

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

Collateral and other credit enhancements

The amount and type of collateral required depend on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

- (i) Cash;
- (ii) Charges over financial instruments;
- (iii) Securities;
- (iv) Charges over real estate properties, inventory and trade receivables;
- (v) Mortgages over properties; or
- (vi) Financial guarantees.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses.

(i) Internal Credit Risk Ratings

The table below provides a mapping of the Group's and of the Bank's internal credit risk grades to external ratings:

Notches	KIBB Obligor Rating	External Rating	Classification of Credit Risk Grade	Description
1	AAA	AAA	Investment Grade	Superior capacity to meet its financial obligation.
2	AA1	AA		Strong capacity to meet its financial obligations. The entity is resilient against adverse changes in circumstances, economic conditions and/or operating environments.
3	AA2			
4	AA3			
5	A1	A	Adequate capacity to meet its financial obligations. The entity is more susceptible to adverse changes in circumstances, economic and/or operating environments.	
6	A2			
7	A3			
8	BBB1	BBB		Moderate capacity to meet its financial obligations. The entity is more likely to be weakened by adverse changes in circumstances, economic conditions and/or operating environments than those in higher-rated categories.
9	BBB2			
10	BBB3			

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(i) Internal Credit Risk Ratings (cont'd.)

The table below provides a mapping of the Group's and of the Bank's internal credit risk grades to external ratings: (cont'd.):

Notches	KIBB Obligor Rating	External Rating	Classification of Credit Risk Grade	Description
11 12 13	BB1 BB2 BB3	BB	Investment Grade	Weak capacity to meet its financial obligations. The entity is highly vulnerable to adverse changes in circumstances, economic conditions and/or operating environments.
14 15 16	B1 B2 B3	B		Very weak capacity to meet its financial obligations. The entity has a limited ability to withstand adverse changes in circumstances, economic conditions and/or operating environments.
17 18 19	C1 C2 C3	C		High likelihood of defaulting on its financial obligations. The entity is highly dependent on favourable changes in circumstances, economic conditions and/or operating environments, the lack of which would likely result in it defaulting on its financial obligations.
20	D	D	Default	Currently in default on either all or a substantial portion of its financial obligations, whether or not formally declared. The D rating may also reflect the filing of bankruptcy and/or other actions pertaining to the entity that could jeopardise the payment of financial obligations.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(ii) Credit quality by class of financial assets

The credit quality of financial assets is managed by the Group and the Bank using internal credit ratings. The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's and the Bank's internal credit rating system.

Credit quality of financial assets neither past due nor impaired

The credit quality of financial assets is managed by the Group and the Bank using internal ratings which aim to reflect the relative ability of counterparties to fulfill, on time, their credit-related obligations, and is based on their current probability of default.

Internal rating grade	
Strong credit profile	Customers that have demonstrated superior stability in their operating and financial performance over the long-term, and whose debt servicing capacity is not significantly vulnerable to foreseeable events. This rating broadly corresponds to ratings "AAA" to "AA" of RAM Rating Services Berhad ("RAM") and Malaysian Rating Corporation Berhad ("MARC") respectively.
Satisfactory risk	Customers that have consistently demonstrated sound operational and financial stability over the medium to long term, even though some may be susceptible to cyclical trends or variability in earnings. This rating broadly corresponds to ratings "A" to "BBB" of RAM and MARC respectively.
Substandard	Customers that have demonstrated some operational and financial instability, with variability and uncertainty in profitability and liquidity projected to continue over the short and possibly medium term. This rating broadly corresponds to ratings "BB" to "C" of RAM and MARC respectively.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(ii) Credit quality by class of financial assets (cont'd.)

Group	Neither past due nor impaired							Total RM'000
	Strong credit profile			Sub-standard		Non rated		
	Stage 1 RM'000	Satisfactory risk Stage 1 RM'000	Stage 1 RM'000	Stage 1 RM'000	Stage 1 RM'000	Stage 1 RM'000	Stage 1 RM'000	
31 December 2024								
Cash and bank balances	2,098,059	-	-	-	-	-	-	2,098,059
Statutory deposit with Bank Negara Malaysia	73,768	-	-	-	-	-	-	73,768
Financial assets at FVTPL								
Unquoted shares and funds in Malaysia	120,679	134,338	-	-	-	-	-	255,017
Net loans, advances and financing								
Term loans	50,017	356,331	108,691	-	13,235	-	-	527,524
Islamic term loans	-	114,377	8,502	-	-	-	-	(803)
Share margin financing	303,566	721,041	20,898	-	8,498	94,152	(5,692)	1,142,463
Islamic share margin financing	-	334	82	-	-	-	-	416
Others	-	13,194	13,914	-	-	4,265	-	31,373
Carried forward	2,646,089	1,339,615	152,087	-	21,733	98,417	(5,692)	(1,553)
								4,250,696

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(ii) Credit quality by class of financial assets (cont'd.)

Group	Neither past due nor impaired							Total RM'000
	Strong credit profile			Sub-standard		Non rated		
	Stage 1 RM'000	Satisfactory risk Stage 1 RM'000	Stage 1 RM'000	Stage 1 RM'000	Stage 1 RM'000	Stage 1 RM'000	Stage 1 RM'000	
31 December 2024								
Brought forward	2,646,089	1,339,615	152,087	-	21,733	98,417	(5,692)	4,250,696
Financial investments at FVOCI								
Debt instruments:								
Malaysian Government Securities	291,869	-	-	-	-	-	-	291,869
Malaysian Government Investment Certificates	402,651	-	-	-	-	-	-	402,651
Islamic Corporate Sukuk	137,238	-	-	-	-	-	-	137,238
Corporate Bonds	35,394	-	-	-	-	-	-	35,394
Equity instrument: Unquoted equities	-	-	-	1,421	-	-	-	1,421
Financial investments at AC								
Malaysian Government Securities	125,560	-	-	-	-	-	-	125,560
Malaysian Government Investment Certificates	260,201	-	-	-	-	-	-	260,201
Islamic Corporate Sukuk	135,257	-	-	-	-	-	-	135,257
Derivative financial assets	-	-	-	49,697	-	-	-	49,697
Balances due from clients and brokers	378,879	-	-	-	5,009	89,411	(16,827)	454,947
Other assets, excluding prepayments and deposits	408,342	-	-	-	2,297	84,998	(75,815)	(109)
Total	4,821,480	1,339,615	152,087	51,118	29,039	272,826	(98,334)	6,564,644

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(ii) Credit quality by class of financial assets (cont'd.)

Group	Neither past due nor impaired							Total RM'000
	Strong credit profile Stage 1 RM'000	Satisfactory risk Stage 1 RM'000	Sub- standard Stage 1 RM'000	Non rated Stage 1 RM'000	Default/ impaired Stage 3 RM'000	ECL on individually impaired RM'000	ECL on collectively impaired RM'000	
31 December 2023								
Cash and bank balances	1,482,513	-	-	-	-	-	-	1,482,513
Statutory deposit with Bank Negara Malaysia	60,620	-	-	-	-	-	-	60,620
Financial assets at FVTPL								
Unquoted shares and funds in Malaysia	170,830	-	-	-	-	-	-	170,830
Net loans, advances and financing								
Term loans	-	314,261	69,861	-	-	-	(2,741)	419,563
Islamic term loans	-	123,830	15,009	-	-	-	(579)	138,260
Share margin financing	349,511	726,429	357	-	57,041	(3,296)	-	1,130,105
Islamic share margin financing	676	158	-	-	-	-	-	834
Others	5,022	-	2,011	-	4,430	-	-	12,200
Carried forward	2,069,172	1,164,678	87,238	-	61,471	(3,296)	(3,320)	3,414,925

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(ii) Credit quality by class of financial assets (cont'd.)

Group	Neither past due nor impaired							Total RM'000
	Strong credit profile Stage 1 RM'000	Satisfactory risk Stage 1 RM'000	Sub- standard Stage 1 RM'000	Non rated Stage 1 RM'000	Default/ impaired Stage 3 RM'000	ECL on individually impaired RM'000	ECL on collectively impaired RM'000	
31 December 2023								
Brought forward	2,069,172	1,164,678	87,238	-	61,471	(3,296)	(3,320)	3,414,925
Financial investments at FVOCI								
Debt instruments:								
Malaysian Government Securities	177,379	-	-	-	-	-	-	177,379
Malaysian Government Investment Certificates	331,282	-	-	-	-	-	-	331,282
Islamic Corporate Sukuk	167,187	-	-	-	-	-	-	167,187
Corporate bonds	40,447	-	-	-	-	-	-	40,447
Islamic Negotiable Instruments of Deposits	159,644	-	-	-	-	-	-	159,644
Equity instrument: Unquoted equities	-	-	-	1,343	-	-	-	1,343
Financial investments at AC								
Malaysian Government Securities	125,853	-	-	-	-	-	-	125,853
Malaysian Government Investment Certificates	228,204	-	-	-	-	-	-	228,204
Islamic Corporate Sukuk	116,739	-	-	-	-	-	-	116,739
Derivative financial assets	-	-	-	75,938	-	-	-	75,938
Balances due from clients and brokers	549,165	-	-	-	15,024	(1,255)	(1,553)	570,715
Other assets, excluding prepayments and deposits	143,598	-	-	80	58,425	(35,594)	(141)	169,474
Total	4,108,670	1,164,678	87,238	77,361	134,920	(40,145)	(5,014)	5,579,130

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(ii) Credit quality by class of financial assets (cont'd.)

Bank	Neither past due nor impaired							Total RM'000
	Strong credit profile			Sub-standard		Non rated		
	Stage 1 RM'000	Satisfactory risk Stage 1 RM'000	Stage 1 RM'000	Stage 1 RM'000	Stage 1 RM'000	Stage 2 RM'000	Default/ impaired Stage 3 RM'000	
31 December 2024								
Cash and bank balances	1,386,786	-	-	-	-	-	-	1,386,786
Statutory deposit with Bank Negara Malaysia	73,768	-	-	-	-	-	-	73,768
Financial assets at FVTPL	122,882	134,338	-	-	-	-	-	257,220
Unquoted shares and funds in Malaysia								
Net loans, advances and financing								
Term loans	50,017	414,501	108,691	-	13,235	-	-	584,776
Islamic term loans	-	114,376	8,502	-	-	-	(802)	122,076
Share margin financing	303,566	721,043	20,898	-	8,498	94,150	-	1,142,463
Islamic share margin financing	-	334	82	-	-	-	-	416
Financial investments at FVOCI								
Debt instruments:								
Malaysian Government Securities	291,869	-	-	-	-	-	-	291,869
Malaysian Government Investment Certificates	402,651	-	-	-	-	-	-	402,651
Islamic Corporate Sukuk	137,238	-	-	-	-	-	-	137,238
Corporate Bonds	35,394	-	-	-	-	-	-	35,394
Equity instrument: Unquoted equities	-	-	-	1,421	-	-	-	1,421
Financial investments at AC								
Malaysian Government Securities	125,560	-	-	-	-	-	-	125,560
Malaysian Government Investment Certificates	260,201	-	-	-	-	-	-	260,201
Islamic Corporate Sukuk	135,257	-	-	-	-	-	-	135,257
Derivative financial assets	-	-	-	49,697	-	-	-	49,697
Balances due from clients and brokers	378,769	-	-	-	5,009	89,411	(16,827)	454,837
Other assets, excluding prepayments and deposits	195,395	-	-	-	2,297	45,023	(38,398)	203,702
Total	3,899,353	1,384,592	138,173	51,118	29,039	228,584	(4,610)	5,665,332

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(ii) Credit quality by class of financial assets (cont'd.)

Bank	Neither past due nor impaired							Total RM'000
	Strong credit profile			Sub-standard		Non rated		
	Stage 1 RM'000	Satisfactory risk Stage 1 RM'000	Stage 1 RM'000	Stage 1 RM'000	Stage 1 RM'000	Stage 2 RM'000	Default/ impaired Stage 3 RM'000	
31 December 2023								
Cash and bank balances	974,727	-	-	-	-	-	-	974,727
Statutory deposit with Bank Negara Malaysia	60,620	-	-	-	-	-	-	60,620
Financial assets at FVTPL	171,203	-	-	-	-	-	-	171,203
Unquoted shares and funds in Malaysia								
Net loans, advances and financing								
Term loans	-	352,328	69,861	-	38,182	-	(2,923)	457,448
Islamic term loans	-	123,830	15,009	-	-	-	(579)	138,260
Share margin financing	349,511	726,429	357	-	63	57,041	(3,296)	1,130,105
Islamic share margin financing	676	158	-	-	-	-	-	834
Financial investments at FVOCI								
Debt instruments:								
Malaysian Government Securities	177,379	-	-	-	-	-	-	177,379
Malaysian Government Investment Certificates	331,282	-	-	-	-	-	-	331,282
Islamic Corporate Sukuk	167,187	-	-	-	-	-	-	167,187
Corporate Bonds	40,447	-	-	-	-	-	-	40,447
Islamic Negotiable Instruments of Deposits	159,644	-	-	-	-	-	-	159,644
Equity instrument: Unquoted equities	-	-	-	1,343	-	-	-	1,343
Financial investments at AC								
Malaysian Government Securities	125,853	-	-	-	-	-	-	125,853
Malaysian Government Investment Certificates	228,204	-	-	-	-	-	-	228,204
Islamic Corporate Sukuk	116,739	-	-	-	-	-	-	116,739
Derivative financial assets	-	-	-	75,938	-	-	-	75,938
Balances due from clients and brokers	549,086	-	-	-	9,334	15,024	(1,255)	570,636
Other assets, excluding prepayments and deposits	136,337	-	-	-	3,106	44,365	(235)	159,712
Total	3,588,895	1,202,745	85,227	77,281	50,685	116,430	(5,290)	5,087,561

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(iii) Credit risk exposure for each internal credit risk rating

Internal credit rating	Group Total 2024 RM'000	Bank Total 2024 RM'000
Strong		
AAA	4,278,206	3,353,878
AA	543,274	545,475
Satisfactory		
A	978,665	1,022,885
BBB	368,645	368,485
Substandard		
BB	143,715	129,801
B	20,321	20,321
C	536	536
Default		
D	174,492	167,667
Non-rated	56,790	56,284
	6,564,644	5,665,332

Internal credit rating	Group Total 2023 RM'000	Bank Total 2023 RM'000
Strong		
AAA	3,670,252	3,155,498
AA	438,469	433,447
Satisfactory		
A	861,608	886,463
BBB	303,240	315,533
Substandard		
BB	122,679	120,668
Default		
D	94,775	88,018
Non-rated	88,107	87,934
	5,579,130	5,087,561

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(iv) Ageing analysis of financial assets which are past due but not impaired

	Less than 1 month RM'000	1 to 12 months RM'000	>12 months RM'000	Total RM'000
Group and Bank 2024				
Share margin financing	-	8,498	-	8,498
Corporate loans	13,247	-	-	13,247
Other assets	-	-	3,005	3,005
Total	13,247	8,498	3,005	24,750
2023				
Share margin financing	-	-	63	63
Corporate loans	13,008	25,174	-	38,182
Other assets	-	3,005	75	3,080
Total	13,008	28,179	138	41,325

(v) Estimated value of collateral and other charges related to financial assets that are past due and individually impaired

	Cash and securities RM'000	Real estate RM'000	Other RM'000	Total value of collateral RM'000	Credit exposure RM'000	Unsecured portion of credit exposure RM'000
Group 2024						
Loans, advances and financing						
Share margin financing	32,191	761	-	32,952	38,644	5,692
Balances due from clients and brokers	20,703	15,862	-	36,565	70,727	34,162
Other assets	-	-	9,183	9,183	84,998	75,815
	52,894	16,623	9,183	78,700	194,369	115,669
2023						
Loans, advances and financing						
Share margin financing	13,447	8,268	-	21,715	25,011	3,296
Balances due from clients and brokers	11,508	-	-	11,508	14,852	3,344
Other assets	-	-	22,831	22,831	58,425	35,594
	24,955	8,268	22,831	56,054	98,288	42,234

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(a) Credit risk (cont'd.)

(v) Estimated value of collateral and other charges related to financial assets that are past due and individually impaired (cont'd.)

	Cash and securities RM'000	Real estate RM'000	Other RM'000	Total value of collateral RM'000	Credit exposure RM'000	Unsecured portion of credit exposure RM'000
Bank						
2024						
Loans, advances and financing						
Share margin financing	32,191	761	-	32,952	38,644	5,692
Balances due from clients and brokers	20,703	15,862	-	36,565	70,727	34,162
Other assets	-	-	6,625	6,625	45,023	38,398
	52,894	16,623	6,625	76,142	154,394	78,252
2023						
Loans, advances and financing						
Share margin financing	13,447	8,268	-	21,715	25,011	3,296
Balances due from clients and brokers	11,508	-	-	11,508	14,852	3,344
Other assets	-	-	20,504	20,504	44,365	23,861
	24,955	8,268	20,504	53,727	84,228	30,501

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk

Market risk is the risk of loss arising from changes in prices of equity instruments and other financial instruments in the markets in which the Group and the Bank operate. The Group and the Bank also engage in bond proprietary trading to generate revenue in anticipation of changes in prices that may occur in the debt capital market.

The Group and the Bank manage the risk of unfavourable price changes by cautious reviews of investments and collaterals held with continuous monitoring of their performance and risk profiles by qualified personnel.

(i) Interest rate risk

In macro terms, interest rate risk refers to the overall sensitivity of the Group's and of the Bank's earnings and/or economic values of the Group's and of the Bank's portfolio to changes in interest rates. Interest rate risk is managed through various risk management techniques including re-pricing gap, net interest income simulation and stress testing.

The Group and the Bank are exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The effect of changes in the levels of interest rates on the market value of securities is monitored regularly and the outcome of mark-to-market valuations is escalated to management regularly. The table below summarises the effective interest rates at the reporting date and the periods in which the financial instruments will reprice or mature, whichever is the earlier.

Interest rate sensitivity analysis

The Board has established limits on the trading and non-trading interest rate gaps activities. In accordance with the Group's and the Bank's policy, positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

The sensitivity of interest rate to the statements of profit and loss and other comprehensive income and equity is the effect of the assumed changes in interest rates level on the profit and loss for the financial year, based on the financial assets and financial liabilities held as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

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	Effective interest rate %
Assets									
Cash and bank balances	1,069,817	205,467	100	-	-	822,675	-	2,098,059	3.51
Financial assets at FVTPL	-	-	-	-	-	-	552,301	552,301	4.04
Financial instruments at FVOCI	-	-	10,000	96,820	760,332	1,421	-	868,573	4.09
Financial instruments at AC	-	14,996	51,576	171,780	282,666	-	-	521,018	4.54
Derivative financial assets	-	-	-	-	-	49,697	-	49,697	-
Loans, advances and financing	1,724,994	68,090	18,179	12,589	-	-	-	1,823,852	8.72
Balances due from clients and brokers	-	-	-	-	-	454,947	-	454,947	-
Other assets	225,773	-	-	-	-	213,995	-	439,768	-
Other non interest sensitive balances	-	-	-	-	-	848,698	-	848,698	-
Total assets	3,020,584	288,553	79,855	281,189	1,042,998	2,391,433	552,301	7,656,913	

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Group (cont'd.) 2024 (cont'd.)	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Liabilities									
Deposits from customers	2,049,214	1,070,630	642,750	-	-	-	-	3,762,594	3.34
Deposits and placement of banks and other financial institutions	249,679	330,156	150,000	-	-	-	-	729,835	3.34
Borrowings	9,000	-	-	-	180,500	-	-	189,500	4.84
Obligations on securities sold under repurchase agreements	69,514	-	-	-	-	-	-	69,514	-
Derivative financial liabilities	-	-	-	-	-	60,133	-	60,133	-
Balances due to clients and brokers	-	-	-	-	-	1,012,438	-	1,012,438	-
Other non interest sensitive balances	16,410	-	-	-	-	698,647	-	715,057	-
Total liabilities	2,393,817	1,400,786	792,750	180,500	1,771,218	1,117,842	-	6,539,071	
Equity	-	-	-	-	-	1,117,842	-	1,117,842	-
Total liabilities and shareholders' equity	2,393,817	1,400,786	792,750	180,500	2,889,060	-	-	7,656,913	
On-balance sheet interest sensitivity gap	626,767	(1,112,233)	(712,895)	281,189	862,498	(497,627)	552,301	-	-
Cumulative interest sensitivity gap	626,767	(485,466)	(1,198,361)	(917,172)	(54,674)	(552,301)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Group (cont'd.) 2023	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Cash and bank balances	876,186	106,165	100	-	-	500,062	-	1,482,513	3.30
Financial assets at FVTPL	-	-	-	-	-	-	438,660	438,660	4.18
Financial instruments at FVOCI	109,834	54,811	40,237	87,198	583,859	1,343	-	877,282	4.30
Financial instruments at AC	-	-	20,037	130,398	320,361	-	-	470,796	4.28
Derivative financial assets	-	-	-	-	-	75,938	-	75,938	-
Loans, advances and financing	1,668,741	20,021	5,167	7,033	-	-	-	1,700,962	8.74
Balances due from clients and brokers	-	-	-	-	-	570,715	-	570,715	-
Other assets	54,658	-	-	-	-	136,723	-	191,381	-
Other non interest sensitive balances	-	-	-	-	-	774,599	-	774,599	-
Total assets	2,709,419	180,997	65,541	224,629	904,220	2,059,380	438,660	6,582,846	

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Group (cont'd.) 2023 (cont'd.)	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Deposits from customers	2,046,080	919,137	630,308	15,070	-	-	-	3,610,595	3.38
Deposits and placement of banks and other financial institutions	331,803	-	-	-	-	-	-	331,803	3.38
Borrowings	-	-	-	-	180,500	-	-	180,500	5.00
Obligations on securities sold under repurchase agreements	97,232	-	-	-	-	-	-	97,232	-
Derivative financial liabilities	-	-	-	-	-	45,097	-	45,097	-
Balances due to clients and brokers	-	-	-	-	-	775,015	-	775,015	-
Other non interest sensitive balances	3,474	-	-	-	-	468,155	-	471,629	-
Total liabilities	2,478,589	919,137	630,308	15,070	180,500	1,288,267	-	5,511,871	
Equity	-	-	-	-	-	1,070,975	-	1,070,975	-
Total liabilities and shareholders' equity	2,478,589	919,137	630,308	15,070	180,500	2,359,242	-	6,582,846	
On-balance sheet interest sensitivity gap	230,830	(738,140)	(564,767)	209,559	723,720	(299,862)	438,660	-	-
Cumulative interest sensitivity gap	230,830	(507,310)	(1,072,077)	(862,518)	(138,798)	(438,660)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

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	Effective interest rate %
Assets									
Cash and bank balances	985,735	194,750	-	-	-	206,301	-	1,386,786	3.51
Financial assets at FVTPL	-	-	-	-	-	-	553,541	553,541	4.04
Financial instruments at FVOCI	-	-	10,000	96,820	760,332	1,421	-	868,573	4.09
Financial instruments at AC	-	14,996	51,576	171,780	282,666	-	-	521,018	4.54
Derivative financial assets	-	-	-	-	-	49,697	-	49,697	
Loans, advances and financing Balances due from clients and brokers	1,781,641	68,090	-	-	-	-	-	1,849,731	8.08
Other assets	-	-	-	29,495	-	454,837	-	454,837	
Other non interest sensitive balances	-	-	-	-	-	189,649	-	219,144	
Total assets	2,767,376	277,836	61,576	298,095	1,042,998	1,722,189	553,541	6,723,611	

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Bank (cont'd.) 2024 (cont'd.)	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Liabilities									
Deposits from customers	2,155,936	1,080,630	668,250	-	-	-	-	3,904,816	3.34
Deposits and placement of banks and other financial institutions	249,679	330,156	150,000	-	-	-	-	729,835	3.34
Borrowings	-	-	-	-	180,500	-	-	180,500	4.80
Obligations on securities sold under repurchase agreements	69,514	-	-	-	-	-	-	69,514	
Derivative financial liabilities	-	-	-	-	-	60,133	-	60,133	
Balances due to clients and brokers	-	-	-	-	-	360,633	-	360,633	
Other non interest sensitive balances	16,410	-	-	-	-	355,900	-	372,310	
Total liabilities	2,491,539	1,410,786	818,250	180,500	180,500	776,666	-	5,677,741	
Equity	-	-	-	-	-	1,045,870	-	1,045,870	
Total liabilities and shareholders' equity	2,491,539	1,410,786	818,250	180,500	180,500	1,822,536	-	6,723,611	
On-balance sheet interest sensitivity gap	275,837	(1,132,950)	(756,674)	298,095	862,498	(100,347)	553,541	-	
Cumulative interest sensitivity gap	275,837	(857,113)	(1,613,787)	(1,315,692)	(453,194)	(553,541)	-	-	

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Bank (cont'd.) 2023	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Assets									
Cash and bank balances	762,596	95,790	-	-	-	116,341	-	974,727	3.30
Financial assets at FVTPL	-	-	-	-	-	-	438,474	438,474	4.18
Financial instruments at FVOCI	109,834	54,811	40,237	87,198	583,859	1,343	-	877,282	4.30
Financial instruments at AC	-	-	20,037	130,398	320,361	-	-	470,796	4.28
Derivative financial assets	-	-	-	-	-	75,938	-	75,938	
Loans, advances and financing	1,706,626	20,021	-	-	-	-	-	1,726,647	7.87
Balances due from clients and brokers	-	-	-	-	-	570,636	-	570,636	
Other assets	-	-	-	29,907	-	148,755	-	178,662	
Other non interest sensitive balances	-	-	-	-	-	759,189	-	759,189	
Total assets	2,579,056	170,622	60,274	247,503	904,220	1,672,202	438,474	6,072,351	

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Bank (cont'd.) 2023 (cont'd.)	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Liabilities									
Deposits from customers	2,149,921	968,012	631,711	15,070	-	-	-	3,764,714	3.38
Deposits and placement of banks and other financial institutions	331,803	-	-	-	-	-	-	331,803	3.38
Borrowings	-	-	-	-	180,500	-	-	180,500	4.94
Obligations on securities sold under repurchase agreements	97,232	-	-	-	-	-	-	97,232	
Derivative financial liabilities	-	-	-	-	-	45,097	-	45,097	
Balances due to clients and brokers	-	-	-	-	-	344,719	-	344,719	
Other non interest sensitive balances	3,474	-	-	-	-	279,593	-	283,067	
Total liabilities	2,582,430	968,012	631,711	15,070	180,500	669,409	-	5,047,132	
Equity	-	-	-	-	-	1,025,219	-	1,025,219	
Total liabilities and shareholders' equity	2,582,430	968,012	631,711	15,070	180,500	1,694,628	-	6,072,351	
On-balance sheet interest sensitivity gap	(3,374)	(797,390)	(571,437)	232,433	723,720	(22,426)	438,474	-	
Cumulative interest sensitivity gap	(3,374)	(800,764)	(1,372,201)	(1,139,768)	(416,048)	(438,474)	-	-	

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(i) Interest rate risk (cont'd.)

Interest rate sensitivity analysis

The following table demonstrates the impact of a +/- 150 basis points change in interest rates, ceteris paribus, on the Group's profit or loss and equity.

Change in interest rates 2024	Impact on profit or loss 2024 RM'000	Impact on equity' 2024 RM'000	Change in interest rates 2023	Impact on profit or loss 2023 RM'000	Impact on equity' 2023 RM'000
+150	(9,969)	(115,905)	+150	(10,031)	(95,623)
-150	9,969	115,905	-150	10,031	95,623

exclude tax impact

(ii) Foreign currency exchange risk

Foreign currency risk is the risk of financial loss due to adverse movements in foreign exchange rates.

The Group and the Bank are exposed to currency risk primarily through trading activities that are governed by the Foreign Exchange Proprietary Trading Policy.

Currency rate sensitivity analysis

The following table shows the impact of a 5% movement of MYR, ceteris paribus, on the Group's profit or loss and equity:

Foreign currency is denoted in the table below:

Currency	Abbreviation	Currency	Abbreviation	Currency	Abbreviation
AUD	Australian Dollar	EUR	Euro	IDR	Indonesian Rupiah
CHF	Swiss Franc	GBP	British Pound	JPY	Japanese Yen
CNY	Chinese Yuan	HKD	Hong Kong Dollar	NZD	New Zealand Dollar
PHP	Philippine Peso	THB	Thai Baht	SAR	Saudi Riyal
SGD	Singapore Dollar	USD	US Dollar		

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(ii) Foreign currency exchange risk (cont'd.)

Currency rate sensitivity analysis (cont'd.)

The currency exposure as at reporting date as below:

Currency	2024 RM'000	2023 RM'000
USD	(393)	(15,699)
SGD	(225)	880
GBP	247	1,214
JPY	(2,365)	(3,136)
HKD	(8,420)	140
CNY	3,033	80
Others	(1,205)	173
	(9,328)	(16,348)

Currency	Changes in foreign exchange rates	Impact on profit or loss 2024 RM'000	Impact on equity 2024 RM'000	Changes in foreign exchange rates	Impact on profit or loss 2023 RM'000	Impact on equity 2023 RM'000
AUD	5%	(61)	-	5%	(1)	-
CHF	5%	(15)	-	5%	1	-
CNY	5%	152	-	5%	4	-
EUR	5%	(2)	-	5%	(4)	-
GBP	5%	12	-	5%	61	-
HKD	5%	(421)	-	5%	7	-
IDR	5%	9	-	5%	1	-
JPY	5%	(118)	-	5%	(157)	-
NZD	5%	7	-	5%	8	-
PHP	5%	2	-	5%	2	-
SGD	5%	(11)	-	5%	44	-
USD	5%	(20)	-	5%	(785)	-

Arising from the Group's investment in the associate company in Saudi Arabia, there is a natural position held in foreign currency exposure in Saudi Riyal. The following shows the impact of a 5% price movement on this position:

Currency	Changes in foreign exchange rates	Impact on profit or loss 2024 RM'000	Impact on equity 2024 RM'000	Changes in foreign exchange rates	Impact on profit or loss 2023 RM'000	Impact on equity 2023 RM'000
SAR	5%	-	(6,820)	5%	-	(6,038)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(b) Market risk (cont'd.)

(iii) Equity price sensitivity analysis

Equity price risk is the risk of financial loss arising from adverse changes in prices of equities and equity derivatives.

The following table demonstrates the impact of a +/- 30% change in equity prices across the board on the Group's profit or loss and equity.

	Change in equity price 2024	Impact on profit or loss 2024	Impact on equity 2024	Change in equity price 2023	Impact on profit or loss 2023	Impact on equity 2023
		RM'000	RM'000		RM'000	RM'000
Equity	+30%	(32,331)	-	+30%	23,781	-
-investments	-30%	(45,968)	-	-30%	(90,578)	-

From risk management perspective, a risk limits framework governing the activities of equity and equity derivatives trading has been established, primarily intended to:

- 1) Prevent excessive exposures to a single risk factor or a group of risk factors; and
- 2) Constrain the general level of risk taking for a business.

Additionally, other components of limit framework including stop-loss trigger, issuance size, permitted products, management oversights etc. were put in place for better governance as well as to embrace best practices of market risk management. The risk framework was designed in accordance to the Group's and the Bank's risk appetite and a closely controlled risk parameter, e.g. stop-loss trigger, will ensure losses arising from the course of trading are limited.

In addition, the Group's associate company has made some equity investments in Saudi Arabia. The impact of a +/- 30% change in equity prices on the Group arising from these investments are shown as follows:

	Change in equity price 2024	Impact on profit or loss 2024	Impact on equity 2024	Change in equity price 2023	Impact on profit or loss 2023	Impact on equity 2023
		RM'000	RM'000		RM'000	RM'000
Equity	+30%	-	28,869	+30%	-	19,951
-investments	-30%	-	(28,869)	-30%	-	(19,951)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Liquidity risk

Liquidity risk is the risk of loss as a result of the Group's or of the Bank's inability to meet cash flow obligations on a timely and cost effective manner. Liquidity risk is managed through the Liquidity Coverage Ratio Framework issued by BNM, internal policies and management oversight by Group Risk Committee. A Contingency Funding Plan has been formulated covering across the policies, procedures, roles and responsibilities, funding strategies and notwithstanding, the deployment of such in a liquidity event.

The Group and the Bank actively manage their operating cash flows and the availability of funding so as to ensure that all funding needs are being met. As part of its overall prudent liquidity management, the Group and the Bank maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements in addition to maintaining available banking facilities, to meet any immediate operating cash flow requirements.

In accordance with BNM's Liquidity Coverage Ratio guideline, the Group and the Bank maintain a portfolio of highly marketable and diverse assets which are assumed to be easily liquidated in the event of an unforeseen interruption of cash flow. In addition, the Group and the Bank maintain a statutory deposit with BNM equal to 2.0% of net eligible liabilities. Both the Group and the Bank have been consistently maintaining sufficient level of liquidity with an average of LCR of 255% and 286% for the past 12 months.

(i) Analysis of assets and liabilities by remaining contractual maturities

The table below summarises the contractual maturity profile of the Group's assets and liabilities as at 31 December 2024. The contractual maturity profile often may not reflect the actual behavioural patterns.

Group 2024	On demand	Up to 1 month	>1 to 3 months	>3 to 6 months	>6 to 12 months	>1 year	Non specific maturity	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets								
Cash and bank balances	822,675	1,069,817	205,467	100	-	-	-	2,098,059
Financial assets at FVTPL	-	-	-	-	-	-	552,301	552,301
Financial instruments at FVOCI	-	-	-	-	10,000	857,152	1,421	868,573
Financial instruments at AC	-	-	14,996	10,902	40,675	454,445	-	521,018
Derivative financial assets	-	41,768	962	3,095	3,872	-	-	49,697
Loans, advances and financing	290,489	1,155,968	-	4,265	22,416	350,714	-	1,823,852
Balances due from clients and brokers	-	454,947	-	-	-	-	-	454,947
Other assets	6,682	294,555	3,769	5,749	-	-	129,013	439,768
Others	-	1,672	1,221	1,831	3,659	14,159	826,156	848,698
Total assets	1,119,846	3,018,727	226,415	25,942	80,622	1,676,470	1,508,891	7,656,913

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Liquidity risk (cont'd.)

(i) Analysis of assets and liabilities by remaining contractual maturities (cont'd.)

Group 2024	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Liabilities								
Deposits from customers	84,828	1,964,387	1,070,629	372,224	270,526	-	-	3,762,594
Deposits and placements of banks and other financial institutions	-	249,679	330,156	130,000	20,000	-	-	729,835
Obligations on securities sold under repurchase agreements	-	69,514	-	-	-	-	-	69,514
Derivative financial liabilities	-	4,661	16,862	14,051	24,559	-	-	60,133
Balances due to clients and brokers	-	1,012,438	-	-	-	-	-	1,012,438
Borrowings	-	9,000	-	-	-	180,500	-	189,500
Other liabilities balances	-	160,730	12,486	5,341	5,622	32,847	498,031	715,057
Total liabilities	84,828	3,470,409	1,430,133	521,616	320,707	213,347	498,031	6,539,071
Net maturity mismatch	1,035,018	(451,682)	(1,203,718)	(495,674)	(240,085)	1,463,123	1,010,860	1,117,842

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments:

	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Commitments to extend credit:								
- share margin financing	2,953,118	-	-	-	-	-	-	2,953,118
- foreign exchange related contracts	-	163,189	8,279	-	-	-	-	171,468
Miscellaneous commitments - monies held in trust on behalf of client	1,734,642	-	-	-	-	-	-	1,734,642
Other commitments - corporate loan	74,817	-	-	34,250	-	-	40,000	149,067
Securities borrowing and lending	27,893	-	-	-	-	-	-	27,893
Total commitments and guarantees	4,790,470	163,189	8,279	34,250	-	-	40,000	5,036,188

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Liquidity risk (cont'd.)

(i) Analysis of assets and liabilities by remaining contractual maturities (cont'd.)

The table below summarises the contractual maturity profile of the Group's assets and liabilities as at 31 December 2023. The contractual maturity profile often may not reflect the actual behavioural patterns.

Group 2023	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Assets								
Cash and bank balances	500,062	876,186	106,165	100	-	-	-	1,482,513
Financial assets at FVTPL	-	-	-	-	-	-	438,660	438,660
Financial instruments at FVOCI	-	109,834	54,811	10,066	30,171	671,057	1,343	877,282
Financial instruments at AC	-	-	-	-	20,037	450,759	-	470,796
Derivative financial assets	-	73,749	1,965	146	78	-	-	75,938
Loans, advances and financing	240,874	1,156,113	14,276	25,997	5,167	258,535	-	1,700,962
Balances due from clients and brokers	-	570,715	-	-	-	-	-	570,715
Other assets	22,926	114,809	3,399	5,231	-	-	45,016	191,381
Others	-	1,654	1,259	1,889	3,728	15,696	750,373	774,599
Total assets	763,862	2,903,060	181,875	43,429	59,181	1,396,047	1,235,392	6,582,846

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Liquidity risk (cont'd.)

(i) Analysis of assets and liabilities by remaining contractual maturities (cont'd.)

Group 2023	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Liabilities								
Deposits from customers	90,070	1,956,010	919,137	368,401	261,907	15,070	-	3,610,595
Deposits and placements of banks and other financial institutions	-	331,803	-	-	-	-	-	331,803
Obligations on securities sold under repurchase agreements	-	97,232	-	-	-	-	-	97,232
Derivative financial liabilities	-	3,721	3,362	3,969	34,045	-	-	45,097
Balances due to clients and brokers	-	775,015	-	-	-	-	-	775,015
Borrowings	-	-	-	-	-	180,500	-	180,500
Other liabilities balances	3,355	114,479	7,574	4,887	5,725	17,618	317,991	471,629
Total liabilities	93,425	3,278,260	930,073	377,257	301,677	213,188	317,991	5,511,871
Net maturity mismatch	670,437	(375,200)	(748,198)	(333,828)	(242,496)	1,182,859	917,401	1,070,975

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments:

	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Commitments to extend credit:								
- share margin financing	2,882,629	-	-	-	-	-	-	2,882,629
- foreign exchange related contracts	-	55,095	137	-	-	-	-	55,232
Miscellaneous commitments - monies held in trust on behalf of client	980,227	-	-	-	-	-	-	980,227
Other commitments - corporate loan	65,392	-	6,000	42,500	6,041	-	-	119,933
Securities borrowing and lending	8,367	-	-	-	-	-	-	8,367
Total commitments and guarantees	3,936,615	55,095	6,137	42,500	6,041	-	-	4,046,388

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Liquidity risk (cont'd.)

(i) Analysis of assets and liabilities by remaining contractual maturities (cont'd.)

The table below summarises the contractual maturity profile of the Bank's assets and liabilities as at 31 December 2024. The contractual maturity profile often may not reflect the actual behavioural patterns.

Bank 2024	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Assets								
Cash and bank balances	206,301	985,735	194,750	-	-	-	-	1,386,786
Financial assets at FVTPL	-	-	-	-	-	-	553,541	553,541
Financial instruments at FVOCI	-	-	-	-	10,000	857,152	1,421	868,573
Financial instruments at AC	-	-	14,996	10,902	40,675	454,445	-	521,018
Derivative financial assets	-	41,768	962	3,095	3,872	-	-	49,697
Loans, advances and financing	303,518	1,155,364	-	-	8,502	382,347	-	1,849,731
Balances due from clients and brokers	-	454,837	-	-	-	-	-	454,837
Other assets	10,548	68,615	3,769	5,749	-	29,495	100,968	219,144
Others	-	1,552	980	1,470	2,941	9,701	803,640	820,284
Total assets	520,367	2,707,871	215,457	21,216	65,990	1,733,140	1,459,570	6,723,611

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Liquidity risk (cont'd.)

(i) Analysis of assets and liabilities by remaining contractual maturities (cont'd.)

Bank 2024	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Liabilities								
Deposits from customers	84,828	2,071,109	1,080,629	397,724	270,526	-	-	3,904,816
Deposits and placements of banks and other financial institutions	-	249,679	330,156	130,000	20,000	-	-	729,835
Obligations on securities sold under repurchase agreements	-	69,514	-	-	-	-	-	69,514
Derivative financial liabilities	-	4,661	16,862	14,051	24,559	-	-	60,133
Balances due to clients and brokers	-	360,633	-	-	-	-	-	360,633
Borrowings	-	-	-	-	-	180,500	-	180,500
Other liabilities balances	-	160,996	12,259	4,997	4,924	28,116	161,018	372,310
Total liabilities	84,828	2,916,592	1,439,906	546,772	320,009	208,616	161,018	5,677,741
Net maturity mismatch	435,539	(208,721)	(1,224,449)	(525,556)	(254,019)	1,524,524	1,298,552	1,045,870

The table below shows the contractual expiry by maturity of the Bank's contingent liabilities and commitments:

	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Commitments to extend credit:								
- share margin financing	2,953,118	-	-	-	-	-	-	2,953,118
- foreign exchange related contracts	-	163,189	8,279	-	-	-	-	171,468
Miscellaneous commitments - monies held in trust on behalf of client	1,734,642	-	-	-	-	-	-	1,734,642
Other commitments - corporate loan	131,817	-	-	34,250	-	15,000	40,000	221,067
Securities borrowing and lending	27,893	-	-	-	-	-	-	27,893
Total commitments and guarantees	4,847,470	163,189	8,279	34,250	-	15,000	40,000	5,108,188

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Liquidity risk (cont'd.)

(i) Analysis of assets and liabilities by remaining contractual maturities (cont'd.)

The table below summarises the contractual maturity profile of the Bank's assets and liabilities as at 31 December 2023. The contractual maturity profile often may not reflect the actual behavioural patterns.

Bank 2023	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Assets								
Cash and bank balances	116,341	762,596	95,790	-	-	-	-	974,727
Financial assets at FVTPL	-	-	-	-	-	-	438,474	438,474
Financial instruments at FVOCI	-	109,834	54,811	10,066	30,171	671,057	1,343	877,282
Financial instruments at AC	-	-	-	-	20,037	450,759	-	470,796
Derivative financial assets	-	73,749	1,965	146	78	-	-	75,938
Loans, advances and financing	253,903	1,156,113	14,276	25,997	-	276,358	-	1,726,647
Balances due from clients and brokers	-	570,636	-	-	-	-	-	570,636
Other assets	20,709	59,853	3,399	5,231	-	29,907	59,563	178,662
Others	-	1,539	1,030	1,545	3,091	13,042	738,942	759,189
Total assets	390,953	2,734,320	171,271	42,985	53,377	1,441,123	1,238,322	6,072,351

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Liquidity risk (cont'd.)

(i) Analysis of assets and liabilities by remaining contractual maturities (cont'd.)

Bank 2023	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Liabilities								
Deposits from customers	90,070	2,059,851	968,012	369,804	261,907	15,070	-	3,764,714
Deposits and placements of banks and other financial institutions	-	331,803	-	-	-	-	-	331,803
Obligations on securities sold under repurchase agreements	-	97,232	-	-	-	-	-	97,232
Derivative financial liabilities	-	3,721	3,362	3,969	34,045	-	-	45,097
Balances due to clients and brokers	-	344,719	-	-	-	-	-	344,719
Borrowings	-	-	-	-	-	180,500	-	180,500
Other liabilities balances	3,355	114,817	7,345	4,541	5,077	14,796	133,136	283,067
Total liabilities	93,425	2,952,143	978,719	378,314	301,029	210,366	133,136	5,047,132
Net maturity mismatch	297,528	(217,823)	(807,448)	(335,329)	(247,652)	1,230,757	1,105,186	1,025,219

The table below shows the contractual expiry by maturity of the Bank's contingent liabilities and commitments:

	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Commitments to extend credit:								
- share margin financing	2,882,629	-	-	-	-	-	-	2,882,629
- foreign exchange related contracts	-	55,095	137	-	-	-	-	55,232
Miscellaneous commitments - monies held in trust on behalf of client	980,227	-	-	-	-	-	-	980,227
Other commitments - corporate loan	116,392	-	6,000	42,500	6,041	35,000	-	205,933
Securities borrowing and lending	8,367	-	-	-	-	-	-	8,367
Total commitments and guarantees	3,987,615	55,095	6,137	42,500	6,041	35,000	-	4,132,388

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Liquidity risk (cont'd.)

(ii) Maturity analysis of financial liabilities on an undiscounted basis

The following tables show the contractual undiscounted cash flows payable for financial liabilities by remaining contractual maturities. The financial liabilities in the tables below will not agree to the balances reported in the statements of financial position as the tables incorporate all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments. The contractual maturity profile does not necessarily reflect the behavioural cash flows.

Group 2024	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Financial liabilities							
Deposits from customers	2,065,054	1,086,658	380,100	280,681	-	-	3,812,493
Deposits and placements of banks and other financial institutions	251,236	333,797	132,666	20,485	-	-	738,184
Obligations on securities sold under repurchase agreements	69,555	-	-	-	-	-	69,555
Derivative financial liabilities	4,661	16,862	14,051	24,559	-	-	60,133
Balances due to clients and brokers	1,012,438	-	-	-	-	-	1,012,438
Borrowings	9,130	-	-	-	268,926	-	278,056
Other liabilities balances	160,730	12,486	5,341	5,622	32,847	498,031	715,057
Total undiscounted financial liabilities	3,572,804	1,449,803	532,158	331,347	301,773	498,031	6,685,916

Group 2023	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Financial liabilities							
Deposits from customers	2,060,656	931,466	375,960	272,153	15,661	-	3,655,896
Deposits and placements of banks and other financial institutions	334,180	-	-	-	-	-	334,180
Obligations on securities sold under repurchase agreements	97,416	-	-	-	-	-	97,416
Derivative financial liabilities	3,721	3,362	3,969	34,045	-	-	45,097
Balances due to clients and brokers	775,015	-	-	-	-	-	775,015
Borrowings	-	-	-	-	268,951	-	268,951
Other liabilities balances	117,834	7,574	4,887	5,725	17,618	317,991	471,629
Total undiscounted financial liabilities	3,388,822	942,402	384,816	311,923	302,230	317,991	5,648,184

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(c) Liquidity risk (cont'd.)

(ii) Maturity analysis of financial liabilities on an undiscounted basis (cont'd.)

Bank 2024	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Financial liabilities							
Deposits from customers	2,172,110	1,096,740	406,026	280,681	-	-	3,955,557
Deposits and placements of banks and other financial institutions	251,236	333,797	132,666	20,485	-	-	738,184
Obligations on securities sold under repurchase agreements	69,555	-	-	-	-	-	69,555
Derivative financial liabilities	4,661	16,862	14,051	24,559	-	-	60,133
Balances due to clients and brokers	360,633	-	-	-	-	-	360,633
Borrowings	-	-	-	-	268,926	-	268,926
Other liabilities balances	160,996	12,259	4,997	4,924	28,116	161,018	372,310
Total undiscounted financial liabilities	3,019,191	1,459,658	557,740	330,649	297,042	161,018	5,825,298

Bank 2023	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Financial liabilities							
Deposits from customers	2,165,012	980,627	377,387	272,153	15,661	-	3,810,840
Deposits and placements of banks and other financial institutions	334,180	-	-	-	-	-	334,180
Obligations on securities sold under repurchase agreements	97,416	-	-	-	-	-	97,416
Derivative financial liabilities	3,721	3,362	3,969	34,045	-	-	45,097
Balances due to clients and brokers	344,719	-	-	-	-	-	344,719
Borrowings	-	-	-	-	268,951	-	268,951
Other liabilities balances	118,172	7,345	4,541	5,077	14,796	133,136	283,067
Total undiscounted financial liabilities	3,063,220	991,334	385,897	311,275	299,408	133,136	5,184,270

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

51. FINANCIAL RISK MANAGEMENT (CONT'D.)

(d) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or resulting from external events.

Operational risk is managed through an effective operational risk management framework which include development of policies, processes and procedures for managing operational risk in the Group, independent review of the risk management function by internal audit and oversight by the Management and Board of Directors.

The operational risk management processes include identifying and assessing operational risks of the Group and operational risk loss data collection to track the factual information which can assist the organisation and business and support units to effectively understand where their real risks exist, identify control weaknesses, underlying causes and introduce controls to strengthen the weaknesses.

Any actual, near-miss or potential losses from any operational risk loss events are to be reported to Management.

52. FAIR VALUE OF FINANCIAL INSTRUMENTS

FAIR VALUE MEASUREMENT

The Group and the Bank use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - quoted (unadjusted) market prices in active for identical assets or liabilities.
- Level 2 - other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3 - techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

52. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D.)

FAIR VALUE MEASUREMENT (CONT'D.)

Group 2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Financial assets at FVTPL				
- Fund	-	97,797	-	97,797
- Equity securities	297,284	-	157,220	454,504
Financial investments at FVOCI				
- Debt securities	-	867,152	-	867,152
- Equity securities	-	-	1,421	1,421
Derivative financial assets	203	49,494	-	49,697
Financial assets for which fair values are disclosed				
Financial investments at AC	-	534,125	-	534,125
Loans, advances and financing	-	-	1,835,276	1,835,276
	297,487	1,548,568	1,993,917	3,839,972
Financial liability measured at fair value				
Derivative financial liabilities	40,567	19,566	-	60,133
Financial liabilities for which fair values are disclosed				
Obligations on securities sold under repurchase agreements	-	69,514	-	69,514
Borrowings	-	182,998	-	182,998
Deposits from customers	-	3,762,594	-	3,762,594
Deposits and placements of banks and other financial institutions	-	729,835	-	729,835
Others	-	1,535,098	-	1,535,098
	40,567	6,299,605	-	6,340,172

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

52. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D.)

FAIR VALUE MEASUREMENT (CONT'D.)

Group 2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Financial assets at FVTPL				
- Debt securities and fund	-	99,627	-	99,627
- Equity securities	267,830	-	71,203	339,033
Financial investments at FVOCI				
- Debt securities	-	875,939	-	875,939
- Equity securities	-	-	1,343	1,343
Derivative financial assets	-	75,938	-	75,938
Financial assets for which fair values are disclosed				
Financial investments at AC	-	484,183	-	484,183
Loans, advances and financing	-	-	1,707,116	1,707,116
	267,830	1,535,687	1,779,662	3,583,179
Financial liability measured at fair value				
Derivative financial liabilities	23,014	22,083	-	45,097
Financial liabilities for which fair values are disclosed				
Obligations on securities sold under repurchase agreements	-	97,232	-	97,232
Borrowings	-	172,003	-	172,003
Deposits from customers	-	3,610,595	-	3,610,595
Deposits and placements of banks and other financial institutions	-	331,803	-	331,803
Others	-	1,067,262	-	1,067,262
	23,014	5,300,978	-	5,323,992

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

52. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D.)

FAIR VALUE MEASUREMENT (CONT'D.)

Bank 2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Financial assets at FVTPL				
- Fund	-	100,000	-	100,000
- Equity securities	296,321	-	157,220	453,541
Financial investments at FVOCI				
- Debt securities	-	867,152	-	867,152
- Equity securities	-	-	1,421	1,421
Derivative financial assets	203	49,494	-	49,697
Financial assets for which fair values are disclosed				
Financial investments at AC	-	534,125	-	534,125
Loans, advances and financing	-	-	1,861,726	1,861,726
	296,524	1,550,771	2,020,367	3,867,662
Financial liability measured at fair value				
Derivative financial liabilities	40,567	19,566	-	60,133
Financial liabilities for which fair values are disclosed				
Obligations on securities sold under repurchase agreements	-	69,514	-	69,514
Borrowings	-	173,998	-	173,998
Deposits from customers	-	3,904,816	-	3,904,816
Deposits and placements of banks and other financial institutions	-	729,835	-	729,835
Others	-	582,806	-	582,806
	40,567	5,480,535	-	5,521,102

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

52. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D.)

FAIR VALUE MEASUREMENT (CONT'D.)

Bank 2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Financial assets at FVTPL				
- Debt securities and fund	-	100,000	-	100,000
- Equity securities	267,271	-	71,203	338,474
Financial investments at FVOCI				
- Debt securities	-	875,939	-	875,939
- Equity securities	-	-	1,343	1,343
Derivative financial assets	-	75,938	-	75,938
Financial assets for which fair values are disclosed				
Financial investments at AC	-	484,183	-	484,183
Loans, advances and financing	-	-	1,733,014	1,733,014
	267,271	1,536,060	1,805,560	3,608,891
Financial liability measured at fair value				
Derivative financial liabilities	23,014	22,083	-	45,097
Financial liabilities for which fair values are disclosed				
Obligations on securities sold under repurchase agreements	-	97,232	-	97,232
Borrowings	-	172,003	-	172,003
Deposits from customers	-	3,764,714	-	3,764,714
Deposits and placements of banks and other financial institutions	-	331,803	-	331,803
Others	-	491,438	-	491,438
	23,014	4,879,273	-	4,902,287

There have been no transfers between Level 1 and Level 2 during the financial years.

The methods and assumptions used to estimate the fair value of the financial instruments not measured at fair value are as disclosed in Note 49.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

52. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D.)

FAIR VALUE MEASUREMENT (CONT'D.)

Movements in Level 3 financial instruments measured at fair value

The level of the fair value hierarchy of financial instruments is determined at the beginning of each reporting period. The following table shows a reconciliation of the opening and closing amounts of Level 3 financial assets which are recorded at fair value:

	Group and Bank	
	Equity securities at FVTPL RM'000	Equity securities at FVOCI RM'000
2024		
Balance at the beginning of the financial year	71,203	1,343
Acquisition of investments during the financial year	43,539	-
Disposal/reclassification of investments during the financial year	(10,000)	-
Revaluation gain during the financial year	52,478	78
Balance at the end of the financial year	157,220	1,421
2023		
Balance at the beginning of the financial year	71,612	1,294
Revaluation (loss)/gain during the financial year	(409)	49
Balance at the end of the financial year	71,203	1,343

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

53. OPERATIONS OF ISLAMIC BANKING

The Islamic banking operations of the Bank are as follows:

(a) Statements of financial position as at 31 December 2024

	Note	Group and Bank	
		2024 RM'000	2023 RM'000 Restated (Note 57)
Assets			
Cash and bank balances	(e)	449,464	342,387
Financial assets at FVTPL	(f)	100,000	100,000
Financial investments at FVOCI	(g)(i)	184,671	264,847
Financial investments at AC	(g)(ii)	106,904	106,595
Financing and advances	(h)	122,947	139,464
Balances due from clients and brokers		1,386	2,009
Other assets	(i)	7,091	6,479
Property, plant and equipment		13	11
Intangible assets		1	1
Total assets		972,477	961,793
Liabilities			
Deposits from customers	(j)	345,164	341,577
Deposits and placements of banks and other financial institutions	(k)	10,000	10,000
Balances due to clients and brokers		3,842	5,489
Other liabilities	(l)	385,434	392,554
Deferred tax liabilities		168	395
Provision for taxation and zakat		6,390	7,172
Total liabilities		750,998	757,187
Islamic banking capital funds			
Islamic banking funds		120,000	120,000
Reserves		101,479	84,606
Total Islamic banking capital funds		221,479	204,606
Total liabilities and Islamic banking capital funds		972,477	961,793
Commitments and contingencies		91,915	110,797

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(b) Statements of profit or loss and other comprehensive income

For the financial year ended 31 December 2024

	Note	Group and Bank	
		2024 RM'000	2023 RM'000
Income derived from investment of depositors' funds	(m)	37,194	33,732
Income derived from investment of shareholders' funds	(n)	9,174	6,200
Credit loss expense		(111)	(91)
Total attributable income		46,257	39,841
Profit distributed to depositors	(o)	(17,160)	(18,712)
Net Income		29,097	21,129
Finance cost		(1,510)	(581)
Personnel expenses	(p)(i)	(768)	(837)
Other overhead expenses	(p)(ii)	(2,896)	(3,141)
Profit before taxation and zakat		23,923	16,570
Taxation and zakat		(6,390)	(4,439)
Profit for the financial year		17,533	12,131
Other comprehensive income/(loss)			
Items that will be reclassified subsequently to profit or loss:			
Fair value (loss)/gain on debt instruments at FVOCI		(880)	1,994
Income tax relating to fair value (loss)/ gain on debt instruments at FVOCI		227	(510)
Total other comprehensive income for the financial year, net of tax		16,880	13,615

For consolidation with the conventional banking operations, income from Islamic Banking Window as shown on the face of the statements of profit or loss of the Group and of the Bank comprise of the following items:

	Group and Bank	
	2024 RM'000	2023 RM'000
Income derived from investment of depositors' funds	37,194	33,732
Income derived from investment of shareholders' funds	9,174	6,200
Total income before impairment allowances and overhead expenses	46,368	39,932
Profit distributed to depositors	(17,160)	(18,712)
Finance cost	(1,510)	(581)
Income from Islamic Banking Window operations reported in the statements of profit or loss	27,698	20,639

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(c) Statements of cash flows

For the financial year ended 31 December 2024

	Group and Bank	
	2024 RM'000	2023 RM'000
Cash flows from operating activities		
Profit before taxation and zakat	23,923	16,570
Adjustments for:		
Depreciation of plant and equipment (Note 53(p)(ii))	6	3
Amortisation of intangible assets (Note 53(p)(ii))	-	1
Credit loss expense	111	91
Realised (gain)/loss from sale of financial assets at FVTPL (Note 53(m))	(54)	182
Realised (gain)/loss from sale of financial investments at FVOCI (Note 53(m))	(940)	1
Operating profit before working capital changes	23,046	16,848
Changes in operating assets:		
Financing and advances	16,378	(42,125)
Balances due from clients and brokers	619	(532)
Other assets	(612)	(3,978)
Changes in operating liabilities:		
Deposits from customers	3,587	(131,325)
Deposits and placements of banks and other financial institutions	-	10,000
Balances due to clients and brokers	(1,647)	883
Other liabilities	(13,778)	241,487
Cash generated from operating activities	27,593	91,258
Zakat paid	(427)	(291)
Net cash generated from operating activities	27,166	90,967
Cash flows from investing activities		
Purchase of property, plant and equipment	(8)	-
Net sales/(purchase) of securities	79,919	(187,056)
Net cash generated from/(used in) investing activities	79,911	(187,056)
Net change in cash and cash equivalents	107,077	(96,089)
Cash and cash equivalents at beginning of the financial year	342,387	438,476
Cash and cash equivalents at end of the financial year	449,464	342,387

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(d) Statements of changes in Islamic banking funds

For the financial year ended 31 December 2024

Group and Bank	Non-distributable					Distributable		Total RM'000
	Islamic banking fund RM'000	Fair value reserve RM'000	Regulatory reserve RM'000	ESS reserve RM'000	Capital reserve* RM'000	Retained profits RM'000		
At 1 January 2024	120,000	1,183	2,654	6	5,248	75,515	204,606	
Net profit for the financial year	-	-	-	-	-	17,533	17,533	
Other comprehensive loss for the financial year	-	(653)	-	-	-	-	(653)	
Share based payment under ESS	-	-	-	(3)	-	(4)	(7)	
Transfer to retained profits	-	-	-	(1)	-	1	-	
Transfer from regulatory reserve	-	-	(1,081)	-	-	1,081	-	
At 31 December 2024	120,000	530	1,573	2	5,248	94,126	221,479	
At 1 January 2023	120,000	(301)	2,261	8	5,248	63,780	190,996	
Net profit for the financial year	-	-	-	-	-	12,131	12,131	
Other comprehensive income for the financial year	-	1,484	-	-	-	-	1,484	
Share based payment under ESS	-	-	-	(1)	-	(4)	(5)	
Transfer to retained profits	-	-	-	(1)	-	1	-	
Transfer to regulatory reserve	-	-	393	-	-	(393)	-	
At 31 December 2023	120,000	1,183	2,654	6	5,248	75,515	204,606	

* Capital reserve arose from the merger adjustment to reflect the capital restructuring as a result of the group internal reorganisation exercise.

(e) Cash and bank balances

	Group and Bank	
	2024 RM'000	2023 RM'000
Current account with BNM and banks	18,214	16,287
Money at call and deposit placements with:		
Licensed banks	51,250	126,100
Domestic non-bank financial institutions	200,000	200,000
Bank Negara Malaysia	180,000	-
	449,464	342,387

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(f) Financial assets at FVTPL

	Group and Bank	
	2024 RM'000	2023 RM'000
At fair value		
Unquoted securities in Malaysia:		
Funds	100,000	100,000

(g) Financial investments other than those measured at FVTPL

	Group and Bank	
	2024 RM'000	2023 RM'000
(i) Financial investments at Fair Value through Other Comprehensive Income ("FVOCI"):		
Money market instruments:		
Malaysian Government Investment Certificates	143,433	103,462
Negotiable Instruments of Deposits	-	99,770
	143,433	203,232
Debt instruments:		
Corporate Sukuk	41,238	61,615
Total financial investments at FVOCI	184,671	264,847
(ii) Financial investments at AC:		
Money market instruments:		
Malaysian Government Investment Certificates	49,966	39,310
Debt instruments:		
Corporate Sukuk	56,938	67,285
Total financial investments at AC	106,904	106,595
Total financial investments other than those measured at FVTPL	291,575	371,442

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(h) Financing and advances (cont'd.)

(v) Gross financing and advances analysed by residual contractual maturity are as follows:

	Group and Bank	
	2024 RM'000	2023 RM'000
Within one year	59,765	82,020
More than one year	63,529	57,652
	123,294	139,672

(vi) Impairment allowance for financing and advances are as follows:

Term Financing :

	Group & Bank	
	2024	
	Stage 1 RM'000	Total RM'000
ECL allowances		
As at 1 January	208	208
New assets originated	98	98
Assets derecognised or repaid (excluding write-offs)	(53)	(53)
Net remeasurement of allowances	42	42
Changes in model assumption or methodology	52	52
As at 31 December	347	347

	Group & Bank	
	2023	
	Stage 1 RM'000	Total RM'000
ECL allowances		
As at 1 January	55	55
New assets originated	375	375
Assets derecognised or repaid (excluding write-offs)	(70)	(70)
Net remeasurement of allowances	(152)	(152)
As at 31 December	208	208

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(i) Other assets

	Group and Bank	
	2024 RM'000	2023 RM'000
Income receivables	4,066	3,426
Prepayment	1	8
Other receivables	3,051	3,072
Less: ECL	(27)	(27)
	7,091	6,479

(i) Impairment allowance for other receivables:

	2024		
	Non-credit Impaired RM'000	Credit Impaired RM'000	Total RM'000
ECL allowances			
As at 1 January	1	26	27
New assets originated	4	31	35
Assets derecognised or repaid (excluding write-offs)	-	(35)	(35)
Transfer of stages during the year	(5)	5	-
As at 31 December	-	27	27

	2023		
	Non-credit Impaired RM'000	Credit Impaired RM'000	Total RM'000
ECL allowances			
As at 1 January	1	53	54
New assets originated	6	3	9
Assets derecognised or repaid (excluding write-offs)	-	(36)	(36)
Transfer of stages during the year	(6)	6	-
As at 31 December	1	26	27

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(j) Deposits from customers

	Group and Bank	
	2024 RM'000	2023 RM'000
(i) By type of deposit:		
Tawarruq (Commodity Murabahah deposits)	345,164	341,577
(ii) By type of customers:		
Government and statutory bodies	50,000	67,540
Domestic non-bank institutions	242,397	216,028
Business enterprises	38,820	43,761
Individuals	699	785
Subsidiary companies	13,248	13,463
	345,164	341,577
(iii) By maturity:		
Due within six months	295,164	299,349
Due more than six months	50,000	42,228
	345,164	341,577

(k) Deposits and placements of banks and other financial institutions

	Group and Bank	
	2024 RM'000	2023 RM'000
Other financial institution	10,000	10,000

(l) Other liabilities

	Group and Bank	
	2024 RM'000	2023 RM'000 Restated (Note 57)
Mudarah Specific Investment Account	32,427	11,989
Profit payables	798	1,160
Allowances for impairment losses on financing commitments (i)	-	93
Other payables	352,209	379,312
	385,434	392,554

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(l) Other liabilities (cont'd.)

(i) The movements in allowances for impairment losses on financing commitments are as follows:

	Group and Bank	
	2024	
	Stage 1 RM'000	Total RM'000
ECL allowances		
As at 1 January	93	93
Assets derecognised or repaid (excluding write-offs)	(93)	(93)
As at 31 December	-	-

	Group and Bank	
	2023	
	Stage 1 RM'000	Total RM'000
ECL allowances		
As at 1 January	-	-
New assets originated	159	159
Assets derecognised or repaid (excluding write-offs)	(66)	(66)
As at 31 December	93	93

(m) Income derived from investment of depositors' funds

	Group and Bank	
	2024 RM'000	2023 RM'000
Finance income and hibah		
Financing and advances	2,768	2,159
Deposits and placements with financial institutions	13,233	11,667
Financial investments other than those measured at FVTPL	11,059	10,630
Accretion of discount	(561)	(597)
Others	3	5
	26,502	23,864
Other operating income		
Realised gain/(loss) on sale of financial assets at FVTPL	54	(182)
Realised gain/(loss) on sale of financial investments at FVOCI	940	(1)
Fees on financing and advances	16	144
Brokerage fee	4,575	3,837
Profit income	4,426	4,862
Advisory fee	247	260
Direct trading expenses	(113)	(108)
Other operating income	547	1,052
Other non-operating income	-	4
	10,692	9,868
	37,194	33,732

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(n) Income derived from investment of shareholders' funds

	Group and Bank	
	2024	2023
	RM'000	RM'000
Finance income and hibah		
Financing and advances	7,606	6,200
Financial investments other than those measured at FVTPL	1,726	-
Accretion of premium	(158)	-
	9,174	6,200

(o) Profit distributed to depositors

	Group and Bank	
	2024	2023
	RM'000	RM'000
Deposits from customers and financial institutions		
- Murabahah Fund	13,102	14,628
Others	4,058	4,084
	17,160	18,712

(p) Other operating expenses

	Group and Bank	
	2024	2023
	RM'000	RM'000
(i) Personnel expenses		
- salaries, wages, allowances and bonus	586	652
- EPF	95	102
- other staff related expenses	87	83
	768	837
(ii) Other overhead expenses		
Establishment costs		
- depreciation	6	3
- amortisation	-	1
- office rental	59	59
- others	32	26
	97	89
Marketing and trading expenses		
- advertisement and promotions	6	1
- travelling and entertainment expenses	2	1
	8	2
Administration and general expenses		
- Fees and brokerage	690	620
- Support service charges	1,482	2,052
- Shariah committee expenses	225	228
- Others	394	150
	2,791	3,050
Total other overhead expenses	2,896	3,141

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(q) Recognition and measurement by main class of Shariah contracts

The recognition and measurement of each main class of Shariah contracts is dependent on the nature of the products, either financing or deposit product. The accounting policies for each of these products are disclosed in their respective policies.

(r) Shariah Committees' remuneration

Remuneration in aggregate for Shariah Committees for the financial year is as follows:

Group and Bank	Remuneration received		
	Fees	Other emolument	Total
Committees members:			
31 December 2024			
Dr. Ghazali Jaapar	78,000	7,200	85,200
Dr. Mohammad Firdaus Mohammad Hatta	54,000	6,000	60,000
Dr. Fadillah Mansor	48,000	5,500	53,500
	180,000	18,700	198,700
31 December 2023			
Dr. Ghazali Jaapar	78,000	6,600	84,600
Dr. Mohammad Firdaus Mohammad Hatta	54,000	5,500	59,500
Dr. Fadillah Mansor	48,000	5,500	53,500
	180,000	17,600	197,600

(s) Capital adequacy

	Group and Bank	
	2024	2023
	RM'000	RM'000
CET 1/Tier 1 capital		
Islamic banking funds	120,000	120,000
Retained profits	94,126	75,515
Reserves	7,353	9,091
Less:		
Intangible assets	(1)	(1)
55% of cumulative gains on financial investments at FVOCI	(291)	(652)
Regulatory reserve	(1,573)	(2,654)
Total CET 1/Tier 1 capital	219,614	201,299
Tier 2 capital		
General provision	1,860	2,956
Total Tier 2 capital	1,860	2,956
Total capital	221,474	204,255

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(s) Capital adequacy (cont'd.)

	Group and Bank	
	2024 RM'000	2023 RM'000
CET 1 capital ratio	82.627%	66.552%
Tier 1 capital ratio	82.627%	66.552%
Total capital ratio	83.327%	67.529%

The breakdown of risk-weighted assets (excluding any deferred tax assets) in the various categories of risk-weights are as follows:

Group and Bank	2024		2023	
	Principal RM'000	Risk- weighted RM'000	Principal RM'000	Risk- weighted RM'000
Credit risk	912,672	228,046	894,264	271,905
Operational risk	-	37,743	-	30,564
Total risk weighted assets	912,672	265,789	894,264	302,469

(t) Commitments and contingencies

In the normal course of business, the Group and the Bank enter into various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

As at reporting date, the commitments and contingencies are as follows:

	Group and Bank	
	2024 Principal amount RM'000	2023 Principal amount RM'000
Commitments to extend credit with maturity of less than 1 year:		
- share margin financing	16,134	19,766
- corporate financing	41,531	48,531
Commitments to extend credit with maturity of more than 1 year:		
- corporate financing	34,250	42,500
	91,915	110,797

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(u) Liquidity risk

Analysis of assets and liabilities by remaining contractual maturities

The table below summarises the contractual maturity profile of the Islamic banking operation's assets and liabilities as at 31 December 2024. The contractual maturity profile often may not reflect the actual behavioural patterns.

Group and Bank 2024	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Assets								
Cash and bank balances	18,214	281,250	150,000	-	-	-	-	449,464
Financial assets at FVTPL	-	-	-	-	-	-	100,000	100,000
Financial instruments at FVOCI	-	-	-	-	-	184,671	-	184,671
Financial instruments at AC	-	-	4,998	5,000	-	96,906	-	106,904
Financing and advances	50,820	416	-	-	8,502	63,209	-	122,947
Balances due from clients and brokers	-	1,386	-	-	-	-	-	1,386
Other assets	3,014	1,867	1,259	948	-	-	3	7,091
Others	-	-	-	-	-	-	14	14
Total assets	72,048	284,919	156,257	5,948	8,502	344,786	100,017	972,477
Liabilities								
Deposits from customers	-	284,658	2,467	58,039	-	-	-	345,164
Deposits and placements of banks and other financial institutions	-	10,000	-	-	-	-	-	10,000
Balances due to clients and brokers	-	3,842	-	-	-	-	-	3,842
Other liabilities balances	-	142	11	646	-	6,390	384,803	391,992
Total liabilities	-	298,642	2,478	58,685	-	6,390	384,803	750,998
Net maturity mismatch	72,048	(13,723)	153,779	(52,737)	8,502	338,396	(284,786)	221,479

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

53. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(u) Liquidity risk (cont'd.)

Analysis of assets and liabilities by remaining contractual maturities

The table below summarises the contractual maturity profile of the Islamic banking operation's assets and liabilities as at 31 December 2023. The contractual maturity profile often may not reflect the actual behavioural patterns.

Group and Bank 2023	On demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non specific maturity RM'000	Total RM'000
Assets								
Cash and bank balances	16,287	276,100	50,000	-	-	-	-	342,387
Financial assets at FVTPL	-	-	-	-	-	-	100,000	100,000
Financial instruments at FVOCI	-	49,961	54,811	5,026	10,063	144,986	-	264,847
Financial instruments at AC	-	-	-	-	10,018	96,577	-	106,595
Financing and advances	81,024	834	-	-	-	57,513	-	139,371
Balances due from clients and brokers	-	2,009	-	-	-	-	-	2,009
Other assets	3,015	1,470	1,017	967	-	-	10	6,479
Others	-	-	-	-	-	-	12	12
Total assets	100,326	330,374	105,828	5,993	20,081	299,076	100,022	961,700
Liabilities								
Deposits from customers	-	234,097	50,191	17,289	40,000	-	-	341,577
Deposits and placements of banks and other financial institutions	-	10,000	-	-	-	-	-	10,000
Balances due to clients and brokers	-	5,489	-	-	-	-	-	5,489
Other liabilities balances	-	348	119	92	601	7,172	391,696	400,028
Total liabilities	-	249,934	50,310	17,381	40,601	7,172	391,696	757,094
Net maturity mismatch	100,326	80,440	55,518	(11,388)	(20,520)	291,904	(291,674)	204,606

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

54. DIRECTORS OF SUBSIDIARIES OF THE GROUP

The following is the list of Directors who served on the Boards of the subsidiaries of the Group since the beginning of the financial year to the date of the Directors' report:

No	Name of subsidiaries	Name of Directors
1	Kenanga Futures Sdn Bhd	Sree Kumar A/L C K Nayar Emmanuel, Dominique, Martial, Georges, Faure Azila Binti Abdul Aziz Vaithyanathan A/L Madavan Lem Siow Hui
2	Kenanga Nominees (Asing) Sdn Bhd	Datuk Lee Kok Khee Ng Yoke Mun Cheong Boon Kak Ruslan Bin Md Nor Vaithyanathan A/L Madavan Nuryasmin Lee Binti Abdullah (Retired on 1 April 2024)
3	Kenanga Nominees (Tempatan) Sdn Bhd	Datuk Lee Kok Khee Ng Yoke Mun Cheong Boon Kak Ruslan Bin Md Nor Vaithyanathan A/L Madavan Nuryasmin Lee Binti Abdullah (Retired on 1 April 2024)
4	Kenanga Private Equity Sdn Bhd	Datuk Chay Wai Leong Cheong Boon Kak Vaithyanathan A/L Madavan
5	ECML Berhad	Datuk Lee Kok Khee Vaithyanathan A/L Madavan
6	Kenanga Digital Sdn Bhd	Datuk Lee Kok Khee Cheong Boon Kak Ian Wyatt Lloyd Datuk Wira Ismitz Matthew De Alwis (Appointed on 7 January 2025) Sarah Lim Fern Chieh (Resigned on 3 July 2024)
7	Avenue Kestrel Sdn Bhd	Datuk Lee Kok Khee Vaithyanathan A/L Madavan
8	K & N Kenanga Holdings Berhad	Datuk Chay Wai Leong Datuk Roslan Bin Hj Tik Cheong Boon Kak

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

54. DIRECTORS OF SUBSIDIARIES OF THE GROUP (CONT'D.)

The following is the list of Directors who served on the Boards of the subsidiaries of the Group since the beginning of the financial year to the date of the Directors' report: (cont'd.)

No	Name of subsidiaries	Name of Directors
9	SSSB Management Services Sdn Bhd	Lem Siow Hui Vaithyanathan A/L Madavan
10	Kenanga Management & Services Sdn Bhd	Lem Siow Hui Vaithyanathan A/L Madavan
11	Kenanga Investors Berhad	Norazian Binti Ahmad Tajuddin Datuk Wira Ismitz Matthew De Alwis Luk Wai Hong, William Choy Khai Choon Norazilla Binti Md Tahir (Appointed on 2 January 2024) Imran Devindran Bin Abdullah (Retired on 30 May 2024)
12	Kenanga Islamic Investors Berhad	YM Tan Sri Dato' Paduka Tengku Noor Zakiah Binti Tengku Ismail Datuk Wira Ismitz Matthew De Alwis Megat Mizan Nicholas Denney (alternate to YM Tan Sri Dato' Paduka Tengku Noor Zakiah Binti Tengku Ismail) Norazian Binti Ahmad Tajuddin Raja Shahrul Azrain Bin Raja Aman (Appointed on 12 September 2024)
13	KUT Nominees (Tempatan) Sdn Bhd	Datuk Lee Kok Khee Datuk Wira Ismitz Matthew De Alwis
14	KUT Nominees (Asing) Sdn Bhd	Datuk Lee Kok Khee Datuk Wira Ismitz Matthew De Alwis
15	Kenanga Trustees Berhad	Datuk Wira Ismitz Matthew De Alwis Cheong Boon Kak Tan Ping Ying
16	Kenanga Capital Sdn Bhd	Datuk Roslan Bin Hj Tik Datuk Lee Kok Khee
17	EQ8 Capital Sdn Bhd (formerly known as i-VCAP Management Sdn Bhd)	Luk Wai Hong, William Datuk Wira Ismitz Matthew De Alwis Syed Umar Bin Abdul Rahman Alhadad Norazian Binti Ahmad Tajuddin Norazilla Binti Md Tahir (Appointed on 1 August 2024) Ong Soon Chong (Appointed on 4 March 2025) Imran Devindran Bin Abdullah (Retired on 30 May 2024)

55. EQUITY COMPENSATION BENEFITS

Kenanga Group's Employees' Share Scheme

The Bank has established and implemented an ESS for the employees of the Bank and its non-dormant subsidiary companies. The ESS consists of two types of awards in the form of ESOS and ESGP.

(1) ESOS

Under the ESOS award, the ESS Committee may, within the period of the Scheme and at its discretion, offer to the eligible employees a certain number of ESOS options to subscribe for the Bank's shares at the exercise prices subject to the applicable terms and conditions of the by-laws.

Subject to acceptance, the participants will be vested the options which can then be exercised within a period of three years, provided that all the vesting conditions are fulfilled.

Key features of the ESOS awards since the beginning of the scheme until the end of the current financial year are as follow:

First offer

Offer date	Vesting date	Number of options vested ('000)	Exercise price (RM)
2.1.2018	1.3.2018	2,218	0.575
2.1.2018	2.5.2019	13,320	0.575
2.1.2018	1.7.2020	12,231	0.575
2.1.2018	1.12.2020	224	0.575
2.1.2018	2.8.2021	16,560	0.575
2.1.2018	28.10.2021	300	0.575

Second offer

Offer date	Vesting date	Number of options vested ('000)	Exercise price (RM)
31.5.2018	2.5.2019	3,000	0.630
31.5.2018	1.7.2020	3,000	0.630
31.5.2018	2.8.2021	4,000	0.630

Third offer

Offer date	Vesting date	Number of options vested ('000)	Exercise price (RM)
2.5.2019	1.6.2019	386	0.605
2.5.2019	1.7.2020	1,404	0.605
2.5.2019	2.8.2021	1,325	0.605
2.5.2019	1.9.2022	1,272	0.605

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

55. EQUITY COMPENSATION BENEFITS (CONT'D.)

Kenanga Group's Employees' Share Scheme (cont'd.)

(1) ESOS (cont'd.)

Fourth offer

Offer date	Vesting date	Number of options vested ('000)	Exercise price (RM)
17.6.2019	1.7.2020	225	0.595
17.6.2019	2.8.2021	225	0.595

The remaining options of fourth offer were forfeited due to resignation.

Fifth offer

Offer date	Vesting date	Number of options vested ('000)	Exercise price (RM)
1.7.2020	1.8.2020	356	0.580
1.7.2020	2.8.2021	792	0.580
1.7.2020	1.9.2021	17	0.580
1.7.2020	1.9.2022	623	0.580
1.7.2020	1.11.2023	820	0.580

Sixth offer

Offer date	Vesting date	Number of options vested ('000)	Exercise price (RM)
2.8.2021	1.9.2021	308	1.370
2.8.2021	1.9.2022	818	1.370
2.8.2021	1.11.2023	550	1.370
2.8.2021	2.9.2024	672	1.370

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

55. EQUITY COMPENSATION BENEFITS (CONT'D.)

Kenanga Group's Employees' Share Scheme (cont'd.)

(1) ESOS (cont'd.)

Details of share options granted under ESOS:

Offer date	Vesting date	Number of options granted	Exercise price	Number of exercisable options	Exercise period
02.01.2018	01.03.2018	2,218,000	0.575	-	01.03.2018 - 28.02.2021
02.01.2018	02.05.2019	14,161,500	0.575	-	02.05.2019 - 01.05.2022
02.01.2018	01.07.2020	14,161,500	0.575	-	01.07.2020 - 30.06.2023
02.01.2018	01.12.2020	224,000	0.575	-	01.12.2020 - 31.05.2021
02.01.2018	02.08.2021	18,358,000	0.575	-	02.08.2021 - 01.08.2024
02.01.2018	28.10.2021	300,000	0.575	-	02.08.2021 - 01.08.2024
31.05.2018	02.05.2019	3,000,000	0.630	-	02.05.2019 - 01.05.2022
31.05.2018	01.07.2020	3,000,000	0.630	-	01.07.2020 - 30.06.2023
31.05.2018	02.08.2021	4,000,000	0.630	-	02.08.2021 - 01.08.2024
02.05.2019	01.06.2019	386,000	0.605	-	01.06.2019 - 31.05.2022
02.05.2019	01.07.2020	1,588,500	0.605	-	01.07.2020 - 30.06.2023
02.05.2019	02.08.2021	1,588,500	0.605	-	02.08.2021 - 01.08.2024
02.05.2019	01.09.2022	2,118,000	0.605	677,000	01.09.2022 - 31.08.2025
17.06.2019	01.07.2020	225,000	0.595	-	01.07.2020 - 30.06.2023
17.06.2019	02.08.2021	225,000	0.595	-	02.08.2021 - 01.08.2024
17.06.2019	N/A	300,000	0.595	N/A	N/A
01.07.2020	01.08.2020	356,000	0.580	-	01.08.2020 - 31.07.2023
01.07.2020	02.08.2021	870,000	0.580	-	02.08.2021 - 01.08.2024
01.07.2020	01.09.2021	16,500	0.580	-	01.09.2021 - 31.08.2024
01.07.2020	01.09.2022	886,500	0.580	178,000	01.09.2022 - 31.08.2025
01.07.2020	01.11.2023	1,182,000	0.580	452,000	01.11.2023 - 31.10.2026
02.08.2021	01.09.2021	308,000	1.370	-	01.09.2021 - 31.08.2024
02.08.2021	01.09.2022	1,281,000	1.370	462,000	01.09.2022 - 31.08.2025
02.08.2021	01.11.2023	1,281,000	1.370	513,000	01.11.2023 - 31.10.2026
02.08.2021	02.09.2024	1,708,000	1.370	632,000	02.09.2024 - 01.09.2027

Unvested.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

55. EQUITY COMPENSATION BENEFITS (CONT'D.)

Kenanga Group's Employees' Share Scheme (cont'd.)

(1) ESOS (cont'd.)

The following table illustrates the number and weighted average exercise price ("WAEP") of, and movement in, share options during the financial year:

ESOS First Offer

2024 Offer date	Opening	Movement during the financial year			Outstanding
	As at 1.1.2024	Granted	Exercised	Forfeited/ Cancelled	As at 31.12.2024
02.01.2018	3,356,000	-	3,116,000	240,000	-
WAEP (RM)	0.575	-	0.575	0.575	0.575

2023 Offer date	Opening	Movement during the financial year			Outstanding
	As at 1.1.2023	Granted	Exercised	Forfeited/ Cancelled	As at 31.12.2023
02.01.2018	3,603,500	-	110,000	137,500	3,356,000
WAEP (RM)	0.575	-	0.575	0.575	0.575

ESOS Second Offer

2024 Offer date	Opening	Movement during the financial year			Outstanding
	As at 1.1.2024	Granted	Exercised	Forfeited/ Cancelled	As at 31.12.2024
31.05.2018	4,000,000	-	1,000,000	3,000,000	-
WAEP (RM)	0.630	-	0.630	0.630	0.630

2023 Offer date	Opening	Movement during the financial year			Outstanding
	As at 1.1.2023	Granted	Exercised	Forfeited/ Cancelled	As at 31.12.2023
31.05.2018	7,000,000	-	1,000,000	2,000,000	4,000,000
WAEP (RM)	0.630	-	0.630	0.630	0.630

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

55. EQUITY COMPENSATION BENEFITS (CONT'D.)

Kenanga Group's Employees' Share Scheme (cont'd.)

(1) ESOS (cont'd.)

The following table illustrates the number and weighted average exercise price ("WAEP") of, and movement in, share options during the financial year: (cont'd.)

ESOS Third Offer

2024 Offer date	Opening	Movement during the financial year			Outstanding
	As at 1.1.2024	Granted	Exercised	Forfeited/ Cancelled	As at 31.12.2024
02.05.2019	860,000	-	148,500	34,500	677,000
WAEP (RM)	0.605	-	0.605	0.605	0.605

2023 Offer date	Opening	Movement during the financial year			Outstanding
	As at 1.1.2023	Granted	Exercised	Forfeited/ Cancelled	As at 31.12.2023
02.05.2019	1,258,500	-	356,500	42,000	860,000
WAEP (RM)	0.605	-	0.605	0.605	0.605

ESOS Fourth Offer

The offer was forfeited in 2021 due to resignation of staff.

ESOS Fifth Offer

2024 Offer date	Opening	Movement during the financial year			Outstanding
	As at 1.1.2024	Granted	Exercised	Forfeited/ Cancelled	As at 31.12.2024
01.07.2020	1,296,500	-	584,500	82,000	630,000
WAEP (RM)	0.580	-	0.580	0.580	0.580

2023 Offer date	Opening	Movement during the financial year			Outstanding
	As at 1.1.2023	Granted	Exercised	Forfeited/ Cancelled	As at 31.12.2023
01.07.2020	1,845,500	-	325,000	224,000	1,296,500
WAEP (RM)	0.580	-	0.580	0.580	0.580

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

55. EQUITY COMPENSATION BENEFITS (CONT'D.)

Kenanga Group's Employees' Share Scheme (cont'd.)

(1) ESOS (cont'd.)

The following table illustrates the number and weighted average exercise price ("WAEP") of, and movement in, share options during the financial year: (cont'd.)

ESOS Sixth Offer

2024 Offer date	Opening	Movement during the financial year			Outstanding
	As at 1.1.2024	Granted	Exercised	Forfeited/ Cancelled	As at 31.12.2024
02.08.2021	2,041,000	-	6,000	428,000	1,607,000
WAEP (RM)	1.370	-	1.370	1.370	1.370

2023 Offer date	Opening	Movement during the financial year			Outstanding
	As at 1.1.2023	Granted	Exercised	Forfeited/ Cancelled	As at 31.12.2023
02.08.2021	3,002,500	-	-	961,500	2,041,000
WAEP (RM)	1.370	-	-	1.370	1.370

The fair values of share options granted were estimated using the Binomial Option Pricing Model, taking into account the terms and conditions upon which the options are granted. The fair values of share options and the key inputs for share options valuation are as follows:

ESOS First Offer

	Tranches of vesting:			
	First tranche	Second tranche	Third tranche	Fourth tranche
Fair value of share options (RM)	0.0856	0.0963	0.1047	0.1111
Share price at offer date (RM)	0.550	0.550	0.550	0.550
Exercise price (RM)	0.575	0.575	0.575	0.575
Expected volatility (%)	26.92%	26.92%	26.92%	26.92%
Risk free rate (%)	3.688%	3.688%	3.688%	3.688%
Expected dividend yield (%)	4.00%	4.00%	4.00%	4.00%

The exercise period is 3 years from vesting date.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

55. EQUITY COMPENSATION BENEFITS (CONT'D.)

Kenanga Group's Employees' Share Scheme (cont'd.)

(1) ESOS (cont'd.)

ESOS Second Offer

	Tranches of vesting:		
	First tranche	Second tranche	Third tranche
Fair value of share options (RM)	0.1030	0.1140	0.1220
Share price at offer date (RM)	0.595	0.595	0.595
Exercise price (RM)	0.630	0.630	0.630
Expected volatility (%)	28.07%	28.07%	28.07%
Risk free rate (%)	3.883%	3.883%	3.883%
Expected dividend yield (%)	4.00%	4.00%	4.00%

The exercise period is 3 years from vesting date.

ESOS Third Offer

	Tranches of vesting:			
	First tranche	Second tranche	Third tranche	Fourth tranche
Fair value of share options (RM)	0.1103	0.1251	0.1404	0.1535
Share price at offer date (RM)	0.580	0.580	0.580	0.580
Exercise price (RM)	0.605	0.605	0.605	0.605
Expected volatility (%)	28.10%	28.10%	28.10%	28.10%
Risk free rate (%)	3.610%	3.610%	3.610%	3.610%
Expected dividend yield (%)	1.80%	1.80%	1.80%	1.80%

The exercise period is 3 years from vesting date.

ESOS Fourth Offer

	Tranches of vesting:		
	First tranche	Second tranche	Third tranche
Fair value of share options (RM)	0.1188	0.1338	0.1467
Share price at offer date (RM)	0.570	0.570	0.570
Exercise price (RM)	0.595	0.595	0.595
Expected volatility (%)	27.90%	27.90%	27.90%
Risk free rate (%)	3.460%	3.460%	3.460%
Expected dividend yield (%)	1.80%	1.80%	1.80%

The exercise period is 3 years from vesting date.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

55. EQUITY COMPENSATION BENEFITS (CONT'D.)

Kenanga Group's Employees' Share Scheme (cont'd.)

(1) ESOS (cont'd.)

ESOS Fifth Offer

	Tranches of vesting:			
	First tranche	Second tranche	Third tranche	Fourth tranche
Fair value of share options (RM)	0.0981	0.102	0.1046	0.1038
Share price at offer date (RM)	0.550	0.550	0.550	0.550
Exercise price (RM)	0.580	0.580	0.580	0.580
Expected volatility (%)	29.450%	29.450%	29.450%	29.450%
Risk free rate (%)	2.480%	2.480%	2.480%	2.480%
Expected dividend yield (%)	7.220%	7.220%	7.220%	7.220%

The exercise period is 3 years from vesting date.

ESOS Sixth Offer

	Tranches of vesting:			
	First tranche	Second tranche	Third tranche	Fourth tranche
Fair value of share options (RM)	0.2105	0.2244	0.2259	0.2205
Share price at offer date (RM)	1.270	1.270	1.270	1.270
Exercise price (RM)	1.370	1.370	1.370	1.370
Expected volatility (%)	35.713%	35.713%	35.713%	35.713%
Risk free rate (%)	2.500%	2.500%	2.500%	2.500%
Expected dividend yield (%)	9.263%	9.263%	9.263%	9.263%

The exercise period is 3 years from vesting date.

(2) ESGP

Under the ESGP award, the ESS Committee may, within the period of the Scheme and at its discretion, grant to the eligible employees an ESGP awards, in the form of Restricted Share Plan ("RSP") and/or Performance Share Plan ("PSP").

Subject to acceptance, the awards will be vested to the grantees at no consideration, provided all the vesting conditions as determined by the ESS Committee are fulfilled, in accordance with the terms of the by-laws and taking into account the objectives of the RSP and the PSP as stipulated.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

55. EQUITY COMPENSATION BENEFITS (CONT'D.)

Kenanga Group's Employees' Share Scheme (cont'd.)

(2) ESGP (cont'd.)

Key features of the RSP and PSP awards are as follow:

(a) RSP

The RSP is a restricted share incentive plan, in recognition of the loyalty and individual contributions of the eligible employees towards the development, growth and success of the Group.

The vesting conditions are stipulated and determined by the ESS Committee, which may include, amongst others, the achievement of individual performance as measured by both qualitative and quantitative key performance indicators ("KPIs"), during such period as stipulated in the ESGP award.

(b) PSP

The PSP is a performance share plan in recognition of the contribution of the eligible employees as drivers of the growth and performance of the Group.

The PSP is intended to promote the alignment in the strategic achievements of the Group with that of the eligible employees to drive the creation of shareholders' value and the growth of long term financial performance of the Group.

The vesting conditions are stipulated and determined by the ESS Committee, which may include, amongst others, the achievement of relevant service objectives and specific performance targets as measured by both qualitative and quantitative KPIs, during such period as stipulated in the ESGP award.

On 2 January 2018, 3,612,735 units of share grant were allocated under PSP and on 3 May 2021, 3,610,000 units of shares were awarded to eligible Senior Management of the Group and of the Bank.

Details of share options awarded under PSP:

Award date	Number of PSP share awarded	Vesting date
03.05.2021	3,610,000	02.06.2021

PSP Grantee is restricted from selling or transferring the shares issued to him or her for a period of one year from the award date.

56. SIGNIFICANT AND SUBSEQUENT EVENTS

- (a) There was no significant event during the financial year ended 31 December 2024 other than the following:

Changes in composition of the Group

- (i) On 6 September 2024, the Bank and Rakuten Securities Holdings, Inc. had each disposed 2,500,000 shares in Rakuten Trade Singapore Pte. Ltd. to Rakuten Trade Sdn Bhd for a total consideration of RM11,411,970, via the issuance of 20,021,000 new ordinary shares of Rakuten Trade Sdn Bhd. Upon completion of the disposal on 6 September 2024, Rakuten Trade Singapore Pte. Ltd. has become a wholly-owned subsidiary of Rakuten Trade Sdn Bhd. Arising therefrom, the issued and paid-up share capital of Rakuten Trade Sdn Bhd had increased from 80,000,000 ordinary shares (RM80,000,000) to 100,021,000 ordinary shares (RM91,411,970).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

56. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

- (a) There was no significant event during the financial year ended 31 December 2024 other than the following: (cont'd.)

Changes in composition of the Group (cont'd.)

The detail of the disposal of Rakuten Trade Singapore Pte. Ltd. is as follow:

	Group RM'000	Bank RM'000
Sales proceeds	5,706	5,706
Less: Net assets	(8,066)	(8,066)
Add: Share of result of joint venture	2,839	-
Net gain/(loss) on disposal (Note 33(c))	479	(2,360)

- (ii) On 19 May 2021, the Bank had completed its subscription of 1,467,137 ordinary shares, representing approximately 19.0% of the ordinary shares in Tokenize Technology (M) Sdn Bhd ("Tokenize") via the private equity fund managed by the Bank's subsidiary, Kenanga Private Equity Sdn Bhd ("KPE").

Subsequently, on 7 October 2024 and 9 December 2024, the Bank had completed the subscriptions of 6,604,814 Redeemable Convertible Preference Shares ("RCPS"), representing 66% of the total issued RCPS of Tokenize. In view of the additional rights granted to KPE arising from the subscription of RCPS which KIBB has significant influence, Tokenize is deemed as an associate company of KIBB.

- (b) There was no significant event subsequent to the financial year ended 31 December 2024.

57. COMPARATIVES

The Group and the Bank have represented the comparative figures in prior year due to reclassification of ECL on undrawn loans to be in accordance with the current year presentation.

	31 December 2023 RM'000	Reclassification RM'000	31 December 2023 (restated) RM'000
Group			
Loans, advances and financing	1,700,962	42	1,701,004
Other liabilities	430,465	42	430,507
Bank			
Loans, advances and financing	1,726,647	81	1,726,728
Other liabilities	262,046	81	262,127
Operations of Islamic banking: Group and Bank			
Financing and advances	139,371	93	139,464
Other liabilities	392,461	93	392,554

ANALYSIS OF SHAREHOLDINGS

AS AT 4 APRIL 2025

SHARE CAPITAL

Total Number of Issued Shares : 735,762,599 Ordinary Shares (including 6,428,300 Treasury Shares)

Class of Shares : Ordinary shares

Voting Rights : One (1) Vote per Ordinary Share

Size of Holding	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
Less than 100	6,954	29.58	176,988	0.02
100 to 1,000	5,003	21.28	2,297,293	0.32
1,001 to 10,000	9,152	38.93	32,142,334	4.41
10,001 to 100,000	2,066	8.79	63,354,001	8.69
100,001 to Less Than 5% of Issued Shares	332	1.41	425,520,683	58.34
5% and Above of Issued Shares	2	0.01	205,843,000	28.22
TOTAL	23,509	100.00	729,334,299⁽¹⁾	100.00

⁽¹⁾ Excluding 6,428,300 Treasury Shares retained by the Company as at 4 April 2025.

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

AS AT 4 APRIL 2025

NO.	NAME	HOLDINGS	%
1	Cahaya Mata Capital Sdn Bhd	136,823,000	18.76
2	Kenanga Trustees Berhad Tengku Noor Zakiah Family Trust	69,020,000	9.46
3	Pui Cheng Wui	35,979,300	4.93
4	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Tokai Tokyo Securities Co., Ltd.	34,514,799	4.73
5	Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail	31,949,770	4.38
6	Abdul Aziz Bin Hashim	29,753,712	4.08
7	Aiza Binti Abdul Aziz	24,798,856	3.40
8	Infotech Mark Sdn Bhd	20,000,040	2.74
9	Lim Kuan Gin	14,209,316	1.95
10	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Eastspring Investmentssmall-Cap Fund	10,085,700	1.38
11	Koon Poh Keong	9,195,000	1.26
12	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teoh Ewe Jin	8,270,000	1.13
13	Datuk Chay Wai Leong	7,820,000	1.07
14	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Bank Julius Baer & Co. Ltd. (Singapore Bch)	7,041,839	0.97
15	Ladies' Own Sdn Bhd	6,800,000	0.93
16	Keong Si Hark	6,300,000	0.86
17	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Redtone Digital Berhad	5,850,000	0.80
18	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for UBS AG Singapore (Foreign)	5,806,700	0.80
19	Lim Pei Tiam @ Liam Ahat Kiat	5,600,000	0.77
20	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Exempt AN for Berjaya Mutual Berhad	5,595,000	0.77
21	Hwang Enterprises Sdn Bhd	5,550,000	0.76
22	HSBC Nominees (Asing) Sdn Bhd Exempt AN for The Hongkong And Shanghai Banking Corporation Limited	5,320,000	0.73
23	LTK (Melaka) Sdn Bhd	4,384,200	0.60
24	Vibrant Model Sdn Bhd	4,000,000	0.55
25	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Eastspringesg)	3,965,300	0.54
26	Zenxin Agriculture Sdn Bhd	3,800,000	0.52
27	CIMSEC Nominees (Asing) Sdn Bhd CIMB for Ng Koh Lip (PB)	2,975,000	0.41
28	Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	2,821,700	0.39
29	Khor Keng Saw @ Khaw Ah Soay	2,090,900	0.29
30	Datuk Lee Kok Khee	2,030,000	0.28
	TOTAL	512,350,132	70.25

SUBSTANTIAL SHAREHOLDERS', DIRECTORS' AND GROUP MANAGING DIRECTOR'S INTEREST IN SECURITIES

AS AT 4 APRIL 2025

Substantial Shareholders' Interest in Shares

Name of Substantial Shareholders	No. of Ordinary Shares			
	Direct Interest	Percentage (%)	Indirect Interest	Percentage (%)
Cahaya Mata Capital Sdn Bhd	136,823,000	18.76	-	-
Cahaya Mata Sarawak Berhad	-	-	136,823,000 ⁽¹⁾	18.76
Kenanga Trustees Berhad - Tengku Noor Zakiah Family Trust	69,020,000	9.46	-	-

⁽¹⁾ Deemed interest pursuant to Section 8(4) of the Companies Act 2016 by virtue of shares held by Cahya Mata Capital Sdn Bhd.**Directors' Shareholdings**

Name of Directors	No. of Ordinary Shares			
	Direct Interest	Percentage (%)	Indirect Interest	Percentage (%)
Norazian Ahmad Tajuddin	10,000	*	-	-
Kanagaraj Lorenz	388,000	0.05	-	-

* Negligible

Group Managing Director's Interest in Securities⁽¹⁾

Name	No. of Ordinary Shares				No. of Options Held under the Employees' Share Option Scheme
	Direct Interest	Percentage (%)	Indirect Interest	Percentage (%)	
Datuk Chay Wai Leong ⁽²⁾	7,820,000	1.07	-	-	-

⁽¹⁾ Securities cover shares and options⁽²⁾ Datuk Chay Wai Leong is not a Director of the Company

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-First (51st) Annual General Meeting (“**51st AGM**”) of Kenanga Investment Bank Berhad (“**the Company**” or “**KIBB**”) will be held at the Grand Ballroom, InterContinental Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Thursday, 29 May 2025 at 11.00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the Financial Year Ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.
2. To elect Ms. Angeline-Ong Su Ming who retires in accordance with Clause 84 of the Company’s Constitution and who, being eligible, offers herself for election.
3. To re-elect the following Directors who retire by rotation in accordance with Clause 78 of the Company’s Constitution and who, being eligible, offer themselves for re-election:
 - 3.1 Encik Jeremy Nasrulhaq
 - 3.2 Puan Norazian Ahmad Tajuddin
 - 3.3 Mr. Choy Khai Choon
4. To approve the payment of the Non-Executive Directors’ fees totalling RM3,165,655.74 in respect of the Financial Year Ended 31 December 2024.
5. To approve the payment of benefits payable to Non-Executive Directors of up to an amount of RM1,300,000.00 for the period from 30 May 2025 until the next AGM of the Company in 2026.
6. To re-appoint Ernst & Young PLT as Auditors of the Company for the Financial Year Ending 31 December 2025 and to authorise the Board of Directors to determine their remuneration.

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3

Ordinary Resolution 4

Ordinary Resolution 5

Ordinary Resolution 6

Ordinary Resolution 7

AS SPECIAL BUSINESS

7. Authority to Directors to Issue Shares

Ordinary Resolution 8

To consider, and if thought fit, to pass the following Ordinary Resolution:

“**THAT** subject always to the Companies Act 2016, the Company’s Constitution and approvals of the relevant governmental and/ or regulatory authorities, the Board of Directors be and is hereby authorised pursuant to Section 75 and Section 76 of the Companies Act 2016, to issue shares in the Company at any time to such persons and upon such terms and conditions and for such purposes as the Board of Directors may, in its absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and the Board of Directors be and is also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued **AND THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

8. Proposed Renewal of Share Buy-Back Authority

Ordinary Resolution 9

To consider, and if thought fit, to pass the following Ordinary Resolution:

“**THAT** subject to the provisions of the Companies Act 2016, the Company’s Constitution, Bursa Malaysia Securities Berhad’s Main Market Listing Requirements and the approvals of all relevant governmental and/ or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of the Company (“**Proposed Renewal of Share Buy-Back Authority**”) as may be determined by the Board of Directors of the Company from time to time through Bursa Malaysia Securities Berhad, upon such terms and conditions as the Board of Directors may deem fit in the interest of the Company, provided that –

- a. the aggregate number of shares to be purchased pursuant to this Ordinary Resolution does not exceed ten percent (10%) of the total number of issued shares for the time being of the Company and in compliance with the public security holding spread requirements as stipulated in Paragraph 8.02(1) of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements or other requirements as may be determined by Bursa Malaysia Securities Berhad from time to time;
- b. the maximum funds to be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority shall not exceed the Company’s latest audited retained profits of RM628,109,164.51 as at 31 December 2024;
- c. the authority conferred by this Ordinary Resolution shall commence immediately upon the passing of this Ordinary Resolution and shall continue to be in force until –
 - i. the conclusion of the next AGM of the Company at which time it will lapse, unless by Ordinary Resolution passed at the AGM, the authority is renewed either unconditionally or subject to conditions; or
 - ii. the expiration of the period within which the next AGM after that date is required by law to be held; or
 - iii. revoked or varied by Ordinary Resolution passed by the Shareholders of the Company in a general meeting,

whichever occurs first; but not so as to prejudice the completion of the purchase of its own shares by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements or any other relevant authorities;

NOTICE OF ANNUAL GENERAL MEETING

- d. upon the purchase by the Company of its own shares, the Board of Directors be and is hereby authorised to –
- i. cancel the shares so purchased;
 - ii. retain part of the shares so purchased as Treasury Shares and cancel the remainder;
 - iii. retain the shares so purchased as Treasury Shares;
 - iv. distribute the Treasury Shares as share dividends to Shareholders;
 - v. resell the Treasury Shares or any of the said shares in accordance with Bursa Malaysia Securities Berhad's Main Market Listing Requirements;
 - vi. transfer the Treasury Shares, or any of the said shares for the purposes of or under an employees' share scheme;
 - vii. transfer the Treasury Shares, or any of the said shares as purchase consideration;
 - viii. cancel the Treasury Shares or any of the said shares; or
 - ix. sell, transfer or otherwise use the Treasury Shares for such other purposes as the Minister of Domestic Trade and Cost of Living may by order prescribe;

AND THAT the Board of Directors of the Company be and is hereby authorised to take all steps as are necessary or expedient to implement or to effect the Proposed Renewal of Share Buy-Back Authority with full power to assent to any condition, modification, variation and/ or amendment as may be imposed by the relevant authorities and to take all such steps as may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto.”

9. To transact any other business of the Company for which due notice shall have been received in accordance with the Companies Act 2016.

BY ORDER OF THE BOARD**NORLIZA ABD SAMAD**

CCM PC No.: 201908002139

MAICSA 7011089

Group Company Secretary

Kuala Lumpur

30 April 2025

Notes:**1. Proxy**

- 1.1 For the purpose of determining a member who shall be entitled to attend this 51st AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 60 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 22 May 2025. Only a member whose name appears in the Record of Depositors as at 22 May 2025 shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend and/ or vote on his/ her behalf.

NOTICE OF ANNUAL GENERAL MEETING

- 1.2 A member of the Company entitled to attend, participate, speak and vote at this AGM is entitled to appoint up to two (2) proxies to attend, participate, speak and vote in his/ her place. There shall be no restriction as to the qualification of the proxy.
- 1.3 A member who is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- 1.4 Where a member is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**Omnibus Account**”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
- 1.5 Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/ she specifies the proportion of his/ her shareholdings to be represented by each proxy.
- 1.6 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/ her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised. Any alteration to the instrument appointing a proxy must be initialled.
- 1.7 Duly completed Proxy Form must be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not later than **Wednesday, 28 May 2025 at 11.00 a.m.**
- 1.8 Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 51st AGM will be put to vote on a poll.

2. Audited Financial Statements for the Financial Year Ended 31 December 2024

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require Shareholders' approval and hence, will not be put to vote.

3. Ordinary Resolution 1 - Election of Director Who Retires in Accordance with Clause 84 of the Company's Constitution

Clause 84 of the Constitution provides amongst others that the Board of Directors (“**Board**”) shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director to the existing Board and any Director so appointed shall hold office only until the next AGM and shall then be eligible for election.

Accordingly, Ms. Angeline-Ong Su Ming who was appointed as an Independent Non-Executive Director of the Company on 4 June 2024, shall hold office until the 51st AGM and shall then be eligible for election pursuant to Clause 84 of the Company's Constitution.

For the purpose of determining the eligibility of Ms. Angeline-Ong Su Ming to stand for election at the 51st AGM, the Board through its Group Governance, Nomination & Compensation Committee (“**GNC**”) had gone through the assessment process as mentioned under Paragraph 4 below.

The profile of Ms. Angeline-Ong Su Ming can be found in the 2024 Integrated Annual Report of the Company.

4. Ordinary Resolutions 2 to 4 - Re-Elections of Directors Who Retire in Accordance with Clause 78 of the Company's Constitution

Clause 78 of the Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company. Pursuant thereto, three (3) Non-Executive Directors of the Company, namely Encik Jeremy Nasrulhaq (Senior Independent Non-Executive Director), Puan Norazian Ahmad Tajuddin (Independent Non-Executive Director) and Mr. Choy Khai Choon (Non-Independent Non-Executive Director), shall retire in accordance with Clause 78 of the Company's Constitution.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 51st AGM, the Board through its GNC had assessed each of the retiring Directors, and considered the following:

- a. The Directors' performance and contribution based on the outcome of the performance evaluation conducted on the Board, Board Committees and Individual Directors;
- b. The Director's level of contribution to the Board's deliberations through their skills, experience and strength in qualities;

NOTICE OF ANNUAL GENERAL MEETING

- c. The level of independence demonstrated by the Directors, and their ability to act in the best interests of the Company in decision-making; and
- d. The Directors' fitness and propriety in line with the fit and proper criteria as stated under Clause 6.1.5 of the Board Succession Planning Framework for Kenanga Group.

In line with Practice 6.1 of the Malaysian Code on Corporate Governance, the Board had conducted an assessment of the Directors of the Company based on the relevant performance criteria covering the following areas:

- a. Knowledge, expertise and leadership;
- b. Financial integrity and reputation;
- c. Will and ability to critically challenge and ask the right questions;
- d. Character in dealing with potential conflict of interest situations;
- e. Commitment to serve the Company, due diligence and honesty;
- f. Confidence to stand up for a point of view;
- g. Fitness and propriety;
- h. Calibre and personality;
- i. Board dynamics and participation;
- j. Competency and capability;
- k. Independence and objectivity; and
- l. Contribution and performance.

Based on the results of the evaluation, the individual Directors (including the retiring Directors) met the performance criteria required of an effective and a high-performance Board.

Based on the Declaration of Fit and Proper provided by the Directors in December 2024, the GNC and the Board had concluded that all the Directors of the Company had fulfilled all the criteria of fit and proper, without any adverse findings observed.

In view of the above, the GNC, based on its assessment at its meeting on 21 January 2025, had recommended the re-elections of the aforementioned Directors who are retiring by rotation under Clause 78 of the Company's Constitution, to be put forth to the Shareholders for approval at this AGM. The GNC's recommendation was approved by the Board on 27 January 2025.

The four (4) retiring Directors (including Ms. Angeline-Ong Su Ming as mentioned under Paragraph 3 above) had abstained from deliberation and decision-making on their respective eligibility to stand for election/ re-election at the GNC and Board meetings, respectively.

The profiles of Encik Jeremy Nasrulhaq, Puan Norazian Ahmad Tajuddin and Mr. Choy Khai Choon can be found in the 2024 Integrated Annual Report of the Company.

5. Directors' Remuneration

Section 230(1) of the Companies Act 2016 provides amongst others, that "the fees" of the Directors and "any benefits" payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, the Board has agreed that the Shareholders' approval shall be sought at the 51st AGM on the Directors' remuneration in two (2) separate resolutions as follows:

- a. **Ordinary Resolution 5** on payment of Directors' fees in respect of the Financial Year Ended 31 December 2024; and
- b. **Ordinary Resolution 6** on payment of Directors' benefits for the period from 30 May 2025 to the next AGM of the Company in 2026 ("Current Period").

NOTICE OF ANNUAL GENERAL MEETING

6. Directors' Fees

The payment of the fees to the Non-Executive Chairman and Non-Executive Directors ("NEDs") in respect of the Financial Year Ended 31 December 2024 will only be made if the proposed **Ordinary Resolution 5** is passed at the 51st AGM pursuant to Section 230(1)(b) of the Companies Act 2016.

The fees payable to the Non-Executive Chairman and NEDs are based on the following fee structure which has not changed since the Financial Year Ended 31 December 2020, except for the increase in the fee of the Chairman of the Audit Committee ("AC") from RM40,000 per annum to RM60,000 per annum given the onerous responsibility tasked upon the Chairman of the AC, should there be any regulatory findings pertaining to irregularities in financial reporting and/ or inadequacy of internal controls within KIBB Group:

Fee	Financial Year Ended 31 December 2024
Chairman of the Board	RM520,000 ⁽¹⁾
Director	RM270,000
Chairman of AC	RM60,000
Chairman of GNC/ Group Board Risk Committee ("GBRC")/ Group Board Digital Innovation & Technology Committee ("GBDITC")	RM40,000
Member of AC/ GNC/ GBRC/ GBDITC	RM30,000

⁽¹⁾ Including RM40,000 in lieu of Club Membership.

7. Benefits Payable to the NEDs

- a. The benefits payable to the NEDs comprise the allowances and other emoluments payable to the Chairman and members of the Board of the Company and its subsidiaries, as well as the Board Committees.
- b. The current Directors' benefit framework of the Company is as set out below.

Benefits

Description	Chairman	Board Members
Benefits (applicable to the Company only)	Leave Passage, Driver, Car, Medical Benefits and Other Claimable Benefits	Medical Benefits

Meeting Allowance

Type of Meeting	Chairman (per meeting)	NED/ Member (per meeting)
Board Meeting	RM2,000	RM2,000
General Meeting	RM2,000	RM2,000
Board Committee Meeting	RM2,000	RM2,000

- c. Payment of the benefits to the NEDs of the Company and its subsidiaries is made on a monthly basis and/ or when incurred if the proposed **Ordinary Resolution 6** is passed at the 51st AGM. The Board is of the view that it is just and equitable for the NEDs to be paid the Directors' Remuneration (excluding Directors' fees) on a monthly basis and/ or as and when incurred, particularly after discharging their responsibilities and rendering their services to the Company and its subsidiaries throughout the Current Period.

NOTICE OF ANNUAL GENERAL MEETING

8. Ordinary Resolution 7 - Re-Appointment of Auditors

The AC, at its meeting held on 23 January 2025, had undertaken an annual assessment of the performance and independence of the External Auditors, Ernst & Young PLT in accordance with Section 67(1) of the Financial Services Act 2013 and Section 76(1) of the Islamic Financial Services Act 2013.

Based on its assessment, the AC had recommended to the Board for approval, the re-appointment of Ernst & Young PLT as the Company's External Auditors, given that Ernst & Young PLT had fulfilled all the qualifications set out in Bank Negara Malaysia's Policy Document on External Auditor in terms of its performance and independence.

The assessment conducted had taken into consideration the following factors:

- a. Level of knowledge, capabilities, experience and quality of previous work;
- b. Level of engagement with the AC/ Board;
- c. Ability to provide constructive observations, implications and recommendations in areas which require improvements;
- d. Appropriateness of audit approach and the effectiveness of audit planning;
- e. Ability to perform the audit work within the agreed duration given;
- f. Non-audit services rendered by the External Auditors to KIBB Group did not impede independence; and
- g. Ability of the External Auditors to demonstrate unbiased stance when interpreting the standards/ policies adopted by the Company.

The Board had also noted that the AC when assessing the proposal on Ernst & Young PLT's re-appointment, had also taken into consideration Ernst & Young PLT's 2024 Transparency Report, outlining the audit firm's legal and governance structures, measures to uphold audit quality and manage risks, as well as measurements of audit quality indicators.

In terms of its independence, Ernst & Young PLT had confirmed that it was independent of KIBB Group and KIBB in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Code of Ethics for Professional Accountants (including International Independence Standards).

Based on the assessment, the Board had concurred with the AC's recommendation and concluded that Ernst & Young PLT had fulfilled all the qualification criteria set out in Bank Negara Malaysia's Policy on External Auditor in terms of its performance and independence and further recommended the proposed re-appointment of Ernst & Young PLT as KIBB Group's External Auditors to the Shareholders for approval at the 51st AGM, subject to the approval from Bank Negara Malaysia.

Subsequent to the above, Bank Negara Malaysia had on 15 April 2025, granted its approval for the re-appointment of Ernst & Young PLT as KIBB's External Auditors, the appointment of Mr. Chan Hooi Lam as the Engagement Partner and the appointment of Dato' Abdul Rauf Rashid as the Concurring Partner for the Financial Year Ending 31 December 2025.

NOTICE OF ANNUAL GENERAL MEETING

9. Special Business**9.1 Ordinary Resolution 8 - Authority to Directors to Issue Shares**

The proposed **Ordinary Resolution 8** is a renewal of the general mandate pursuant to Section 75 and Section 76 of the Companies Act 2016 obtained from the Shareholders of the Company at the previous AGM held on 30 May 2024 and, if passed, will give powers to the Board to issue ordinary shares in the share capital of the Company up to an aggregate amount not exceeding ten percent (10%) of the total number of issued shares of the Company for the time being. This general mandate, unless revoked or varied at a general meeting, will expire at the next AGM.

The general mandate from the Shareholders is to provide the Company the flexibility to undertake any share issuance during the financial year without having to convene a general meeting. The rationale for this proposed mandate is to allow for possible share issue and/ or fund raising exercises including placement of shares for the purpose of funding current and/ or future investment project, working capital and/ or acquisitions, as well as in the event of any strategic opportunities involving equity deals which may require the Company to allot and issue new shares on urgent basis and thereby reducing the administrative time and costs associated with the convening of additional shareholders' meeting(s). In any event, the exercise of the mandate is only to be undertaken if the Board considers it to be in the best interest of the Company.

The general mandate obtained from the Shareholders of the Company at the previous AGM held on 30 May 2024 had not been utilised and hence, no proceed was raised therefrom.

9.2 Ordinary Resolution 9 - Proposed Renewal of Share Buy-Back Authority

The proposed **Ordinary Resolution 9**, if passed, will empower the Board to allocate an amount not exceeding the retained profits of the Company for the purpose of and to purchase such amount of ordinary shares in the Company from time to time on the market of Bursa Malaysia Securities Berhad upon such terms and conditions as the Board may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this Ordinary Resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being.

The Shareholders' mandate for the Proposed Renewal of Share Buy-Back Authority is subject to renewal on an annual basis.

Further information on the Proposed Renewal of Share Buy-Back Authority is set out in the Share Buy-Back Statement dated 30 April 2025 which is despatched together with the Notice of the 51st AGM.

10. Poll Voting

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.

11. Publication of AGM Notice on the Company's Website

Pursuant to Section 320 of the Companies Act 2016, the Notice of the Company's 51st AGM is also available on the Company's website at <https://www.kenanga.com.my/investor-relations/AGM2025> throughout the period beginning from the date of this Notice until the conclusion of the 51st AGM.

STATEMENT ACCOMPANYING NOTICE OF FIFTY-FIRST (51ST) ANNUAL GENERAL MEETING (“51ST AGM”)

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of Individual Who is Standing for Election as Director

The profile of Ms. Angeline-Ong Su Ming, who is standing for election as Director at the 51st AGM of the Company as per Agenda 2 of the Notice of the 51st AGM, can be found in the 2024 Integrated Annual Report of the Company.

2. Details of Individuals Who are Standing for Re-Election as Directors

The profiles of Encik Jeremy Nasrulhaq, Puan Norazian Ahmad Tajuddin and Mr. Choy Khai Choon, who are standing for re-election as Directors at the 51st AGM of the Company as per Agenda 3 of the Notice of the 51st AGM, can be found in the 2024 Integrated Annual Report of the Company.

3. Ordinary Resolution on Authority to Issue and Allot New Ordinary Shares in the Company

The proposed Ordinary Resolution 8 on the general mandate for issuance of shares is a renewal mandate. As at the date of the Notice of the 51st AGM, no new shares were issued pursuant to the general mandate granted to the Directors at the last AGM held on 30 May 2024.

Details on the authority to issue shares pursuant to Section 75 and Section 76 of the Companies Act 2016 are provided under the Explanatory Notes on Special Business in this Notice.

CORPORATE DIRECTORY

EQUITY BROKING BRANCHES

KUALA LUMPUR

Kenanga Investment Bank Berhad (“KIBB Main”)

Kuala Lumpur
Level 15, Kenanga Tower,
237, Jalan Tun Razak,
50400 Kuala Lumpur, Wilayah Persekutuan
T : +603 2172 2888
F : +603 2172 2999

KIBB Damansara Heights

1st Floor, West Wing, Bangunan ECM Libra,
8, Jalan Damansara Endah,
Damansara Heights,
50490 Kuala Lumpur, Wilayah Persekutuan
T : +603 2089 2888
F : +603 2089 2801

SELANGOR

KIBB Bandar Baru Klang

35, Ground Floor & 1st Floor,
Jalan Tiara 3, Bandar Baru Klang,
41150 Klang, Selangor
T : +603 3348 8080
F : +603 3348 8880

KIBB The Curve

Lot 240, 2nd Floor,
No. 6, Jalan PJU 7/3,
The Curve, Mutiara Damansara,
47800 Petaling Jaya, Selangor
T : +603 7725 9095
F : +603 7725 9079

KIBB Subang Jaya

Level 1, East Wing, Wisma Consplant 2,
No. 7, Jalan SS16/1,
47500 Subang Jaya, Selangor
T : +603 5621 2118
F : +603 5621 1748

PENANG

KIBB Penang - Menara Boustead

7th, 8th & 16th Floor,
Menara Boustead Penang,
39, Jalan Sultan Ahmad Shah,
10050 Penang
T : +604 228 3355
F : +604 227 9634

PERAK

KIBB Ipoh

1st & 2nd Floor,
63, Persiaran Greenhill,
30450 Ipoh, Perak
T : +605 242 2828
F : +605 242 2323

MELAKA

KIBB Bandar Melaka

71 (A & B) and 73 (A & B), Jalan Merdeka,
Taman Melaka Raya,
75000 Melaka
T : +606 288 1700
F : +606 288 1710

NEGERI SEMBILAN

KIBB Seremban

1C & 1D, Ground Floor & 1st Floor,
Jalan Tuanku Munawir,
70000 Seremban, Negeri Sembilan
T : +606 765 5998
F : +606 765 5739

CORPORATE DIRECTORY

CORPORATE DIRECTORY

EQUITY BROKING BRANCHES

JOHOR

KIBB Johor Bahru - Menara Pelangi

Level 2, Menara Pelangi,
Jalan Kuning, Taman Pelangi,
80400 Johor Bahru, Johor
T : +607 333 3600
F : +607 334 3770

KIBB Muar - Jalan Ali

57, 59 & 61,
Jalan Ali,
84000 Muar, Johor
T : +606 953 1222
F : +606 951 6660

KIBB Skudai

117 (Ground Floor)
Jalan Sutera Tanjung 8/2
Taman Sutera Utama
81300 Skudai, Johor
T : +607 562 5117
F : +607 562 5117

KIBB Batu Pahat

24, 24A & 24B, Jalan Penjaja 3,
Kim Park Centre,
83000 Batu Pahat, Johor
T : +607 432 8188
F : +607 432 3388

PAHANG

KIBB Kuantan

A15, A17 & A19, Ground Floor,
Jalan Tun Ismail 2, Sri Dagangan 2,
25000 Kuantan, Pahang
T : +609 517 1698
F : +609 513 8996

SARAWAK

KIBB Kuching

Level 2-4, Wisma Mahmud,
Jalan Sungai Sarawak,
93100 Kuching, Sarawak
T : +6082 338 000
F : +6082 338 222

SABAH

KIBB Kota Kinabalu

Level 8, Wisma Great Eastern,
68 Jalan Gaya,
88000 Kota Kinabalu, Sabah
T : +6088 236 188
F : +6088 235 700

ASSET & WEALTH MANAGEMENT BRANCHES

Kenanga Investors Berhad ("KIB") Kuala Lumpur

Ground Floor, Kenanga Tower,
237, Jalan Tun Razak,
50400 Kuala Lumpur, Wilayah Persekutuan
T : 1 800 88 3737 (Toll Free)
T : +603 2172 3123
F : +603 2172 3133

KIB Penang

5.04, 5th Floor, Menara Boustead Penang,
39, Jalan Sultan Ahmad Shah,
10050 Penang
T : +604 210 6628
F : +604 210 6644

KIB Ipoh

No. 1, Jalan Leong Sin Nam,
30300 Ipoh, Perak
T : +605 254 7573 / 7570
F : +605 254 7606

KIB Melaka

No. 43, Jalan KSB 11,
Taman Kota Syahbandar,
75200 Melaka
T : +606 240 2310
F : +606 240 2287

KIB Klang

No.12 Jalan Batai Laut 3,
Taman Intan,
41300 Klang, Selangor
T : +603 3341 8818 / +603 3348 7889
F : +603 3341 8816

KIB Johor Bahru

No. 63, Jalan Molek 3/1Taman Molek,
81100 Johor Bahru, Johor
T : +607 288 1683
F : +607 288 1693

KIB Kuching

Suites 9 & 10, 3rd Floor, Yung Kong Abell
Lot 365 Abell Road
93100 Kuching, Sarawak
T : +6082 572 228
F : +6082 572 229

KIB Kota Kinabalu

Level 8, Wisma Great Eastern,
No.68, Jalan Gaya,
88000 Kota Kinabalu, Sabah
T : +088 203 063
F : +088 203 062

KIB Seremban

2nd Floor, No. 1D-2, Jalan Tuanku Munawir,
70000 Seremban, Negeri Sembilan
T : +606 761 5678
F : +606 761 2242

KIB Miri

Lot 507 & Lot 508, Ground Floor
Jalan Permaisuri
98000 Miri, Sarawak
T : +6085 416 866
F : +6085 322 340

KIB Kuantan

Ground Floor Shop,
No. B8, Jalan Tun Ismail 1,
25000 Kuantan, Pahang
T : +609 514 3688
F : +609 514 3838

KIB Damansara Uptown

44B, Jalan SS21/35,
Damansara Utama,
47400 Petaling Jaya, Selangor
T : +603 7710 8828
F : +603 7710 8830

KIB Kota Damansara

C26-1, Dataran Sunway,
Jalan PJU 5/17, Kota Damansara,
47810 Petaling Jaya, Selangor
T : +603 6150 3612
F : +603 6150 3906

KIB Kluang

No. 1, Aras 1, Jalan Haji Manan,
Pusat Perniagaan Komersial Haji Manan,
86000 Kluang, Johor
T : 07-710 2700
F : 07-710 2150

PROXY FORM



KENANGA INVESTMENT BANK BERHAD
 Company Registration No. 197301002193 (15678-H)
 (Incorporated in Malaysia)

CDS Account No.:

I/ We _____ NRIC No./ Passport No./ Company No. _____
(FULL NAME AS PER NRIC/ PASSPORT/ CERTIFICATE OF INCORPORATION IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

being a member of **Kenanga Investment Bank Berhad** hereby appoint _____
(FULL NAME AS PER NRIC/ PASSPORT IN BLOCK LETTERS)

NRIC No./ Passport No. _____ of _____

_____ (FULL ADDRESS)

Contact No.: _____ Email Address: _____

and/ or failing him/ her _____ NRIC No./ Passport No. _____
(FULL NAME AS PER NRIC/ PASSPORT IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

Contact No.: _____ Email Address: _____

or failing him/ her, THE CHAIRMAN OF THE MEETING as my/ our proxy to vote for me/ us and on my/ our behalf at the Fifty-First (51st) Annual General Meeting (“51st AGM”) of the Company to be held at the Grand Ballroom, InterContinental Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Thursday, 29 May 2025 at 11.00 a.m. and at any adjournment thereof.

My/ Our proxy is to vote as indicated below.

NO.	RESOLUTIONS		FOR	AGAINST
ORDINARY RESOLUTION				
1.	Election of Ms. Angeline-Ong Su Ming pursuant to Clause 84 of the Company’s Constitution	RESOLUTION 1		
2.	Re-election of the following Directors pursuant to Clause 78 of the Company’s Constitution:			
	2.1 Encik Jeremy Nasrulhaq	RESOLUTION 2		
	2.2 Puan Norazian Ahmad Tajuddin	RESOLUTION 3		
	2.3 Mr. Choy Khai Choon	RESOLUTION 4		
3.	Payment of Directors’ fees totalling RM3,165,655.74	RESOLUTION 5		
4.	Payment of benefits to the Non-Executive Directors of up to an amount of RM1,300,000.00 for the period from 30 May 2025 until the next AGM of the Company in 2026	RESOLUTION 6		
5.	Re-Appointment of Ernst & Young PLT as Auditors	RESOLUTION 7		
AS SPECIAL BUSINESS				
6.	Authority to Directors to Issue Shares	RESOLUTION 8		
7.	Proposed Renewal of Share Buy-Back Authority	RESOLUTION 9		

Please indicate with an “X” in the appropriate spaces provided to indicate how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any Resolution, the proxy may vote as he/ she thinks fit, or at his/ her discretion, abstain from voting.

Dated this.....day of2025

 Signature/ Common Seal of Member

Contact No.: _____

Email Address: _____

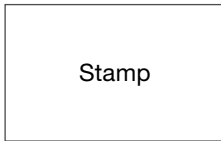
NUMBER OF SHARES HELD
<input type="text"/>

FOR APPOINTMENT OF TWO (2) PROXIES, PLEASE INDICATE THE PERCENTAGE OF SHAREHOLDINGS TO BE REPRESENTED BY THE PROXIES		
	No. of Shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

Notes:

- 1 For the purpose of determining a member who shall be entitled to attend this 51st AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 60 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 22 May 2025. Only a member whose name appears in the Record of Depositors as at 22 May 2025 shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend and/ or vote on his/ her behalf.
- 2 A member of the Company entitled to attend, participate, speak and vote at this AGM is entitled to appoint up to two (2) proxies to attend, participate, speak and vote in his/ her place. There shall be no restriction as to the qualification of the proxy.
- 3 A member who is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- 4 Where a member is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
- 5 Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he/ she specifies the proportion of his/ her shareholdings to be represented by each proxy.
- 6 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/ her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised. Any alteration to the instrument appointing a proxy must be initialled.
- 7 Duly completed Proxy Form must be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not later than **Wednesday, 28 May 2025 at 11.00 a.m.**
- 8 Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 51st AGM will be put to vote on a poll.

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Boardroom Share Registrars Sdn Bhd
Company Registration No. 199601006647 (378993-D)

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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kenanga

KENANGA INVESTMENT BANK BERHAD

197301002193 (15678-H)

Level 17, Kenanga Tower, 237, Jalan Tun Razak,
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www.kenanga.com.my