BPMB
Malaysia Development Bank

STRENGTHENING FOUNDATIONS, EXPANDING IMPACT

ANNUAL INTEGRATED REPORT

2025

Bank Pembangunan Malaysia Berhad
Corporate Information

Board of Directors

Dato' Sulaiman Mohd Tahir
Chairman/
Independent Non-Executive Director

Datuk Rashidah Mohd Sies
Independent Non-Executive Director

Ts. Dr. Othman Abdullah
Independent Non-Executive Director

Imri Dolhadi Ab Wahab
Non-Independent Non-Executive Director

Nor Darina Mohd Yusof
Independent Non-Executive Director

Dato' Charon Wardini Mokhzani
Independent Non-Executive Director
(Appointed w.e.f. 1 February 2026)

Zulkiflee Hashim
Independent Non-Executive Director
(Appointed w.e.f. 1 April 2026)

Rozainah Awang
Independent Non-Executive Director
(Appointed w.e.f. 1 April 2026)

Jeremy Lee Eng Huat
Independent Non-Executive Director
(Appointed w.e.f. 1 April 2026)

Shariah Committee

Professor Dato' Dr. Aznan Hasan
Chairman

Ustaz Mohd Fadhly Md Yusoff
Member
Retired w.e.f. 31 March 2026

Ustaz Lokmanulhakim Hussain
Member

Professor Dr. Zurina Shafii
Member
Retired w.e.f. 31 March 2025

Professor Dr. Salina Kassim
Member
Retired w.e.f. 19 July 2026

Group Chief Executive Officer

Dato' Muzaffar Hisham
(Appointed w.e.f. 18 May 2025)

Roni L. Abdulwahab
(Retired w.e.f. 7 April 2025)

Company Secretary

Norshydah Abu Talib
(LS 0009879)
SSM Practising Certificate
Registration No.: 202008002429
(appointed w.e.f. 29 January 2026)

Aidil Haznul Zulkifli
(MACS 01638)
SSM Practising Certificate
Registration No.: 202008002535
(resigned w.e.f. 27 February 2026)

Auditors

Ernst & Young PLT
(AF: 0039)
Level 23A
Menara Milenium
Jalan Damanlela
50490
Damansara Town Centre
Wilayah Persekutuan Kuala Lumpur

Registered Office

Bank Pembangunan Malaysia Berhad
197301003074 (16562-K)

Level 32, Menara Bank Pembangunan
Plaza Conlay, Jalan Conlay
50450 Kuala Lumpur

Tel. No.: +603 2611 3888

Website

www.bpmb.com.my

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About This Report

This report is prepared using the Integrated Reporting Framework to demonstrate how BPMB creates impact and sustains value over time.

The report illustrates the Bank's management of and the interaction between our financial and non-financial capitals, against stakeholder and external environment considerations.

The report adheres to Bank Negara Malaysia's policies for Development Financial Institutions (DFIs), including but not limited to, Financial Reporting for DFIs, Corporate Strategic Plan, Shariah Governance and Corporate Governance. The financial reporting is aligned with the Malaysian and international guidelines and recommendations.

For enquiries, please contact us at:

Bank Pembangunan Malaysia Berhad
197301003074 (16562-K)

Level 32, Menara Bank Pembangunan
Plaza Conlay, Jalan Conlay
50450 Kuala Lumpur

Tel. No.: +603 2611 3888

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Who We Are

Established in 1973, Bank Pembangunan Malaysia Berhad (BPMB) is a Government-owned Development Financial Institution (DFI) with a clear national purpose: to deliver impact capital for national development.

We channel financing towards projects that align with Malaysia's development priorities, enabling progress that is inclusive, sustainable and future-oriented. Through this role, we aim to accelerate national outcomes and improve the well-being of current and future generations.

On 1 May 2025, BPMB, EXIM Bank and SME Bank were officially unified under a strengthened Group structure with a common purpose: to deliver impact capital that advances Malaysia's development agenda. By bringing together complementary capabilities across development financing, export support and small and medium enterprises (SMEs) empowerment, the Group is positioned to create broader and more sustainable economic impact nationwide.

Driven by a shared purpose and strengthened mandate, the Group continues to champion inclusive growth, responsible financing and long-term national value creation. Through integration, discipline and strategic alignment, we remain committed to building confidence, enabling progress and shaping a stronger future for Malaysia.

Our Mandate

BPMB's mandate has evolved from supporting Malaysia's early development needs to creating meaningful and sustainable impact for the nation.

Our achievements over the past 50 years reflect our agility in aligning our mandate and financing activities with Malaysia's evolving economic and social development policies.

Today, we remain focused on meeting Malaysia's current development needs while delivering on the nation's future economic, social and environmental priorities.

Purpose

We Deliver Impact Capital for National Development

Vision

Malaysia's Leading Development Partner

Mission

Impactful Delivery with Strategic Outcomes

2025 Overview

16–18 JANUARY

BPMB extends help to Kelantan flood victims

18 JANUARY

BPMB supports 1,000 Asnaf children's back-to-school needs

23 JANUARY

Group BPMB Leaders Conference 2025

17 FEBRUARY

Courtesy visit by UNDP representatives

21–23 FEBRUARY

ALAM Be-Leaf: Nurturing leadership among youth in Hutan Rekreasi

24 FEBRUARY

BPMB backs Firma Atasan Sdn. Bhd. with RM18.5 million for affordable housing

10 MARCH

BPMB named among the Top 10 Best Corporate Taxpayers 2024

14 JUNE

ALAM Be-Leaf: Mangrove planting in Hutan Simpan Tanjung Burung, Perak

3 JUNE

BPMB hosts ADFIM's annual grand meeting

26 MAY

BPMB x EXIM Bank's first joint financing deal: RM555 million and USD37 million for Duta Marine Sdn. Bhd.

18 MAY

New GCEO Dato' Muzaffar Hisham joins the Bank

9 MAY

BPMB finances RM33.8 million to Pangolin Resort Sdn. Bhd. for the Lundu Beach Resort development

1 MAY

BPMB completes the acquisition of EXIM Bank and SME Bank, formalising the merger of three (3) government-linked DFIs

7 APRIL

GCEO Encik Roni Abdulwahab bids farewell to the Bank

17 JUNE

PLC x Integriti Padu Sdn. Bhd. (IPSB Technology): RM45 million partnership for digital access in schools across Sabah and Labuan

19 JULY

ALAM Be-Leaf: Mangrove planting in Hutan Sebatu, Melaka

6 AUGUST

BPMB supports Hartasuma Ropeways Sdn. Bhd. with RM367.2 million for the Penang Hill Cable Car Project

27 AUGUST

- BPMB approves RM111 million in financing for Rimbun Purnama's affordable housing project in Bandar Tun Razak
- BPMB named one of five profitable companies under MOF Inc.

10 SEPTEMBER

Bagus Award Day 2025 celebrates two scholarship recipients on their future studies abroad

7–8 OCTOBER

BPMB wins first place in the Sustainability and Green Impact category at the NCIG 2025

16 DECEMBER

BPMB x Coronade Properties Sdn. Bhd.: RM97.63 million Term Financing-i Facility for better public infrastructure in Johor Bahru

29 NOVEMBER

BPMB Group ignites fiery teamwork through a pickleball tournament

18 NOVEMBER

2025 Piala Pembangunan Oratory Competition: Lifting Youth Voices

1-9 NOVEMBER

BPMB supports Asnaf communities across Kelantan, Terengganu and Negeri Sembilan

30 OCTOBER

BPMB partners with Asian Infrastructure Investment Bank (AIIB) for infrastructure projects across ASEAN with up to USD6 billion in financing

24 OCTOBER

Majlis Penyerahan Zakat Perniagaan Kumpulan BPMB kepada Tabung Baitulmal Sarawak

Group at a Glance

Agenda 2025: Delivering on Our Three-Year Strategic Commitments

We Deliver Impact Capital for National Development

Initiated in 2022, Agenda 2025 represents BPMB's three-year strategic roadmap to deliver impact capital for national development. As Agenda 2025 concludes in 2025, BPMB reflects on a period marked by purposeful execution, strengthened positioning as a trusted development finance partner and tangible contributions to social and economic growth. The successful delivery of this agenda has reinforced BPMB's role in nation-building while establishing a stronger foundation for future strategic priorities beyond 2025.

Our Purpose

We Deliver Impact Capital for National Development

Our Aspirations

Social and Economic Development

To be financially responsible and sustainable with the expertise to meaningfully address national priorities.

Trusted Partner to Stakeholders

To deliver high-quality developmental impact and play a leading role in creating a sustainable economy.

Talent Hub

To attract and nurture diverse 'beyond bankers' and dynamic nation builders.

Where and How We Play

Our Values Culture and Mind

X

Areas of Impact

- Sustainability
- Rehabilitation
- New Growth
- Inclusivity

X

Core Sectors and Adjacent Sectors

Targeted Outcomes

Market Impact

- **RM12 billion** in direct and indirect funding enabled
- **100% utilisation** of Dedicated Schemes of RM4.8 billion by 2025

National Agenda Participation

- **12** participations in state and federal initiatives and policies at formulation/implementation/ funding

Responsible Portfolio and Capital

- Gross impaired financing ratio: **8–11%**
- Core capital ratio: **25–30%**
- **>46** improvement on FY2022 MIND Development Impact Index score

Return on Equity

- **2–4%**

People and Brand Impact

- 55%* internal employee engagement score
  **Revised from 77%, incorporating the impact of the SME and EXIM merger effective on 1 May 2025.*
- Brand strength: A strong people-centric identity and brand positioning to attract and grow talent

Achievement

Market Impact

- Direct and Indirect Funding: **RM24 billion**
- 99% Utilisation of Scheme announced in 2023: **RM4.77 billion utilisation**

National Agenda Participation

- **22 participations**

Responsible Portfolio and Capital

- GIRF: **10.35%**
- CCR: **29.58%**
- MIND Index Score: **62.50%**

Return on Equity

- **7.40%**

People and Brand Impact

- EES: **69.30%**
- Brand strength: **Special Recognition Award by SEEK People & Purpose Award 2024**

Corporate Structure

- 0.01% Pesuruhjaya Tanah Persekutuan
- 99.99% Minister of Finance Incorporated

Bank Pembangunan Malaysia Berhad

- 100% **Small Medium Enterprise Development Bank Malaysia Berhad (SMEB)**
  - 100% Centre for Entrepreneur Development and Research Sdn. Bhd. (CEDAR)
  - 100% SMEB Asset Management Sdn. Bhd.
- 100% **BPMB Dana Sdn. Bhd.**
- 100% **Pembangunan Leasing Corporation Sdn. Bhd. (PLC)**
  - 100% PLC Credit and Factoring Sdn. Bhd.
  - 100% BI Credit & Leasing Berhad
- 90% **Global Maritime Ventures Berhad (GMVB)**
  - 100% Glory Incentive Sdn. Bhd.
  - 100% GMV-Alam Sdn. Bhd.
  - 100% GMV-Bahtera Sdn. Bhd.
  - 100% GMV-Regional Sdn. Bhd.
  - 100% GMV-Offshore Sdn. Bhd.
  - *In Liquidation*
    - 100% GMV-Borcos Sdn. Bhd. (CVL)
    - 30% Wawasan Bulk Services Sdn. Bhd. (CVL)
    - 70% Ayu Navigation Sdn. Bhd. (MVL)
    - 40% Baycorp Ship Management Sdn. Bhd. (CVL)
    - 60% Gagasan Ked Sdn. Bhd. (CVL)
    - 60% Gagasan Paha Sdn. Bhd. (CVL)
    - 40% Formasi Cekal Sdn. Bhd. (CVL)
    - 40% Alam Eksplorasi (M) Sdn. Bhd. (CVL)
    - 40% Alam Synergy I (L) Inc. (CVL)
    - 40% Alam Synergy II (L) Inc. (CVL)
    - 40% Alam Synergy III (L) Inc. (CVL)
- 100% **Export-Import Bank of Malaysia Berhad**
  - 100% Malaysia Export Credit Insurance Berhad
- 100% **SME Growth Acceleration Fund Sdn. Bhd.**
- 100% **Maju Nominees (Tempatan) Sdn. Bhd.**
- 100% **Danajamin Nasional Berhad** (MVL)
- 100% **Emerald Upline Sdn. Bhd.**

Notes:

Creditors Voluntary Liquidation (CVL)
Members' Voluntary Liquidation (MVL)

Chairman's Statement

Dear Valued Stakeholders,

2025 was a defining year for BPMB.

The formation of the BPMB Group, bringing together BPMB, SME Bank and EXIM Bank, marked more than an organisational milestone. It created a stronger and more integrated development finance group, with the breadth and capabilities to support Malaysia's development priorities across the full spectrum of the economy.

For us, this transformation is ultimately about impact. Our success should not be measured by the size of our balance sheet or the volume of financing alone, but by the economic opportunities we unlock, the industries we strengthen and the national outcomes we help make possible.

Navigating Change with Purpose

Malaysia's economy remained resilient in 2025 despite heightened geopolitical tensions, trade uncertainty and a more complex global environment. Continued investment in high-value sectors supported the nation's industrial transformation under the MADANI Economy, the 12th Malaysia Plan and the New Industrial Master Plan.

Against this backdrop, BPMB remained focused on its mandate: deploying capital where it can make a meaningful difference.

We supported strategic infrastructure and industries across transport and logistics, construction, energy, hospitality and ICT. At the same time, greater global uncertainty and the complexity of major projects reinforced the importance of disciplined capital allocation, sound risk management and strong public-private collaboration.

These are precisely the areas where a stronger, unified BPMB Group can make a difference.

Financing Malaysia's Priorities

Throughout 2025, we continued to translate national priorities into tangible financing outcomes.

Our financing supported sustainable development and the energy transition, Bumiputera economic empowerment, strategic national projects, enterprise digitalisation, and greater transport and logistics connectivity.

Among the initiatives supported were the widening of a major intercity highway and flood mitigation works to strengthen connectivity and climate resilience; strategic offshore energy infrastructure to enhance Malaysia's energy and maritime capabilities; and the expansion and renewal of critical aerospace assets to strengthen national aviation capacity.

These investments illustrate what development finance should achieve: **capital translated into productive assets, stronger industries, greater resilience and long-term national value.**

One Group, Greater Impact

The defining milestone of 2025 was the successful formation of the BPMB Group.

Bringing BPMB, SME Bank and EXIM Bank together gives Malaysia a more cohesive development finance platform; one capable of supporting businesses throughout their journey, from nurturing MSMEs and Bumiputera entrepreneurs, to enabling exports and cross-border trade, and financing strategic industries and major infrastructure.

Our Integration Management Office is driving 19 high-impact initiatives to unlock synergies and build a more effective Group.

Yet integration must deliver more than efficiencies.

It must enable us to **move with greater speed, deploy capital more effectively and deliver greater development impact for every ringgit entrusted to us.**

That is the real promise of the BPMB Group.

Strong Governance for a Stronger Group

As our scale and responsibilities grow, so must the strength of our governance.

During the year, we moved towards a more integrated Group governance structure, strengthening Board-level oversight across risk, audit, remuneration and nomination, tender, credit and technology. This provides the Board with a more holistic view of risk, performance and strategic priorities across BPMB, SME Bank and EXIM Bank.

We also established a dedicated Sustainability Oversight Committee to sharpen our focus on climate transition, sustainable financing and broader ESG priorities.

For BPMB Group, sustainability and governance are not separate from development. They are fundamental to responsible development finance — ensuring that the impact we create today remains sustainable for generations to come.

Powering Malaysia's Next Chapter

As Malaysia moves into the 13th Malaysia Plan, BPMB Group has an important role to play.

Our ambition is to be a key financing catalyst for the nation — supporting infrastructure, digitalisation, high-growth industries, the energy transition, SME development, exports and Bumiputera economic empowerment.

BPMB, SME Bank and EXIM Bank each bring distinct mandates and capabilities. Together, we can achieve far more.

Over the next five (5) years, I hope our success will increasingly be measured not simply by **how much we finance, but by what our financing enables Malaysia to achieve.**

This requires us to sharpen our sector priorities, strengthen impact measurement, mobilise more private capital alongside our own, complete our integrated operating model, and invest in future-ready talent and digital capabilities.

Our aspiration is clear: **to build Malaysia's foremost impact-driven development finance institution.**

Appreciation and Commitment

On behalf of the Board, I extend my sincere appreciation to the Government of Malaysia, the Ministry of Finance, Bank Negara Malaysia, and our partners across the public and private sectors for their continued confidence and support.

I also thank my fellow Board members, management teams and employees across BPMB, SME Bank and EXIM Bank. Their commitment and resilience have been instrumental in bringing the Group together.

The formation of BPMB Group is not the end of the integration journey. **It is the beginning of a larger responsibility.**

We now have the opportunity to combine our mandates, capabilities and people behind one shared purpose — **to turn development finance into lasting national impact.**

With that purpose guiding us, I am confident BPMB Group will play an increasingly catalytic role in building a more prosperous, inclusive and resilient Malaysia.

Thank you.

DATO' SULAIMAN MOHD TAHIR
Chairman

Group Chief Executive Officer's Statement

Dear Valued Stakeholders,

Leading an institution through the most significant structural change in its history, while sustaining strong performance, is the true test of transformation. In 2025, that was the challenge before us, and one we rose to.

Sustainable Performance Highlights

RM929.9 Million
Profit before tax and zakat for FY2025, **59.6%** higher than 2024

RM17.7 Billion
Growth in total assets following Group integration

RM295 Million
Total dividends declared to the Government

RM245 Million	RM50 Million
Final dividend	Special dividend

Legal Day 1 on 1 May 2025 marked a defining milestone in BPMB's journey. Bringing together three (3) institutions with complementary mandates under one Group established a stronger development finance platform with the scale, expertise and reach to support Malaysian businesses at every stage of their growth. Integrations of this scale can easily shift an organisation's focus inward. Instead, we remained firmly focused on our customers while delivering sustainable financial performance and maintaining momentum in our integration journey.

As one BPMB Group, we are now better positioned to mobilise capital, deepen our development impact and support Malaysia's long-term economic priorities. Guided by our Measuring Impact on National Development ("MIND") Framework, we continue to deploy capital where it delivers meaningful economic, social and environmental impact in support of national priorities, including the MADANI Economy framework, the New Industrial Master Plan 2030 ("NIMP 2030"), the National Energy Transition Roadmap ("NETR"), the 13th Malaysia Plan ("13MP") and the Bumiputera Economic Transformation Plan 2035 ("PuTERA35"). The progress achieved during the year reflects both the strength of our combined capabilities and the opportunities that lie ahead as we continue building a more integrated and future-ready development financial institution.

Delivering Sustainable Performance

The clearest evidence of our resilience lies in our performance. The Group closed FY2025 with profit before tax and zakat ("PBTZ") of RM929.9 million, 59.6% higher than the previous year, driven by stronger net financing income, disciplined cost management and higher contributions from treasury and financial investment activities. These results demonstrate the enlarged Group's ability to sustain strong financial performance while successfully progressing a major integration agenda.

The merger with SME Bank and EXIM Bank substantially expanded the Group's balance sheet. Total assets grew by RM17.7 billion, underpinned by significant growth in loans and financing, financial investments and liquidity resources. This enlarged asset base has strengthened the Group's financial capacity and broadened our ability to support businesses at every stage of development, from small and medium enterprises ("SMEs") and emerging enterprises to strategic industries, major infrastructure and cross-border ventures.

Throughout the year, we remained focused on delivering sustainable returns while maintaining the financial strength needed to fulfil our development mandate. In recognition of this performance, the Group declared total dividends of RM295 million to the Government, comprising a final dividend of RM245 million and a special dividend of RM50 million. This represents a significant increase over the previous year and reflects the strength of our earnings, disciplined financial management and continued ability to create long-term value for our shareholder.

Together, these results reflect more than stronger financial performance. They demonstrate the early benefits of integration: a Group with broader capabilities, greater financial strength and deeper expertise, better positioned to deliver long-term value for Malaysia's economy.

Deepening Our Risk Discipline

As both the Group and its balance sheet have grown, so too has our focus on ensuring that growth is underpinned by sound governance and prudent risk management. Our strong capital position reinforces this disciplined approach, providing the resilience and financial flexibility to navigate an increasingly dynamic risk environment. During the year, we enhanced our credit risk management framework by reviewing key policies, underwriting standards and risk measurement methodologies. These improvements increased consistency in credit decision-making, enhanced portfolio risk transparency and ensured continued alignment with the Group's risk appetite and strategic mandate.

We also enhanced portfolio oversight through improved reporting and risk aggregation, providing a more holistic Group-wide view of exposures across credit, market and liquidity risks as our operations became increasingly integrated. Market and liquidity risk limits were recalibrated to reflect the requirements of all three (3) entities, enabling more proactive decision-making and timely risk mitigation, particularly in preparation for the Liquidity Coverage Ratio ("LCR") requirements for development financial institutions taking effect on 1 May 2026. Refinements to our stress testing practices further enhanced our ability to assess portfolio resilience under adverse conditions and evolving global uncertainties.

On the governance front, 2025 marked the establishment of Group Compliance as a standalone control function, reinforcing the independence and effectiveness of compliance oversight across the Group. We also progressed a dedicated know-your-customer ("KYC") and financial crime system underpinned by a centralised KYC database, introduced a risk-based Compliance Control Testing ("CCT") approach and harmonised key compliance policies across BPMB, SME Bank and EXIM Bank.

Further enhancements included strengthening our Employee Code of Ethics and Conduct, completing a comprehensive review of our Approving Authority Policy and successfully recertifying our ISO 37001:2016 Anti-Bribery Management System ("ABMS"). Complementing these initiatives, the introduction of a Group Risk Appetite Statement and Tolerance Level ("RASTL") provides a more integrated and forward-looking approach to managing risk across the enlarged Group.

Advancing Our Sustainability Agenda

Our approach to sustainability is two-fold: reducing the environmental footprint of our own operations while strengthening our ability to understand, manage and respond to climate-related risks and opportunities across the sectors and projects we finance. We made significant progress on both fronts. In 2025, we reduced our Scope 1 and Scope 2 emissions by more than 50% against our 2023 baseline, while total energy consumption fell by 23.9% over the year. In July 2025, we subscribed to Tenaga Nasional Berhad's Green Electricity Tariff ("GET") programme, and by year-end, approximately 21.3% of our operational electricity was sourced from verified renewable energy, avoiding around 334 tonnes of carbon dioxide equivalent in Scope 2 emissions.

On the second front, we continued strengthening our climate governance, risk management and disclosure practices in line with evolving regulatory expectations, guided by Bank Negara Malaysia's Climate Risk Management and Scenario Analysis ("CRMSA") requirements, the Climate Change and Principle-based Taxonomy ("CCPT") and the Joint Committee on Climate Change ("JC3") Task Force on Climate-related Financial Disclosures ("TCFD") Application Guide for Malaysian Financial Institutions. Through the MIND 2.0 Assessment Framework, Climate Change Risk Assessment and CCPT classifications, climate considerations were embedded across all new financing assessments and portfolio reviews during the year. We also completed our Climate Risk Stress Test ("CRST"), assessing the resilience of the financing portfolio under a range of physical and transition risk scenarios, and expanded the scope of our Scope 3 emissions reporting to include waste generated and disposed as well as emissions from leased assets. Building a climate-resilient institution requires more than disclosure. It demands strong governance, robust risk management, informed decision-making and continuous capability building. These remain central priorities as we support Malaysia's transition to a low-carbon economy.

Expanding Our Reach and Impact

The formation of the BPMB Group has significantly expanded our reach into previously underserved segments. By leveraging the established networks, sector expertise and customer relationships of SME Bank and EXIM Bank, we are better positioned to support SMEs, exporters and businesses seeking to scale both domestically and internationally. This broader reach enables us to respond more effectively to the diverse financing needs of Malaysian businesses throughout their growth journey.

At the same time, we will continue to unlock the full value of integration by bringing together the expertise, networks and capabilities of BPMB, SME Bank and EXIM Bank. As we prepare for full compliance with Bank Negara Malaysia's Performance Measurement Framework ("PMF") by 1 July 2027, our PMF Roadmap will strengthen how we deliver and measure developmental impact across the Group. We will continue enhancing our products, services and support for underserved businesses, reinforcing our role as Malaysia's leading development financial institution.

The BPMB Group is building a more connected development finance ecosystem while preserving the distinct mandates and strengths of BPMB, SME Bank and EXIM Bank. Together, we are enhancing our capital strength, capabilities, market presence and financing capacity to better support micro, small and medium enterprises ("MSMEs"), exporters and Malaysia's strategic development priorities.

Acknowledging the Collective Effort

The achievements of 2025 would not have been possible without the steadfast support of many. I extend my sincere appreciation to the Jabatan Perdana Menteri, the Ministry of Finance, Bank Negara Malaysia, the Ministry of Investment, Trade and Industry and the Ministry of Entrepreneur and Cooperatives Development, as well as our Board and Executive Committee, for their guidance, confidence and unwavering support throughout a landmark year.

My deepest appreciation, however, goes to the people of the BPMB Group. Their professionalism, resilience and willingness to embrace change made the successful integration of BPMB, SME Bank and EXIM Bank possible. Their dedication and commitment to our development mandate continue to shape the strong institution we are building together.

As we move forward as one BPMB Group, we do so with a shared purpose: to strengthen Malaysia's development finance ecosystem, expand opportunities for businesses and communities, and deliver lasting value for the nation.

Thank you.

DATO' MUZAFFAR HISHAM
Group Chief Executive Officer

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Board of Directors

Dato' Sulaiman Mohd Tahir
Chairman/ Independent Non-Executive Director

Datuk Rashidah Mohd Sies
Independent Non-Executive Director

Ts. Dr. Othman Abdullah
Independent Non-Executive Director

Encik Imri Dolhadi Ab Wahab
Non-Independent Non-Executive Director

Puan Nor Darina Mohd Yusof
Independent Non-Executive Director

Dato' Charon Wardini Mokhzani
Independent Non-Executive Director

Encik Zulkiflee Hashim
Independent Non-Executive Director

Puan Rozainah Awang
Independent Non-Executive Director

Encik Jeremy Lee Eng Huat
Independent Non-Executive Director

Dato' Sulaiman Mohd Tahir

Chairman/
Independent Non-Executive Director

- Malaysian
- Male
- 63
- Appointed on 20 March 2024

Qualifications

- Bachelor of Accounting, RMIT University, Australia
- Fellow Chartered Banker, Asian Institute of Chartered Bankers

Areas of Expertise

- Strategic Leadership, Accounting, Banking, Islamic Banking, Finance, and Takaful/ Insurance

Past Experience

- Group Chief Executive Officer, AmBank Group
- Chief Executive Officer/Executive Director, CIMB Bank
- Holding a series of senior roles, including Regional Head of Consumer Sales and Distribution, CIMB Bank
- Bank's retail sales and distribution channels, Bank Bumiputra Commerce Berhad
- Branch banking, Corporate banking, and as an Area Business Manager overseeing SMEs and Corporates, Bank of Commerce Berhad

Current Directorship(s) in Public Companies and/or Private Companies

- Bank Pembangunan Malaysia Berhad
- MNRB Holdings Berhad
- Malaysian Reinsurance Berhad
- Takaful Ikhlas Family Berhad
- Takaful Ikhlas General Berhad
- Payments Network Malaysia Sdn. Bhd. (PayNet)
- Motordata Research Consortium Sdn. Bhd.

Previous Directorship(s) in Public Companies and/or Private Companies

- AmGeneral Holdings Berhad
- Liberty General Insurance Berhad
- AmMetLife Insurance Berhad
- AmMetLife Takaful Berhad

Shareholdings in BPMB Group

- Nil

Membership of Board Oversight Committees

- Chairman, Group Performance Management Framework Committee

Declaration of Interest

Dato' Sulaiman Mohd Tahir has:

- No family relationship with any Director and/or major shareholder of BPMB.
- No conflict of interest with BPMB and its subsidiaries.
- Not been convicted of any offences within the past five (5) years, nor has he been subjected to any public sanction or penalty imposed by any relevant regulatory bodies.

Datuk Rashidah Mohd Sies

Independent Non-Executive Director

(Redesignated from Non-Independent Non-Executive Director to Independent Non-Executive Director on 13 January 2026)

Malaysian

Female

62

Appointed on 27 September 2021

Qualifications

- Advanced Management and Leadership Programme, University of Oxford
- Diploma in Public Administration, The National Institute of Public Administration (INTAN)
- Bachelor in Business Administration (Finance), Idaho State University
- Masters in Business Administration, US International University California

Areas of Expertise

- Public Administration and Finance

Past Experience

- Deputy Secretary General to the Treasury (Management), Ministry of Finance ("MOF")
- Undersecretary, Government Investment Companies Division, MOF
- Deputy Undersecretary, Government Investment Companies Division, MOF
- Principal Assistant Secretary, Government Investment Companies Division, MOF
- Principal Assistant Secretary, Privatisation and Statutory Body Division, MOF
- Assistant Secretary, Finance Division (Investment), MOF

Current Directorship(s) in Public Companies and/or Private Companies

- Bank Pembangunan Malaysia Berhad and Group
- KUB Malaysia Berhad
- Malaysian Resources Corporation Berhad

Previous Directorship(s) in Public Companies and/or Private Companies

- UDA Holdings Berhad
- Global Maritime Ventures Berhad
- Syarikat Jaminan Pembiayaan Perniagaan Berhad
- Syarikat Jaminan Kredit Perumahan Berhad
- Danainfra Nasional Berhad
- Tenaga Nasional Berhad

Shareholdings in BPMB Group

- Nil

Membership of Board Oversight Committees

- Chairman, Group Board Nomination and Remuneration Committee

Declaration of Interest

Datuk Rashidah Mohd Sies has:

- No family relationship with any Director and/or major shareholder of BPMB.
- No conflict of interest with BPMB and its subsidiaries.
- Not been convicted of any offences within the past five (5) years, nor has she been subjected to any public sanction or penalty imposed by any relevant regulatory bodies.

Ts. Dr. Othman Abdullah

Independent Non-Executive Director

Malaysian

Male

54

Appointed on 22 October 2021

Qualifications

- PhD in Economics and Muamalat Administration, University Sains Islam Malaysia
- Postgraduate Diploma and Master of Science in Islamic Banking and Finance, International Islamic University of Malaysia
- Chartered Professional in Islamic Finance (CPIF), Chartered Institute of Islamic Finance Professionals (CIIF)
- Recognised professional technologist by the Malaysia Board of Professional Technologist (MBOT)
- Bachelor of Science in Computer Engineering from the University of Michigan, Ann Arbor, USA
- Certificate of Premier Business Management Programme, Harvard Business School
- Certificate of Islamic Finance Leadership Programme, Cambridge IF Analytica

Areas of Expertise

- Information Technology, Digital Economy, Financial Technology, Banking and Finance, Islamic Banking and Finance

Past Experience

- Chief Executive Officer, Islamic Banking and Innovative Services, Silverlake Sprints Sdn. Bhd.
- Managing Director, Islamic Banking Division, Silverlake System Sdn. Bhd.
- Executive Vice President, Silverlake Sprints Sdn. Bhd.
- Senior Manager, Head of Information Technology Application Development, Bank Islam Malaysia Berhad
- Vice President, Silverlake System Sdn. Bhd.

Current Directorship(s) in Public Companies and/or Private Companies

- Bank Pembangunan Malaysia Berhad and Group
- Malaysian Reinsurance Berhad
- Silverlake Structured Services Sdn. Bhd.
- Cognify AI Sdn. Bhd.

Previous Directorship(s) in Public Companies and/or Private Companies

- Nil

Shareholdings in BPMB Group

- Nil

Membership of Board Oversight Committees

- Chairman, Group Board Risk Management Committee
- Member, Group Board Information Technology Committee

Declaration of Interest

Ts. Dr. Othman Abdullah has:

- No family relationship with any Director and/or major shareholder of BPMB.
- No conflict of interest with BPMB and its subsidiaries.
- Not been convicted of any offences within the past five (5) years, nor has he been subjected to any public sanction or penalty imposed by any relevant regulatory bodies.

Encik Imri Dolhadi Ab Wahab

Non-Independent
Non-Executive Director

Malaysian
Male
49
Appointed on 20 May 2024

Qualifications

- Masters in Islamic Finance, INCEIF University, Kuala Lumpur
- Bachelor of Arts in Accounting and Finance, Lancaster University, United Kingdom
- Diploma of International Baccalaureate, MARA College, Banting

Areas of Expertise

- Islamic Finance, Economics and Accounting

Past Experience

- Director, Economic Division, Prime Minister's Office (PMO)
- Head Section, Debt & Risk, Fiscal & Economics Division, Ministry of Finance ("MOF")
- Principal Assistant Secretary, Cash & Liquidity Management Unit, Fiscal & Economics Division, MOF
- Principal Assistant Secretary, Investment Evaluation Section, Strategic Investment Division, MOF
- Principal Assistant Secretary, Services Section, Economics & International Division, MOF
- Principal Assistant Secretary, Fiscal Section, Economics & International Division, MOF
- Assistant Secretary, Macro Section, Economics & International Division, MOF

Current Directorship(s) in Public Companies and/or Private Companies

- Bank Pembangunan Malaysia Berhad
- Malaysia Sovereign Sukuk Berhad
- Malaysia Sukuk Global Berhad
- Malaysia Wakala Sukuk Berhad
- Perbadanan Insurans Deposit Malaysia
- Sustainable Energy Development Authority (SEDA) Malaysia

Previous Directorship(s) in Public Companies and/or Private Companies

- Danajamin Nasional Berhad
- Public Sector Home Financial Board
- GOVCO Holdings
- Urusharta Jamaah Sdn. Bhd.
- UJ Estates (Holdings) Sdn. Bhd.

Shareholdings in BPMB Group

- Nil

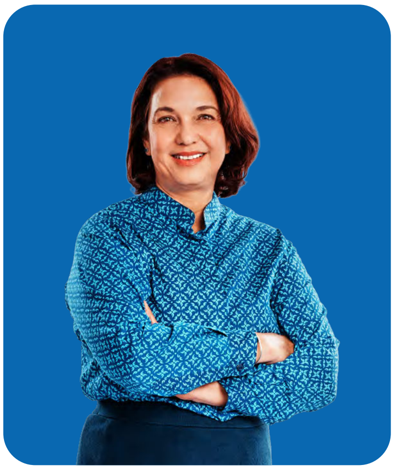
Membership of Board Oversight Committees

- Member, Group Board Audit Committee
- Member, Group Board Tender Committee

Declaration of Interest

Encik Imri Dolhadi Ab Wahab has:

- No family relationship with any Director and/or major shareholder of BPMB.
- No conflict of interest with BPMB and its subsidiaries.
- Not been convicted of any offences within the past five (5) years, nor has he been subjected to any public sanction or penalty imposed by any relevant regulatory bodies.



Puan Nor Darina Mohd Yusof

Independent Non-Executive Director

- Malaysian
- Female
- 59
- Appointed on 1 October 2024

Qualifications

- Chartered Financial Analyst (CFA) Charter-holder
- BA (Hons) in Philosophy, Politics & Economics, Oxford University

Areas of Expertise

- Risk Management, Banking, Sustainable Finance and Corporate Finance

Past Experience

- Board of Directors, SCBMB Trustee Berhad
- Country Chief Risk Officer, Standard Chartered Bank Malaysia Berhad
- Country Chief Risk Officer, Standard Chartered Bank Indonesia
- Senior Vice President, Wholesale Banking Coverage, Ambank Group
- Director, Commercial Banking, HSBC Bank

Current Directorship(s) in Public Companies and/or Private Companies

- Bank Pembangunan Malaysia Berhad and Group
- Cradle Fund Sdn. Bhd.

Previous Directorship(s) in Public Companies and/or Private Companies

- Nil

Shareholdings in BPMB Group

- Nil

Membership of Board Oversight Committees

- Chairman, Group Board Credit Committee

Declaration of Interest

Puan Nor Darina Mohd Yusof has:

- No family relationship with any Director and/or major shareholder of BPMB.
- No conflict of interest with BPMB and its subsidiaries.
- Not been convicted of any offences within the past five (5) years, nor has she been subjected to any public sanction or penalty imposed by any relevant regulatory bodies.

Dato' Charon Wardini Mokhzani

Independent Non-Executive Director

- Malaysian
- Male
- 63
- Appointed on 1 February 2026

Qualifications

- Fellow, Asian Institute of Chartered Bankers
- Advocate & Solicitor of the High Court of Malaya
- Non-Practising Barrister of the Middle Temple of the United Kingdom

Areas of Expertise

- Economics, Law, Finance Investment and Corporate Finance

Past Experience

- Managing Partner, Zaid Ibrahim & Co
- Deputy Chief Executive, CIMB Group
- Chairman, CIMB Principal Asset Management
- Managing Director, Khazanah Research Institute
- Executive Director, Khazanah Nasional Berhad
- Group Managing Director, Malaysian Industrial Development Finance ("MIDF")
- Manager, Corporate Finance at Rashid Hussain Securities
- Advocate and Solicitor at Shearn Delamore & Co., Kuala Lumpur

Current Directorship(s) in Public Companies and/or Private Companies

- Bank Pembangunan Malaysia Berhad
- Export-Import Bank of Malaysia Berhad
- Syarikat Takaful Malaysia Keluarga Berhad
- Abi Capital Sdn. Bhd.
- Titian Terang Sdn. Bhd.
- PT Centratama Telekomunikasi Indonesia Tbk
- Yayasan Tuanku Syed Putra Perlis
- Yayasan Tuanku Fauziah
- Kuala Lumpur Business Club

Previous Directorship(s) in Public Companies and/or Private Companies

- Cagamas Berhad
- MIDF Berhad Group
- CIMB Berhad Group
- Universiti Putra Malaysia

Shareholdings in BPMB Group

- Nil

Membership of Board Oversight Committees

- Member, Group Performance Management Framework Monitoring Committee

Declaration of Interest

Dato' Charon Wardini Mokhzani has:

- No family relationship with any Director and/or major shareholder of BPMB.
- No conflict of interest with BPMB and its subsidiaries.
- Not been convicted of any offences within the past five (5) years, nor has he been subjected to any public sanction or penalty imposed by any relevant regulatory bodies.

Encik Zulkiflee Hashim

Independent Non-Executive Director

- Malaysian
- Male
- 68
- Appointed on 1 April 2026

Qualifications

- Global Leadership Development Program, International Centre for Leadership in Finance (ICLIF)
- Management Program, Ashridge Management College, United Kingdom
- Management Program, Henley Management College, United Kingdom
- Diploma in Credit Management, Universiti Teknologi MARA

Areas of Expertise

- Banking, Finance, Credit Management, Risk Management

Past Experience

- Chief Operating Officer, Group Strategic Support, Hong Leong Bank Berhad
- Executive Director, Hong Leong Bank Berhad
- Deputy Managing Director, Deutsche Bank Malaysia
- Vice President, Citibank Malaysia

Current Directorship(s) in Public Companies and/or Private Companies

- Bank Pembangunan Malaysia Berhad
- Small Medium Enterprise Development Bank Malaysia Berhad
- Al-Rajhi Banking & Investment Corporation (Malaysia) Berhad
- Hong Leong MSIG Takaful Berhad

Previous Directorship(s) in Public Companies and/or Private Companies

- Hong Leong Bank Berhad
- GuocoLand (Malaysia) Berhad

Shareholdings in BPMB Group

- Nil

Membership of Board Oversight Committees

- Member, Group Performance Management Framework Committee

Declaration of Interest

Encik Zulkiflee Hashim has:

- No family relationship with any Director and/or major shareholder of BPMB.
- No conflict of interest with BPMB and its subsidiaries.
- Not been convicted of any offences within the past five (5) years, nor has he been subjected to any public sanction or penalty imposed by any relevant regulatory bodies.

Puan Rozainah Awang
Independent Non-Executive Director

- Malaysian
- Female
- 58
- Appointed on 1 April 2026

Qualifications

- Fellow, Chartered Institute of Management Accountant, United Kingdom
- Qualified Member, Malaysian Institute of Accountants

Areas of Expertise

- Management Accounting, Financial Accounting, Governance, Risk Management, Audit, Investment

Past Experience

- Vice President, Finance / Chief Financial Officer, MISC Berhad
- General Manager, Finance, MISC Berhad
- General Manager, Strategic Planning, MISC Berhad
- Served in various roles at KUB Gas Sdn. Bhd.
- Served in various roles at TIME Telecommunications Sdn. Bhd.
- Served in various roles at Colgate-Palmolive (M) Sdn. Bhd.

Current Directorship(s) in Public Companies and/or Private Companies

- Bank Pembangunan Malaysia Berhad
- Small Medium Enterprise Development Bank Malaysia Berhad
- FGV Holdings Berhad

Previous Directorship(s) in Public Companies and/or Private Companies

- Labuan Reinsurance (L) Limited
- Malaysia Marine and Heavy Engineering Holdings Berhad
- The London P&I Club
- Majlis Amanah Rakyat
- Swift Haulage Berhad

Shareholdings in BPMB Group

- Nil

Membership of Board Oversight Committees

- Chairman, Group Board Audit Committee

Declaration of Interest

Puan Rozainah Awang has:
- No family relationship with any Director and/or major shareholder of BPMB.
- No conflict of interest with BPMB and its subsidiaries.
- Not been convicted of any offences within the past five (5) years, nor has she been subjected to any public sanction or penalty imposed by any relevant regulatory bodies.

Encik Jeremy Lee Eng Huat

Independent Non-Executive Director

- Malaysian
- Male
- 63
- Appointed on 1 April 2026

Qualifications

- Advocate and Solicitor, High Court of Malaya
- Master of Laws (Banking and Financial Laws), Boston University, USA
- Certificate in Legal Practice, Legal Profession Qualifying Board Malaysia
- Bachelor of Jurisprudence, University of Malaya
- Bachelor of Economics, University of Malaya

Areas of Expertise

- Legal, Banking and Insurance, Financial Legislation, Regulations and Policies, Regulatory and Supervisory Compliance, Investigation, Enforcement and Financial Intelligence

Past Experience

- Partner, Messrs. SKRINE
- Director, Consumer & Market Conduct Department, Bank Negara Malaysia ("BNM")
- Chief Executive Officer, Ombudsman for Financial Services
- Director, Special Investigation Department, BNM
- General Counsel, Legal Department, BNM
- Director, Financial Intelligence Unit, BNM

Current Directorship(s) in Public Companies and/or Private Companies

- Bank Pembangunan Malaysia Berhad and Group
- Export-Import Bank of Malaysia Berhad
- AmMetLife Insurance Berhad

Previous Directorship(s) in Public Companies and/or Private Companies

- Ombudsman for Financial Services Malaysia
- Persatuan Insurans Am Malaysia
- Wise Payments Malaysia Sdn. Bhd.
- Wise Pilipinas Inc

Shareholdings in BPMB Group

- Nil

Membership of Board Oversight Committees

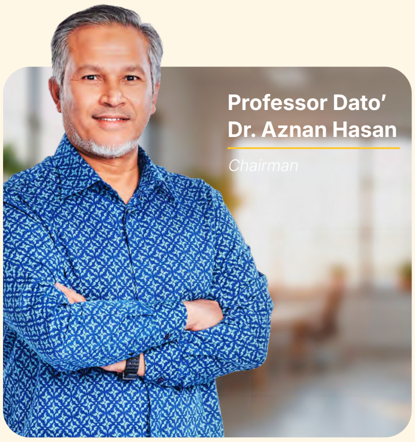
- Member, Group Board Audit Committee
- Member, Group Board Information Technology Committee

Declaration of Interest

Encik Jeremy Lee Eng Huat has:

- No family relationship with any Director and/or major shareholder of BPMB.
- No conflict of interest with BPMB and its subsidiaries.
- Not been convicted of any offences within the past five (5) years, nor has he been subjected to any public sanction or penalty imposed by any relevant regulatory bodies.

Shariah Committee



Professor Dato' Dr. Aznan Hasan

Chairman

- Malaysian
- Male
- Appointed on 1 April 2017

Memberships and Other Appointments

- Member, Board of Directors, Maybank Islamic Berhad
- Chairman, Shariah Advisory Council, Securities Commission Malaysia
- Chairman, Panel of Shariah Advisers, PHB Asset Management Berhad

Education and Professional Qualifications

- PhD, University of Wales, Lampeter, United Kingdom
- Master in Shariah (First Class Honours), Cairo University, Egypt
- Bachelor in Shariah (First Class Honours), Al-Azhar University, Egypt

Relevant Experience

Professor Dato' Dr. Aznan Hasan is a Professor at the Institute of Islamic Banking and Finance (IIiBF), at the International Islamic University Malaysia (IIUM), with extensive experience in Shariah and Islamic finance. He is widely recognised as a Shariah advisor and consultant to numerous financial institutions and corporate bodies, both locally and internationally.

He served on the Shariah Advisory Council of Bank Negara Malaysia (2006–2008 and 2010–2013) and was the Founding President of the Association of Shariah Advisors in Islamic Finance (ASAS). He currently sits on the Board of Maybank Islamic Berhad, previously served as an Independent Non-Executive Director of Hong Leong MSIG Takaful Berhad and is a registered Shariah Advisor for Islamic Unit Trust Schemes and Sukuk with the Securities Commission Malaysia.

His work also extends to Waqf and Zakat advisory, including membership on the Shariah Supervisory Board of the Waqf Foundation and former chairmanship of the Shariah Advisory Board of Amanah Raya Berhad. He has additionally published extensive research and presented at numerous conferences and forums.

Declaration of Interest

Professor Dato' Dr Aznan Hasan has:

- No family relationship with any Director and/or major shareholder of BPMB.
- No conflict of interest with BPMB and its subsidiaries.
- Not been convicted of any offences within the past five (5) years, nor has he been subjected to any public sanction or penalty imposed by any relevant regulatory bodies.

Ustaz Lokmanulhakim Hussain

Member

- Malaysian
- Male
- Appointed on 20 July 2022

Memberships and Other Appointments

- Member, Shariah Committee, Association of Islamic Banking and Financial Institutions Malaysia (AIBIM)
- Member, Shariah Committee, Affin Islamic Bank Berhad
- Member, Shariah Committee, BIMB Securities Sdn. Bhd.

Education and Professional Qualifications

- Master in Shariah (Fiqh) (First Class Honours), Islamic University of Medina, Saudi Arabia
- Bachelor in Shariah (First Class Honours), Islamic University of Medina, Saudi Arabia

Relevant Experience

Ustaz Lokmanulhakim Hussain is a Shariah scholar and advisor with extensive experience in Shariah and Islamic finance. He spent 10 years as a researcher at the International Shariah Research Academy for Islamic Finance (ISRA), contributing substantially to the field.

His advisory roles include membership on the Shariah Board of Al Rajhi Bank Malaysia (2014–2022) and Shariah Committee positions at FWD Takaful Berhad and Co-opbank Pertama Malaysia Berhad. He has also been active in halal and fatwa matters, serving as a Fatwa Fellow of the National Council for Islamic Religious Affairs Malaysia (2013–2018) and as a member of the Malaysian Halal Certification Advisory Committee for five (5) years.

He has presented numerous research papers at local and international conferences and authored various articles and publications on Shariah and Islamic finance.

Declaration of Interest

Ustaz Lokmanulhakim Hussain has:

- No family relationship with any Director and/or major shareholder of BPMB.
- No conflict of interest with BPMB and its subsidiaries.
- Not been convicted of any offences within the past five (5) years, nor has he been subjected to any public sanction or penalty imposed by any relevant regulatory bodies.

Prof Dr Salina Kassim

Member

- Malaysian
- Female
- Appointed on 20 July 2022

Memberships and Other Appointments

- Member, Shariah Committee of AmBank Islamic Berhad

Education and Professional Qualifications

- PhD in Economics, International Islamic University of Malaysia (IIUM)
- Master in Economics, University of Missouri-St Louis, United States
- Bachelor in Economics, University of Arizona, United States
- Postgraduate Diploma in Islamic Studies, International Islamic University of Malaysia (IIUM)

Relevant Experience

Professor Dr Salina is a Professor at the Institute of Islamic Banking and Finance (IIiBF), International Islamic University Malaysia (IIUM), specialising in Islamic banking, finance, economics, sustainable finance and Islamic social finance. She serves on the editorial boards of several academic journals and as a national panel member of the Ministry of Higher Education's Fundamental Research Grant Scheme (FRGS). She is also a certified trainer under the Ministry of Human Resources Malaysia and a Certified Islamic Financial Planner under the Islamic Banking and Finance Institute Malaysia (IBFIM) and the Financial Planning Association of Malaysia (FPAM).

With over 25 years of academic experience, she has held leadership roles as Dean and Deputy Dean at IIiBF, IIUM. She has supervised numerous postgraduate students and published more than 150 peer-reviewed articles, and is a frequent invited speaker and author of books and academic publications.

Declaration of Interest

Prof Dr Salina Kassim has:

- No family relationship with any Director and/or major shareholder of BPMB.
- No conflict of interest with BPMB and its subsidiaries.
- Not been convicted of any offences within the past five (5) years, nor has she been subjected to any public sanction or penalty imposed by any relevant regulatory bodies

Group Executive Committee

Hasrul Farid Hasnan
Group Chief Internal Auditor, Group Internal Audit

Hairil Izwar Abd Rahman
Group Chief Digital & Technology Officer, Group Information Technology

Wee Yee Tat
Managing Director, Group Corporate & Investment Banking

Cynthia Chee Pei Sze
Group Head, Group Operations

Noor Ain Mohd Amin
Acting Group Head, Group Islamic Finance

Mohd Nazri Abu Samah
Acting Group Head, Group Treasury & Investments

Shuhaibahtulaslamiah Hurmuzan
Acting Group Chief Human Resource Officer, Group Human Resource

Dato' Muzaffar Hisham
Group Chief Executive Officer

Malaysian
Male
Appointed on 18 May 2025

Education, Professional Membership and Certification
- Bachelor of Science (Hons) in Economics and Accounting, University of Bristol, United Kingdom
- Fellow Chartered Banker, Asian Institute of Chartered Bankers

Relevant Experience
Dato' Muzaffar Hisham has over 26 years of regional banking experience in both wholesale and retail banking. He has held leadership roles across key financial institutions, including HSBC Amanah, CIMB Investment Bank and CIMB Islamic Bank Berhad.

Prior to joining BPMB, he served as Group CEO of Islamic Banking and CEO of Maybank Islamic Berhad, overseeing the Group's Islamic banking portfolio. He previously served as Group CEO of Global Banking at Maybank, having held various key roles within the Group since 2011.

Datuk Nurbayu Kasim Chang
President and Chief Executive Officer, EXIM Bank Malaysia

Malaysian
Female
Appointed on 7 February 2025

Education, Professional Membership and Certification
- ACCA, Dublin Business School - Ireland
- Certified Credit Professional
- Certification in Islamic Development Banking

Relevant Experience
Datuk Nurbayu has over 20 years of experience in the banking industry. Appointed as President and Chief Executive Officer of EXIM Bank Malaysia on 7 February 2025, she leads the Bank in fulfilling its mandate as a Development Financial Institution (DFI), having previously served as Acting President and Chief Executive Officer from mid-February 2024. She was holding a Chief Business Officer from January 2023 to January 2024.

Prior to joining EXIM Bank Malaysia, she was the Chief Business Officer at SME Bank Malaysia, where she spent 10 years where she was driving among other the business strategies, client relationship managements, credit risks management and stakeholder engagements. Earlier, she served at CIMB Bank for 14 years, beginning her career in the Commercial Banking in Sabah since 2000 and she held a senior position as Senior Vice President and Region Head of East Malaysia & FT Labuan.

Encik Samad Majid Zain Abdul Majid
Chief Executive Officer, SME Bank

- Malaysian
- Male
- Appointed on 1 July 2026

Education, Professional Membership and Certification

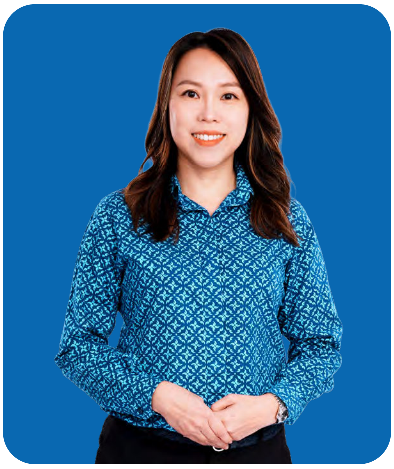
- Master of Business Administration (MBA), specialising in Information Technology Management, Multimedia University
- Bachelor's degree in Accounting and Finance, University of Western Australia
- Chartered Accountant (CA), Malaysian Institute of Accountants
- Chartered Banker, Asian Institute of Chartered Bankers
- Fellow Certified Practising Accountant (FCPA), CPA Australia
- Associate Qualification in Islamic Finance (AQIF)

Relevant Experience

Encik Samad was appointed Chief Executive Officer ("CEO") of SME Bank on 1 July 2026 after serving as interim CEO since September 2025. He is responsible for driving the Bank's strategic direction and advancing its development mandate to accelerate the growth of Malaysia's small and medium enterprises ("SMEs"). He is committed to strengthening SME Bank's position as Malaysia's leading development financial institution for SMEs by fostering sustainable growth, innovation, and resilience across the entrepreneurial ecosystem.

Prior to joining SME Bank in 2021 as Chief Financial Officer ("CFO"), where he oversaw the Finance, Treasury and Procurement functions, Encik Samad served as the Group Chief Operating Officer ("COO") of a local bank-backed investment bank. He began his career in External Assurance with one of the Big Four audit firms before joining the Management Assurance team at a local multinational conglomerate.

With more than three decades of experience spanning finance, assurance, corporate finance, treasury and operational leadership, Encik Samad has held C-suite leadership positions within the financial services industry for more than 20 years.



Hee Wei Jean
Group Chief Financial Officer, Group Finance

- Malaysian
- Female
- Appointed on 26 June 2023

Education, Professional Membership and Certification

- Bachelor of Commerce in Accounting and Finance from University of Western Australia, Perth
- Fellow Certified Practising Accountant (FCPA), CPA Australia
- Chartered Accountant, Malaysian Institute of Accountants (MIA)
- Chartered Banker, Asian Institute of Chartered Bankers
- Associate Qualification in Islamic Finance (AQIF), Islamic Banking and Finance Institute Malaysia (IBFIM)

Relevant Experience

Puan Jean has more than 20 years of experience in Financial Management, Banking, Corporate Finance, Islamic Finance and Strategic Transformation.

She began her career with Ernst & Young in the areas of audit and taxation. She has held senior finance roles at MBSB Bank, Bank of America Malaysia and Unilever Malaysia & Singapore, where she led high-impact projects and transformation efforts. Notable successful initiatives throughout her career include Mergers & Acquisitions, Corporate Group Restructuring, Capital Management, Impairment programme, Integrated Reporting, and system implementations.

Datuk Wira Dr. Mohammad Hardee Ibrahim

Group Chief Strategy Officer, Group Strategy

- Malaysian
- Male
- Appointed on 1 February 2026

Education, Professional Membership and Certification

- Doctor of Philosophy (PhD) in Management, Lincoln University College
- Master in Business Administration (Finance), University of Essex
- Bachelor of Accountancy (Hons), Universiti Sains Malaysia (USM)
- Chartered Banker, Asian Institute of Chartered Bankers
- Oxford Advanced Management & Leadership, Said Business School, University of Oxford
- Chartered Accountant, Malaysian Institute of Accountants
- Certificate of Malaysian Financial Market, Institute Bank-Bank Malaysia (IBBM)

Relevant Experience

Datuk Wira Dr. Mohammad Hardee Ibrahim brings over two (2) decades of distinguished leadership experience spanning government-linked companies, international financial institutions, and strategic investment entities.

Throughout his career, he has held several key leadership positions at SME Bank, including Acting President and Chief Executive Officer, Chief Corporate Strategy Officer and Chief Banking Officer, where he played an instrumental role in advancing the Bank's strategic and business transformation agenda.

Earlier in his professional journey, he served at Bank Negara Malaysia as a Portfolio Manager before joining Goldman Sachs as an Executive Director.

Mohammad Azam Ahmad

Group Chief Risk Officer, Group Risk Management

- Malaysian
- Male
- Appointed on 1 March 2026

Education, Professional Membership and Certification

- Master in International Economics and Finance, University of Queensland
- Bachelor of Economics in Accounting, London School of Economics & Political Science (LSE)
- Pasaran Kewangan Malaysia Certificate (PKMC), Asian Institute of Chartered Bankers
- Certificate in Islamic Finance, Islamic Banking and Finance Institute Malaysia (IBFIM)
- Chartered Banker, Asian Institute of Chartered Bankers

Relevant Experience

Encik Azam has more than 30 years of experience in the banking industry, and more than 20 years in risk management covering credit, market, liquidity, and operational risk management.

Prior to joining SME Bank, Encik Azam was the Head of Risk Management, Group Global Banking at Maybank.

Previously served reputable organisations such as Standard Chartered (Scope International) and Bank Negara Malaysia.

Rohayati Talaha @ Talha
Group Chief Compliance Officer, Group Compliance

Malaysian
Female
Appointed on 1 November 2025

Education, Professional Membership and Certification

- Master of Business Administration, Edinburgh Business School, Heriot-Watt University, UK
- Bachelor of Science with Honours in Actuarial Mathematics and Statistics as the main subjects, Heriot-Watt University Edinburgh, UK
- Diploma in Actuarial Science, MARA University of Technology Malaysia
- Certified Professional in Financial Crime Compliance, Asian Institute of Chartered Bankers/International Compliance Association (ICA) UK
- ICA/University of Manchester, Alliance Manchester Business School Professional Postgraduate Diploma in Financial Crime Compliance

Relevant Experience

Puan Rohayati has over 20 years of professional experience across the financial services industry, including banking, capital markets and compliance, having also served in a regulatory capacity within the Malaysian capital markets sector. Prior to joining BPMB in 2023, she served at BNP Paribas Malaysia Berhad for eight (8) years, including as Chief Compliance Officer, where she led the overall compliance function covering BNP Paribas' Corporate and Institutional Banking entities in Malaysia, including the Labuan branch.

Before her tenure at BNP Paribas, she was with the Securities Commission Malaysia for more than seven (7) years, where she held managerial roles focusing on investment products in the Corporate Finance & Investment Division and market oversight and regulatory supervision in the Supervision Division. She began her career in the Actuarial field with AmAssurance Berhad, gaining foundational experience in financial analysis, actuarial assessment and insurance operations.

Hasrul Farid Hasnan
Group Chief Internal Auditor, Group Internal Audit

Malaysian
Male
Appointed on 1 March 2026

Education, Professional Membership and Certification

- Master in Business Administration – Applied Finance & Investment, Universiti Kebangsaan Malaysia (UKM)
- Bachelor of Science in Business Administration – Finance, Drexel University, Philadelphia, USA
- Certificate in Internal Auditing for Financial Institutions (CIAFIN), Asian Institute of Chartered Bankers
- CBA – Prior Experience Conversion Programme (Specialisation Internal Audit), Asian Institute of Chartered Bankers
- Associate Qualification in Islamic Finance (AQIF), Islamic Banking & Finance Institute Malaysia (IBFIM)
- Certificate, Advanced Management Programme, INSEAD
- Associate, Institute of Internal Auditors Malaysia (IIAM)
- Associate, Asian Institute of Chartered Bankers

Relevant Experience

Encik Hasrul has 27 years of experience in the banking industry, including 22 years in the Internal Audit function. He served as the Chief Internal Auditor at Agrobank since 2013, where he successfully formulated, strategised, led, organised and managed the overall Internal Audit function, as well as realigned audit strategies in line with the Bank's Strategic Business Plan.

He has also previously served several financial institutions such as Bank of Nova Scotia, RHB Bank, Southern Bank, Bank Rakyat, Asian Finance Bank and UOB Bank in various capacities.

Encik Hasrul joined SME Bank on 10 June 2019 to assume the position of Group Chief Internal Auditor.

Hairil Izwar Abd Rahman

Group Chief Digital & Technology Officer, Group Information Technology

- Malaysian
- Male
- Appointed on 1 February 2026

Education, Professional Membership and Certification

- Bachelor of Business Administration, Universiti Utara Malaysia (UUM)

Relevant Experience

Encik Hairil began his career at Maybank Finance, where he served for two (2) years before joining Telekom Malaysia (TM). He subsequently spent over 15 years across various divisions and subsidiaries within the TM Group.

During his tenure, he gained extensive experience in Business Development and Big Data Analytics.

As Head of SME Business Development at TM SME, he successfully introduced and implemented several major projects, including the Government's Big Data Analytics initiatives, smart partnerships, digital lifestyle enhancements and biometric projects, significantly improving organisational performance.

Wee Yee Tat

Managing Director, Group Corporate & Investment Banking

- Malaysian
- Male
- Appointed on 5 October 2025

Education, Professional Membership and Certification

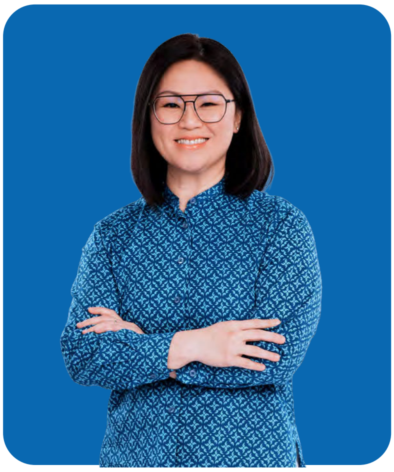
- Bachelor of Business Administration (Finance) from Multimedia University

Relevant Experience

Encik Yee Tat has over 22 years of experience, predominantly in the financial services sector.

Encik Yee Tat has held various positions, including Director-level roles at Eastreet Technologies, Legion Capital (M) Ltd and Bumiwerks Capital Management, as well as Manager at RAM Rating Services Berhad.

Prior to the merger with BPMB, Encik Yee Tat served as Head of Credit Risk before assuming the role of Head of Client and Solutions at Danajamin Nasional Berhad.



Cynthia Chee Pei Sze
Group Head, Group Operations

- Malaysian
- Female
- Appointed on 1 November 2025

Education, Professional Membership and Certification

- Bachelor in Accounting, Multimedia University

Relevant Experience

Puan Cynthia has over 17 years of experience across various industries. She joined BPMB as Head of Business Development & Strategy in Corporate Banking and subsequently assumed the role of Head of Corporate Strategy under the Group Corporate Development Office.

Prior to joining BPMB, she spent five (5) years at CIMB as Head of Business Strategy & Analytics in Corporate Banking and 12 years at KPMG, where she specialised in mergers and acquisitions and due diligence.

Noor Ain Mohd Amin
Acting Group Head, Group Islamic Finance

- Malaysian
- Female
- Appointed on 7 February 2022

Education, Professional Membership and Certification

- Bachelor of Law and Shariah Law from International Islamic University Malaysia

Relevant Experience

Puan Ain holds a Bachelor of Law and Shariah Law from International Islamic University, Malaysia.

She brings over 19 years of experience in the banking industry, with extensive expertise in Islamic banking, Shariah governance, treasury and Islamic capital markets.

Prior to joining BPMB, she served at CIMB Islamic Bank Berhad as Assistant Vice President in the Shariah and Governance Department, where she was primarily responsible for the Islamic capital markets and treasury portfolios. Earlier in her career, she was with Kuwait Finance House (Malaysia) Berhad as a Relationship Manager in the Commercial Banking Department.

Mohd Nazri Abu Samah

Acting Group Head,
Group Treasury & Investments

- Malaysian
- Male
- Appointed on 1 June 2026

Education, Professional Membership and Certification

- Master of Business Administration (MBA), Universiti Kuala Lumpur Business School
- Bachelor of Economics. Universiti Kebangsaan Malaysia
- Chartered Banker, Asian Institute of Chartered Bankers
- Member of Persatuan Pasaran Kewangan Malaysia (PPKM); Holder of Certificate of Malaysian Financial Market

Relevant Experience

Encik Nazri was previously the Head of Treasury (Treasurer) at SME Bank Berhad, with over 25 years of experience in banking and finance. He holds a Master of Business Administration (MBA) from Universiti Kuala Lumpur Business School, a Bachelor of Economics from Universiti Kebangsaan Malaysia and is a Chartered Banker (CB). He has held various senior positions across treasury, investment and corporate finance functions, including roles at FCA Capital, Pelaburan MARA Berhad and United Overseas Bank.

In his current role, Encik Nazri leads treasury operations, overseeing asset and liability management, funding strategies, liquidity and risk management to support the organisation's financial resilience and strategic objectives.

Shuhaibahtulaslamiah Hurmuzan

Acting Group Chief Human Resource Officer, Group Human Resource

Malaysian

Female

Appointed on 21 July 2026

Education, Professional Membership and Certification

- Diploma in Corporate Administration, Chartered Secretaries Malaysia
- Certificate, Institute Of Chartered Secretaries & Administrators (ICSA), Institut Perdagangan Mara
- Certificate of Matric ICSA (Certificate in Corporate Administration) - Malaysian Institute of Chartered Secretaries and Administration
- License Company Secretary from the Companies Commission of Malaysia (LS 0009879)
- Practicing Certificate (No: 202008002429)

Relevant Experience

Puan Shuhaibahtulaslamiah has 29 years of experience, with over 22 years spent in senior management roles, including regional-level roles.

Prior to joining SME Bank, she served as General Manager of Human Resource & Corporate Services at one of Malaysia's leading financial institutions specialising in insurance, where she oversaw human resources, property, procurement and logistics.

Her experience covers the full spectrum of human capital development and management across multinational companies and industries, including electronics, manufacturing, research and development, and retail.

Group Organisation Structure

As of 1 August 2026

EXCO Members

Non- EXCO Members

Direct Reporting

Governance related matters

Administrative Reporting

BOARD INFORMATION TECHNOLOGY COMMITTEE

BOARD CREDIT COMMITTEE

BOARD NOMINATION & REMUNERATION COMMITTEE

Group Chief Operating Officer
TBD

Export-Import Bank (EXIM)
CEO
Datuk Nurbayu Kasim Chang

Group Finance
Group Chief Financial Officer
Hee Wei Jean

Group Strategy
Group Chief Strategy Officer
Datuk Wira Dr. Mohammad Hardee Ibrahim

Small Medium Enterprise (SME) Bank
CEO
Samad Majid Zain Abdul Majid

Group Corporate & Investment Banking
Managing Director
Wee Yee Tat

Group Treasury & Investments
Group Head
Mohd Nazri Abu Samah (Acting)

Group Operations
Group Head
Cynthia Chee Pei Sze

GROUP BPMB BOARD

SHARIAH COMMITTEE

BOARD RISK MANAGEMENT COMMITTEE

BOARD AUDIT COMMITTEE

Group Chief Executive Officer
Dato' Muzaffar Hisham

Group Human Resource
Group Chief Human Resource Officer
Shuhaibahtulaslamiah Hurmuzan (Acting)

Group Information Technology
Group Chief Digital & Technology Officer
Hairil Izwar Abd Rahman

Group Islamic Finance
Group Head
Noor Ain Mohd Amin (Acting)

Group Risk Management
Group Chief Risk Officer
Mohammad Azam Ahmad

Group Internal Audit
Group Chief Internal Auditor
Hasrul Farid Hasnan

Group Compliance
Group Chief Compliance Officer
Rohayati Talaha @ Talha

Group Legal
Acting Co - Group Head
Wan Noorazli Maula Wan Suleiman

Nor Aida Ismail

Group Corporate Secretarial
Company Secretary
Norshydah Abu Talib (Acting)

Performance

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Our Operating Environment and Outlook

The economy demonstrated resilience in 2025, sustaining growth momentum despite heightened external headwinds from the United States (US) trade policy shifts and a more uncertain global trade environment. The BPMB Group's portfolio continued to align closely with Malaysia's national development priorities, strengthening its institutional foundation and expanding its capacity to deliver development impact.

For 2026, we expect continued moderate economic expansion, underpinned by domestic demand and the early implementation of the 13th Malaysia Plan (13MP), with the BPMB Group's broadened institutional capabilities positioned to amplify its development financing impact across a wider spectrum of national priorities. Against this backdrop, Malaysia's economy is expected to moderate to 4.4% in 2026 (2025: 5.2%).

Economy

- Malaysia's economy grew by 5.2% in 2025, slightly higher than the 5.1% recorded in 2024, reflecting commendable resilience amid significant external headwinds from US trade tariffs that weighed on global trade and investor sentiment. Domestic demand, particularly private consumption, remained the primary growth engine, anchored by resilient household spending and ongoing wage growth.

- Private investment continued to expand in 2025, albeit at a slower pace compared to 2024's double-digit growth, as the large pipeline of approved investments (particularly into services sub-sectors and data centre-driven projects) progressed into realisation, drawing down the high stock of committed foreign direct investment accumulated in 2024. The sustained economic expansion was supported by an accommodative monetary policy stance. Bank Negara Malaysia (BNM) cut the Overnight Policy Rate (OPR) by 25 basis points to 2.75% at its July 2025 Monetary Policy Committee (MPC) meeting, amid a more complex external environment.

- Inflation remained broadly contained in 2025, supported by a measured approach to fuel subsidy rationalisation and a relatively stable supply-side environment, even as tariff-related cost pass-throughs emerged in certain import-dependent categories.

- The Ringgit experienced bouts of volatility during the year, driven by US dollar strength amid tariff uncertainties and shifting global capital flows. Nonetheless, Malaysia's improving fundamentals and continued efforts by BNM and the government to encourage repatriation of foreign earnings by government-linked companies (GLCs) and government-linked investment companies (GLICs) provided meaningful support.

- 2025 marked the concluding year of the 12th Malaysia Plan (12MP), with overall development outcomes broadly meeting the Plan's strategic targets. The 13MP framework for 2026–2030 was progressively shaped during the year, guided by the Ministry of Economy's planning conferences and stakeholder engagements, signalling the next phase of Malaysia's long-term development trajectory.

Impact

- The BPMB Group's total portfolio outstanding grew from RM22.25 billion in December 2024 to RM22.87 billion in December 2025 (+2.8% year-on-year (YoY)), reflecting disciplined portfolio stewardship alongside new disbursements. More notably, total exposure (financing and guarantees combined) expanded from RM28.88 billion to RM32.34 billion (+11.9%), underscoring the Group's growing pipeline of committed development support.

- For 2025, BPMB introduced six (6) subsidised loan schemes, namely the MADANI Development Scheme (for business activities contributing to the 12MP and Ekonomi MADANI that fall outside existing programmes), the Logistics and Transportation Scheme, the Sustainable Development and Transition Scheme, the Renewable Energy and Energy Transition Programme, the Bumiputera Economic Development Programme and the Digital Infrastructure Programmes and High-Impact Sectors scheme.

- In addition to the subsidised loan schemes, BPMB introduced the Capital Access Programme, a loan and equity financing facility for companies operating in new growth sectors and micro, small and medium enterprises (MSMEs) requiring capital support.

- At the end of 2025, the information and communications technology (ICT) sector recorded the strongest growth in BPMB's total loans outstanding at 26.7% YoY, followed by transport and storage at 14.5%.

- This reflected BPMB's dedication to extending financing to toll road concessionaires, aviation support infrastructure, maritime logistics and port-related facilities (all critical enablers of economic connectivity aligned with 12MP and MADANI Economy priorities), as well as to digital infrastructure and ICT-related developments in support of Malaysia's National Digital Economy agenda.

- Meanwhile, the loans extended to the accommodation segment remained stable during the year (0.9% YoY), in line with the Group's sustained commitment to tourism infrastructure financing.

Opportunity & Strategic Response

- The integration of SME Bank and EXIM Bank Malaysia marks 2025 as a transformative year for the Group. This expanded institutional scope enhances the Group's capacity to serve a broader spectrum of the national agenda at scale, in alignment with key national policies, such as the Malaysia MADANI Economic Framework, the New Industrial Master Plan, the National Energy Transition Roadmap, the 13th Malaysia Plan and the Bumiputera Economic Transformation Plan 2035.

- This spans SME enablement and Bumiputera economic empowerment, the shift towards strategic and high-value growth sectors and export facilitation, positioning BPMB Group for a more impactful role in the country's development financing ecosystem.

- The commencement of the 13th Malaysia Plan (13MP) in 2026 presents a significant opportunity for BPMB Group to deepen its development financing role. Key infrastructure tracks under the 13MP framework, including balanced regional development, public transport and food security and SME upscaling, are well-aligned with the Group's mandate and complement its existing financing schemes.

- Continued inflows of foreign direct investment, particularly in data centres, advanced manufacturing and semiconductor-related industries, create downstream demand for supporting infrastructure across logistics, utilities and industrial facilities, areas where BPMB Group's financing schemes are well-positioned to respond.

- Under Budget 2026, the federal government has entrusted BPMB Group, together with its subsidiaries SME Bank and EXIM Bank, with RM9 billion in strategic initiatives. These initiatives position BPMB Group as Malaysia's integrated development financial institution, tasked with driving the Ekonomi MADANI agenda through impact-driven financing, export facilitation and SME ecosystem development.

Risk

US-Iran War and Energy Price Volatility

- The outbreak of the US-Iran conflict in February 2026 and the subsequent near-closure of the Strait of Hormuz represent a significant and fast-evolving risk to Malaysia's operating environment. Approximately 20% of the world's oil and liquefied natural gas (LNG) trade ordinarily transits the Strait, and the disruption has materially tightened global energy supply.

- With Brent crude prices rising sharply and analysts warning of further increases should the closure persist, Malaysia faces upward pressure on fuel-related costs, with direct implications for domestic pump prices, transport operating costs and the Government's fuel subsidy expenditure.

- While Malaysia is a net oil and gas producer and stands to benefit from higher commodity prices in terms of petroleum revenue, the indirect costs are consequential.

- Energy-intensive industries, including manufacturing, logistics and transportation, face margin compression from elevated fuel costs, which could dampen private investment momentum and weigh on operating performance across sectors that form a meaningful part of BPMB Group's financing portfolio.

- Any sustained escalation that further disrupts global shipping lanes, including the Cape of Good Hope rerouting already in effect, would also lengthen supply chains and increase input costs across the broader economy.

- Malaysia's direct shipping exposure to the Strait of Hormuz is also notable. Seven Malaysian vessels were among those stranded during the crisis and were permitted passage in early April 2026, a reminder that the Group's portfolio companies in the transportation and maritime logistics sectors carry real operational risk in the event of prolonged closure. BPMB Group will continue to monitor developments closely and engage with affected borrowers where necessary.

US Withdrawal from UNFCCC

- The US formal withdrawal from the United Nations Framework Convention on Climate Change (UNFCCC), which coincided with its withdrawal from the Paris Agreement earlier this year, introduced uncertainty into global climate financing frameworks.

- The moves imply tighter international funding for Malaysia's local green projects and increased pressure to rely on domestic policies, such as the National Energy Transition Roadmap (NETR) and the impending carbon tax to fund sustainability goals. This presents a double-edged challenge for the Group.

- Malaysia's own commitments under the National Energy Transition Roadmap (NETR) and its broader sustainability agenda remain intact, ensuring sustained demand for domestic green financing. That said, with green projects now more reliant on domestic funding sources, competition for financing will intensify.

US Tariffs

- The primary external risk to our operating environment in 2026 remains the trajectory of US trade policy. While Malaysia has formally withdrawn from its reciprocal trade deal with the US, following the country's Supreme Court decision to strike down broad tariff measures under the International Emergency Economic Powers Act (IEEPA), making the 19% reciprocal rate previously established no longer in effect, a new tariff may still be introduced.

- US President Donald Trump subsequently imposed a temporary universal 10% tariff on all US imports following the court ruling. This tariff is scheduled to expire in July 2026 unless extended by Congress.

- At the same time, some commodities remain subject to sectoral tariffs under US national security investigations. Both exports and imports of semiconductors are among those still under review for potential supply chain and national security actions.

- Persistent uncertainty and the build-up in trade frictions could continue to dampen export growth and delay certain investment decisions, particularly in sectors that form part of our core portfolio.

- The inflationary nature of tariffs has kept the US Federal Reserve cautious. If US interest rates remain elevated for longer, global capital flows could remain volatile, exerting intermittent pressure on the Ringgit (which would otherwise be on a strengthening trajectory) and raising financing costs for portfolio companies with external obligations.

- While our portfolio exposure is predominantly domestic and services-oriented, and thus less directly exposed to goods trade disruptions, the indirect impact through slower trade-driven growth on transport, logistics and construction warrants continued vigilance.

Our Financing Ecosystem

In line with our developmental mandate, our financing ecosystem is designed to provide access to capital to spur the development of strategic sectors and segments.

Our Ecosystem of Financial Resources

Over the years, through optimised capital management, we have established an ecosystem of sound financial resources needed to sustainably support our financing activities.

Deposits from Customers and Financial Institutions (FIs):	Shareholders' Funds:	Long-term Borrowing:	Redeemable Notes and Sukuk:
RM19.9 Billion	RM12.6 Billion	RM3.3 Billion	RM12.7 Billion

Dedicated Schemes We Create

In line with our developmental role, we have allocated our financial resources towards dedicated financing programmes that support strategic sectors and segments, in alignment with the national agenda. The financing costs of our strategic financing programmes are subsidised by the government (1.0%), with financing tenures ranging from 5 to 20 years.

RM6.4 BILLION ALLOCATED FOR NATIONAL DEVELOPMENT FOR 2025

Subsidised Financing (RM6.0B)

Programme	Allocation	Description
MADANI DEVELOPMENT PROGRAMME	RM2.0 Billion	Supports the MADANI Economic Framework and 12th Malaysia Plan (2021-2025), focusing on public and social infrastructure, utilities, food security and tourism-related activities.
TRANSPORTATION & LOGISTICS PROGRAMME	RM1.0 Billion	Supports the value chain activities related to transportation and logistics as well as oil and gas.
RENEWABLE ENERGY & TRANSITION PROGRAMME	RM500 Million	Supports energy-related activities under the National Energy Transition Roadmap (NETR) as well as energy-related transition projects.
SUSTAINABLE DEVELOPMENT & TRANSITION PROGRAMME	RM1.4 Billion	Supports the United Nations Development Programme (UNDP) Sustainable Development Goals (SDGs) agenda in climate risk mitigation, adaptation as well as non-energy-related transition projects.
BUMIPUTERA ECONOMIC DEVELOPMENT PROGRAMME	RM500 Million	Supports the Bumiputera Economic Transformation Plan 2035 (PuTERA35), that will focus on (amongst others), halal ecosystem and supply chain-related activities.
DIGITAL INFRASTRUCTURE AND HIGH IMPACT SECTORS PROGRAMME	RM600 Million	Supports the activities towards accelerating the Industry 4.0 (including the digital economy) adoption as well as new growth and High-Impact Sectors under the National Investment Master Plan (NIMP).

The financing costs of our Dedicated Schemes are subsidised by the government (1.0%) and are applicable for wholesale transactions financed by BPMB.

Hybrid or Blended Financing (RM0.4B)

Programme	Allocation	Description
CAPITAL ACCESS PROGRAMME	RM400 Million	Nurturing new growth sectors and providing capital for companies to expand organically and inorganically in the small and medium enterprise (SME) segment.

BPMB Malaysia Development Bank

We Deliver Impact Capital for National Development | BPMB Confidential

Measurement Framework

It is important for BPMB to have a robust measurement framework to evaluate its pivotal role in supporting the sustainable development agenda of the nation.

As a Development Financial Institution (DFI), BPMB bridges financial gaps in areas underserved by the private sector that are marked by high risks and uncertainties. BPMB measures and manages its performance from the financial and non-financial perspectives to ensure a holistic performance appraisal.

Twin Track to Sustainable Performance

Financial Performance

As a DFI, the Bank must carefully manage and track financial performance to ensure its financial position remains sustainable and on target in all its financial undertakings.

Non-Financial Performance

Evaluating non-financial performance from an impact-creation perspective helps ensure that activities are aligned with the Bank's developmental mandate to be the catalyst for sustainable development.

- **Informed decision-making for balanced outcomes**
- **Ensure long-term focus and sustainability**
- **Align BPMB's activities with the national agenda**

Five-Year Group Financial Summary

	2025	2024	2023	2022	2021
Profitability (RM'million)					
Profit before taxation and zakat	**930**	583	558	359	174
Net profit for the year	**815**	429	401	187	115
Key Statements of Financial Position Data (RM'million)					
Total assets	**52,367**	34,659	29,256	27,330	26,394
Cash, deposits and placements	**3,408**	2,070	1,215	3,908	3,091
Financial investments - FVOCI	**15,268**	12,682	9,843	7,378	5,950
Financial investments - FVTPL	**67**	10	7	34	15
Financial investments - AC	**1,449**	64	61	-	-
Loans, financing and advances	**30,548**	18,427	16,677	14,741	16,090
Other assets	**1,627**	1,406	1,453	1,269	1,248
Total liabilities	**39,732**	25,267	20,182	18,755	17,884
Deposits from customers and financial institutions	**19,912**	15,116	9,843	9,009	7,006
Redeemable notes	**12,656**	8,376	8,932	8,235	9,298
Borrowings	**3,288**	153	152	163	153
Deferred income	**1,079**	612	783	845	964
Other liabilities	**2,797**	1,010	472	503	463
Total equity	**12,635**	9,392	9,074	8,575	8,510
Paid-up capital	**6,713**	4,019	4,019	4,019	4,019
Reserves	**5,911**	5,360	5,043	4,541	4,478
Non-controlling interest (NCI)	**11**	13	12	15	13
Commitments and contingencies	**13,540**	6,772	8,062	8,196	10,068
Share Information (Per Share (Sen))					
Earnings per share	**18.13**	12.40	11.66	5.35	3.32
Gross dividends (sen)	**6.56**	4.37	3.56	2.46	2.17
Normal (sen)	**5.45**	4.37	3.56	2.46	2.17
Special (sen)	**1.11**	-	-	-	-
Financial Ratios (%)					
Profitability ratios (%)					
Return on equity	**7.40**	4.65	4.54	2.19	1.40
Return on assets	**1.87**	1.34	1.42	0.69	0.46
Cost to income ratio	**34.60**	22.55	14.37	15.86	20.59*
Asset quality ratios (%)					
Gross impaired loans, financing and advances ratio	**10.35**	10.15	9.95	11.40	9.59
Net impaired loans, financing and advances ratio	**3.97**	4.33	4.74	5.29	3.00

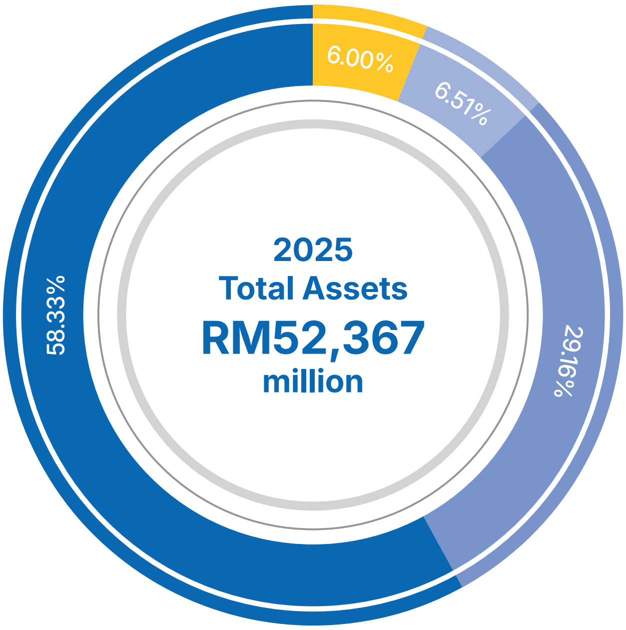
*Note: Excluding one-off cost of borrowing redemption

Financial Highlights

	Group		Bank	
	2025	2024	2025	2024
Profitability (RM'million)				
Profit before taxation and zakat	**930**	583	**591**	547
Net profit for the year	**815**	429	**506**	406
Key Statements of Financial Position Data (RM'million)				
Total assets	**52,367**	34,659	**38,250**	36,454
Cash, deposits and placements	**3,408**	2,070	**1,171**	2,055
Financial investments - FVOCI	**15,268**	12,682	**12,294**	12,682
Financial investments - FVTPL	**67**	10	**11**	10
Financial investments - AC	**1,449**	64	**592**	59
Investment in subsidiaries	**-**	-	**4,923**	2,093
Loans, financing and advances	**30,548**	18,427	**17,988**	18,161
Other assets	**1,627**	1,406	**1,271**	1,394
Total liabilities	**39,732**	25,267	**26,134**	27,309
Deposits from customers and financial institutions	**19,912**	15,116	**14,015**	15,390
Redeemable notes	**12,656**	8,376	**8,346**	8,376
Borrowings	**3,288**	153	**153**	153
Deferred income	**1,079**	612	**564**	612
Other liabilities	**2,797**	1,010	**3,056**	2,778
Total equity	**12,635**	9,392	**12,116**	9,145
Paid-up capital	**6,713**	4,019	**6,713**	4,019
Reserves	**5,911**	5,360	**5,403**	5,126
Non-controlling interest (NCI)	**11**	13	**-**	-
Commitments and contingencies	**13,540**	6,772	**9,435**	6,582
Share Information (Per Share (Sen))				
Earnings per share - basic (sen)	**18.13**	12.40	**-**	-
Gross dividends (sen)	**6.56**	4.37	**3.56**	2.46
Normal (sen)	**5.45**	4.37	**3.56**	2.46
Special (sen)	**1.11**	-	**-**	-
Financial Ratios (%)				
Profitability ratios (%)				
Return on equity	**7.40**	4.65	**4.76**	4.51
Return on assets	**1.87**	1.34	**1.35**	1.21
Cost to income ratio	**34.60**	22.55	**20.61**	22.46
Capital adequacy (%)				
Risk weighted capital ratio (RWCR)	**39.04**	41.30	**35.16**	33.53
Core capital ratio	**29.58**	30.83	**35.16**	30.26
Asset quality ratios (%)				
Gross impaired loans, financing and advances ratio	**10.35**	10.15	**10.06**	10.18
Net impaired loans, financing and advances ratio	**3.97**	4.33	**2.55**	4.39

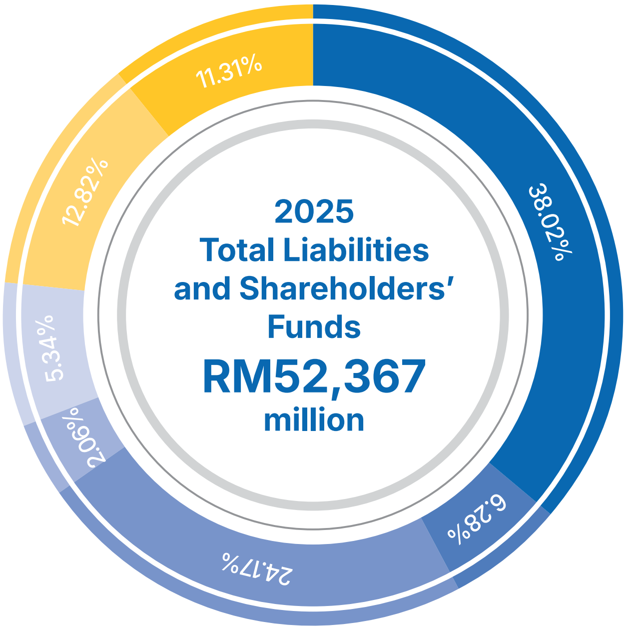
Group Statement of Financial Position

Composition of Assets



Composition of Assets	%	RM'million
Loans, financing and advances	58.33	30,548
Financial investments – FVOCI	29.16	15,268
Cash, deposits and placements	6.51	3,408
Other assets	6.00	3,143

Composition of Liabilities and Shareholders' Funds

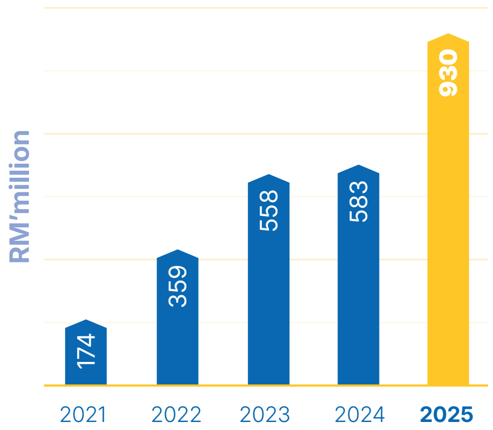


Composition of Liabilities and Shareholders' Funds	%	RM'million
Deposits from customers and financial institutions	38.02	19,912
Redeemable notes	24.17	12,656
Share capital	12.82	6,713
Reserves & NCI	11.31	5,922
Borrowings	6.28	3,288
Other liabilities	5.34	2,797
Deferred income	2.06	1,079

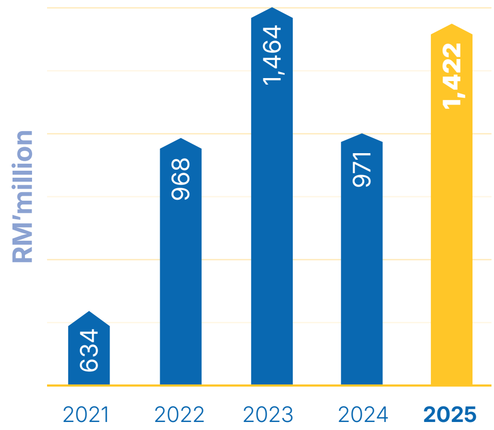
Five-Year Group Growth Trajectory

BPMB 2025 Financial Statements | Click or scan here to read more

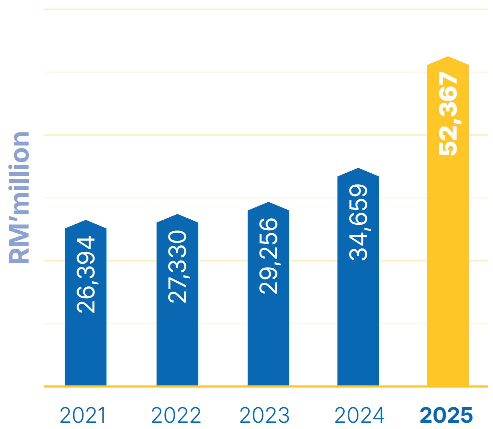
Profit Before Tax & Zakat



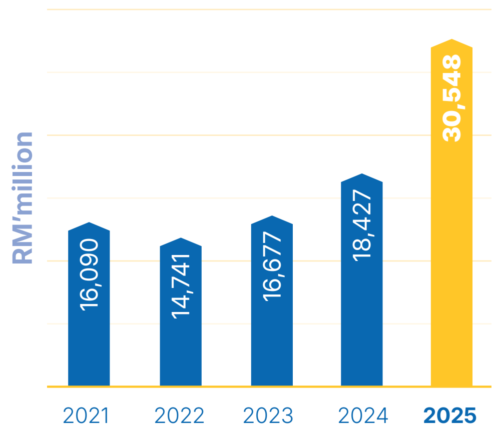
Net Income



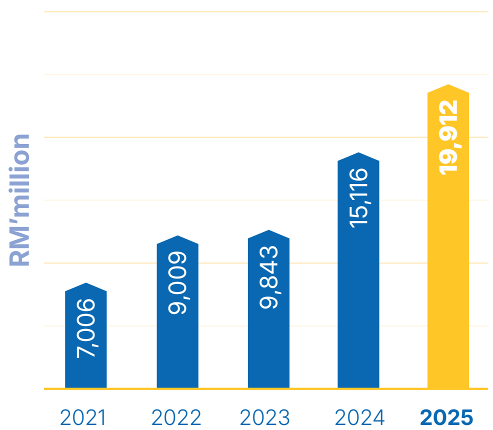
Total Assets



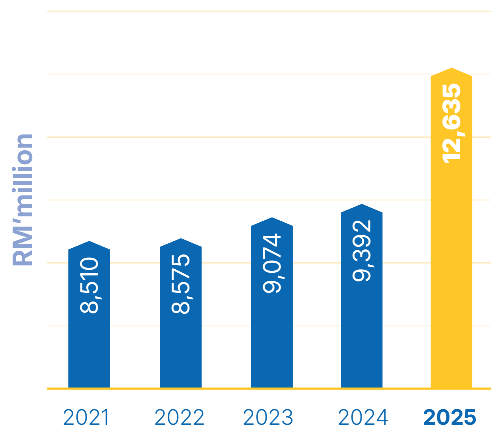
Net Loans, Financing & Advances



Deposit from Customers & Financial Institutions



Total Equity



Non-Financial Performance

The Bank's Non-Financial Performance Framework is outcome-based, designed to capture the broader contributions of BPMB beyond the narrow focus of financing growth indicators. It integrates development key result indicators to measure the socio-economic impact of BPMB's operations on our key stakeholders. These non-financial indicators also act as leading indicators of future financial performance and will create strong incentives for strategic alignment to achieve greater development impact.

The framework adopted to measure BPMB's non-financial performance comprises two (2) components:

A. Developmental Impact

Developmental Impact

There are four (4) indicators on developmental impact, which are included in BPMB's Corporate Scorecard 2025.

Indicator	FY2025 Performance
1. Market Impact (Direct/Indirect Funding + Crowd-in) based on Gross Approvals	**RM12.1 billion**
• Direct exposure (financing, guarantees or equity) and crowded-in capital.	Among the key impactful deals that were approved during the year are as follows: • Weststar Aviation Services (RM5.1 billion) • AFA Prime (RM3.9 billion) • Duta Marine (RM732 million)
2. National Agenda Participation	**7 counts**
• Policy participation measures our involvement in the Government and BNM's policies, e.g. National Budget, Malaysia Plan and New Industrial Master Plan. • Policy or Proposal proposed by BPMB accepted, adopted or announced by the Government and/or BNM.	Some of the key national initiatives where BPMB serves as a strategic implementation partner include: • BPMB serves as the Climate Finance Industry Leaders (CFIL) Administrator under the Joint Committee on Climate Change (JC3) initiative, co-chaired by Bank Negara Malaysia (BNM) and the Securities Commission Malaysia (SC), supporting the development of innovative climate financing solutions, cross-sector collaboration and a growing pipeline of climate and nature-related projects. • BPMB participated in drafting the National Gas Roadmap, including proposed financing mechanisms involving Development Financial Institutions (DFIs) to support the gas ecosystem and supply chain. • In collaboration with the Ministry of Transport, BPMB provided inputs to address financing gaps in the shipping sector. The findings were subsequently presented to the National Shipping and Port Council, chaired by the Minister of Transport. • BPMB supports sustainable transformation at the ground level through the Greening Industrial Parks (GIP) pilot project under JC3, helping pilot parks and their tenants reduce their carbon footprint, strengthen climate resilience and improve resource efficiency.
3. Average Portfolio Development Impact Index (DII)	**62.5**
• Measures the aggregated portfolio that received assistance from BPMB.	The Average Portfolio DII is based on all 97 approved projects. The DII measures the anticipated impact resulting from project financing (minimum score of 42). It considers various factors, encompassing contributions to selected Sustainable Development Goals (SDGs), evaluations of social and environmental risks, indicators outlined by BNM and the number of beneficiaries involved.

Indicator	FY2025 Performance
4. Sharing Thought Leadership Content • In alignment with the Agenda 2025 aspiration to become a 'Trusted Partner to Stakeholders'.	**22 activities** Among the knowledge-sharing topics and events undertaken by BPMB are the following: • Panellist for Harnessing Women's Leadership in Advancing Innovation for Sustainable Development • Active collaboration with organisations such as the World Bank, the United Nations Development Programme (UNDP) and the Association of Southeast Asian Nations (ASEAN) stakeholders to enhance capacity building and promote sustainable finance initiatives. • BPMB shared best practices in risk management, compliance and impact-driven financing, reinforcing its commitment to strong governance and responsible banking. • Engagements with regulators and industry players supported the development of financing frameworks in key sectors, including maritime and sustainable infrastructure. • BPMB demonstrated thought leadership in structuring blended finance solutions and mobilising private capital to accelerate climate-aligned investments.

B. Social Cost and Benefit

Social Cost and Benefit

We have adopted the following metrics as part of our plan for 2024–2025 to measure our effectiveness in using public resources to deliver on our mandate:

Indicator	Performance FY2025	Performance FY2024
Subsidy Dependence Index (SDI) Measures the Development Financial Institution's (DFI's) level of self-sustainability in relation to Government assistance. A lower SDI indicates lower dependence on the Government's financial assistance.	-22.7%	-24.3%
Output Index (OI) Measures the DFI in fulfilling social objectives, that is, financing targeted sectors. An OI below 1 indicates that more funds have been channelled towards the targeted segments rather than non-targeted segments.	0.56	0.56
Net Subsidy Cost (NSC) Measures the effective weighted cost of the subsidy (Government assistance) to the society against the OI. A NSC lower than the net subsidy received is better, indicating effective social gain as the subsidy reaches more targeted sectors.	-RM138.9 million	-RM141.8 million

Analysis

In 2025, BPMB recorded higher SDI of -22.7%, compared to -24.3% in 2024, indicating a higher reliance on government financial assistance. This was primarily driven by the increase in average equity to RM5,365.8 million (2024: RM4,018.8 million). The Bank also maintained an OI ratio below 1, consistent with its mandate to serve targeted sectors. However, the higher NSC in 2025 of -RM138.9 million compared to -RM141.8 million in 2024 suggests that the subsidy is reaching slightly less targeted segments compared to the prior year, which warrants continued focus on ensuring that government assistance is directed towards the intended beneficiaries in line with BPMB's mandate.

Stakeholder Engagement

Overview

BPMB recognises that effective stakeholder engagement is fundamental to fulfilling its development mandate, driving the national agenda, strengthening governance and delivering long-term sustainable value. We take a structured approach to stakeholder identification, considering both direct and indirect stakeholders who influence or are impacted by our operations.

Throughout the year, we engaged with individuals and organisations affected by our activities to gain insights into key issues, expectations and challenges. These engagements support the Bank's understanding of its operating environment and inform strategic planning and decision-making.

We place importance on building constructive and long-term relationships with stakeholders through regular and meaningful engagement. By working closely with stakeholders, BPMB seeks to enhance alignment, strengthen collaboration and support the development of initiatives that are consistent with the Bank's mandate and strategic priorities.

Stakeholder feedback obtained through these engagements is reviewed and considered in relevant internal assessments and management processes, contributing to the refinement of the Bank's strategies, initiatives and reporting focus.

Stakeholder	Key Engagement Channels	Key Expectations	BPMB Response
Boards	Board Committee meetings, Board Offsite	Financial sustainability, governance, strategic clarity, serving mandate	Institutionalisation of the Performance Measurement Framework (PMF), strategic direction and alignment, regular performance reporting, strengthened governance and oversight
Regulators	Regulatory submissions, supervisory engagements, policy briefings	Compliance, risk management, financial stability, performance measurement framework	Robust compliance frameworks and proactive regulatory engagement
Ministries and Agencies	Strategic consultations, performance updates, policy alignment discussions, inter-agency coordination meetings, joint initiatives and programmes	Alignment with national development priorities, State Government's development plan, advisory support	Financing programmes aligned to government policies and socio-economic goals
Strategic Partners and Associations	Partnership meetings, collaborative planning sessions, reviews, industry dialogues, consultations, forums	Collaboration and delivery effectiveness, industry support and participation	Structured partnerships and clear governance arrangements (crowding in) Active participation in dialogues and consultations
Customers	Continuous engagement, site visits	Addressing funding needs, advisory support	Enhanced customer engagement, better service quality and improved turnaround times
Employees	Townhalls, engagement surveys, performance dialogues, training programmes	Career development, well-being, engagement	Talent development, learning initiatives and employee engagement programmes
Communities	Outreach programmes, community initiatives, engagement sessions	Positive socio-economic impact	Community outreach and Corporate Social Responsibility (CSR) or Zakat distribution initiatives

Boards

Sustainability Training

Regulators

BNM's Performance Measurement Framework 2.0 Workshop

Kem AMAR 2025

Ministries and agencies

Stakeholder Engagement in Kelantan

The Urban Renewal Act

Strategic partners

PLC x IPSB: Advancing Digital Access in Sabah and Labuan

Bank Pembangunan at Financing Zero Summit 2025

UNDP Visit: Financing the Future by Fueling Climate Action

Associations

Bank of Ghana's Study Visit to BPMB

ADFIM: National Conference on Integrity & Governance and Awards Gala 2025


RAM Forum 2025

Customers

BPMB x Coronade: Powering a New Urban Heart for Johor Bahru

BPMB x Rimbun Purnama: Building 1,000 Futures in Bandar Tun Razak

BPMB Group x Duta Marine

Employees


ORLO Retreat 2025

Healthy Snack Day 2025


BPMB Group Pickleball Tournament 2025

BPMB Long Service Awards & Retirements Farewell

Ergonomic Awareness Talk & Posture Screening

Communities

ALAM at the 30th United Nations Climate Change Conference (COP30) in Belém, Brazil

BPMB Zakat Funds Medical Implants to Asnaf Patients at HPUSM, Kelantan

2025 Offsite Meeting and Zakat Giving Ceremony

Governance

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Statement of Corporate Governance

Corporate Governance ("CG") at BPMB

BPMB's Board of Directors ("the Board") is committed to observe high standards of corporate governance to deliver long-term value and sustainability for all its stakeholders. Despite navigating through a challenging year, the Board continued to embrace BPMB's robust corporate governance practices to support the Group's strategy to enhance our shareholders' and other stakeholders' interests as well as effectively meet business objectives to deliver impact capital for national development.

This Statement of Corporate Governance summarises the key corporate governance practices, policies and guidelines of BPMB and its subsidiaries during the financial year ended 31 December 2025. It has been prepared in compliance with the principles and best practices of Bank Negara Malaysia Policy Document on Corporate Governance for Development Financial Institutions ("BNM PD CG for DFI"), Garis Panduan Tadbir Urus dan Ahli Lembaga Pengarah Syarikat Menteri Kewangan (Diperbadankan) (MKD) 2024 ("MKD Guideline 2024"), Tatakelola Syarikat Berkepentingan Kerajaan (SBK) dan Syarikat Berhad Menurut Jaminan (CLBG) ("Tatakelola") and guided by the principles of the Malaysian Code on Corporate Governance ("MCCG").

BPMB's Governance Framework

BPMB has a well-defined corporate governance framework in place as part of its commitment to foster a culture of compliance that values personal and corporate integrity, accountability and continuous improvement.

The Board sets the direction of the corporate governance principles, upholds governance and seeks to build an ethical culture. The Board continuously strives to refine the Company's corporate governance practices and processes to maintain the Group's competitive edge.

The Board is accountable to the shareholders for creating and delivering sustainable value through the oversight of the management of the Group's business, approving strategic plans, monitoring their implementation and providing the necessary support for their successful execution.

The Board discharges its responsibilities within a clearly defined governance framework and with robust mechanisms in place. Through this framework, the Board, while retaining its responsibilities, delegates governance duties to key Board Oversight Committees ("BOC") and other Management Oversight Committees ("MOC"). The effective operation of the Board depends on the clarity of its various roles and responsibilities. There is a clear division of responsibilities between the Board's leadership and BPMB's Senior Leadership Team ("SLT") leadership. The Board maintains ultimate accountability and responsibility for the performance and affairs of BPMB, ensuring that BPMB adheres to high standards of ethical behaviour.

In executing its governance responsibility, the Board has embraced the following best governance practices:

- Group Board Charter that sets out the roles of the Chairman, Group Chief Executive Officer and Non-Executive Directors ("NEDs").
- Group Board Charter that sets out the principles of the Code of Ethics, Conflicts of Interest, External Professional Commitment and Whistleblowing Policy.
- The positions of the Chairman and the Group Chief Executive Officer are held by two (2) different individuals.
- A formal and transparent process for the appointment of new Directors and the re-appointment of Directors.

- Annual Independent Directors' Review to appraise the independence of Independent NEDs.
- The Chairman of the Board does not sit on any BOC[1] that has delegated approving authority.
- The Chairman of the Board and key BOC[1] is an Independent NED.
- The composition of the Board and key BOC[1] comprised a majority of independent NEDs.
- The number of directors with common directorship within the Group is kept at a minority.
- NEDs must not be active politicians or hold any office or position in a political party.
- Ongoing training and development for directors to ensure they are equipped with the necessary skills and knowledge to discharge their duties and responsibilities.
- Regular review of the Board succession plan.

Harmonisation of Group Governance Structure

In line with the Group integration agenda and pursuant to the Group Governance requirements under "BNM PD CG for DFI", the BPMB Group undertook a comprehensive harmonisation of its governance framework during 2026. This initiative was aimed at strengthening governance oversight, reducing duplication of functions, enhancing accountability and ensuring that strategic, risk, audit and governance matters are deliberated consistently across the Group at the holding company level.

As at 31 December 2025, governance oversight within the Group was exercised through separate Board Oversight Committees ("BOC") and Management Oversight Committees ("MOC") established at each of the three (3) DFIs, namely Bank Pembangunan Malaysia Berhad ("BPMB"), Small Medium Enterprise Development Bank Malaysia Berhad ("SME Bank") and Export-Import Bank of Malaysia Berhad ("EXIM Bank"). In addition, the coordination of merger and integration matters was undertaken through the Management Integration Committee ("MIC") and the Board Integration Committee ("BIC"), which served as interim forums to facilitate alignment amongst the three (3) DFIs during the integration phase.

During 2026, the Group moved towards its targeted end-state governance structure. Following the formalisation of the Group macrostructure and appointment of the Group Executive Committee ("Group EXCO") effective from 1 January 2026, the Group consolidated its MOC at the BPMB level, culminating in the harmonisation of the Group Management Risk Committee on 15 January 2026. The harmonised Group Management Oversight Committee ("Group MOC") comprises the Group EXCO, Group Management Risk Committee ("Group MRC"), Group Asset and Liability Committee ("Group ALCO"), Group Management Information Technology Committee ("Group MITC"), Group Management Tender Committee ("Group MTC"), Group Credit Committee ("GCC") and Group Human Resource Committee ("GHRC"). The MIC was subsequently dissolved, with integration matters escalated directly to the Group EXCO and the relevant Group MOC.

Following the approval of *Menteri Kewangan (Diperbadankan)* on 23 December 2025, and acknowledgement received on 5 January 2026 and BNM's approval dated 24 February 2026, BPMB formally established the Group Board Oversight Committees ("Group BOC") effective from 1 April 2026. Consequently, the corresponding Board Oversight Committees of SME Bank and EXIM Bank were abolished, with the exceptions of the credit-related committees, which are retained pending further harmonisation of credit policies and delegated authorities.

The newly established Group BOC comprise:

- Group Board Audit Committee ("Group BAC");
- Group Board Risk Management Committee ("Group BRMC");
- Group Board Nomination and Remuneration Committee ("Group BNRC");
- Group Board Information Technology Committee ("Group BITC");
- Group Board Tender Committee ("Group BTC"); and
- Group Performance Management Framework Monitoring Committee ("Group PMFC").

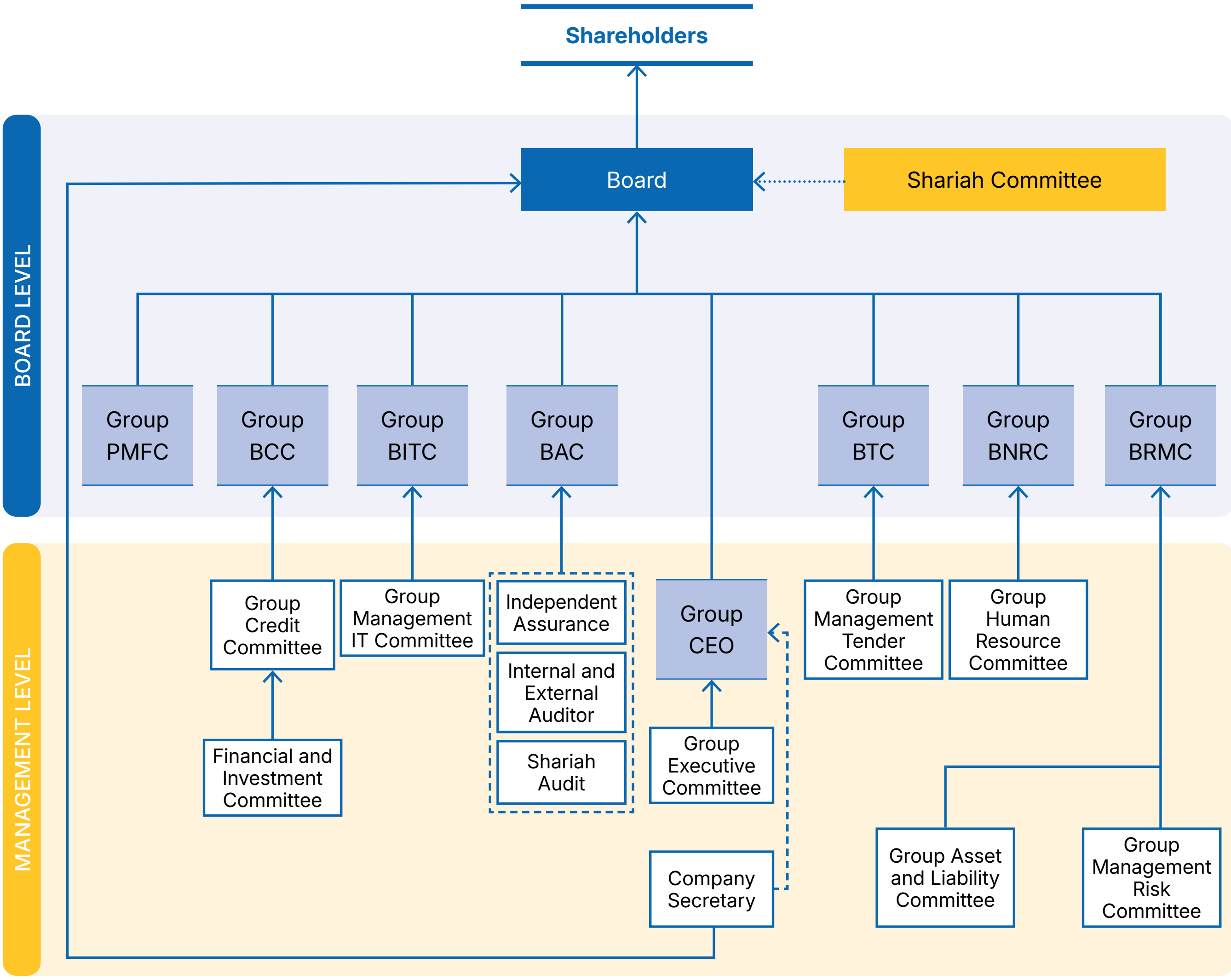
[1] *Refers to Board Audit Committee, Board Risk Management Committee and Board Nomination & Remuneration Committee.*

The Group BOCs were deliberately constituted with representatives drawn from the Boards of BPMB, SME Bank and EXIM Bank to ensure balanced representation, preserve institutional knowledge and leverage the collective expertise of Directors across the Group. The composition also complies with the requirements of BNM PD CG for DFIs and the MKD Guidelines 2024.

As at 30 June 2026, the Group governance structure remained substantially unchanged. The BPMB Board approved and adopted the Terms of Reference of the Group BAC, Group BRMC, Group BNRC, Group BITC, Group BTC and Group PMFC, thereby completing the formal operationalisation of the harmonised governance structure across the BPMB Group. The Group PMFC continued to serve as a dedicated oversight platform for monitoring mandate alignment, merger integration priorities and the Group's Performance Management Framework, while the Group BOC provided consolidated oversight of audit, risk, governance, technology and procurement matters across the three (3) DFIs.

The governance harmonisation initiative represents a significant milestone in the Group's integration journey, establishing a streamlined and cohesive governance framework that supports effective oversight, consistent decision-making and enhanced accountability across BPMB, SME Bank and EXIM Bank.

Our Governance Framework



BPMB's corporate governance framework is consistent and complies with the following:

a. *Garis Panduan Tadbir Urus dan Ahli Lembaga Pengarah Syarikat Menteri Kewangan (Diperbadankan)* [MKD] 2024 ("MKD Guideline 2024");

b. Development Financial Institutions Act 2002 ("DFIA 2002");

c. Bank Negara Malaysia's Policy Document on Corporate Governance for Development Financial Institutions ("BNM PD CG for DFI");

d. *Tatakelola Syarikat Berkepentingan Kerajaan* (SBK) and *Syarikat Berhad Menurut Jaminan* (CLBG);

e. Malaysian Code on Corporate Governance 2021 ("MCCG 2021"); and

f. The Malaysian Companies Act 2016.

The application of the relevant principles and best practices in corporate governance is highlighted across the various sections of this Statement of Corporate Governance.

BPMB's established corporate governance structures, processes and policies provide guidance to the Board's business decisions and overall responsibilities to shareholders, ensuring compliance with all laws and regulations. The Board strives to regularly review the Company's corporate governance practices to adapt to changes in BPMB's business direction and to meet shareholders' expectations.

The Board may delegate specific roles and functions to relevant BOC and Management, based on their specialised skills. These include matters relating to financial information review, human capital management, internal controls and risk management, as well as governance, procurement and investment. The roles and responsibilities of the Board, the Board Oversight Committees and Management are defined and supported by the Group Board Charter, Terms of Reference, Code of Conduct and Ethics, Approving Authority Matrix and Procurement Policy.

The table below provides an overview of the roles and functions of the shareholders, the Board and the Management through the governance framework:

Shareholders
Ultimate decision-making authority at the Annual General Meeting ("AGM"), where the appointment, re-appointment of the Board and re-appointment of External Auditors are approved.
The Board
Accountable to the shareholders for the performance of the Company. It directs and monitors the business and affairs of the Company on behalf of the shareholders and is responsible for the Company's overall strategy, objectives, direction, performance and corporate governance, with oversight delegated to the BOC.
Shareholders and the Board jointly
Provide oversight of BPMB's control and management.
Group Chief Executive Officer and the Management
Responsible for the sound and prudent day-to-day management of the Company in accordance with the direction of the Board. The Board delegates to the Group Chief Executive Officer, together with the Management, the authority for managing BPMB's business to achieve its corporate targets and plans.

BPMB Subsidiary Governance

BPMB operates through a range of subsidiaries, notably its main operating subsidiaries, namely SME Bank and EXIM Bank. Both are government-linked development financial institutions that became subsidiaries of BPMB as part of a strategic consolidation effective from 1 May 2025.

The governance framework ensures that each subsidiary operates as a separate and distinct legal entity, accountable for its own practices in accordance with local laws and regulations.

Each major subsidiary maintains its own Board of Directors. However, the Board maintains control and oversight of the subsidiaries through the appointment and removal of directors on the subsidiaries' boards. Members of the Board may be appointed as directors on each major subsidiary, thus ensuring a continuous flow of information and promoting alignment with the Group's strategic direction. While lines of reporting are maintained to the Group, the boards of each subsidiary remain the approving authority of that entity.

Leadership and Effectiveness

Board Roles and Responsibilities

The Board is primarily accountable to the shareholders for the long-term success of the Company and is ultimately responsible for overseeing and reviewing the administration and overall governance of the Company. In fulfilling its fiduciary duties in the best interests of the Company, the Board provides leadership support and works closely with the Company's Management. The roles of the Board are governed by the Group Board Charter.

While retaining the overall accountability, the Board has delegated the day-to-day management of the Company to the Group Chief Executive Officer and his Senior Leadership Team/Group Executive Members. To promote accountability and facilitate the division of responsibilities, the roles of the Chairman and the Group Chief Executive Officer, which are clearly defined in the Group Board Charter, remain separate and distinct. To effectively discharge its duties, the Board delegates some oversight responsibilities to Board Oversight Committees. The Chairman of the Board, Dato' Sulaiman Mohd Tahir, leads the Board to ensure effective operations of the Management, while the Group Chief Executive Officer, Dato' Muzaffar Hisham, ensures the successful implementation of the Board's overall strategies, meeting annual targets of the Group and managing external stakeholders. The Board is also supported by the Company Secretary, namely Cik Norshydah binti Abu Talib, who was appointed on 29 January 2026, assisted the then Group Company Secretary, Encik Aidil Haznul Zulkifli, who resigned on 27 February 2026.

The following diagram provides an overview of the roles and key responsibilities of the Board:

Board				
Responsible for governing and setting the strategic direction of the Company and exercising oversight on management for the long-term success of the Company and the delivery of sustainable value to its stakeholders.				
Chairman	**Independent Non-Executive Director**	**Non-Independent Non-Executive Directors**	**Group Chief Executive Officer**	**Company Secretary**
Leading and overseeing the Board in ensuring its responsibilities for the business and affairs of the Company.	Act as a sounding board for the Chairman, serve as the principal conduit between the Independent Directors and the Chairman, and act as the point of contact for other shareholders and stakeholders. Play a key role in scrutinising the performance of the Management, challenging and developing the strategy and ensuring systems of internal control and risk management are appropriate and effective.	Responsible for updating the Board on material issues of the subsidiaries and managing the conduct of nominee directors in exerting influence over the shareholders.	Responsible for developing the strategic direction of the Company, leading the Senior Leadership Team/ Group Executive Committee to effectively manage the day-to-day affairs of the Company, as well as leading and supporting each of BPMB's businesses to ensure the success of the Group's governance and management functions.	Play an advisory role to the Board and the Board Oversight Committees to function effectively in accordance with their Terms of Reference and best practices and in compliance with the relevant regulatory requirements.

Group Board Charter

The details of the roles and responsibilities of the Board, Board Oversight Committees, the Group Chief Executive Officer, the Company Secretary and Senior Leadership Team/Group Executive Committee are defined in the Group Board Charter. The Group Board Charter is reviewed every two (2) years or when there are material changes to the governance structure, processes or procedures to ensure its relevance and functionality for the Board's needs. In addition to the Group Board Charter, the Board is guided in discharging its duties by its Terms of Reference, a document that specifies the Board's role, powers, duties and functions. The Group Board Charter and Terms of Reference are available at BPMB's website www.bpmb.com.my.

Matters Reserved for the Board

The following matters prescribed in the Group Board Charter and the Terms of Reference are specifically reserved for the Board's approval:

Board Reserve Matters	
Strategy	• Strategic policy matters which include business plan, budget and corporate structure • Any corporate exercise which includes acquisition or divestment of strategic interest in a business venture • Major acquisition or disposal of capital expenditure within the limit as stipulated in the Authority Limit document • The policies relating to corporate branding, public relations, investor relations and shareholder communication programmes • The Group's strategies on promotion of sustainability, focusing on the environmental, social and governance ("ESG") aspects
Risk and Controls	• Principal risks affecting the Group's business, including but not limited to risk appetite setting • Entry into any related party transaction • Review on the adequacy and integrity of the Company's internal control system
Finance	• The Group's financial results • Any significant operating and credit policies • The Group Capital management plan • Authority limits documents, including discretionary authority vested in any employees of BPMB • Declaration of dividends
Operations	• Any new outsourcing proposals • Oversight and evaluation of the conduct and performance of the Company
Board Matters	• Succession Planning and talent management plans for the Group • Appointment and reappointment of Directors, Shariah Committee Members, the Group Chief Executive Officer and Key Senior Leadership Team/Group Executive Committee • The changes to the Corporate Organisation Structure • Remuneration and compensation of Directors, Shariah Committee Members, Group Chief Executive Officer and Key Senior Leadership Team/Group Executive Committee

Notwithstanding the above, the Board is responsible for overseeing any matters or transactions beyond the authority delegated to the Group Chief Executive Officer, as well as undertaking any other responsibilities specified in the policy documents and directives issued by regulatory authorities from time to time.

Board Activities in 2025

The Board has oversight of the management and proper conduct of the business and affairs of the Company, with responsibilities to review overall strategies, business performance and policies of BPMB.

In Financial Year ("FY") 2025, the Board reviewed, deliberated and approved several matters focused on the following key areas:

Area of Focus	Strategic Matters Considered by the Board in 2025
Strategy, Financial and Business Performance	• Change of Audit Engagement Partner and Concurrence Partner of BPMB Group for the financial year ended 31 December 2024 • 2025 Corporate Scorecard • Achievement of MOF and Management Scorecard for 2024 • Statement of Corporate Intent ("SCI") and Annual Funding Requirement ("AFR") • National Energy Transition Facility ("NETF") • Expansion of Investment Banking Activities for BPMB Group • Monthly Management Report of BPMB and its Group • DFI Merger updates • Quarterly Report on Approved Procurement • Material Litigation • Semi-annual reporting on Financing Facilities with Connected Parties • Audit Committee Report for BPMB and its subsidiaries for the Financial Year Ended ("FYE") 31 December 2024 • Audited Financial Statement for the financial year ended 31 December 2024 • Re-appointment of External Auditor for BPMB for the FYE 31 December 2025 • Proposed Dividend for FYE 31 December 2024 • Group BPMB Macrostructure; Merger Phase 2 involving SME Bank and EXIM Bank • Green Office Building ("Plaza Conlay") Renovation Project Variation Order • Quarterly Unaudited Condensed Interim Financial Statements for BPMB • Proposed Sukuk Issuance for 2025 Funding Requirements • Proposal to Dispose of Menara Wawasan, at Jalan Sultan Ismail • Serumpun Muafakat Integration Programme: Post Legal Day 1 Group Engagements and Branding Collaterals • Proposed Capitalisation of RM5 million cash advance via issuance of new Ordinary Shares • Appointment of External Auditor for Legal Day 1 review procedures on the Acquisition of SME Bank and EXIM Bank, and Liquidity Coverage Ratio Audit • Revision on Procurement Policy and limits for Procurement Approving Authority • Approving Authority for New Commercial Loan or Financing • FX Net Open Position ("NOP") Limit • 2025 BPMB Approving Authority ("AA") Matrix and Functional Internal Authority Document ("IAD") Comprehensive Review • Fixed Assets Status Update • Project USD ("Unified Super DFI") Update • FY2026 Corporate Plan and Budget and Merger and Integration Updates • Audit Planning Memorandum for the FYE 31 December 2025 • Proposed Revision of the Authorised Signatories • Merger Readiness and Post-Legal Day 1 Pulse Survey • Accounting Policy Harmonisation for Investment Properties of BPMB Group • Legal Day 1 Audit and Liquidity Coverage Ratio Audit • Remodelling of Malaysia Financial Reporting Standard 9 ("MFRS 9") Probability of Default and Loss Given Default Model • Inclusion of Climate Risk MFRS 9 Assessment – Proposed Management Overlay Process • Liquidation of Dormant subsidiaries

Area of Focus	Strategic Matters Considered by the Board in 2025
Sustainability, Risk Management & Compliance	• Revised Policy on Appointment of External Auditor • Progress Updates of BPMB's BNM Composite Risk Rating ("CRR") FY2023 • Quarterly Updates on BPMB's BNM CRR FY2022 • Issuance of New Regulatory Documents by Regulators • Periodic Reporting to the Malaysian Anti-Corruption Commission on the operation of the Integrity and Governance Unit • Proposed Shipyard's Due Diligence and Vessels Inspection Visit in Batam, Indonesia to facilitate Disbursement • Approving Authority for Classification and Reclassification of MFRS 9 Staging • Review Credit Portfolio Risk Policy • Review of Market Risk Limits for Securities Exposures • Revision of Interbank Borrowing Limit • Policy on Transfer Pricing • Proposed Sponsorship for the Gap Analysis Study of the Maritime Finance Shipping Industry in Malaysia • Proposed Operational Loss Risk Appetite Statement Tolerance Limit ("RASTL") Revision • Revision of Policy on Personal Data Protection and Appointment of Data Protection Officer • Revision of Policy on Whistleblowing • Revision of Policy on Management of Customer Information and Permitted Disclosures • Group Stress Test Results • Proposal to Enhance the Exceptional Credit • Non-Core Asset Disposal • Annual Attestation on Compliance with BNM's Policy Document on Introduction of New Product • Progress Update on Climate Finance Innovation Lab ("CFIL") • Review of Climate Change Risk Framework • Management Review Report on Anti-Bribery Management System ("ABMS") for BPMB Group • Update on BPMB's Decarbonisation Pathway • Collaboration with the Malaysian Anti-Corruption Commission ("MACC") as a Strategic Partner to Organise the Anti-Corruption Programme • Establishment of Group Liquidity Risk Management Policy • Interim Credit Approving Authority • BPMB 2024 Sustainability Report • Group Write-Off Policy • Revision of BPMB Employee Code of Ethics and Conduct • Revision and Harmonisation of BPMB Group Compliance Policy • BNM 2024 Climate Risk Stress Test Result • Adoption of the Policy on Legal Affairs • Revision of Anti-Bribery and Corruption Policy • Revision of Group Business Continuity Management Framework • Review of Policy on Financing Facilities with Connected Parties
Governance and Integrity	• Proposed Redesignation of Datuk Rashidah Mohd Sies from Non-Independent NED to Independent NED and revision of the BOC • Proposed Succession Plan for the Board of Directors • Proposed Revision of the Terms of Reference of the BOC • Quarterly Report on Claims Expenditures incurred by the Board of Directors and Senior Management Officers • Quarterly Report on Expenditure Board • Corporate Social Responsibility ("CSR") Quarterly Report • Proposed appointment of a new Independent NED • Proposed Revision of the Terms of Reference of the Group Management Oversight Committee • Transfer of the Administrative Secretariat Function of the Shariah Committee from Group Corporate Secretarial to Group Shariah Management

Area of Focus	Strategic Matters Considered by the Board in 2025
	• Proposed Revision of the Composition of the Management Committees • Interim Governance Reporting • Forensic Investigation Review • BPMB Board Effectiveness Evaluation Report FY2024 • Unauthorised Delegation of Approving Authority for Secondment Arrangement • Report on Potential Breach of BPMB Group Customer Information • Refinement of the new BPMB's Organisation Structure • Proposed Establishment of Group Management Oversight Committee ("Group MOC") • Proposed Reappointment and Redesignation of Director from Non-Independent NED to Independent NED • Proposed Reappointment of Non-Independent and Independent NED of BPMB Group • Proposed Adoption of Group Board Charter • Directors' Training and Development Plan 2025 • Attendance for MOC and BOC • Notification of Directors' Directorship • Notification of Directors' Training • Proposed Process Flow for Group Board Oversight Committee • Proposed Group BPMB Post-Merger Macrostructure • Proposed Revision of the Fit and Proper for the Board of Directors, and Shariah Committee and Group Chief Executive Officer of BPMB • Proposed Revision of Permanent Invitees and Directorship Across all BPMB Subsidiaries • Appointment and Revocation of Power of Attorney • Proposed Rationalisation of Shariah Committee Composition • Annual Board Effectiveness Evaluation for FY2025
Human Capital	• Proposed Unity Programme and short-term employee engagement initiatives 2025 • Community Engagement: Raya shopping spree and Iftar with orphans • Proposed Appointment of the Group Chief Executive Officer • Annual Increment for staff (Executive and Above) based on FY2024 Corporate Results • Performance Bonus based on FY2024 Corporate Results • Proposed Bonus for the former Group Chief Executive Officer based on FY2024 performance • FY2024 Performance Evaluation and KPI Rating for Senior Leadership Team ("SLT Leadership") • Appointment of Senior Leadership Team/Group Executive Committee for Group BPMB of the merged entity • Proposed Overseas Executive Education and Conference Participation of Targeted Senior Leadership Team Members and Head of Functions for FY2025 • 2025 Annual BPMB Oratory Competition • Group BPMB Macrostructure • Extension of Employment Contract of the Group Chief Human Resource Officer • Approval of Acting Allowance for Interim Group Chief Executive Officer • Bonus Distribution for FY2024 for Eligible Employees, Senior Leadership Team and their direct reports • Proposed Shariah E-learning Module for BPMB's Board and Staff • Proposed Interim Matrix Reporting Structure between BPMB, SME Bank and EXIM Bank • BPMB Succession Planning for Senior Leadership Team • FY2025 Key Performance Indicator and Target Setting for Key Senior Leadership Team • Participation in the 20th International Shariah Scholars Forum in Islamic Finance ("ISSF 2025") • Community Engagement • Proposed Inclusion of Transaction Waiver and Specific Entity Exclusion in the 2025 Directors and Officers Liability ("D&O") and Financial Institutions Professional Indemnity ("FIPI") Takaful Policies • Proposal for Consideration of Clawback • Formalisation of the establishment of Group MRC, Group ALCO, Group MITC, Group MTC, GCC and GHRC

Area of Focus	Strategic Matters Considered by the Board in 2025
	• Revision of the Group Board Oversight Committee composition and appointment of a new Director at its subsidiaries • Key Critical Position • Responsibility Mapping • Annual Fit and Proper Assessment for Board of Directors and Shariah Committee Members • Annual Fit and Proper Assessment for the Key Responsible Person of BPMB Group • Directors and Officers Liability and Financial Institutions Professional Indemnity Takaful Policies
Information Technology	• Microsoft Enterprise Agreement ("EA") Renewal – Request for Proposal ("RFP") Evaluation and Recommendation • Revision of Technology Risk Management Policy – Prohibition of Ransom Payments • Proposed BPMB's Group Artificial Intelligence ("Group AI") Strategy and 2025–2027 Roadmap • Renewal of Annual Subscription for Production Data Centre Hosting Services • Business Case to Enhance Back-up Mechanism and Storage Requirements • Business Case on Leveraging SME Core Banking Solution for BPMB and EXIM Bank implementation • Procurement Strategy and Award on Leveraging SME Core Banking Solution for BPMB and EXIM Bank implementation

Board Meetings

In carrying out its duties, the Board has a minimum of six (6) scheduled meetings per year, with dates set in advance to enable the Directors to plan. In addition to the scheduled meetings, special meetings may be convened as and when required to address specific issues.

Prior to any meetings, Directors receive meeting materials at least five (5) days in advance to allow sufficient time for Directors to review and analyse relevant information. The deliberations and decisions made during Board meetings are clearly minuted, and action items for Management are communicated to the relevant parties within seven (7) days after each meeting. The draft minutes are then tabled at the following meeting for confirmation and thereafter signed by the Chairman and filed within ten (10) days.

During the financial year under review, the Board met twenty-three (23) times to deliberate and consider significant matters that required its guidance and approval. All Directors attended more than 75% of Board meetings during the financial year 2025.

The Group Chief Executive Officer, Chief Financial Officer and Company Secretary, as well as other Management (if required), have also been invited to attend the Board meetings to support the Board with further information on the matters being deliberated.

Details of the Board and Board Oversight Committees' meetings held during the financial year 2025 are disclosed on pages 73 to 77 of this Annual Integrated Report.

Board Conduct

The Board recognises that upholding ethical standards of behaviour promotes the principles of sincerity, integrity and responsibility. The Board Code of Conduct and Ethics ("Code") sets out the responsibilities of the Directors to conduct themselves in a manner consistent with the Group Board Charter.

Directors have a duty to declare any conflict of interest, including whether such interest arises from close family members, pursuant to Section 17A of the MACC (Amendment) Act 2018, other relevant regulatory requirements and the Group Board Charter. In the event of any conflict of interest, the Director shall abstain from participating in discussions and decisions on matters which directly involve him or her.

Each Director has devoted sufficient time to carry out his or her responsibilities, maintain a sound understanding of the Company's business and keep up-to-date with market and regulatory developments. The Group Board Charter states that a Director, upon acceptance of his or her appointment, must declare to the Board details of all other significant businesses and interests, indicating broadly the time spent on such commitments. The maximum number of external professional commitments for each Director must not exceed five (5) public companies and ten (10) private companies, unless with the prior approval of the Board.

All Directors comply with the Group Board Charter and the MKD Guideline 2024, which require them not to hold more than five (5) directorships in listed issuers at any given time.

The Board is satisfied that the current number of directorships held by the Board members does not impair their ability or judgment in discharging their roles and responsibilities.

Board Diversity, Composition and Movement

The composition of the Board of Directors of BPMB underwent several changes during the period from 1 January 2025 to 30 June 2026 in line with the Bank's commitment to maintaining an effective Board with the appropriate balance of skills, experience, independence and diversity. These changes also supported the implementation of the BPMB Group's governance harmonisation initiative involving BPMB, SME Bank and EXIM Bank, which culminated in the establishment of a harmonised Group Board structure and Group BOCs with effect from 1 April 2026.

During the period under review, Puan Nor Darina Mohd Yusof ("Puan Darina") was reappointed as an Independent Non-Executive Director ("INED") with effect from 1 October 2025, followed by the reappointment of Datuk Rashidah Mohd Sies ("Datuk Rashidah") and Ts. Dr. Othman Abdullah ("Ts. Dr. Othman") as Directors of BPMB on 13 October 2025 and 22 October 2025, respectively. Tan Sri Rashpal Singh Randhay resigned from the Board with effect from 18 October 2025. Following the completion of the applicable cooling-off period, Datuk Rashidah was redesignated from a Non-Independent Non-Executive Director ("NINED") to an INED with effect from 13 January 2026, further strengthening the Board's independence.

As part of the Group governance harmonisation exercise, Dato' Charon Wardini Mokhzani ("Dato' Charon") was appointed to the BPMB Board with effect from 1 February 2026 as a representative of EXIM Bank. This was followed by the reappointment of Dato' Sulaiman Mohd Tahir ("Dato' Sulaiman") as Chairman and INED with effect from 20 March 2026. Thereafter, with effect from 1 April 2026, BPMB implemented its harmonised Group Board structure through the appointments of Puan Rozainah Awang ("Puan Rozainah") and Encik Zulkiflee Hashim ("Encik Zulkiflee"), representing SME Bank, as well as Encik Jeremy Lee Eng Huat ("Encik Jeremy"), representing EXIM Bank. The expanded Board composition was designed to facilitate greater collaboration, knowledge sharing and oversight across the three (3) DFIs while preserving the fiduciary responsibilities of each Board.

The Board composition was further strengthened with the reappointment of Encik Imri Dolhadi Ab Wahab ("Encik Imri") as a NINED with effect from 20 May 2026. As a result of these changes, the size of the BPMB Board increased from five (5) Directors to nine (9) Directors, comprising a diverse mix of professionals with extensive experience in banking, finance, audit, accounting, legal, governance, technology, public policy and risk management.

As at 30 June 2026, the BPMB Board comprised Dato' Sulaiman (Chairman), Datuk Rashidah, Ts. Dr. Othman, Encik Imri, Puan Darina, Dato' Charon, Encik Jeremy, Encik Zulkiflee and Puan Rozainah. The Board composition comprises eight (8) INED and one (1) NINED, thereby maintaining a strong majority of Independent Directors in compliance with the BNM PD CG for DFIs and the MKD Guideline 2024.

The Board also remains committed to promoting gender diversity and inclusiveness at the leadership level. As at 30 June 2026, three (3) of the nine (9) Board members, namely Datuk Rashidah, Puan Darina and Puan Rozainah, were women Directors, representing 33.3% of the Board composition. This exceeds the MKD Guideline 2024 requirement of at least 30% women representation on the Board, reflecting BPMB's commitment to fostering diversity of thought, perspectives and experiences in the Board's deliberations and decision-making processes.

The Board changes during the period have strengthened BPMB's governance framework and enhanced the Board's collective capabilities, while laying the foundation for the successful operationalisation of the harmonised Group governance structure and Group BOCs with effect from 1 April 2026.

A detailed profile of each member of the Board is provided on pages 17 to 25 of this Annual Integrated Report.

The following diagram provides an overview of the Board's diversity in terms of skills, experience, age and gender composition.

Composition

Independent, 8/9	Non-Independent, 1/9
89%	11%

Age Diversity

40 to 50 years, 1/9	50 to 60 years, 3/9	60 to 70 years, 5/9
11%	33%	56%

Gender Diversity

Male, 6/9	Female, 3/9
66%	34%

Board Tenure

Less than 2 years, 4/9	2 to 4 years, 3/9	4 to 6 years, 2/9
44%	33%	23%

Board Skills and Expertise

Banking	●●●●●●○○○	67%
Fintech	●●●●○○○○○	44%
Risk Management	●●●●●○○○○	55%
Treasury	●●●●○○○○○	44%
Accounting, Audit and Tax	●●●●●○○○○	55%
Economy and Finance	●●●●●●●○○	78%
Information Technology and Digitalisation	●●●○○○○○○	33%
Legal	●●○○○○○○○	22%
Management, Leadership and Strategy	●●●●●●●●●	100%

Group Board Oversight Committees ("Group BOCs")

The Board has delegated authority to several Group BOCs to enable the Board to properly discharge its duties and responsibilities and to exercise oversight in specific areas. There are seven (7) established committees (as listed below) focusing on audit, risk, information technology, integration, credit, tender and performance management, as well as board nomination and remuneration. The Terms of Reference of the respective Group BOC can be found on the Company's website: www.bpmb.com.my.

No.	Group BOCs	Objectives
1.	**Group BAC**	Responsible for providing oversight on reviewing the adequacy and integrity of the internal control systems and overseeing the work of the internal and external auditors within the Group. Group BAC meets regularly to, amongst others, review the quarterly results (if applicable), full-year financial statements and audit reports, which include observations pertaining to risk management and internal controls, as well as connected party transactions.
2.	**Group BNRC**	Responsible for providing a formal and transparent procedure for the appointment of Directors, Group Chief Executive Officer, Board Committee members, Shariah Committee ("SC") members, CEO of major subsidiaries, Senior Officers and the Company Secretary, as well as developing a remuneration policy to ensure that it is competitive and consistent with the Group's culture, objectives and strategies for recommendation to the Board. Group BNRC meets regularly to, amongst other things, review, assess and recommend to the Board on the appointment or re-appointment of Directors. Group Chief Executive Officer, Board Committee members, SC members, Chief Executive Officer of major subsidiaries, Senior Officers and the Company Secretary, including the conduct of annual evaluation of their performance or skill sets, both individually and collectively and their remuneration package.
3.	**Group BRMC**	Responsible for providing oversight on the Management's activities in managing the key risk areas and ensuring that the risk management process is adequately in place and functioning effectively. Group BRMC meets regularly to, amongst other things, review and endorse the risk management strategies, framework, policies, risk tolerance and risk appetite, ensuring a 'risk-awareness' culture is embedded in the Group.
4.	**Group BCC**	Responsible for providing a supervisory and oversight role of loan, financing and investment approval to the Group and to ensure adequate risk management processes are in place. Group BCC meets regularly to, amongst other things, review or veto loans and financing, other credit facilities and investment proposals for amounts above the defined thresholds of the Group Credit Committee, as well as approve all write-off proposals from BPMB.
5.	**Group BITC**	Oversee, deliberate, advise and approve recommendations to the Board of BPMB, SME Bank and EXIM Bank on all related matters for the BPMB Group in relation to the implementation of technology-related strategies and initiatives. Oversee the establishment, review and amendment of all information technology-related policies applicable across the BPMB Group.

No.	Group BOCs	Objectives
6.	**Group BTC**	Provide oversight, governance and approval on significant procurement and tender matters across the BPMB Group, over the DFIs' procurement process, in line with the Approving Authority and Authority Limits ("AA") and the Procurement Policy of the Group to ensure the highest ethical standards, compliance with legal and regulatory requirements, and strong governance of the procurement activities, while safeguarding the interest of the Group and supporting value-for-money outcome. Alignment with BPMB Group's established practices and in compliance with applicable legal and ethical standards in relation to procurement and tender-related matters for both Information Technology and Non-IT procurements.
7.	**BIC** *Ceased on 1 April 2026*	Oversee, deliberate, advise and approve for recommendation to the Board of BPMB, SME Bank and EXIM Bank (collectively known as 'Development Financial Institutions' ["DFIs"]) in order to ensure smooth and successful integration of the DFIs by providing direction, advisory and making key strategic recommendations on matters related to integration plans.
8.	**Group PMFC**	Oversight function to provide strategic direction and governance over mandate execution. Adopting a structured, transparent, and impact-driven approach to ensure the continuity of mandate delivery, thereby preventing unintended mandate dilution whilst upholding clear lines of accountability across the BPMB Group. Established as a cross-institutional platform to monitor, deliberate and oversee matters relating to the implementation and enhancement of the PMF across BPMB Group, preserving and amplifying the merging DFIs developmental mandate during the integration phase.

In FY2025, the Board and the BOC dedicated a total of four hundred and seventeen (417) hours to discharging their oversight functions and responsibilities, as shown in the highlighted table. As of 1 April 2026, following the approved harmonisation of Group Board Oversight Committees (Group BOCs) at the BPMB Group level, the BOCs of the respective entities have been consolidated into a single Group BOC residing at BPMB. The respective Group BOC included representatives from the three (3) DFIs.

In relation to credit-related committees, in June 2026, the Boards of BPMB, SME Bank and EXIM Bank approved the harmonisation of credit policies and delegated authorities covering the BPMB Group's credit-related matters. With the said approval of the Group Credit Risk Approving Authority, the Board of BPMB Group had, on 9 July 2026, approved the formalisation of the establishment of the Group BCC and the Group Management Credit Committee(s) residing at the BPMB level, effective 1 August 2026.

Board Meeting

Board of Directors

Members	Attendance
Dato' Sulaiman Mohd Tahir (Chairman) *Appointed on 20 March 2024*	23/23
Datuk Rashidah Mohd Sies *Appointed on 27 September 2021*	22/23
Tan Sri Rashpal Singh Randhay *Resigned on 17 October 2025*	16/20
Ts. Dr. Othman Abdullah *Appointed on 22 October 2021*	23/23
Imri Dolhadi Ab Wahab *Appointed on 20 May 2024*	23/23
Nor Darina Mohd Yusof *Appointed on 1 October 2024*	19/23
Dato' Charon Wardini Mokhzani *Appointed on 1 February 2026*	-
Encik Zulkiflee Hashim *Appointed on 1 April 2026*	-
Puan Rozainah Awang *Appointed on 1 April 2026*	-
Encik Jeremy Lee Eng Huat *Appointed on 1 April 2026*	-

As at 31 December 2025

Overall Percentage of the Board Meetings Attended by the Members

95%

Total Number of Meetings:

23

Total Meeting Hours:

138 Hours

Board Oversight Committee ("BOC")/Group BOC Meeting

Board Audit Committee ("BAC")/Group BAC

Members	Attendance
Ts. Dr. Othman Abdullah (Chairman) *Appointed on 15 February 2024* *Relinquished on 30 March 2026*	9/9
Imri Dolhadi Ab Wahab *Appointed on 11 June 2024* *Relinquished on 30 March 2026*	8/9
Nor Darina Mohd Yusof *Appointed on 1 October 2024* *Relinquished on 30 March 2026*	9/9
Group BAC effective on 1 April 2026	
Puan Rozainah Awang (Chairperson) *Appointed on 1 April 2026*	-
Encik Jeremy Lee Eng Huat *Appointed on 1 April 2026*	-
Encik Imri Dolhadi Ab Wahab *Appointed on 1 April 2026*	-

As at 31 December 2025

Overall Percentage of the BAC Meetings Attended by the Members

92%

Total Number of Meetings:

9

Total Meeting Hours:

54 Hours

Board Risk Management Committee ("BRMC")/Group BRMC

Members	Attendance
Puan Nor Darina Mohd Yusof (Chairperson) *Appointed on 1 October 2024*	10/10
Ts. Dr. Othman Abdullah *Appointed on 15 February 2024*	10/10
Encik Imri Dolhadi Ab Wahab *Appointed on 11 June 2024*	9/10
Group BRMC effective on 1 April 2026	
Ts. Dr. Othman Abdullah (Chairman) *Appointed on 1 April 2026*	-
Datuk Ahmad Hizzad Baharuddin *Appointed on 1 April 2026*	-
Dr Mastura Abdul Karim *Appointed on 1 April 2026*	-

As at 31 December 2025

Overall Percentage of the BRMC Meetings Attended by the Members

98%

Total Number of Meetings:

10

Total Meeting Hours:

60 Hours

Board Nomination and Remuneration Committee ("BNRC")/Group BNRC

Members	Attendance
Tan Sri Rashpal Singh Randhay (Chairman) *Appointed on 11 June 2024*	8/8
Datuk Rashidah Mohd Sies *Appointed on 15 February 2024*	8/8
Ts. Dr. Othman Abdullah *Appointed on 15 February 2024* *Resigned on 16 May 2024* *Reappointed on 27 January 2025*	7/7
Dato' Sulaiman Mohd Tahir *Resigned on 27 January 2025*	1/1
Group BNRC effective on 1 April 2026	
Datuk Rashidah Mohd Sies (Chairperson) *Appointed on 1 April 2026*	-
Puan Afidah Azwa Abdul Aziz *Appointed on 1 April 2026*	-
Encik Abdul Aziz Abu Bakar *Appointed on 1 April 2026*	-

As at 31 December 2025

Overall Percentage of the BNRC Meetings Attended by the Members

100%

Total Number of Meetings:

8

Total Meeting Hours:

40 Hours

Board Information Technology Committee ("BITC")/Group BITC

Members	Attendance
Ts. Dr. Othman Abdullah (Chairman) *Appointed as Chairman on 26 January 2022*	5/5
Tan Sri Rashpal Singh Randhay *Reappointed on 11 June 2024*	5/5
Datuk Rashidah Mohd Sies *Appointed on 16 May 2024* *Resigned on 28 February 2025*	1/1
Nor Darina Mohd Yusof *Appointed on 28 February 2025*	4/4
Group BITC effective on 1 April 2026	
Puan Suharti Mohd Ali (Chairperson) *Appointed on 1 April 2026*	-
Ts. Dr. Othman Abdullah *Appointed on 1 April 2026*	-
Encik Jeremy Lee Eng Huat *Appointed on 1 April 2026*	-

As at 31 December 2025

Overall Percentage of the BITC Meetings Attended by the Members

100%

Total Number of Meetings:

5

Total Meeting Hours:

25 Hours

Board Credit Committee ("BCC")/Group BCC

Members	Attendance
Tan Sri Rashpal Singh Randhay (Chairman) *Appointed as Chairman on 11 June 2024*	14/14
Datuk Rashidah Mohd Sies *Appointed on 15 May 2024*	14/14
Nor Darina Mohd Yusof *Appointed on 1 October 2024*	14/14
Group BCC effective on 1 August 2026	
Nor Darina Mohd Yusof (Chairperson) *Appointed on 1 August 2026*	-
Encik Raymond Fam Chye Soon *Appointed on 1 August 2026*	-
Datuk Ahmad Hizzad Baharuddin *Appointed on 1 August 2026*	-

As at 31 December 2025

Overall Percentage of the BCC Meetings Attended by the Members

100%

Total Number of Meetings:

14

Total Meeting Hours:

70 Hours

Board Integration Committee ("BIC")/ Group Performance Management Framework Monitoring Committee ("Group PMFC")

Members	Attendance
Dato' Sulaiman Mohd Tahir (Chairman) *Appointed on 30 October 2024*	6/6
Datuk Rashidah Mohd Sies *Appointed on 30 October 2024*	6/6
Dato' Charon Wardini Mokhzani *Appointed on 1 October 2024*	6/6
Encik Zulkiflee Hashim *Appointed on 1 October 2025*	2/2
Dato' Muslim Hussain *Appointed on 1 October 2024* *Retired on 30 September 2025*	4/4
Group PMFC effective on 1 April 2026	
Dato' Sulaiman Mohd Tahir (Chairman) *Appointed on 1 April 2026*	-
Dato' Charon Wardini Mokhzani *Appointed on 1 April 2026*	-
Encik Zulkiflee Hashim *Appointed on 1 April 2026*	-

As at 31 December 2025

Overall Percentage of the BIC Meetings Attended by the Members

100%

Total Number of Meetings:

6

Total Meeting Hours:

30 Hours

Group Board Tender Committee
Effective 1 April 2026

Members	Attendance
Encik Raymond Fam Chye Soon (Chairman) *Appointed on 1 April 2026*	-
Encik Imri Dolhadi Ab Wahab *Appointed on 1 April 2026*	-
Puan Suharti Mohd Ali *Appointed on 1 April 2026*	-

Board and Board Oversight Committees Meeting Calendar in FY 2025

January	February	March	April	May	June
BOD – 27 BRMC – 24 BCC – 8, 21 BAC – 22 BNRC – 27 BITC – 23	BOD – 4, 28 BRMC – 24 BCC – 26 BAC – 26 BNRC – 26 BIC - 24	BOD – 7, 20, 26 BRMC – 26 BCC – 19 BAC – 21, 27 BNRC – 26 BITC – 14	BOD – 9, 29 BRMC – 24 BCC – 8, 23 BAC – 25 BNRC – 9	BOD – 5, 21, 26 BRMC – 29 BCC – 5, 30 BAC – 29 BITC – 15 BIC - 23	BOD – 12, 30 BRMC – 20 BCC – 26 BIC - 26
July	**August**	**September**	**October**	**November**	**December**
BOD – 8, 17, 29 BRMC – 24 BCC – 21, 25 BAC - 23 BNRC – 7, 25 BITC – 22 BIC - 28	BOD – 5, 29 BRMC – 26 BCC – 22 BITC – 8 BAC – 5 BNRC – 19 BITC - 19	BOD – 28, 29 BRMC – 29 BCC – 24 BAC - 25	BOD – 29 BRMC – 28 BCC – 10 BAC - 23 BNRC – 17 BIC - 23	BOD – 28 BCC – 26 BNRC – 29 BAC - 26	BOD – 10 BIC - 10

Total Number of Board and BOC Meetings:
75 Meetings

Total Hours of the Board and BOC Meetings:
417 Hours

The BOC members are appointed by the Board on the recommendation of the BNRC. The BOC membership is structured to spread responsibility and make the best use of the range of skills across the Board. Membership of the various BOCs is regularly reviewed and structured to provide appropriate overlap, ensuring a cohesive information flow between the BOCs. The BOC members are expected to attend each BOC meeting, unless exceptional circumstances prevent them from doing so. Each BOC is entitled to seek information from any employees of the Company and to obtain professional advice as the BOC deems appropriate in its discretion.

At each Board of Directors' meeting, the Chairman of the respective BOC shall present the Board's recommendations to the Board for its approval. This permits the Board to raise any comments or views on all deliberations. All deliberations and recommendations must be minuted and approved by each BOC and confirmed by the Chairman of each BOC at their respective BOC meetings.

The Chairman of the BOC reports to the Board on matters dealt with at the respective BOC meetings. Minutes of the respective BOC are also presented at the Board of Directors' meetings for further discussion and direction, if any.

Based on the Annual Evaluation of each standing BOC for the financial year under review, the Board unanimously resolved that each BOC has discharged its roles and responsibilities effectively as guided by its respective Terms of Reference.

BNRC or Group BNRC

BNRC members as at 31 December 2025

1. Tan Sri Rashpal Singh Randhay (Chairman) (INED)
   Retired on 18 October 2025
2. Datuk Rashidah Mohd Sies (Chairperson) (INED)
   Appointed as a member on 15 November 2023
   Appointed as Chairperson on 18 October 2025
3. Ts. Dr. Othman Abdullah (INED)
   Appointed on 27 January 2026
4. Dato' Sulaiman Mohd Tahir (INED)
   Appointed on 16 May 2024
   Resigned on 27 January 2025

Group BNRC with effect on 1 April 2026

Puan Afidah Azwa Abdul Aziz
NINED
(SME Bank)

Datuk Rashidah Mohd Sies
Chairperson
INED
(BPMB)

Encik Abdul Aziz Abu Bakar
INED
(EXIM Bank)

In FY2025, the BNRC was chaired by Tan Sri Rashpal Singh Randhay, an Independent Non-Executive Director, following the retirement of Puan Rosnah Kamazul Zaman on 16 May 2024. The BNRC was composed primarily of Independent Non-Executive Directors. The current composition of the BNRC complies with the BNM PD CG for DFI, MCCG and the MKD Guideline 2024.

As at 31 December 2025, nomination, succession planning and remuneration matters within the BPMB Group were overseen separately by the BNRC of BPMB, the Board Nomination and Compensation Committee ("BNCC") of SME Bank and the Nomination and Remuneration Committee ("NRC") of EXIM Bank.

Following MKD's approval on 23 December 2025, acknowledgement on 5 January 2026, and BNM's approval on 24 February 2026, BPMB proceeded with the harmonisation of the Group governance structure. Consequently, effective 1 April 2026, the BNRC of BPMB, the BNCC of SME Bank, and the NRC of EXIM Bank were consolidated into a single Group Board Nomination and Remuneration Committee ("Group BNRC") residing at BPMB, with the corresponding committees at SME Bank and EXIM Bank being abolished.

Upon its establishment, the Group BNRC comprised Datuk Rashidah Mohd Sies as Chairperson, Puan Afidah Azwa Abdul Aziz representing SME Bank and Encik Abdul Aziz Abu Bakar representing EXIM Bank. The Group BNRC serves as the principal BOC responsible for Board appointments, succession planning, talent management, Board effectiveness and remuneration matters across BPMB, SME Bank and EXIM Bank, thereby promoting greater consistency and coordination in human capital governance throughout the Group.

Details of the latest composition and the meetings attended by each member for FY2025 can be found on page 74 of this report.

BNRC Key Activities In 2025

The BNRC met eight (8) times during the financial year. The following summarises the activities of the Committee in FY2025:

Areas of Focus	Matters Considered
Nomination	• Appointment of Independent Non-Executive Directors of BPMB • Proposed Contract Renewal of the GCEO • Proposed Appointment of Nominee Director to subsidiaries • Proposed Contract Renewal of the Senior Leadership Team • Proposed appointment of Shariah Committee member • Proposed appointment of Non-Independent Non-Executive Director • Proposed reappointment of Shariah Committee member • Proposed appointment of new Chairman
Remuneration	• Proposed Revision of Remuneration Structure for the Board of BPMB • Retention Plan for Key Leader • Proposed Monthly Allowance for Non-Executive Non-Common Director of wholly-owned subsidiaries of BPMB • Proposed Annual Increment and Performance Bonus • Implementation of 2024 Frontliner Booster Programme for targeted line of Business in BPMB Group • Implementation of "Agenda 2025 – Retention Plan" for BPMB Group
Governance	• Proposed appointment of an External Consultant for BPMB Board Effectiveness Evaluation Exercise for the FYE 2024 • BPMB Macrostructure post-legal day-1 Merger Exercise • Annual Fit & Proper Assessment Exercise for the Key Responsible Person of BPMB Group • Annual Fit & Proper Assessment for Shariah Committee Members • Annual Fit & Proper for the Board of Directors and the GCEO • Notification of *Garis Panduan Tadbir Urus dan Ahli Lembaga Pengarah Syarikat Menteri Kewangan Diperbadankan "MKD" 2024* • Notification of *Tatakelola Syarikat Berkepentingan Kerajaan (SBK) dan Syarikat Berhad Menurut Jaminan (CLBG)* • Board and BOC Evaluation Result 2023 • Proposed Revision of the BOC composition • Proposed Rationalisation of BPMB's existing Shariah Committee • Proposed Succession Planning for Shariah Committee
Training	• Proposed Participation of the Senior Leadership Team in McKinsey Asia SME Banking Leadership
Others	• Proposed New Collective Agreement between BPMB and National Union of Commercial Workers • Industrial Relations Assessment on Whistleblowing report • FY2024 Key Performance Indicators and Target Setting for Senior Leadership Team

Composition and Diversity

The BNRC plays a vital role in ensuring that the balance in the composition and diversity of the Board is maintained. The BNRC reviewed the size, composition and diversity of the Board, as well as the mix of experiences and competencies of each Board member. Following the BNRC assessment and recommendations, the Board considers that the current size and composition are conducive to making appropriate decisions and incorporating a diversity of opinions, perspectives and skills to act in the best interests of the Company as a whole.

Appointment of Directors

The BNRC is responsible for establishing a formal and transparent process for the nomination and appointment of new Directors. These responsibilities include screening and identifying candidates, conducting the Fit and Proper evaluation, and assessing candidates' capability to discharge their duties effectively and efficiently before making recommendations to the Board for approval. The BNRC also ensures that candidates possess the appropriate skills, experience and expertise relevant to BPMB's business, as well as the core competencies, commitment and integrity to fulfil their roles as Directors. When sourcing and identifying candidates for the Board, the BNRC relies not only on recommendations from existing Board members but also on external sources, including the Directors' Register by FIDE Forum, MIA, ICDM and independent executive firms.

Independent Director

The BNM PD CG for DFI and the MKD Guideline 2024 require that a majority of the Board's Directors be independent. Independent Directors help ensure the Board upholds good corporate governance by promoting objectivity and independence in its deliberations and decision-making. Having a majority of Independent Directors also enables effective and independent oversight of Management, while providing essential checks and balances to ensure the Company operates in a safe and sound manner.

BPMB's criteria for independence are set out in the Group Board Charter. One requirement is for all Independent Directors to declare their independence monthly. The Board evaluates and assesses the Directors annually through a formal evaluation process. During this process, Independent Directors are also assessed on their ability to contribute effectively and meaningfully to the Board's deliberations in the best interest of BPMB, without interference.

For the year under review, the BNRC has assessed the independence of each Independent Director in office and concluded that each has met the independence criteria outlined in the BNM PD CG for DFI. The Board is generally satisfied that each Independent Director has maintained their independence in character and judgement and is free from relationships or circumstances that could influence their judgement.

Succession Plan

The Board recognises succession planning as an essential role for the BNRC. The Board believes that the membership and composition of the Board should be continuously assessed to support the Group's long-term strategic direction and business continuity.

The Board, with the assistance of the BNRC, is responsible for recruiting and selecting potential candidates. This process involves reviewing the Group's talent pool to identify the desired competencies and skills, ensuring there is a suitable mix of skills, experience, expertise and diversity on the Board to address the rapidly evolving financial industry landscape. The Board, supported by the BNRC, also oversees the appointment and succession planning of Key Senior Officers.

Induction Programme

The Board has implemented a comprehensive induction programme to support the onboarding of new Directors. Upon appointment, all new Directors are required to attend the induction programme to help them integrate into their roles and understand various aspects of BPMB and the Group's business strategy and operations. The induction programme is organised within three (3) months of the Director's appointment and may take at least two (2) days to complete. The programme includes a session with the Group Chief Executive Officer and the Company Secretary, covering BPMB's governance structure, merger updates, business, reporting procedures and access to information, as well as a session with the Senior Leadership Team of the respective functions to offer a better understanding of the Group's core business and overall operations.

Directors are also provided with a director's handbook consisting of the Group Board Charter, the Company's Constitution, the Board and Board Committee's Terms of Reference, the latest Annual Report of the BPMB and other relevant policies and guidelines.

Development and Training

As part of ongoing professional development for Directors, an Individual Development Plan was established to identify required training for Directors to keep abreast of changes to new statutory or regulatory requirements and on the latest developments and key challenges in the financial and Takaful sectors. The Directors are mindful of the need to enhance their skills and knowledge to maximise their effectiveness as Directors of the Company during their tenure.

All Directors must complete their individual development plan (IDP) by attending at least three (3) technical knowledge training sessions and one (1) leadership or soft skills training session during the calendar year. Directors are also encouraged to participate in other relevant training programmes.

Topics covered at external training sessions attended by the Directors during the financial year included Islamic finance, regulatory development and governance, Fintech and cyber security, corruption risk and integrity, risk management, leadership and corporate liability.

Details of the conference, seminar and training programmes attended by each Director in 2025 are as follows:

Director	Programmes and Trainings	Date
Dato' Sulaiman Mohd Tahir	Shariah Committee and Board Strategic Engagement	21 February 2025
	Engagement Session on BNM's 2024 Annual Report	21 April 2025
	In-house training programme: Sustainability Trends and Landscape	7 May 2025
	MNRB Group Directors Development Retreat	31 May 2025
	ICDM Mandatory Accreditation Programme (Corporate Directorship)	9–10 June 2025
	MNRB Group Directors' Training: Navigating Compliance: A Full-Day Immersion	23 June 2025
	PayNet Board Retreat and Strategy Session FY2025	20–22 July 2025
	BPMB Group Training: Corporate Governance	11 November 2025
Tan Sri Rashpal Singh Randhay	Shariah Committee and Board Strategic Engagement	21 February 2025
	Impact in Action: From Leadership to Stewardship: ICDM	14 February 2025
Datuk Rashidah Mohd Sies	Shariah Committee and Board Strategic Engagement	21 February 2025
	Engagement Session on BNM's 2024 Annual Report	21 April 2025
	In-house training programme: Sustainability Trends and Landscape	7 May 2025
	Impact of Climate Change on the supply of Key Economic Resources briefing	21 May 2025
	Launch of FIDE Forum's Board Culture and Leadership Report 2025	5 June 2025
	Digital Transformation: From Vision to Scalable Impact for Incumbent Banks	20 November 2025
	BPMB Group Training: Corporate Governance	11 November 2025
Ts. Dr. Othman Abdullah	Shariah Committee and Board Strategic Engagement	21 February 2025
	Java for Non-Technical Managers	5–6 March 2025
	In-house training programme: Sustainability Trends and Landscape	7 May 2025
	Impact of Climate Change on the supply of Key Economic Resources	21 May 2025
	Artificial Intelligence Conversation (in conjunction with the launch of AI Malaysia)	30 May 2025
	Private Equity: Concepts, Structures and Best Practices	12 June 2025
	FIDE Forum: Cloud for Directors of Regulated Financial Institutions	22 September 2025
	BPMB Group Training: Corporate Governance	11 November 2025

Director	Programmes and Trainings	Date
Imri Dolhadi Ab Wahab	Shariah Committee and Board Strategic Engagement	21 February 2025
	Sesi Tinjauan Ekonomi: Impact of Trump's Tariff on Malaysia	17 April 2025
	In-house training programme: Sustainability Trends and Landscape	7 May 2025
	PIDM Board Education: Simulation Exercise	19–20 May 2025
	Public Debt Management Forum 2025	27–28 May 2025
	Islamic Finance for the Board of Directors	9–10 July 2025
	BPMB Group Training: Corporate Governance	11 November 2025
Nor Darina Mohd Yusof	Impact in Action: From Leadership to Stewardship: ICDM	14 February 2025
	Board Leadership Workshop: Board's Role in Digital Transformation: FIDE	18 February 2025
	Special Lecture: How Global Events Will Affect the Outlook for the Financial	19 February 2025
	Shariah Committee and Board Strategic Engagement	21 February 2025
	MyStartup NXT 2025 Conference: Cradle-MOSTI	22 April 2025
	In-house training programme: Sustainability Trends and Landscape	7 May 2025
	Impact of Climate Change on the supply of Key Economic Resources	21 May 2025
	FIDE Core Programme (Module A)	30 June–3 July 2025
	Strategic Approach to Cyber Resilience and Compliance for the Board of Directors	12 September 2025
	Economic Outlook and Post-Budget 2026	13 November 2025
	BPMB Group Training: Corporate Governance	11 November 2025

Board Evaluation

The Board conducts an annual assessment of its members through a Board and Peer Annual Assessment ("Board Evaluation") to determine the effectiveness and performance of individual Directors, Board Oversight Committees and the Board as a whole. This formal and transparent process provides an objective, structured approach to the Board's evaluation exercise, addressing any gaps and areas for improvement. There were several enhancements to the 2025 evaluation exercise, including the implementation of e-Evaluation via an online platform, a broader scope of assessment to include the effectiveness of the Chairman and Members of the Board Oversight Committees and improvements to some questionnaires for clarity.

Based on the 2025 Board Evaluation results, the Board and Board Oversight Committees are satisfied with their existing composition and are of the view that, with the current mix of skills, knowledge, experience and strength of the existing Directors, the Board and the Board Oversight Committees are able to discharge their duties effectively.

The BNRC concluded that the Directors and respective Board Oversight Committees as a whole have remained effective and have consistently met high performance standards and all expectations. This indicates that the Directors have continuously fulfilled their responsibilities as Members of the Board and Board Oversight Committees.

Directors' Remuneration

BPMB has in place a remuneration structure for Directors that is aligned to attract, retain and remunerate Directors for their contributions. The BNRC is authorised to review the remuneration framework for Directors and the Senior Leadership Team of BPMB to ensure that their compensation is competitive and consistent with industry standards and is in line with BPMB's culture, objectives and strategies.

The remuneration of the Directors is regularly reviewed to ensure they are reasonably remunerated and reflects their roles, responsibilities and efforts in discharging their fiduciary duties. The remuneration framework as approved by the shareholders at the 52nd Annual General Meeting on 30 June 2026 is as follows:

BNRC Remuneration Framework

BPMB		Retainer Fees (per month) RM	Chairperson's Premium (per month) RM	Meeting fees (per meeting) RM
Board	Chairman	15,000	-	5,000
	Member	5,000	-	3,000
BAC or Group BAC	Chairman	-	-	5,000
	Member	-	-	3,000
BRMC or Group BRMC	Chairman	-	-	5,000
	Member	-	-	3,000
BNRC or Group BNRC	Chairman	-	-	4,000
	Member	-	-	2,500
BITC or Group BITC	Chairman	-	-	4,000
	Member	-	-	2,500
BIC or Group PMFC	Chairman	-	-	4,000
	Member	-	-	2,500
Group BTC	Chairman	-	-	4,000
	Member	-	-	2,500

BPMB		Other Emoluments per Annum (RM)		
		Vehicle allowance	Medical	Leave Passage
Board	Chairman	4,500	20,000	-
	Member	-	20,000	-

The details on the aggregate remuneration of Directors of the Company (comprising remuneration received and/or receivable from the Company and its subsidiaries during 2025) are as follows:

Director	Retainer (RM'00)	Sitting Fee (RM'00)	Emoluments* (RM'00)	Total (RM'00)
Dato' Sulaiman Mohd Tahir	240,000	131,500	-	371,500
Datuk Rashidah Mohd Sies	60,000	139,500	-	199,500
Ts. Dr. Othman Abdullah	60,000	209,900	-	269,900
Imri Dolhadi Ab Wahab	60,000	111,000	-	171,000
Nor Darina Mohd Yusof	60,000	179,000	-	239,000
Tan Sri Rashpal Singh Randhay	50,000	153,500	-	203,500

Notes:
* *Vehicle Allowance, Directors' Training, Leave Passage and Medical Claim.*

Key Senior Officer Remuneration

The remuneration package for the Key Senior Officer is structured to link rewards to corporate and individual performance. It comprises salary, allowances, bonuses and other customary benefits as accorded by comparable companies. A significant portion of the Key Senior Officer's compensation package is variable and is determined by performance during the year against individual KPIs in a scorecard aligned with corporate objectives. The BNRC recommends to the Board on the proposed remuneration to be paid to each of the Key Senior Officers upon an annual review of their performance.

Details of the Group Chief Executive Officer's remuneration can be found in Note 41 in the Financial Statements 2025.

The remuneration bands of the Group Chief Executive Officer and the Key Senior Officers of BPMB are as follows:

Range of Remuneration *(Basic salary, fixed allowances and bonus)* **(RM)**	**Number of Key Senior Officers** *(inclusive of the Group Chief Executive Officer)*
<500,000	4
500,001 up to 750,000	6
750,001 up to 1,000,000	6
1,000,001 up to 1,250,000	1
Total	17

The remuneration summary of the Group Chief Executive Officer and Key Senior Officer is as follows:

Elements	Total (RM)	What it Includes
Fixed Component	8,450,608.90 1,059,778.62 1,895,453.00	Base Salary Fixed Allowances Cash Bonus
Variable Component	63,432.70	Other Emoluments

Performance Review of the BNRC

Based on the Board evaluation for 2025, the Board is satisfied with the performance of the BNRC and its members and that it has discharged its responsibilities in accordance with its mandate and Terms of Reference.

Effective Audit and Risk Management

BAC or Group BAC

BAC members as at 31 December 2025

1. Ts. Dr. Othman Abdullah (Chairman) (INED)
Appointed on 13 August 2024
2. Encik Imri Dolhadi Ab Wahab (NINED)
Appointed on 11 June 2024
3. Puan Nor Darina Mohd Yusof (INED)
Appointed on 1 October 2024

Group BAC with effect from 1 April 2026



Encik Imri Dolhadi Ab Wahab NINED (BPMB)	Puan Rozainah Awang Chairperson INED (SME Bank and BPMB)	Encik Jeremy Lee Eng Huat INED (EXIM Bank and BPMB)

In FYE 2025, the BAC comprised three (3) Non-Executive Directors, of whom two (2) are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Chairman of the BAC, namely, Ts. Dr. Othman Abdullah, is not the Chairman of the Board of Directors.

As at 31 December 2025, audit oversight within the BPMB Group was undertaken separately by the BAC of BPMB, the BAC of SME Bank and the BAC of EXIM Bank, with each committee overseeing audit, internal control, financial reporting and compliance matters within its respective institution.

Following MKD's approval on 23 December 2025, acknowledgement on 5 January 2026, and BNM's approval on 24 February 2026, BPMB proceeded with the harmonisation of the Group governance structure. Consequently, effective 1 April 2026, the BACs of BPMB, SME Bank and EXIM Bank were consolidated into a single Group BAC residing at BPMB, with the corresponding audit committees at SME Bank and EXIM Bank being abolished.

Upon its establishment, the Group BAC comprised Puan Rozainah Awang as Chairperson, Encik Imri Dolhadi Ab Wahab representing BPMB and Encik Jeremy Lee Eng Huat representing EXIM Bank. The Group BAC serves as the principal Board Oversight Committee responsible for overseeing financial reporting, internal controls, internal and external audit functions, compliance and governance matters across BPMB, SME Bank and EXIM Bank, thereby promoting a consistent and integrated approach to audit oversight throughout the BPMB Group.

The BAC Authority

The Board Audit Committee ("BAC") was established by the Board to ensure that high corporate governance practices and internal controls are always maintained at all times.

The Board has established a transparent relationship and communication channel between BAC and its external auditors, internal auditors, management and key operating subsidiaries with BAC. The BAC has clear authority to investigate any matter within its Terms of Reference. It has full access to and cooperation from management and full discretion to invite any BPMB's Nominee Directors or Directors of the respective key operating subsidiaries to attend its meetings. The external auditors of the key operating subsidiaries will also be invited to the BAC when necessary. The BAC shall have the necessary resources from the Group and access to the information needed to discharge its functions effectively. The BAC is also able to obtain, at the Company's expense, any professional advice, including that of independent professionals, and to secure the attendance of external advisers at its meetings if it considers this necessary to fulfil its obligations.

Meetings

During the financial year under review, nine (9) BAC meetings were held. This satisfies the BAC Terms of Reference, which require the BAC to meet at least six (6) times a year.

The Group Chief Executive Officer, Chief Financial Officer and Company Secretary, who is also the Secretary to the BAC, attend BAC meetings. The Chief Internal Auditor, the External Auditor and other Senior Leadership Team and Officers from the key operating subsidiaries were invited to the meetings to deliberate on matters within their purview.

The Company Secretary circulated action items from the deliberations and decisions made during the BAC meetings to the Management and the respective stakeholders within seven (7) days after the meetings.

After the meeting, the BAC Chairman updates the Board on the matters deliberated. Matters reserved for the Board's approval are tabled at the Board meetings.

The BAC Activities in 2025

The summary of the activities performed by the BAC for the financial year ended 31 December 2025 is as follows:

Areas of Focus	Matters Considered
Internal Audit	• Reviewed and approved the 2025 Internal Audit Plan for BPMB and its wholly-owned subsidiaries, namely Pembangunan Leasing Corporation Sdn. Bhd. and the Global Maritime Venture Berhad Group, on 22 January 2025. Ensure the internal audit plan includes the scope, procedures and frequency, as well as the adequacy and competency of internal audit resources. • Reviewed the Internal Audit methodology for assessing the risk levels of various auditable areas, based on the impact and likelihood of inherent risk, the controls in place and the existence of effective risk transfer to minimise potential losses from negligence or fraud. • Deliberated on the Internal Audit Report for BPMB and its wholly owned subsidiaries as issued by the Internal Auditor, which, amongst others, focused on the effectiveness and adequacy of governance, risk management and internal control, audit rating and recommendation. The Internal Audit Report also included the Information Technology Audit, which assessed the adequacy of the IT information system and the necessary back-up systems to cover contingencies or disasters. The Shariah Audit Report covered compliance with Shariah requirements on relevant documentation and Zakat computation and payment. • Ensured that appropriate corrective actions were taken by Management in a timely manner to address control weaknesses, policies and other areas identified by the Internal Auditors and other control functions. • Reviewed the independence of the Internal Auditors. It was brought to the BAC's attention that there had been no conflicts of interest arising from the Internal Audit engagements in the financial year 2025, and that it had conducted its internal audit as stated in the Audit Charter.
External Audit	• Deliberated and approved, on behalf of the Board, the external auditor's 2025 audit plan, which encompassed the audit approach, roles and responsibilities, the nature and scope of the year's audit, audit fees, reporting schedule, potential key audit matters, risk assessment, Information Technology ("IT") approach, transition plan, reliance on the Internal Auditor and value-added services. The external auditor informed that the Group's focus would be on areas relating to IT security and controls over the key financial information systems used to record and process critical financial data. The objective of the IT audit review was to assist the external auditor in forming an opinion on the financial statements. • Evaluated the independence and objectivity of the external auditor by reviewing the fees and the list of non-audit services provided by the external auditor to BPMB and the Group. • The BAC exercised its right as stipulated in its Terms of Reference to hold meetings with the external auditor without the presence of the Management to enable open discussion with the BAC. During the financial year under review, two (2) meetings were held without the Management's presence, namely on 21 March 2025 and 23 October 2025.

Areas of Focus	Matters Considered
External Audit	• Assessed the performance of the external auditor by reviewing the timeliness of service deliverables. The external auditor was able to complete the audits for BPMB and the Group within the timelines set, as evidenced below: (1) The audited financial statement for the financial year ended 31 December 2025 was approved on 30 March 2026. (2) No past audit lapses were observed by the external auditor in the past assurance engagements. • Reviewed and recommended to the Board the re-appointment of the external auditor. The BAC will evaluate the performance, independence and suitability of the external auditors. In reviewing the performance, independence and suitability of the external auditors, the BAC reviewed the qualifications and the experience of the audit team, as well as conducted an assessment on the effectiveness and performance of the external auditors and other areas such as the scope of the audit, their independence and objectivity, audit fees and audit experience. • Deliberated, on 22 January 2025, on the change of Audit Engagement Partner and Concurring Partner of BPMB for the FYE 31 December 2024. • Approved the Audit Committee Report ("ACR") of Global Maritime Ventures Berhad Group for the FYE 31 December 2024. • Noted the update on the resolution of the Memorandum of Recommendations ("MOR") issued by the external auditors for the FYE 31 December 2024 for BPMB and its subsidiaries.
Financial Reporting	• On 21 March 2025, the BAC endorsed and recommended to the Board the audited financial statements of BPMB Group for the financial year ended 31 December 2024 for approval. • The review of the consolidated audited financial statements of BPMB Group was based on the following: (1) Assurance from the Management and the External Auditors that the financial statement disclosures were in compliance with relevant statutory requirements and the Malaysian Financial Reporting Standards; (2) Reasonableness of accounting policies and estimates applied; (3) Reporting on-going concerns; (4) Highlight on key accounting developments, including MFRS 9; and (5) Pertinent audit matters highlighted by the External Auditors. • Reviewed the unaudited quarterly financial results of BPMB Group and the draft announcement before recommending them for the Board's approval for submission to Bank Negara Malaysia. The recommendations were made upon deliberation comprising the following: (1) Key audit matters; and (2) The condensed consolidated interim financial statement has been prepared in accordance with the Malaysian Financial Reporting Standard 134 and International Accounting Standard 34. • Recommended the proposed final single-tier dividend for the financial year ending 31 December 2024. The BAC reviewed and received assurance from Management, based on the solvency test conducted, that the distribution of the final single-tier dividend was in accordance with the provisions of the Companies Act, 2016.
Other Activities	• Reviewed and deliberated on the whistleblowing report. • Reviewed and approved the revision of its Terms of Reference. • Reviewed and approved the Terms of Reference of the Audit Issue Resolution Committee. • Periodic Reporting to the Malaysian Anti-Corruption Commission on the Operations of the Integrity and Governance Unit. • Special Review on Reporting Realignment and Green Building Project. • Group Write-Off Policy. • Budget Request for Professional Tax Fees in relation to the year 2023 Revised Tax Return and Potential Tax Penalty. • Liquidity Coverage Ratio (LCR) Review Update. • Write-Down Proposal for 2025.

Training and Development

All members of the BAC have the relevant accounting or related financial management experience or expertise. The BAC members are expected to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes. During the year, the BAC members attended several seminars and training conferences to keep abreast of the latest developments.

Details of the seminars and training programmes attended by each Director in 2025 can be found on pages 81 to 82 of this Report.

Performance Review of the BAC

Based on the annual evaluation of the Board's effectiveness, its Committees, and the Board's members, the Board is satisfied with the performance of the BAC and its members. The BAC has discharged its duties in accordance with its Terms of Reference and in line with the requirements of MCCG, BNM PD CG for DFI and MKD Guideline 2024.

BRMC or Group BRMC

BRMC members as at 31 December 2025

1. Ts. Dr. Othman Abdullah (Chairman) (INED)
   Appointed on 22 January 2022
2. Encik Imri Dolhadi Ab Wahab (NINED)
   Appointed on 11 June 2024
3. Puan Nor Darina Mohd Yusof (INED)
   Appointed on 1 October 2024

Group BRMC with effect from 1 April 2026

Datuk Ahmad Hizzad Baharuddin
INED
(SME Bank)

Ts. Dr. Othman Abdullah
Chairman
INED
(BPMB)

Dr. Mastura Abdul Karim
NINED
(EXIM Bank)

As at 31 December 2025, risk oversight was undertaken separately by the BRMC of BPMB, the BRMC of SME Bank and the Board Risk Committee ("BRC") of EXIM Bank. Each committee was responsible for overseeing risk management matters within its respective institution.

Following MKD's approval on 23 December 2025, acknowledgement on 5 January 2026, and BNM's approval on 24 February 2026, BPMB proceeded with harmonising the Group's governance structure. Consequently, effective 1 April 2026, the BRMCs of BPMB and SME Bank, and the BRC of EXIM Bank were consolidated into a single Group BRMC residing at BPMB, with the corresponding risk committees at SME Bank and EXIM Bank being abolished.

Upon its establishment, the Group BRMC comprised Ts. Dr. Othman as Chairman, Datuk Ahmad Hizzad Baharuddin representing SME Bank and Dr. Mastura Abdul Karim representing EXIM Bank. The Group BRMC serves as the principal Board Oversight Committee responsible for overseeing risk management, risk governance, internal control and risk appetite matters across BPMB, SME Bank and EXIM Bank, thereby promoting a consistent and integrated approach to risk oversight throughout the BPMB Group.

The activities of the BRMC for the FYE 31 December 2025 can be found on pages 98 to 120 in the Statement of Risk Management and Internal Control of this Annual Integrated Report 2025.

Corporate Reporting and Shareholder Engagements

The Board recognises the importance of timely, complete, accurate and equal dissemination of information regarding the Company and its Group's performance and other matters affecting stakeholders' interests. The Company is committed to providing effective and open communication to improve disclosure and transparency.

Corporate Disclosure Policy ("CDP")

A CDP has been formulated to enhance BPMB's corporate governance, particularly in relation to transparent disclosure to the public. The purpose of the CDP is to enable shareholders and stakeholders to access business information beyond the Company's financial disclosures. It also ensures that both the Board and Management are able to communicate with stakeholders effectively and in a timely manner.

Stakeholder Engagement Policy

BPMB has established a Stakeholder Engagement Policy to ensure that shareholders, stakeholders, investors, regulators and the public are provided with relevant, timely and comprehensive information on the Group. The Policy sets out the principles and practices governing BPMB's communications with stakeholders, and promotes transparency, accountability and informed decision-making. Stakeholder engagement is undertaken through various communication channels, including financial results announcements, investor and stakeholder briefings, meetings, conferences, media engagements, the corporate website and general meetings of shareholders.

Conduct at General Meetings

In 2025, BPMB held its 51st Annual General Meeting ("AGM") on 26 June 2025. The Notice and Agenda of the 51st AGM were issued to shareholders on 4 June 2025 (21 clear days' notice before the meeting).

Shareholders were encouraged to access the Annual Integrated Report online as part of the Company's commitment to the environment and to achieve cost efficiencies.

The 51st AGM was held in a hybrid format, with the Chairman of the Board attending the meeting in person and shareholders joining via Microsoft Teams. The conduct of the AGM was as per the Guidance and FAQs on the Conduct of General Meetings ("Guidance Note") issued by the Securities Commission Malaysia and the recommendation under Practice 12.3 of the MCCG.

The hybrid AGM allows shareholders to attend the meeting without being physically present at the venue. Only Directors, External Auditors, the Group Chief Executive Officer and the Company Secretary were present at the virtual AGM to answer the shareholders' questions.

As BPMB is a wholly owned government investment-linked company of the Minister of Finance Incorporated ("MOF Inc"), the AGM was conducted by a show of hands. The outcomes of the voting on the proposed resolutions were recorded in the minutes of the AGM and then submitted to BNM within 14 days of the AGM's conclusion.

Statement of Shariah Governance

The conduct of BPMB Group's Islamic financial business is primarily regulated by the Development Financial Institutions Act ("DFIA") 2002, along with applicable rules and regulations issued by Bank Negara Malaysia ("BNM"). In terms of Shariah governance requirements, BPMB Group adheres to the Shariah Governance Policy Document ("SGPD") issued by BNM.

This document aims to strengthen the implementation of Shariah governance and integrate Shariah considerations more closely into BPMB Group's Islamic business and risk strategies. It establishes a framework comprising Shariah governance structure, processes and controls that BPMB Group must adhere to, ensuring compliance with Shariah principles in all its operations and business activities.

Shariah Committee

While the Board remains ultimately responsible and accountable for the overall implementation of Shariah governance and Shariah compliance within BPMB Group, the Board is advised by the Shariah Committee on Shariah matters relating to BPMB Group's Islamic financial business. Among others, the Shariah Committee ensures that Shariah rulings and decisions relating to BPMB Group's Islamic financial business comply with fundamental Shariah principles and the resolutions of the relevant regulatory authorities on Shariah matters.

Composition and Background

As of 31 December 2025, the Shariah Committee comprises five (5) members, including one (1) whose term ended in March 2025. The Shariah Committee members possess diverse backgrounds in terms of qualifications, experience and expertise, covering Shariah, accounting, economics and other relevant fields. This diversity contributes to robust and well-rounded Shariah deliberations, with the majority being Shariah scholars.

Duties and Responsibilities

In accordance with the Shariah Committee Terms of Reference and Charter, the Shariah Committee is responsible for providing advice and decisions on Shariah matters relating to BPMB Group's Islamic financial business, ensuring compliance with Shariah principles. The functions and responsibilities of the Shariah Committee are, among others, as follows:

1. To perform an oversight role on Shariah matters related to BPMB Group's business operations and activities. In fulfilling this duty, the Shariah Committee is to ensure any delegation of oversight to the Shariah Committee by the Board on Shariah matters is exercised in conformity with any prescribed regulations that may, from time to time, be imposed by the regulator.

2. To advise the Senior Management and the Board on Shariah matters in order to ensure that its Islamic financial business and operations comply with Shariah principles at all times.

3. To validate and endorse:
    a. That the Islamic products and services of BPMB Group comply with Shariah, including:
        i. The terms and conditions contained in the forms, contracts and agreements used in executing the transactions;
        ii. The guidelines, manuals and procedures in relation to the products and services, schemes and funds offered by BPMB Group; and
        iii. The product manual(s), marketing advertisements, sales illustrations and brochures used to describe the products.
    b. Shariah-related policies prepared by BPMB Group in order to ensure that the contents do not contain any elements which are not in line with Shariah.

4. To provide a decision or advice on the operations, business, affairs and activities of BPMB Group, which may trigger a Shariah non-compliance event.

5. To deliberate and affirm a Shariah non-compliance finding reported by Shariah review and Shariah audit.

6. To endorse a rectification measure to address a Shariah non-compliance event.

7. To provide disclosure in the BPMB Group annual report on the following information:
   a. Shariah Committee's roles, responsibilities and accountabilities relating to Shariah governance and compliance in BPMB Group; and
   b. Shariah Committee's opinion on the state of BPMB Group's compliance with Shariah based on Shariah non-compliance reports provided by Shariah review and Shariah audit.

8. To endorse the disclosed information in the BPMB Group annual report that:
   a. All Islamic business transactions for the reporting year are Shariah compliant;
   b. The allocation of profit and charging of losses relating to investment accounts, if any, are Shariah compliant;
   c. All earning(s) declared as Shariah non-compliant are to be derecognised and channelled to charity; and
   d. The computation and distribution of Zakat are in compliance with Shariah.
   e. Any other relevant information that may be required and necessary from time to time.

9. To uphold and observe corporate governance and compliance with the relevant legislation, rulings, regulations and guidelines issued by BNM and the Securities Commission.

10. To provide a decision or advice to BPMB Group on matters that require a reference to be made to the Shariah Advisory Council ("SAC"), which includes but is not limited to the following circumstances:
    a. where the SAC has not made any rulings on a particular matter; or
    b. where the Shariah Committee is not able to arrive at a decision or advice; or
    c. where BPMB Group submits a new product approval application.

11. To provide a decision or advice to BPMB Group on the application of any rulings of the SAC or standards on Shariah matters that are applicable to the operations, business, affairs and activities of BPMB Group.

12. To update the Board immediately on Shariah issues or matters that the Shariah Committee has reason to believe may affect the safety and soundness of BPMB Group and to recommend suitable measures to rectify such situations.

13. To constantly develop a reasonable understanding of the business and operations of BPMB Group as well as knowledge of finance in general and Islamic finance. In addition, the Shariah Committee needs to keep abreast of the relevant market and regulatory developments.

14. To disclose the nature and extent of his or her interest that constitutes or gives rise to a conflict or potential conflict of interest upon the appointment, reappointment or as soon as any changes in his or her circumstances that may affect his or her status. The Shariah Committee Member is required to disclose if he or she or any person linked to him or her or any immediate family member, where relevant, has any significant business or other contractual relationship, irrespective of the value, with BPMB Group or any of its affiliates.

Meetings and Attendance

The Shariah Committee meetings are conducted on a monthly basis, in line with the requirement under BNM's SGPD. Throughout the year, the Shariah Committee convened a total of fifteen (15) meetings, inclusive of three (3) special meetings.

Name of Shariah Committee	Meeting Attendance
Professor Dato' Dr Aznan Hasan Chairman	15/15
Ustaz Mohd Fadhly Md Yusoff Member	14/15
Ustaz Lokmanulhakim Hussain Member	15/15
Professor Dr Salina Kassim Member	15/15
Professor Dr Zurina Shafii Member *End of Tenure 31 March 2025*	4/15

Secretariat to Shariah Committee

a. Group Shariah Management is designated as the secretariat to serve the Shariah Committee and is responsible for providing operational support for the effective functioning of the Shariah Committee.

b. Group Shariah Management is structured to carry two (2) main roles and responsibilities:

Advisory and Zakat Management

- Responsible for providing Shariah advisory services to relevant stakeholders and entities within BPMB Group.
- Responsible for supporting stakeholders on the Shariah aspects of Islamic finance business, based on the rulings and resolutions issued by BNM's SAC and the Securities Commission's SAC and advice, precedents and decisions of BPMB's Shariah Committee.
- Responsible for providing advisory services on Shariah-related matters or products by conducting a review process on relevant legal documentation and proposed transaction agreements and the proposed policies, guidelines and procedures from internal stakeholders to ensure compliance with the approved Shariah principles and decisions.
- Responsible for the management, payment and distribution of business Zakat in compliance with the established rulings to ensure efficiency and effectiveness of business Zakat management and distribution.

Research and Secretariat

- Responsible for performing in-depth Shariah research and studies on Shariah issues that may be identified from time to time while advising BPMB Group.
- Responsible for coordinating communications and disseminating information among the Shariah Committee, the Board and Senior Management.
- Responsible for ensuring proper dissemination of decisions or advice of the Shariah Committee to the relevant functions within BPMB Group.
- Responsible for providing operational support for the effective functioning of the Shariah Committee Meeting and undertaking related administrative matters and Shariah Committee's affairs:
  - Appointment, re-appointment, cessation and disqualification;
  - Succession planning; and
  - Training and development plan.

Internal Control Functions

Group Risk Management

Shariah Non-Compliance ("SNC") risk is a subset of operational risk in line with BNM's Policy Document on Operational Risk, and hence forms part of the Group's Operational Risk Management Framework. The Shariah Risk Management ("SRM") function, as outlined by BNM's SGPD, is undertaken by Operational and Shariah Risk ("OSR") of Group Risk Management to enable a systematic approach to managing the SNC risks.

A Guideline on Shariah Risk Management has been established, outlining the objectives, guiding principles, governance structure, methodology and approach adopted in managing the SNC risk of the BPMB Group. This is supported by established operational risk management tools to facilitate Operational Risk Liaison Officers ("ORLOs") in the identification and assessment of the identified risk.

Continuous efforts to raise awareness about Shariah risk management were integrated into learning activities, including Shariah risk-related direct engagement with relevant functions through ORLOs' engagement and digital platforms such as infographic emails and BPMB's e-learning platform. These initiatives were periodically undertaken to enhance understanding and awareness of SNC risks.

Group Compliance

In line with the fundamental responsibilities of compliance as outlined in BNM's Policy Documents on Shariah Governance and Compliance, a dedicated Compliance Review unit within Group Compliance was established with a mandate to perform an independent compliance review for BPMB Group, which encompasses management of compliance risk in critical business areas and the implications of regulatory requirements, including Shariah requirements.

The unit comprises certified compliance officers and qualified Shariah officers who aim to provide reasonable assurance to the Senior Management, Shariah Committee ("SC") and Board Risk Management Committee ("BRMC") or Board of Directors of BPMB Group on compliance status with appropriate legal and regulatory requirements, including Shariah requirements.

The Shariah review is performed based on the Guidelines and Procedures on Compliance Review, encompassing Compliance Review reporting, governance and the end-to-end handling of the Compliance Review process.

The Annual Compliance Review Plan, including the Shariah Review plan, is crafted annually, considering the results from the risk-based assessment and overriding factors such as regulatory priorities.

The Shariah review entails assessing BPMB Group's adherence to Shariah requirements across its operations, business endeavours and activities, evaluating compliance levels, proposing remedial actions for non-compliance and implementing control measures to prevent recurrences. Following the Shariah review, the outcomes are submitted to SC for deliberation and approval, and subsequently submitted to relevant management and board committees for notification.

Group Internal Audit

The Group Internal Audit Function, through its Shariah Audit Section, plays a crucial role in ensuring that a robust and effective internal control system is in place for Shariah compliance within the Bank. This Section conducts independent assessments and provides objective assurance regarding the adequacy and effectiveness of internal controls, risk management systems and governance processes. Additionally, it evaluates overall compliance with Shariah requirements applied in the Bank's operations, business dealings and activities, thereby reinforcing the integrity of Shariah compliance across the organisation.

The Shariah Audit operates independently, delivering reports to both the Shariah Committee ("SC") and the Board Audit Committee ("BAC") to ensure the effectiveness of internal control systems and the policies governing the Islamic business and operations of BPMB Group. By adopting a risk-based assessment methodology established at the Group Internal Audit, the evaluation encompasses Shariah governance, risk management, internal controls and compliance with Shariah rules and principles, in alignment with the standards set by the Institute of Internal Auditors ("IIA") as well as the relevant regulations issued by Bank Negara Malaysia ("BNM"). All Shariah Audit team members are qualified Certified Bank Auditors ("CBA") and Certified Professional Shariah Auditors ("CPSA"), ensuring a high level of expertise and professionalism in their assessments.

All Shariah Audit reports are presented to the SC for deliberation and endorsement. Where applicable, the Shariah Audit provides recommendations for improvements and enhancements, with findings presented to the Audit Issue Resolution Committee ("AIRC"), the SC and the BAC, thereby promoting transparency and accountability in addressing identified issues.

Statement of Internal Control

The Statement of Internal Control affirms the Board of Directors' ("Board") commitment to the highest standards of governance, financial management, reporting integrity and regulatory compliance across the BPMB Group. Following the integration of SME Bank and EXIM Bank Malaysia in May 2025, disciplined risk management and effective internal controls underpin the strengthening of institutional foundations and the expansion of the Group's development impact. Operational efficiency and accountability are supported through a clear delegation of authority to Management and Board committees, ensuring risks arising from the expanded organisational footprint are proactively identified, assessed and managed.

Responsibility

The Board upholds its commitment to the overall responsibility and oversight of the BPMB Group's internal control system, ensuring it safeguards stakeholders' interests and the Group's assets. In strengthening its governance foundation post-integration, the Board remains informed of developments in risk management, regulation and best practices to sustain the effectiveness and relevance of the organisation's internal controls.

Appropriate control structures are in place for identifying, evaluating, monitoring and responding to significant risks, aligning with business objectives.

The Management is accountable to the Board and is responsible for implementing risk management and controls, with regular assessments ensuring the system's adequacy, effectiveness, efficiency, integrity, viability and robustness.

Key Internal Control Processes and Structures

The key processes that the Board has established in reviewing the adequacy and effectiveness of the internal control system include the establishment of Management's roles with regard to internal controls. The roles of the Management include, but are not limited to:

- Identifying and evaluating the risks faced towards the achievement of business objectives and strategies;
- Formulating relevant policies and procedures to manage these risks;
- Monitoring the effectiveness of the implementation of the internal control system;
- Implementing remedial actions to address compliance deficiencies; and
- Reporting to the Board on any changes to the risks and the corrective actions taken in a timely manner.

Internal Audit Function — Group Internal Audit

Group Internal Audit ("GIA") provides objective and independent assurance to the Board on the adequacy and effectiveness of risk management, internal control and governance processes, while also delivering advisory services that enhance operational efficiency and value creation across the expanded Group.

The processes and activities undertaken by GIA are guided by the Audit Charter, relevant regulatory guidelines, the Group's Code of Ethics and the Global Internal Audit Standards ("GIAS") issued by the Institute of Internal Auditors ("IIA"), replacing the previous International Professional Practices Framework ("IPPF").

Annual Audit Plan 2025

GIA has established the Annual Audit Plan ("AAP") 2025, which was approved by the Board Audit Committee ("BAC") on 26 November 2024, to strategically allocate resources for the provision of assurance and advisory services across the BPMB Group.

The risk-based audit plan emphasises the auditing of BPMB's functions and activities for the Financial Year 2025, as well as other engagements mandated by Bank Negara Malaysia ("BNM"), BNM's Shariah Governance policy document and the risk assessment conducted by GIA. It aims to provide diverse coverage that includes and prioritises critical areas associated with GIA's Risk Assurance Map.

The dynamic nature of the banking business environment requires a proactive approach to internal audit. In response to emerging challenges and opportunities, the AAP 2025 has been carefully developed to align with BPMB's objectives and strategic Agenda 2025, while also considering the evolving regulatory landscape and the merger with EXIM Bank and SME Bank.

GIA assesses selected auditable functions and areas within the identified audit scope, focusing on risk exposure, compliance with approved policies, procedures, laws, regulations and benchmarking against best practices. GIA also conducts investigations and special reviews on any alleged negligence, fraud and misconduct as reported or requested by the Board or its subcommittees.

The execution of audit engagements under the AAP 2025 is supported by a structured audit methodology and internationally recognised internal control frameworks.

Enhancement of GIA Risk Assurance Map

GIA has enhanced its Risk Assurance Map ("RAM") by transitioning from a control maturity-based approach to an impact and likelihood risk model. This forward-looking methodology strengthens risk prioritisation by focusing on areas with the greatest potential impact on the Group's strategic objectives, financial soundness, regulatory compliance and operational resilience, particularly in the post-integration environment.

Stakeholder	Risk 1		Risk 2		Risk 3		Risk 4		Risk 5		Risk 6		Risk 7		Risk 8		Total Score	Level
	L	I	L	I	L	I	L	I	L	I	L	I	L	I	L	I		
Auditable Unit 1	3	2	2	4	3	5	2	3	1	5	1	3	1	2	2	5	44	M
Auditable Unit 2	2	3	1	4	1	5	2	2	1	3	1	1	2	3	2	2	35	M
Auditable Unit 3	1	3	1	3	2	3	3	3	2	1	1	1	3	4	1	4	36	M
Auditable Unit 4	4	4	3	5	2	5	1	2	1	5	3	2	2	5	2	5	51	H
Auditable Unit 5	1	3	2	4	3	4	3	3	4	4	2	4	2	5	1	4	49	H
Auditable Unit 6	1	1	1	2	2	1	1	3	2	1	2	2	2	3	1	2	27	L
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rating for Score Ranges																		
Low (L) = 0 to 32			Moderate (M) = 33 to 45						High (H) = 46 to 59						Extreme (E) = 60+			

Source: Developing a Risk-Based Internal Audit Plan (2nd Edition)

The revised RAM is used to formulate the AAP by providing clearer visibility over risk exposures and assurance coverage, thereby reinforcing a more robust internal control framework. This enhancement is guided by the General Guidance on Developing a Risk-Based Internal Audit Plan (2nd Edition) issued by the IIA in July 2025.

Quality Improvement and Assurance Programme

The Quality Assurance and Improvement Programme ("QAIP") is conducted annually through internal self-assessments based on the Global Internal Audit Standards ("GIAS") and at least once every five years through an independent external assessment to validate GIA's conformance with applicable professional standards. GIA continually enhances its capabilities by improving internal audit processes, benchmarking against industry standards and upskilling internal auditors through various training programmes, professional memberships, certifications and co-engagements with reputable external consultants for specific audit engagements.

COSO Framework

In evaluating internal control measures, GIA adheres to the five (5) components of the Internal Control Integrated Framework by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO"), namely control environment, risk assessment, control activities, information and communication, as well as monitoring activities.

COSO Internal Control Framework	
01	Control Environment
02	Risk Assessment
03	Control Activities
04	Information and Communication
05	Monitoring Activities

The audit results, including identified risks and recommendations, are regularly reported to the Board Audit Committee ("BAC"). Resolutions for the audit findings are monitored and discussed at both the Audit Issue Resolution Committee ("AIRC") and BAC meetings. Shariah audit findings are presented to the Shariah Committee ("SC"), where potential Shariah Non-compliance ("SNC") issues are deliberated and confirmed.

Independent Role

To uphold the independence and objectivity of the audit role, the Group Chief Internal Auditor ("GCIA") reports functionally to the BAC and administratively to the Group Chief Executive Officer ("GCEO"). The Group has established the AIRC, comprising senior management representatives, to ensure adequate deliberation of the highlighted issues and findings.

Other Internal Control Processes and Structures

The other key elements of the internal control system established by the Board that provide effective governance and oversight of internal controls include:

Board Committees

The Board is supported by various other Board committees (other than the BAC), which include the Board Credit Committee ("BCC"), Board Nomination and Remuneration Committee ("BNRC"), Board Risk Management Committee ("BRMC"), Board Information Technology Committee ("BITC") and Shariah Committee ("SC"). As outlined in the Terms of Reference ("TOR"), these committees have the authority to examine all relevant matters within their respective scopes and report their recommendations to the Board.

Management Committees

The Management has established several Executive-level Committees to aid and bolster the oversight responsibilities of the various Board Committees across key areas of business operations. These Committees (other than the AIRC) comprise the Group Management Committee ("GMC"), Group Credit Committee ("GCC"), Management Risk Committee ("MRC"), Asset and Liability Committee ("ALCO"), Management Tender Committee ("MTC"), Management Information Technology Committee ("MITC"), Group Human Resource Committee ("GHRC"), Crisis Management Team ("CMT"), Whistleblowing Committee ("WBC") and Management Integration Committee ("MIC").

The MIC was established to ensure that integration activities in relation to the merger are executed in a structured and controlled manner, with appropriate risk management, internal controls and governance practices in place.

Business Plan and Performance Review

The Board deliberates and approves the annual business plan as well as the budget for the financial year. Performance achievements are reviewed on a monthly basis against the targeted results, allowing time for the appropriate responses and required remedial actions to be taken. The Board consistently reviews reports furnished by the Management on the key operating statistics as well as other pertinent matters, including legal and regulatory issues.

Audit Issue Resolution Committee

The Audit Issue Resolution Committee ("AIRC") facilitates the BAC in ensuring comprehensive deliberation of the findings and recommendations highlighted in the audit reports. The AIRC also oversees the implementation of action plans to resolve the audit issues. Minutes from AIRC meetings together with the relevant audit reports are subsequently tabled to the BAC.

The last AIRC meeting was held on 12 November 2025, following which the Board approved the temporary suspension of the AIRC on 15 January 2026 to enable a review of its structure and role alignment, in light of the establishment of dedicated functional reporting of the GIA function to the Group Executive Committee ("EXCO") up to the first quarter of 2027.

Board Audit Committee

Chaired by an Independent Non-Executive Director, the Board Audit Committee ("BAC") serves as a Board committee dedicated to facilitating dependable and transparent financial reporting processes across the Group, while also supervising the effectiveness of the internal audit function. The BAC actively monitors GIA's independence, scope of work and resource allocation, approving the AAP and determining the frequency of internal audit activities. All decisions and recommendations made by the BAC are communicated to relevant stakeholders for corrective actions, ensuring regular follow-through until issues are resolved.

Policies, Standard Operating Procedures and Authority Limits

The Group's business and operational policies and Standard Operating Procedures ("SOPs") are documented and accessible to all employees across the Group. These policies and SOPs undergo regular reviews and updates by the respective business and functional units through a structured review process to accommodate changes in laws and regulations, as well as changes in the business and operational environment.

Delegation of authority, including authorised limits at various levels of Management in the Group, is documented and designed to ensure accountability and responsibility.

Code of Ethics and Conduct

The Code of Ethics and Conduct ("the Code") outlines the standards of ethical banking practices to uphold confidence in the security and integrity of the Group's business operations. Applicable to all Bank employees, the Code complies with Malaysian laws and internal Bank policies. All employees are expected to conduct business and represent the Group with the highest ethical, legal and professional standards.

Group Organisational Structure

Under the Board's supervision, Management has established a clear organisational structure with defined reporting lines that enable the delegation of authority and responsibility across the Group.

Three Lines of Defence

3rd Line Internal Audit

2nd Line Risk Management/ Compliance

1st Line Business & Operations

Implementation of the three lines of defence model further enhances business and operational requirements, reinforcing the maintenance of a robust control environment.

Risk Management

BPMB's Risk Management function is represented by Group Risk Management ("GRM"), led by the Chief Risk Officer ("CRO"), which provides enterprise-wide oversight and support across all risk areas through the establishment of risk strategies, frameworks and policies, as well as independent monitoring of key risk exposures.

In 2025, Group Compliance ("GC") was established as a standalone control function under the leadership of the Chief Compliance Officer ("CCO"). The function provides independent oversight of compliance risk across the Group, promotes a strong compliance culture and supports adherence to applicable legal and regulatory requirements, as well as internal policies and procedures.

GC also undertakes compliance advisory, assessment and monitoring activities to strengthen the Group's compliance framework and governance practices. Meanwhile, GRM continued to support the Group in meeting its strategic and business objectives, as governed by the Board and Management oversight roles and responsibilities.

The Malaysian economy demonstrated resilience in 2025, sustaining growth momentum despite heightened external headwinds from US trade policy shifts and a more uncertain global trade environment. The BPMB Group's portfolio continued to align closely with Malaysia's national development priorities, strengthening its institutional foundation and expanding its capacity to deliver development impact.

The integration with SME Bank and EXIM Bank Malaysia marked 2025 as a transformative year for the BPMB Group. This expanded institutional scope enhanced the Group's capacity to serve a broader spectrum of the national agenda at scale, in alignment with key national policies, the Malaysia MADANI Economic Framework, the New Industrial Master Plan, the National Energy Transition Roadmap, the 13th Malaysia Plan and the Bumiputera Economic Transformation Plan 2035.

Downside Risks

As we navigate an increasingly complex global landscape, BPMB remains vigilant in identifying and managing key risks that could impact Malaysia's economic growth and financial stability. The global economic outlook for 2026 remains moderately positive but increasingly fragile, as growth is expected to slow amid persistent inflation, geopolitical tensions and energy-market disruptions. Major institutions such as the International Monetary Fund and Organisation for Economic Co-operation and Development project global growth around 3.1%–3.3%, supported by technology investment and resilient consumer demand, but constrained by high interest rates, fiscal pressures and conflicts affecting energy prices and trade flows.

- Uncertainty in global trade and investment lingers as the US administration has maintained its protectionist stance that could disrupt trade flows. Overall, global trade is moving towards a more fragmented and strategically managed system rather than a return to broad free-trade globalisation.
- Uncertainty in financial markets and currency movements remains a key concern, as the inflationary nature of tariffs has kept the US Federal Reserve cautious. If US interest rates remain elevated, global capital flows could remain volatile, exerting intermittent pressure on the ringgit and raising financing costs for portfolio companies with external obligations.
- Geopolitical tensions, primarily the ongoing US-Iran conflict, represent a significant and fast-evolving risk to Malaysia's operating environment. Approximately 20% of the world's oil and LNG trade ordinarily transits the Strait of Hormuz, which has been effectively closed to commercial shipping since February 2026, materially tightening global energy supply. BPMB Group remains cautious and continues to monitor developments closely, while engaging with affected borrowers where necessary.
- Shifts in energy and climate policies could have far-reaching implications with the US withdrawal from the Paris Agreement. The move has introduced uncertainty into global climate change mitigation efforts, potentially slowing progress on sustainability initiatives and impacting long-term environmental commitments.

Other Risks

- Realising Malaysia's COP commitments has been made difficult following the US withdrawal from the Paris Agreement. BPMB Group must navigate potential risks, including uncertainties around funding allocation, market volatility in carbon markets and the need for additional resources to continue complying with enhanced transparency and reporting standards. Effectively addressing these risks is essential for the successful implementation of the country's climate goals.
- BPMB recognises that, beyond traditional risk categories, certain risks require focused attention. Third-party risk arises from our reliance on external vendors, whose performance and security practices can directly affect our operational integrity. With accelerated adoption of cloud-based solutions, cloud security risk has become a critical concern, as vulnerabilities in cloud infrastructure could expose sensitive data and disrupt service delivery. Additionally, emerging risks driven by rapid technological advances and evolving regulatory landscapes necessitate proactive monitoring and adaptive strategies.
- In 2026, the merger with SME Bank and EXIM Bank will take significant steps with the consolidation of organisational structures as well as the alignment of resources and collective strategies. The synergy will improve efficiency and the Group's ability to meet goals but will also pose merger-related risks. During this transitional phase, the Group acknowledges potential integration risks, including operational complexities, as well as differences in processes, approaches and methodologies across entities that may affect the consistency of risk practices and decision-making. These risks are being actively managed through strengthened oversight, clear governance structures and ongoing monitoring to ensure a coordinated approach, effective risk management and operational continuity as alignment progresses in line with the Group's strategic objectives.

Risk Management ensures that the portfolios are aligned with the risk appetite and business strategies of the Bank, where risk management frameworks are constantly reviewed to be forward-looking in order to remain risk-resilient.

1. Group Governance and Risk Management Framework (Group GRM Framework)

An effective risk management framework and process assist in reinforcing a strong risk culture, which in turn is critical to ensuring sound risk management for the Group. The overall structure of the Risk Management Framework is shown below:

Building Blocks	
Risk Principles	Risk Appetite and Strategy
Governance and Risk Oversight	Risk and Compliance Culture
Risk Management Processes and Practices	Resources and System Infrastructure

2. Risk Management Principles

Risk management is a management process that enhances the cost-effective accomplishment of an organisation's objectives, with its purpose being the creation and protection of value. BPMB's risk management principles are guided by the following eight principles.

01 Control Integrated

The organisation integrates risk management in all of its activities.

02 Structured and Comprehensive

A structured and comprehensive approach to risk management contributes to consistent and comparable results.

03 Customised

The risk management framework and process are customised and proportionate to the organisation's external and internal context related to its objectives.

04 Inclusive

Appropriate and timely involvement of stakeholders enables their knowledge, views and perceptions to be considered. This results in improved awareness and informed risk management.

05 Dynamic

Risks can emerge, change or disappear as an organisation's external and internal contexts change. Risk management anticipates, detects, acknowledges and responds to those changes and events in an appropriate and timely manner.

06 Best Available Information

The inputs to risk management are based on historical and current information, as well as on future expectations. Risk management explicitly takes into account any limitations and uncertainties associated with such information.

07 Human and Cultural Factors

Human behaviour and culture significantly influence all aspects of risk management at each level and stage.

08 Continuous Improvement

Risk management is continually improved through learning and experience.

3. Risk Management Processes and Practices

Risk Management has put in place a structured and coherent approach in identifying, assessing and strategically managing the identified risks through its annual Risk Plan. These include:

i. Driving sustainable and quality asset growth through effective risk management, managing asset growth and reducing impairments;

ii. Delivering client convenience and reliability by intensifying client focus through engagement with the Board, Senior Management and business pillars and through internal customer service excellence, including the timely delivery of credit risk rating reports produced for new proposals and credit review proposals as well as credit portfolio and market risk assessments for Treasury or Finance initiatives;

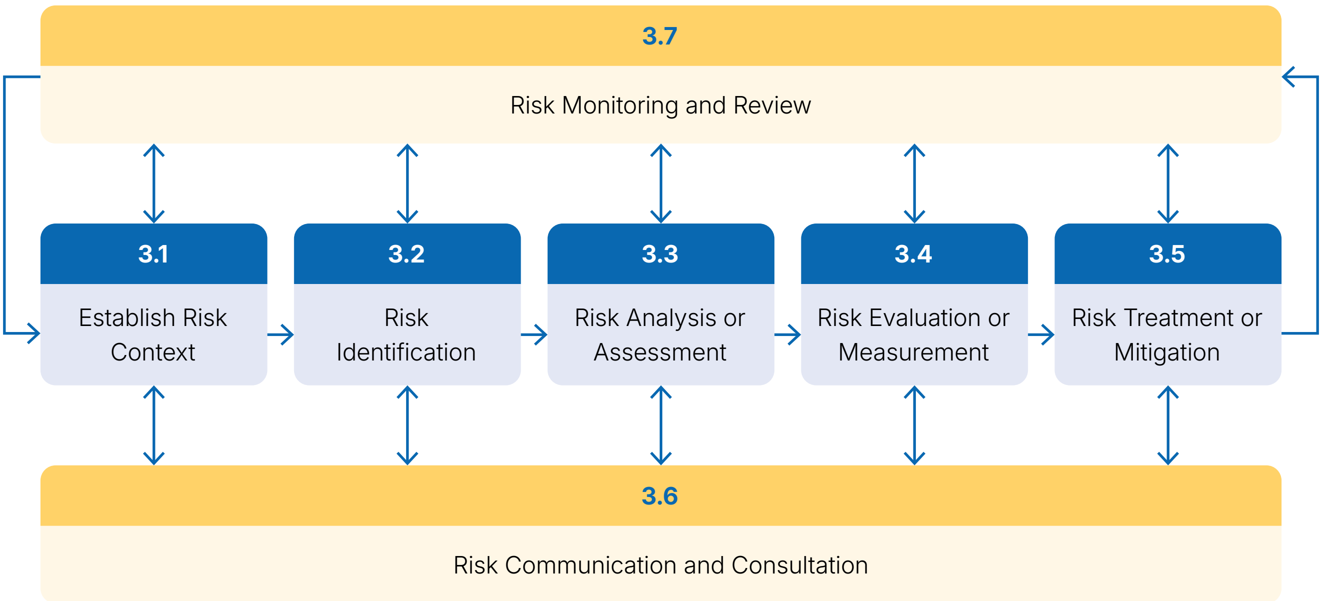
iii. Ensuring effective and efficient risk governance as well as oversight by promoting a risk awareness culture and strengthening the lines of defence through the Group GRM Framework along with group-wide implementation of the risk governance process, monitoring and reporting;

iv. Improving business and support processes by having strong infrastructure in place to support operations;

v. Strengthening execution infrastructure by either strengthening or streamlining the capacity and capabilities of existing risk units; and

vi. Building organisational capabilities by:
- creating a group-wide performance culture;
- strengthening execution capabilities;
- establishing highly effective performance and talent management processes;
- assembling and building a leadership pool and pipeline to realise the Bank's aspirations;
- increasing external recruitment to increase the talent pool;
- training employees to increase risk awareness and understanding of risk management; and
- adopting a 'risk-aware' and 'compliance culture' as part of the organisational work culture.

An overview of the Risk Management Process is depicted below:



3.1 Establish Risk Context

All Risk Management function heads (Heads) must first establish a clear and well-defined risk context by taking into consideration the following factors:

a. External Context

Define the relationship between their own functions and BPMB's business and operational environment by identifying or determining the crucial elements that may support or impair their ability to manage their own risks, such as regulatory and market conditions, as well as economic, environmental and social elements.

b. Internal Context

Understand their functions, capacities and capabilities (that is, the strengths, weaknesses, threats and opportunities relating to staff, processes and systems), as well as their own business objectives, risk strategies and risk culture.

c. Risk Management Context

Establish their risk management approach; that is, define their own scope of risk assessment and evaluation criteria, define or set their own respective risk appetite and risk tolerance limits, including their risk acceptability, risk avoidance and risk mitigation.

3.2 Risk Identification

All Heads must put in place demonstrable processes and procedures to ensure that risks are promptly identified and also incorporate Key Risk Indicators ("KRIs") to trigger possible future risks (that is, emerging risks) or to anticipate unpredictable risks, to ensure no significant risks are being overlooked.

3.3 Risk Analysis or Assessment

All Heads are to provide data to assist in the evaluation and treatment of their risks. This involves the identification of the sources of risk, the consequences (or impact) and the likelihood that these consequences may occur. Each Head is also to document the qualitative or quantitative measures of their likelihood or expected impact. Risk is analysed by combining estimates of consequences (impact) and likelihood of occurrence in the context of existing control measures in place.

3.4 Risk Evaluation or Measurement

- The level of risk found during the analysis or assessment needs to be compared with the previously established risk criteria of the department or unit. This will result in a prioritised list of risks for further action by each Head.
- Identified risks should be monitored and regularly reviewed to ensure they remain adequately controlled or mitigated.
- It is also advisable for each Head to document their own business continuity management plan(s) and embed the plan(s) within their teams to ensure any severe disruptions in their operating infrastructure can be properly managed and addressed.

3.5 Risk Treatment or Mitigation

- Each Head is to identify the appropriate options for treating or mitigating their risks and document these options within their own risk procedure.
- Each option is to be assessed and properly documented. Each Head must ensure any residual risks are within their acceptable threshold.

3.6 Risk Communication and Consultation

Each Head is to clearly and continuously communicate their risk management process to all who have roles and responsibilities within it to ensure staff understand why certain actions are required. This communication process must be clearly documented.

3.7 Risk Monitoring and Review

Each Head is to document the required proactive monitoring process of their risk treatment or action plans to ensure they remain relevant. Any resultant loss (actual or expected, near-miss or potential) is to be computed and documented accordingly. Each Head is also to ensure that their risk management process is reviewed on a regular basis (at least annually) to determine its effectiveness, including the identification of new risks or opportunities as they emerge.

4. Risk Appetite and Strategy

Risk appetite is a critical component that forms part of the robust Group GRM Framework and is driven by both top-down Board leadership and bottom-up involvement of management and staff at all levels. It enables the Board and Senior Management to communicate, understand and assess the types and levels of risk that the Group is willing to accept, in pursuit of its business goals. The risk appetite is integrated into the strategic planning process and remains dynamic and responsive to changing business and market conditions.

These are used:

- to ensure enterprise-wide risks are within acceptable and manageable levels; and
- as a best-practice approach to addressing these requirements.

Risk Appetite Statement ("RAS")

To address fundamental questions with respect to strategy, risk management and operations. Implemented through a risk appetite framework, which includes common language, policies, processes, systems and tools used to establish, communicate and monitor risk appetite.

A well-developed RAS has the following attributes:

1. A key element of the overall GRM framework
2. Aligned with the business strategy and expressed using quantitative risk tolerances
3. Reinforces the organisation's desired risk culture
4. Produces better risk-adjusted business performance

Risk Appetite Statement and Tolerance Level ("RASTL")

The Bank's RASTL can be defined as follows:

i. The Bank's willingness and ability to take risks (Risk Capacity) to achieve its strategic objectives, while considering a longer-term view on the Bank's continuing ability to meet its obligations towards stakeholders and shareholders; and

ii. The Bank's acceptable tolerance limits, around specific risks, in executing its business strategies, risk preferences for any significant activities of the Bank and are consistent with the available skills and resources in managing and monitoring the risk exposures within the Bank.

The extent of these exposures has taken into consideration the various quantitative financial metrics and non-financial parameters. Proper governance and reporting of these risks shall be adhered to and escalated to further support an informed decision-making process. It draws the line between acceptable and unacceptable risks within the Bank's capacity. Therefore, the Risk Appetite Statement is reflective of the Bank's operating environment, strategy, business plans and shareholder expectations. It should be dynamic and set within a specific timeframe.

The primary objectives of the RASTL are:

i. Protecting and creating value for the business

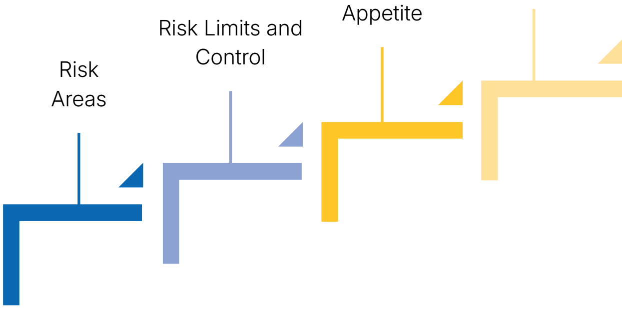
Assist Senior Management and the Board of Directors (Board) in making informed decisions to maximise the risk-adjusted return for the shareholder and to provide guidance in the strategy development and business plans of the Bank (such as new funds development, pricing strategies, credit risk mitigation for selective strategic lending relationships, availability of relevant technology or support systems, relevant skills requirements and resource planning).

ii. Integrating into business strategies and risk culture

Assist Senior Management and Heads of Division or Department with their respective risk monitoring and tracking activities, implementing appropriate risk mitigation plans, facilitating timely action plans once the Management Action Triggers ("MAT") are breached and, if needed, expediting further remedial actions once the Tolerance Limit is breached. All while adhering to appropriate escalation (or reporting) to the Board and Senior Management.

iii. Ensuring consistency between risk appetite statements and risk tolerance or limits

Assist Senior Management and the Board to properly align the risk appetite with the risk tolerance or limits for respective risk areas, within the Bank's business activities and operations.



The Risk Appetite Statement and Tolerance Level ("RASTL") shall be reviewed regularly, at least annually, to ensure it continues to be relevant and responsive to changes in the Bank's business directions and activities, operating environment and overall risk profile.

The risk appetite serves as a foundation for the Group's risk culture and sets out the principles and policies to guide business activities and decision-making processes towards achieving an optimal balance between risk and return.

The articulation of the risk appetite is done through a set of risk appetite statements that include a comprehensive view of all material risks to the Group as follows:

Risk Appetite Categories	Risk Areas
Capital Adequacy	Risk-Weighted Capital Ratio ("RWCR")
Credit	Loan or Financing Asset Quality - Weighted Average Probability of Default ("WAPOD")
	Loan or Financing Asset Quality - Economic Capital Allocation ("ECA")
	Loan or Financing Asset Quality - Threshold for the Supported portfolio
	Gross Impaired Loan Ratio ("GIL")
	Interbank Placement - Counterparty Limit
Liquidity	Bank Negara Malaysia ("BNM") New Liquidity Framework ("NLF")
	BNM Liquidity Coverage Ratio ("LCR")
	BNM Net Stable Funding Ratio ("NSFR")
Market Risk	Earnings-at-Risk ("EaR")
	Economic Value of Equity ("EVE")
	Investment Securities Credit Ratings
	Mark to Market ("MTM")
Operational Risk	Operational Loss
	Critical Business Disruption
	Shariah Non-Compliance ("SNC")
	Fraud
Strategic	Debt Rating
	Climate Change - ("CCPT")
	Portfolio MIND Score - Client ESG score based on BPMB's rating
Cyber Risk	Cybersecurity Risk

5. Principal Risks

BPMB is exposed to, but not limited to, the following principal risks:

Credit Risk	Concentration Risk
Operational Risk	Market Risk
Liquidity Risk	Technology and Cyber Risks
Environmental, Social and Governance ("ESG") Risk	Climate Change Risk
Reputational Risk	Strategic Risk
Regulatory Risk	Disease Outbreak Risk
Shariah Non-Compliance Risk	Subsidiary Risk
Fraud Risk	Taxation Risk
Asset or Property Risk	Human Resources Risk
Business Continuity and Going Concern Risk	Legal Risk
Compliance Risk	Process Risk
Outsourcing Provider Risk	Project Risk

The respective principal risks are briefly described as follows:

Risk	Description
Credit Risk	Risks arising from: **a. Default Risk:** Risk arising from the inability or unwillingness of a counterparty to discharge its repayment or payment contractual obligations;
Credit Risk (cont'd.)	**b. Downgrade Risk:** Risk that changes in the possibility of a future default by a counterparty following an internal or external rating downgrade; and **c. Counterparty Risk:** Risk that a counterparty will default prior to the expiration date of the contract or prior to the settlement of the transaction.
Concentration Risk	Risks arising from: **a. Concentration on Assets Portfolios:** Risk of losses associated with inadequate diversification of asset portfolios; **b. Concentration on Business Portfolio:** Risk of financial loss due to having written large proportions of business in the same or similar risk profile (such as sector, customer groups and geographical area).
Operational Risk	Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes a wide spectrum of heterogeneous risks such as fraud, physical damage, business disruption, transaction failures, legal and regulatory breaches (including fiduciary breaches and Shariah non-compliance for BPMB's Group Islamic business operation) as well as employee health and safety hazards.

Risk	Description
Market Risk	Risk of losses in on- and off-balance sheet positions arising from movements in market prices. The movements in market prices include foreign exchange rates, interest or profit rates, commodities and equity markets. Market Risk exposures include: **a. Interest Rate Risk or Profit Rate Risk:** The risk of potential impact on the Bank's earnings and capital due to fluctuations in interest or profit rates, including changes in the composition of assets and liabilities. **b. Asset Liability Mismatching Risk:** The financial risk that occurs when the Bank's assets and liabilities differ in maturities, cash flow timing (tenor) or interest rate structures (fixed versus floating rates). **c. Credit Spread Risk:** The sensitivity of the values of assets, liabilities and financial instruments to changes in the level or volatility of credit spreads over the risk-free interest rate or profit rate term structure. **d. Foreign Exchange ("Forex") Risk:** The risk of loss of earnings arising from adverse changes in the exchange rates between currencies. **e. Funding Risk:** The risk that the Bank may not be able to meet its financial obligations due to factors such as deposit withdrawals, repayment or payment of maturing funds, extension of credit or the need for working capital.
Market Risk (cont'd.)	**f. Equity Risk:** The risk of financial loss arising from fluctuations in the market prices of equity investments. **g. Commodity Risk:** Risk of financial losses due to the fluctuation in prices of commodities such as gas, metal and grains. **h. Settlement Risk:** Risk that a counterparty fails to deliver a security or its value in cash at the expiration date or during the settlement of the transaction.
Liquidity Risk	Liquidity risk is defined as the potential for losses due to the inability to meet cash flow obligations promptly and cost-effectively. It manifests in two distinct forms: **a. Funding Liquidity Risk:** The risk that the Bank will not be able to efficiently handle both expected and unexpected cash needs now and in the future. This could impact the Bank's daily operations or financial health. **b. Market Liquidity Risk:** The Bank cannot easily offset or close a position without significantly impacting the market price due to insufficient market depth or market disruptions.

Risk	Description
Technology and Cyber Risks	The risk of loss resulting from inadequate or failed internal processes, people, systems or external events. This combined risk category encompasses: **a. Technology Risk:** Losses or disruptions resulting from failures or vulnerabilities within the Bank's IT systems, including hardware, software, network infrastructure, technology obsolescence and risks stemming from third-party IT service providers. **b. Cyber Risk:** Threats and potential losses arising from malicious cyber activities, such as cyber-attacks, data breaches, ransomware and other forms of unauthorised intrusions that compromise data confidentiality, integrity and availability.
ESG Risk	Encompasses the potential dangers that businesses face related to environmental, social and governance factors that can affect a company's operations, reputation and financial performance. Failure to address them adequately can have severe consequences, including loss of investor trust, legal penalties and operational disruptions. This includes Climate Change Risk, noted next.

Risk	Description
Climate Change Risk	Climate change can be described as a significant long-term change in the expected patterns of average weather of a region (or the entire planet) over a significant period of time. Climate Change Risk is generally categorised as: **a. Physical Risk:** Arises from climate-related events that damage property, reduce productivity and disrupt trade. Physical risks directly impact the continuity of business operations and economic activities, which in turn increases credit risk to financial institutions when revenue-generating capacity and creditworthiness of borrowers are materially impacted. Physical risk also impacts collateral value, where assets pledged as collateral to the Bank could be destroyed or significantly damaged by climate events, impacting the recovery value. These risks are rarely well accounted for by banks, resulting in under-pricing the risks of such climate-related occurrences. **b. Transition Risk:** Arises from transitioning to a lower-carbon economy, which may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change. The changes in the legal or regulatory frameworks (such as disclosure requirements or implementation of carbon pricing), technological advancements (such as reducing the cost of renewable energy) or consumer sentiments (such as certification schemes or fossil fuel divestment campaigns) may translate into financial or reputational risk to financial institutions.

Risk	Description
Climate Change Risk (cont'd.)	**c. Liability Risk:** Refers to a client seeking compensation for losses they may have suffered as a result of physical or transitional risks related to climate change. Liability risk is generally more applicable to Insurers and Takaful operators.
Reputational Risk	a. The potential loss to financial capital, social capital or market share resulting from damages to the BPMB Group's brand or reputation. b. The potential risk of loss resulting from adverse publicity, negative public perception or damage to the Bank's reputation, which may result in loss of customers, business opportunity or stakeholders' confidence.
Strategic Risk	Risks arising from the following: **a. Governance Risk (Internal):** Risk pertaining to the Bank's internal business practices, processes and systems due to inadequate internal policies, controls, infrastructures and oversights, weak corporate governance and non-compliance with internal policies and regulatory requirements. **b. Project Risk (Internal):** Risk of uncertain events that may occur and cause a project or initiative to be delayed, altered in outcomes or failed. **c. Change Risk (Internal or External):** Risk arising due to changes or transformations introduced and implemented in the function such as automation, digital transformation, process enhancement, mergers and acquisitions and others.

Risk	Description
Strategic Risk (cont'd.)	**d. Economic Risk (External):** Risk arising from the potential adverse changes in economic conditions that can negatively impact the credit and investment portfolio.
Regulatory Risk	Risk that unanticipated new acts or changes in regulations will require changing business practices that may lead to financial loss to BPMB Group.
Disease Outbreak Risk	Refers to the threat of epidemics of infectious diseases that have spread through the human population across a large region (or over several countries or continents), such as COVID-19, MERS-CoV, SARS and Influenza.
Shariah Non-Compliance Risk	Risk of legal or regulatory sanctions, financial loss or non-financial implications, including reputational damage, which BPMB may suffer arising from failure to comply with the rulings of the Shariah Advisory Council of Bank Negara Malaysia ("SAC"), standards on Shariah matters issued by BNM pursuant to Section 29(1) of the IFSA and Section 33E(1) of the DFIA or decisions or advice of the Shariah Committee.
Subsidiary Risk	The risks assumed by BPMB Group's subsidiaries that may have a direct or indirect financial or non-financial impact on the BPMB Group. It may be peculiar or pertinent and exclusive to each subsidiary. The risks may include credit risk, operational risk, market risk, capital risk, investment risk and reputational risk. However, the list is non-exhaustive.
Fraud Risk	Risk of financial crime and unlawful conduct, both internal and external fraud, impacting BPMB.

Risk	Description
Taxation Risk	Risk of financial loss due to changes in tax legislation that could result in the actual tax on earnings being higher than expected.
Asset or Property Risk	Risk that the value of purchased assets or investment properties will fluctuate as a result of other than depreciation impact; that is, changes in the economic drivers or environment.
Human Resources Risk	Risk that BPMB Group does not have access to appropriate skills and resources to complement its operation and effectively manage other associated operational risks.
Business Continuity and Going Concern Risk	Risk that inadequate processes, people, financial controls and resources exist to continue business in the foreseeable future.
Legal Risk	Risk that BPMB Group's operations or its condition are disrupted or adversely affected by legal proceedings against it, adverse judgements from courts, contracts that turn out to be unenforceable or contractual obligations, which have not been provided for, as well as failure to comply with relevant laws and regulations.
Compliance Risk	Risk of failure to comply with laws, regulations, rules, related self-regulatory organisation standards, Shariah and codes of conduct, investment management mandates, as well as the failure to uphold the BPMB Group's core values and code of ethics and conduct.
Process Risk	Risk of losses as a result of failed or inadequate internal processes.

Risk	Description
Project Risk	Risks that are inherent in any major projects undertaken by BPMB Group, including but not limited to: a. **Project Completion Risk:** Risk arising from potential delay due to non-performance of contractors, insufficient funding, changes in design and specification requirements. b. **Project Scheduling or Planning Risk:** Risk arising from poor planning of all activities required to complete the project in terms of its work breakdown structure, realistic duration assignment and relationship networking into a schedule. c. **Project Cost Risk:** Risks arising from under- or over-provision to the Project Cost for contingencies and provisional sum, as well as variation orders due to change of designs, specifications and end-use requirements.
Outsourcing Provider Risk	Risk arising from the inability or unwillingness of an outsourced service provider to discharge its contractual obligations; or from concentration with an individual outsourcing service provider (which exacerbates the former).

6. Immediate Risks

Identifying and monitoring top and immediate risks are integral to the Group's approach to risk management. The identification and prioritisation of key risks facing the Group are critical to proactively planning for the holistic management of these risks. Some of the key concerns for the Group are:

a. Regulatory Changes and Requirements

An evolving landscape of regulatory requirements means that governments and regulators in numerous jurisdictions are expected to continue to develop and introduce regulations which may impose new requirements, including but not limited to, the areas of capital and liquidity management, corporate structures, conduct of business, corporate governance and operational risks.

b. Concentration Risk and Connected Lending

Concentration risk continues to be one of the Bank's major concerns due to our local market approach and the limitation in providing financing or credits towards our mandated role and the business sector. The Bank is monitoring concentration risk via Single Customer Limit or Single Counterparty Exposure Limit and Sector Limits, which encompasses both Mandated Sectors as well as BPMB Industrial Sectors.

In addition, the adoption of the Connected Parties Limit is also carried out to ensure that connected parties, by virtue of their position that could potentially exert influence over the Bank, do not inappropriately benefit from such transactions to the detriment of the Bank.

c. Governance of Emerging Technology Risk

Governance and risk management practices to ensure emerging risks arising from the deployment of new technologies are identified, assessed and managed in a timely manner. This includes oversight of technology initiatives, assessment of associated operational, cyber and third-party risks and implementation of risk mitigation measures proportionate to the nature, scale and complexity of the technology adoption. Continuous monitoring and review are performed to strengthen resilience and support secure and responsible innovation across the Bank.

- **Data Security and Privacy:** Migrating sensitive data to the cloud can expose it to potential breaches, misconfigurations or unauthorised access. Ensuring robust encryption, access controls and continuous monitoring is critical.

- **Regulatory and Compliance Challenges:** Cloud environments can complicate adherence to banking regulations, data residency and privacy laws. To ensure the cloud provider's practices meet all regulatory requirements.

- **Third-Party Supply Chain Risks:** BPMB recognises that reliance on third-party service providers and interconnected supply chains introduces operational, technology and cybersecurity risks that may impact service availability, data confidentiality, regulatory compliance and overall business resilience. Third-party supply chain risk may arise from weaknesses in vendors' security controls, operational disruptions, concentration risk, subcontractor dependencies, geopolitical factors or cyber threats within the broader ecosystem. To manage these risks, the Group maintains oversight and due diligence processes across the third-party lifecycle, including risk assessment, security evaluations, contractual safeguards and ongoing monitoring to strengthen resilience and support the continuity of critical business services.

- **Integration and Interoperability Issues:** Integrating legacy systems with new cloud-based platforms may bring compatibility challenges, potential data synchronisation issues and unanticipated system disruptions during the transition.

- **Operational and Business Continuity Risks:** Cloud outages or performance issues can disrupt critical banking operations. Implementing strong disaster recovery and business continuity plans tailored to the cloud environment is vital.

- **Cybersecurity Threats:** The expanded attack surface in a multi-tenant cloud environment can attract new cyber threats. Enhanced security measures, such as advanced threat detection and incident response protocols, are necessary to address these risks.

- **Skill and Cultural Transition:** Shifting to a cloud-first model requires new technical skills and a change in operational mindset. Investing in staff training and aligning internal processes with cloud best practices is crucial for a smooth transition.

d. Movement in Interest or Profit Rates

Any interest rate movement will have an impact on the margins of the Bank's asset and liability portfolio. However, the interest or profit rate risk is managed within the Bank's risk appetite with well-established controls and risk management practices.

e. Liquidity Risk

Liquidity risk arises when a bank cannot meet its short-term obligations due to insufficient cash or liquid assets, often caused by a mismatch between short-term liabilities (such as deposits) and long-term assets (such as loans or financing). Factors such as sudden withdrawals, reliance on short-term funding or financing market disruptions can worsen this risk. Ineffective liquidity risk management could result in severe financial and reputational consequences, including loss of market confidence, regulatory sanctions and potential systemic impact.

In managing liquidity risk, the Bank monitors key metrics such as the New Liquidity Framework ("NLF"), Liquidity Coverage Ratio ("LCR") and the Net Stable Funding Ratio ("NSFR") and periodically conducts internal liquidity stress testing. To mitigate asset market liquidity risk, the Bank maintains adequate High-Quality Liquid Assets ("HQLA") that can be easily liquidated. Additionally, a Contingency Funding Plan ("CFP"), which is a structured action plan aimed at supporting the Bank's recovery strategies during a liquidity crisis, serves as an assessment tool, offering additional insight into the Bank's liquidity strengths and weaknesses beyond standard reporting. As part of the CFP, the Early Warning Indicators ("EWI") system is utilised to identify emerging liquidity stress, allowing for prompt and proactive intervention and effective liquidity management.

Through these measures, the Bank strengthens its resilience against liquidity risks while ensuring compliance with regulatory requirements. Daily monitoring of liquidity positions is conducted, while internal liquidity reporting and stress test results are periodically reviewed by Senior Management and relevant risk committees. This structured approach supports informed decision-making, reinforces financial stability and upholds stakeholder confidence.

f. Data

Data risks refer to potential threats or vulnerabilities that could negatively impact the confidentiality, integrity and availability of data. These risks can arise from various sources, such as cyber-attacks, human error, technical failures or legal issues and can lead to the loss, corruption or unauthorised access to data.

Modern techniques of risk management involve the estimation of probabilities of default and loss-given-default on customers' financing portfolios. The Bank will continuously ensure that, in line with this philosophy, accurate data is maintained for Probability of Default ("PD"), Exposure at Default ("EAD") and Loss Given Default ("LGD") estimates for the required period.

g. Changes in Market Structure and Growing Competition

Changes in the financial market structure, such as privatisation, increased entry by commercial banks and financial innovations, have significantly altered the competitive landscape faced by BPMB. This competition leads to an erosion in pricing power (that is, less ability to lower deposit rates and raise financing rates) that reduces earnings and increases the incentives for risk-taking on the part of the banks, with competitive pressures possibly leading to mispricing. That said, the competition can also enhance financial stability by raising the acceptable risk management standards amongst banks. Improvements in measuring expected and unexpected losses, are also needed in order to increase the use of risk-based pricing.

h. Shariah Non-Compliance

Shariah non-compliance risk, as defined by BNM in its Policy Document on Shariah Governance (2019), is the risk of legal or regulatory sanctions, financial loss or non-financial implications, including reputational damage, which the Bank may suffer, arising from failure to comply with the rulings of the Shariah Advisory Council of BNM, standards on Shariah matters issued by BNM or decisions or advice by the Shariah Committee. The Bank has established relevant policies for a sound Shariah governance framework to facilitate strict adherence to regulatory and Shariah requirements. More training and awareness sessions in Shariah risk-related matters were organised for BPMB staff to ensure staff were equipped with adequate knowledge to be applied in business operations.

i. **Reputation**

Upholding the Bank's good reputation is of paramount importance, particularly as we are undergoing a strategic transformation process. Embracing a strong awareness culture of risk and compliance is pertinent for all Bank employees as this will help to guide and encourage all staff to discharge their duties with integrity and, in doing so, help protect the Bank's reputation. The Bank ensures that awareness programmes for all staff are conducted periodically.

j. **ESG Risk**

BPMB recognises that the evolving environmental, social and governance landscape presents material risks and opportunities to its strategy, financing activities and operations. To manage these, the Bank embeds sustainability-related considerations across its governance, risk management and decision-making processes, enabling the systematic identification, assessment and management of sustainability and climate-related risks and opportunities.

For financing activities, BPMB applies the Measuring Impact on National Development ("MIND") Assessment Framework to evaluate the development impact, sustainability-related risks and opportunities associated with each transaction. The Framework incorporates sector-specific indicators, as well as sustainability-related considerations, to support informed financing decisions, while ensuring alignment with Malaysia's national development priorities and BPMB's sustainability objectives.

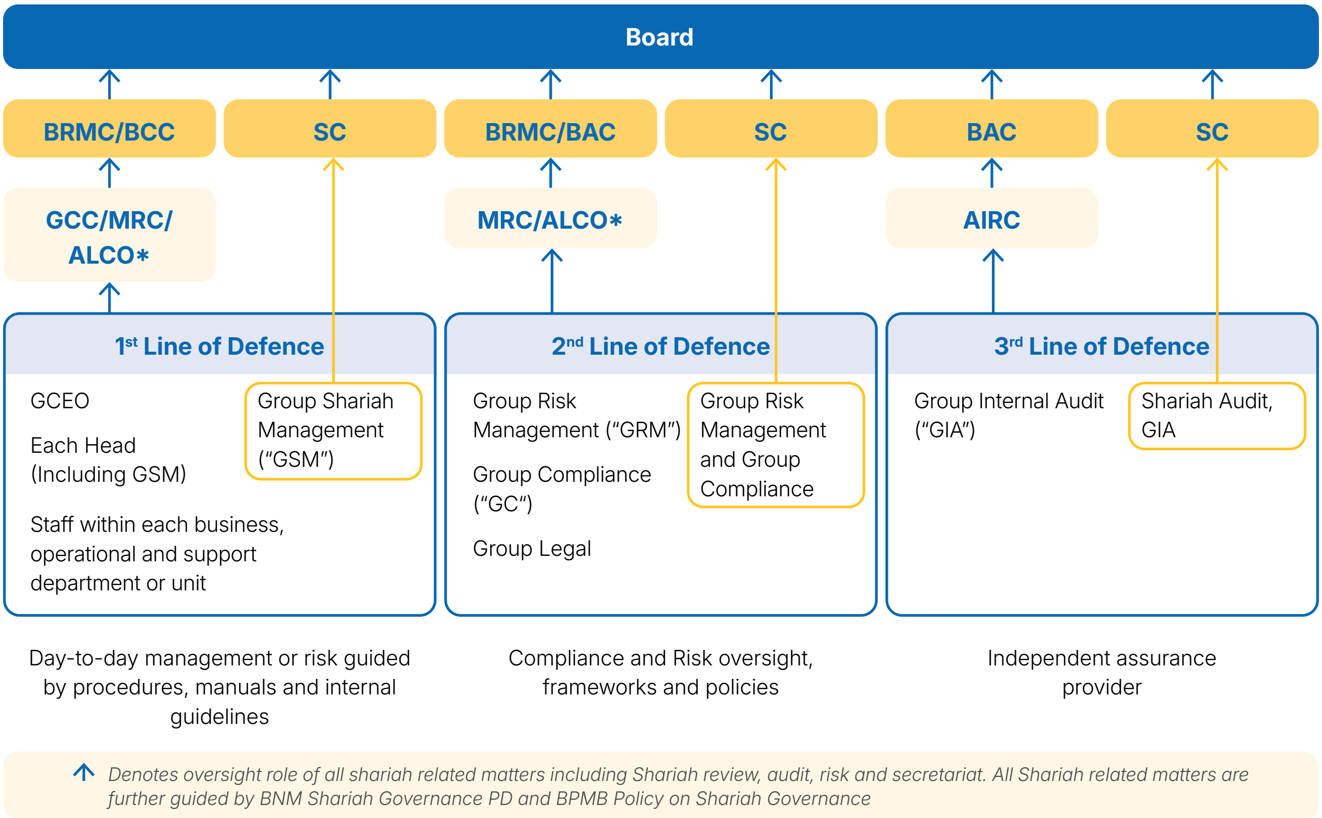
k. **Climate Change**

BPMB applies a Climate Change Risk Framework ("CCRF"), aligned with Bank Negara Malaysia's Climate Risk Management and Scenario Analysis ("CRMSA") Policy Document, to identify, assess, measure, monitor and report climate-related risks and opportunities. The Framework incorporates climate scenario analysis and stress testing to assess the potential impact of physical and transition risks on the Bank's financing portfolio.

At the transaction level, BPMB conducts Climate Change Risk Assessment ("CCRA") as part of the MIND Assessment Framework, aligned with the Climate Change and Principle-Based Taxonomy ("CCPT"). This enables the Bank to evaluate climate-related risks and opportunities and classify each transaction based on its climate alignment. The classification provides a structured view of BPMB's portfolio exposure and supports regulatory compliance and risk management.

7. Governance and Risk Oversight

BPMB adopts the 'Three Lines of Defence' model in managing risk, placing accountability and ownership of the business process across distinct functions and ensuring an appropriate level of independence and segregation of duties. The management of risk broadly takes place at different hierarchical levels and is emphasised through various levels of committees, business lines, control and reporting functions.



BPMB's Three Lines of Defence

The governance structure and its roles and responsibilities follow the 'Three Lines of Defence Model' concept, which is structured to help explain the relationship of various functions in an organisation and how responsibilities differ.

Line of Defence	Roles and Responsibilities
1st Line of Defence (broadly referred to as 'risk owners/managers')	Management oversees risk management within BPMB Group. Functional stakeholders own and manage risks. • These functions are responsible for risk management processes, including identifying, assessing, mitigating, treating and monitoring risks to ensure BPMB's corporate objectives are met. • As risk owners or managers, these functions are expected to assess and monitor the relevant risks involved in their daily operations (such as operational risk) and apply the relevant risk mitigation procedures.

* *The Group Asset and Liability Committee (Group ALCO) was established with effect from September 2025.*

Line of Defence	Roles and Responsibilities
2nd Line of Defence (broadly referred to as 'risk control functions')	Functions involved in overseeing compliance and risk management. Collectively, these functions share the following responsibilities: • Ensure the risk management and compliance framework is in place and adequately supported with tools for effectiveness. • Review enterprise risk policies, frameworks and, where applicable, tools while providing support to enable risk and compliance to be managed by the 1st line of defence. • Provide an independent challenge to risk management and compliance activities conducted by the 1st line of defence as well as risk and compliance monitoring. • These functions, though independent from risk owners or operations, support the 1st line of defence and conduct oversight to ensure compliance with the relevant regulatory requirements, policies and procedures, as well as ascertaining the effectiveness of risk management by the 1st line of defence. These functions have independent reporting lines from the 1st line of defence.
3rd Line of Defence (broadly referred to as 'risk assurance')	Functions that provide independent assurance. • This function is responsible for providing an independent review of the risk management framework and its operationalisation. • This function conducts activities to provide risk assurance as to the operating effectiveness between the 1st and 2nd lines of defence.

Shariah-related matters include Shariah review, audit, risk and secretariat. All Shariah-related matters are further guided by the BNM Shariah Governance Policy Document and the BPMB Policy on Shariah Governance.

The following illustrates the Risk Management Governance structure adopted by the Bank, which is guided by BNM's Risk Governance Policy, Guidelines on Corporate Governance for Development Financial Institutions and the Shariah Governance Policy Document.

Board and Committee	Responsibility
Board of Directors	The Board of Directors (the Board) has the ultimate responsibility for the sound and prudent management of the Group. This includes responsibility for risk oversight and ensuring appropriate risk management frameworks and policies are established and implemented accordingly for the various categories of risk exposures within the Group.
Board Risk Management Committee ("BRMC")	The BRMC is responsible for overseeing the Group's risks. It is, primarily, responsible for the oversight of Senior Management's activities in managing the key risk areas of the Group and for ensuring the appropriate risk management infrastructure, resources and processes are in place and functioning effectively. BRMC also supports the Board in meeting the expectations on risk management as set out in the policy document on Risk Governance.
Board Credit Committee ("BCC")	The BCC provides a supervisory and oversight role on all loan, financing, credit-related proposals and investments within the prescribed limits. It also ensures that adequate risk management processes related to credit are in place and functioning effectively.
Board Nomination and Remuneration Committee ("BNRC")	The BNRC is appointed to oversee the establishment and implementation of remuneration policies and structures. This includes ensuring such policies and structures do not induce excessive risk-taking yet are able to reinforce prudent risk-taking.

Board and Committee	Responsibility
Board Audit Committee ("BAC")	The BAC provides independent oversight by reviewing the financial condition of the Bank and its financial reporting processes, as well as internal controls, while ensuring checks and balances within the BPMB Group are adequate. This includes reviewing performance and findings of the internal auditors and recommending appropriate remedial action regularly.
Board Information Technology Committee ("BITC")	The BITC has an oversight function on the implementation of technology-related strategies and initiatives of the Bank and ensures that the management of technology risk is embedded within the overall risk management framework.
Shariah Committee	The Shariah Committee ("SC") is mandated by the Board of Directors to perform its oversight responsibilities in the implementation of Shariah governance within BPMB Group. This mandate holds the SC responsible for providing objective, sound advice to the BPMB Group, ensuring its aims and operations, business, affairs and activities comply with Shariah principles.
Management Risk Committee ("MRC")	The MRC is to oversee and, where applicable, recommend to the BRMC appropriate structures and systems for managing financial risks, non-financial risks and compliance activities that the Bank is exposed to and to ensure the activities are consistent with the risk strategy, including the risk appetite and policies approved by the Board.
Asset and Liability Committee ("ALCO")	The primary objective of the ALCO is to perform the primary oversight function and deliberate on key issues related to asset and liability management (including pricing), as well as market, liquidity and capital management. It provides recommendations to the BRMC, where applicable.
Group Credit Committee ("GCC")	The GCC forms part of the risk governance for managing credit or investment risks within the Group. The committee is empowered to approve credit or investment-related proposals which fall within its authority.
Group Management Committee ("GMC")	The responsibilities of GMC include, but are not limited to, approving, reviewing, advising, guiding and making recommendations (where applicable) to the Board of each company for consent, concurrence or approval on: a. Implementation and enforcement of business strategies, directives, action plans and budgeting in line with the mandated roles; b. General management issues related to operational policies, guidelines, procedures, controls and systems; c. Direct Corporate Investment in subsidiaries and associate companies; d. Other operational issues (including, but not limited to, IT, Human Resources, Public Relations, Marketing and Advertisements); and e. Any other areas, as determined by the Group Chief Executive Officer, from time to time.
Audit Issue Resolution Committee ("AIRC")	The objective of the AIRC shall be to facilitate the BAC to discuss the findings and recommendations of internal and, where necessary, external auditors. It also monitors the execution and implementation of all the necessary action plans, including recommendations made by BAC, undertaken by Management.

To ensure that risk governance remains strong and relevant, Risk Management continues to embed robust risk governance and accountability within the Group. It also ensures adherence to dynamic global and local regulatory requirements as well as risk management practices across the Group.

8. Risk and Compliance Culture

The risk and compliance culture of the Group permeates all levels of business and activities within the Bank, as it is driven from the top and complemented with the tone from the middle.

As an essential building block for effective risk and compliance governance, this culture is continuously promoted to ensure that it is embraced and exhibited in the behaviour of each individual within the organisation.

The Group sees a good risk culture as consistently supporting appropriate risk awareness, behaviours and judgements about risk-taking within a strong risk governance framework. It further bolsters effective risk management, promotes appropriate risk-taking and ensures that emerging risks or risk-taking activities beyond risk appetite are recognised, assessed, escalated and addressed. In all, the Group believes good risk culture should emphasise the importance of ensuring that:

- An appropriate risk-reward balance consistent with risk appetite is achieved when taking on risks;
- An effective system of controls, commensurate with the scale and complexity of the organisation, is in place;
- The quality of risk models, data accuracy, capability of available tools to measure risks and justifications for risk-taking can be challenged;
- All limit breaches, deviations from established policies and operational incidents are investigated with proportionate consequence management when necessary.

The Group strives to instil a strong risk and compliance culture where the Board, Senior Management and all employees of the Group are committed to adhering to relevant laws, rules, regulations and regulatory guidelines. The Group's commitment is clearly demonstrated through the establishment of robust compliance policies and guidelines (as further detailed in this section) to ensure that the Group's non-compliance risks are effectively managed. Part of these efforts includes the implementation of an Anti-Bribery and Corruption ("ABC") Policy, which encompasses procedures, risk assessments, due diligence on clients, customers, business associates and third parties, as well as an employee awareness and training programme. Such measures help mitigate potential risks arising from regulatory breaches and penalties, while protecting the Group's integrity and reputation.

Compliance Policy Statement

The BPMB Group is committed to complying with all applicable laws, regulations and internal requirements, as well as professional and industry standards. The Compliance Policy provides key principles and guidelines for managing compliance risk within the BPMB Group. It serves as a guide for the Compliance function, the Board of Directors, Senior Management and all employees across all business lines and functions to understand and manage compliance risk.

The Compliance Policy is adopted and implemented by operating entities throughout the BPMB Group. In general, it outlines:

- The overarching principles for managing compliance risk across the BPMB Group.
- The overall strategy for managing compliance risk to ensure consistency in practices across the BPMB Group in meeting regulatory and legal obligations.
- The minimum expected standards for compliance risk management.
- The roles and responsibilities of compliance risk management across the BPMB Group.

Anti-Bribery and Corruption Policy Statement

BPMB and its subsidiaries, collectively known as the BPMB Group, are committed to conducting our business dealings with integrity. The BPMB Group is dedicated to fighting all forms of bribery and corruption by adopting a zero-tolerance policy against bribery and corruption. Furthermore, the BPMB Group complies with the Malaysian Anti-Corruption Commission Act 2009, as well as other relevant laws and regulations, to promote integrity, transparency and good governance.

Reporting and Whistleblowing Mechanism

- The Group's Whistleblowing Policy ensures that all reports are handled with the highest standards of confidentiality, integrity and fairness.
- To support BPMB's commitment to a speak-up culture and maintain the highest standards of integrity, transparency and accountability, BPMB offers various whistleblowing channels and levels of anonymity to encourage employees, BPMB's business partners or any other person associated with BPMB Group to report in good faith and in confidence, without fear of reprisals.

Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions for Financial Institutions ("AML/CFT/CPF and TFS for FIs") Policy Statement

The BPMB Group is committed to economic sanctions compliance and combating money laundering, financing of terrorism, proliferation financing, as well as corruption, while ensuring compliance with applicable laws and regulations. AML/CFT/CPF and TFS risks are managed to protect the BPMB Group's integrity and reputation. The BPMB Group has established written policies and procedures, internal controls, independent testing and auditing, an ongoing training programme and reporting and record-keeping as part of its control measures to anticipate, prevent, detect and respond to money laundering, terrorism financing, proliferation financing, sanctions, as well as corruption risk.

9. Stress Test

The Group's Stress Test is conducted on a periodic basis, along with ad hoc stress tests as needed, as an integral part of the risk management process. These proactive tools help to test the resilience of the portfolio against future financial situations and evaluate potential risks arising from economic, political and environmental factors based on the current portfolio and are tailored to reflect the nature, size and complexity of the Group's business operations and risk profile. The Group's stress test scope and coverage include on- and off-balance sheet exposures (that is, commitments, guarantees and contingent liabilities) and cover a minimum of a two-year period.

10. 2025 Achievements and Improvements

In 2025, Group Risk Management and Group Compliance succeeded in completing the following initiatives:

Credit Risk

a. Review and enhancement of Credit Risk Management Policy in order to ensure that the Bank's credit risk governance framework and risk management practices remain robust, effective and aligned with the Bank's risk management practices.

b. Review and enhancement of risk controls on customer selection and risk acceptance criteria in order to ensure that the Bank's underwriting standards remain relevant, prudent and aligned with the Bank's risk appetite, mandate and evolving market conditions, while supporting consistent and sound credit decision-making.

c. Review of MFRS 9 Staging Criteria in order to ensure that the classification of financial exposures remains appropriate, robust and reflective of the actual credit risk profile of the portfolio.

Market Risk

a. Enhancement of daily monitoring and reporting for Market and Liquidity Risk Limits, i.e. intraday liquidity monitoring.

b. Harmonisation of Group Liquidity Risk Management Policy to incorporate liquidity risk exposure within BPMB Group.

c. Harmonisation of Group Market Risk Management Policy to incorporate liquidity market risk exposure within BPMB Group.

d. Enhancement of the Interbank Borrowings Limit to strengthen the BPMB liquidity funding sources.

e. Introduction of a Net Open Position ("NOP") limit, consistent with Bank Negara Malaysia's regulatory requirements, to support effective monitoring of foreign exchange risk.

f. Enhancement of the Securities Exposure Limit and Mark-to-Market ("MTM") Loss Limit to improve oversight of the Group's investment securities portfolio, while mitigating concentration risk through appropriate diversification of exposures.

Operational and Shariah Risk

a. Operational risk losses remained satisfactory and within the risk appetite threshold.

b. Implemented Operational Risk & Compliance Management System ("ORCMS") to automate operational risk management tools.

c. Coordinated continuity preparedness exercises comprising functional and non-functional testing through Business Continuity Plan ("BCP"), Disaster Recovery Plan ("DRP") and Emergency Response Plan ("ERP").

d. Strengthened controls by reviewing frameworks, policies, guidelines and procedures via a sign-off review process including Key Control Testing ("KCT") implementation.

e. Learning programmes through a series of infographic materials and e-learning modules to enhance knowledge and understanding of operational risks in business operations.

f. Continuous engagement with Operational Risk Liaison Officer ("ORLO") to reinforce and strengthen the effectiveness of their roles and responsibilities as well as to improve the awareness of ORLOs as risk management agents.

Risk Strategy and Analytics

Business-as-Usual ("BAU") Activities

a. Monthly monitoring and reporting of Key Risk Indicators to Management and BRMC

b. Annual Review of Risk Appetite Statement

Strategic Initiatives and Enhancements

a. Continued ICAAP Enhancement Plan improvements
   - ICAAP Material Risk Assessment ("MRA") framework presented and approved

b. Review of Group Stress Test Framework was approved by the Board

c. Establishment of the Group Risk Appetite Statement & Tolerance Level ("RASTL")

d. Initiation of the risk dashboard consolidation across the three entities, including the development of Entity-Level Risk Dashboard reporting to Management and Board Risk Committees.

Credit Policy and Portfolio Management

a. Review of Credit Portfolio Risk Policy to strengthen the management of concentration risk across counterparties and sectors. The review supports stronger governance, portfolio oversight and risk management practices.

b. Review of Guideline on Identifying Customer's Related Party Transactions as part of best practices to monitor potential risks and minimise any financial or operational conflicts.

c. Enhancement of the Exceptional Credit criteria to strengthen governance and oversight over credits that fall outside the pre-defined risk appetite or credit risk policy. This ensures such exposures remain subject to appropriate mitigation and ongoing monitoring.

d. Enhancement of the credit portfolio reporting following the merger to provide an integrated view of the portfolio exposures across entities. The enhancement facilitates better risk aggregation, management oversight and proactive portfolio management.

e. Enhancement of Group Stress Test with in-depth and focused analysis. The report incorporated stress scenarios covering global economic slowdown, trade and financial market disruptions, geopolitical conflicts and oil market volatility arising from shifts in global demand and supply.

f. In addition, an ad hoc stress test was performed to assess the potential impact arising from US tariff measures. This approach helps assess the portfolio's resilience to potential shocks, identifying vulnerabilities and guiding proactive risk strategies.

g. Conducted knowledge-sharing sessions with other functions in the Bank covering the credit portfolio overview and important limits, as well as recent developments relating to the enhanced exceptional credit criteria and aggregation of Group exposures following the merger.

h. Conducted dialogue sessions with business functions to address the ongoing concerns, knowledge gaps, concentration risk, connected parties transactions and impending issues related to credit.

Credit Risk Analytics and Strategy

a. Operationalisation of the Knowledge Management ("KM") Initiative to disseminate and increase credit risk and credit-related awareness across the Bank, deepen risk ownership and enhance risk culture in the Bank. The initiatives were as follows:

   - Updates and maintenance of Group Credit Risk ("GCR") e-Portal via iAccess
   - Maintenance of KM Repository/Platform in GCR e-Portal
   - Facilitated and conducted Knowledge Sharing Sessions ("KSS") at bank-wide and Dialogue Programme ("DP") with business pillars
   - Issuance and publication of bank-wide GCR e-Newsletters

b. Formulation of Annual GCR Business Plan and Forecasted Plan for the following purposes:

   - Execute risk initiatives to support Agenda 2025 and BPMB's Budget and Business Plan 2024–2026;
   - Improve efficiency and speed to market;
   - Stay true to the developmental role;
   - Be the driver and cornerstone to navigate the current post-pandemic recovery phase in undertaking a counter-cyclical role and ensuring sustainable national development; and
   - Cater for the changing landscape of credit risk that is specific to BPMB Group in addressing market gaps.

c. Enhancement of the BAU report, the "Monthly Credit Risk Outlook ("MCRO")", to include sustainability initiatives in collaboration with MIND, alongside updates on economic indicators and news that may impact the Bank's sectors and credit portfolio for presentation to MRC and BRMC.

d. Establishment of the following governance documents to strengthen credit risk governance and oversight, improve business and support processes, and deepen risk ownership via strategic risk and governance:

   - Credit Risk Appetite Statement and Tolerance Limit
   - Early Warning System User Guide
   - User Guide to Access GCR KM Database
   - Procedure on Preparation of MCRO
   - Early Warning System Procedure
   - Procedure on Updating and Maintenance of GCR e-Portal

Compliance

Key initiatives aimed at strengthening compliance culture, enhancing transparency, upholding integrity and reinforcing AML/CFT measures across all operations include:

a. Initiated the implementation of a Dedicated KYC and Financial Crime and Security System, including a centralised KYC database process and module. The initiative aims to establish a comprehensive end-to-end due diligence framework encompassing customer onboarding, risk assessment, ongoing monitoring and regulatory reporting.

   As a key component of institutional resilience, the KYC system is intended to strengthen BPMB Group's compliance with AML/CFT regulatory requirements while enhancing the Group's ability to safeguard against financial crime risks.

   Given the scale and strategic importance of the initiative, the project has been identified as one of the 19 Merger & Integration High Value Projects within the BPMB Group.

b. Established an interim Task Force between Group Compliance and key first-line business units to strengthen the origination process for financing applications, particularly in relation to the Central Credit Reference Information System ("CCRIS"), supported by knowledge-sharing engagements with subject matter experts from other financial institutions.

c. Spearheaded the harmonisation of key compliance policy initiatives across BPMB, SME Bank and EXIM Bank, representing a significant milestone in advancing a more integrated and consistent compliance governance framework across the Group. As one of the pioneering functions driving cross-entity policy alignment, Group Compliance played a strategic role in strengthening regulatory consistency, enhancing governance standards and promoting a unified compliance culture across the three entities. This initiative culminated in the approval of the harmonised Group Compliance Policy, BPMB Group Policy on Management of Customer Information and Permitted Disclosures ("MCIPD"), BPMB Group Policy on Personal Data Protection ("PDP") and Policy on Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted

Financial Sanctions ("AML/CFT/CPF and TFS") for BPMB Group by the respective Boards of Directors ("BODs").

d. Revised the BPMB Group's Employee Code of Ethics and Conduct through a collaborative initiative between Group Compliance ("GC") and Group Human Resources ("GHR") to further strengthen the Group's culture of professionalism, integrity, accountability and ethical conduct across the organisation. The enhanced Code reinforces the Group's core values and expected standards of behaviour, while fostering a workplace culture anchored on Courage, Respect, Empathy, Agility and Shared Trust ("CREATE") in the discharge of duties and responsibilities. This initiative reflects the Group's continued commitment towards cultivating a values-driven organisation that upholds high standards of conduct, promotes responsible decision-making and supports the delivery of sustainable value and organisational excellence.

e. Undertook a comprehensive enterprise-wide review of Approving Authority-related documents through a strategic collaboration between GC and GRM, reinforcing stronger governance, enhanced approval oversight and greater accountability across the Group. This initiative further strengthened the integrity and consistency of approval authority limits, while demonstrating the Group's continued commitment towards upholding high standards of governance and prudent decision-making practices.

f. Recertification of ISO 37001:2016 ("ABMS") by SIRIM as part of adequate procedure measures to curb potential bribery and corruption activities.

g. Enhanced the Corporate Hospitality and Entertainment ("CHE") parameters by establishing clearer and more robust standards to strengthen governance practices, reinforce compliance with anti-bribery and corruption requirements, mitigate reputational risks and promote an integrity culture, accountability and sustainable business conduct across the Group.

h. Monitoring of BPMB Group's Anti-Corruption Plan 2022–2026 to mitigate any potential bribery and corruption activities under the five-year approved plan.

i. Conducted regular engagement sessions with DCOs to reinforce and improve the effectiveness of their roles and responsibilities, including but not limited to DCO Engagement Sessions on Refresher on Corruption Risk Assessment ("CRA"), ABMS Audit, Structuring Islamic Products and Legal Documentation as well as the DCO Retreat 2025 with the theme of "Frontline Compliance: Building a Strong Compliance Defence", which provided a platform for participants to reflect on their pivotal role in reinforcing BPMB's compliance culture. The event encompassed the responsible and ethical application of artificial intelligence within the compliance function, shared significant progress in strengthening compliance governance and controls across the Group and emphasised the vital role and contributions of DCOs to BPMB's integrity and resilience.

j. Periodic Compliance Broadcasts (Bulletins) to educate and raise awareness among all staff regarding key compliance matters within BPMB, including Disclosure of Customer Information, No Gift Policy, Personal Data Protection (Amendment) Act 2024, Management of Relationships with Statutory and Regulatory Bodies and the Treatment of Personal Account Dealing ("PAD").

k. Introduced an enhanced and risk-based Compliance Control Testing ("CCT") approach, representing a significant advancement in strengthening the Group's compliance monitoring and regulatory oversight framework. Replacing the existing Self Testing Matrix ("STM") approach in phases, the enhanced methodology adopts a more focused, transactional and risk-driven assessment model to improve the effectiveness of regulatory risk management and enhance operational efficiency by optimising existing resources.

Training and Awareness Programmes

The Group prioritises continuous capacity building through various training programmes, including:

a. Collaboration with other Shariah organs (namely Group Islamic Finance, Shariah Risk and Shariah Audit) and Business (namely Product Development) to develop a Shariah e-learning module for the BPMB's staff awareness of BPMB's Shariah governance, products and services.

b. Training on Shariah Compliance and Shariah Contracts was conducted by external speakers to all Designated Compliance Officers ("DCOs") and relevant functions involved in BPMB and PLC's products (namely Group Coverage, Group Corporate Banking, Group Treasury & Investments, Credit Administrations, Product Development, PLC's Sales & Marketing, Group Legal) with the aim of strengthening their understanding of Shariah contracts and their implementation within BPMB.

c. Corruption Risk Assessment ("CRA"), Anti-Bribery Management System ("ABMS") and Integrity Awareness Training continue to strengthen anti-bribery and corruption and whistleblowing practices within the organisation.

d. Regular AML/CFT/CPF and TFS training sessions across business units to enhance staff knowledge and awareness of financial crime risks.

e. Mandatory e-learning modules on Management of Customer Information and Permitted Disclosures ("MCIPD") and Personal Data Protection Act ("PDPA"), further reinforced through compliance awareness sessions conducted by GHR as part of the onboarding programme for newly onboarded employees, aimed at cultivating strong compliance awareness and responsible conduct from the outset of employment.

External Engagement

a. Kem AMAR Collaboration with MACC

As the pioneering financial institution leading this initiative, BPMB Group has sustained its collaboration with the Malaysian Anti-Corruption Commission ("MACC") Kem Angkatan Mahasiswa Antirasuah ("AMAR") for Higher Learning Institutions ("IPT") Zone Borneo from 7 to 9 November 2025. The initiative aligns with the National Anti-Corruption Strategy ("NACS") 2024–2028 and supports the achievement of the Sustainable Development Goals ("SDGs"), particularly SDG 16.5, which aims to significantly reduce corruption and bribery in all forms.

b. ICA and CeIO Certification Programme

In collaboration with the International Compliance Association ("ICA"), the Group continues its certification programme, delivering specialised training for compliance officers and front-line staff involved in customer due diligence and regulatory compliance. These initiatives highlight the Group's forward-looking approach to capital management and its commitment to strengthening robust risk management practices, thereby reinforcing resilience, ensuring compliance and fostering institutional trust.

Complementing these efforts, the CeIO Programme organised by the Malaysian Anti-Corruption Commission ("MACC") through the Malaysian Anti-Corruption Academy ("MACA") has been introduced to Integrity Officers, further reinforcing integrity standards and embedding anti-corruption measures within the Group's compliance framework. Together, these programmes demonstrate the Group's integrated commitment to compliance capability, risk management excellence and ethical conduct.

To ensure effective oversight, these initiatives are reported to the MRC, BRMC and the Board, keeping both Management and the Board informed of progress and enabling continued governance of the risks undertaken by the Group.

Statement of Sustainability

Our Approach to Sustainability

Bank Pembangunan Malaysia Berhad ("BPMB" or "the Bank") and its subsidiaries ("BPMB Group" or "the Group")'s approach to sustainability is anchored in its mandate as a Development Financial Institution ("DFI") to deliver impact capital that supports Malaysia's economic transformation while promoting environmental stewardship and social well-being.

The Bank adopts a structured approach through its sustainability-related frameworks, procedures and governance structures, which integrate sustainability practices across governance, strategy, risk management, financing activities and operations. This enables BPMB to systematically identify, assess and manage sustainability and climate-related risks and opportunities while supporting informed decision-making.

This sustainability approach is aligned with Malaysia's national development priorities and key policy frameworks, as well as relevant regulatory expectations such as the Bank Negara Malaysia ("BNM")'s Climate Risk Management and Scenario Analysis ("CRMSA") Policy Document ("PD") and the Climate Change and Principle-based Taxonomy ("CCPT").

Following the merger with SME Bank and EXIM Bank on 1 May 2025, BPMB Group is progressing towards a harmonised sustainability framework, strategy and governance approach to support consistent sustainability practices across the combined entities. This will strengthen Group-wide governance, align sustainability practices and support a more integrated approach to managing sustainability and climate-related matters. Updates on these developments are expected to be progressively reflected in subsequent reporting cycles.

Sustainability Governance

At BPMB, strong governance forms the foundation of our sustainability approach, ensuring that sustainability and climate-related considerations are integrated into decision-making, risk management and business operations.

The Board of Directors ("the Board"), chaired by BPMB Group's Chairman, has overall accountability for the Bank's long-term sustainable growth and oversees the integration of sustainability and climate-related considerations into strategy, risk management and business direction. The Board reviews and approves key sustainability and climate-related strategies, frameworks, policies and disclosures, and is regularly apprised of developments relating to sustainability and climate-related risks and opportunities.

The Board is supported by the Board Risk Management Committee ("BRMC") in discharging its oversight responsibilities over sustainability and climate-related matters. At the Management-level, the Group Executive Committee ("EXCO") oversees the implementation of sustainability and climate-related strategies and monitors progress against key commitments and performance indicators.

Supporting the Management, the Sustainability Management ("SM") Department coordinates the development and implementation of sustainability strategies, frameworks and policies, facilitates the integration of sustainability and climate-related considerations across the Bank, monitors implementation progress and impact, and leads sustainability disclosures and reporting.

Sustainability and climate-related risks are integrated into BPMB's enterprise risk management processes through the Group Governance and Risk Management ("GRM") Framework, with oversight from the BRMC to ensure that such risks and opportunities are identified, assessed, monitored and managed in a structured and consistent manner.

Sustainability and climate-related matters are periodically discussed at the Board, and other relevant Management and Board Committees, where key developments, risks, opportunities and progress against strategic priorities are deliberated to support informed decision-making.

The Board remains committed to continuously strengthening its capabilities in sustainability and climate-related matters through regular capacity-building programmes to enhance understanding of the evolving sustainability landscape. To embed accountability, sustainability-linked key performance indicators have been incorporated into the performance evaluation scorecards of the Senior Management, aligning sustainability objectives with BPMB's strategic direction and operations. For more information on the Board's governance and risk management, please refer to the section on Governance of this Report.

Stakeholder Engagement and Sustainability Partnership

BPMB recognises the importance of effective stakeholder engagement in supporting its sustainability approach and ensuring alignment with stakeholder expectations and regulatory developments. Further information on the Bank's broader stakeholder engagement approach is provided in the Stakeholder Engagement section of this Report.

As part of this approach, in 2025 BPMB participated in key industry platforms and associations on sustainability and climate-related matters, including:

- Joint Committee on Climate Change ("JC3")
- CEO Action Network ("CAN")
- United Nations Global Compact ("UNGC") Malaysia and Brunei
- United Nations Environment Programme Finance Initiative ("UNEP FI") – Principles for Responsible Banking ("PRB")

These engagements support knowledge sharing, capacity building, industry collaboration and alignment with evolving sustainability and climate-related regulations, standards and leading practices.

Our Material Matters

BPMB identifies and prioritises material sustainability matters to ensure that its sustainability approach remains aligned with stakeholder expectations, regulatory developments and the Bank's strategic priorities.

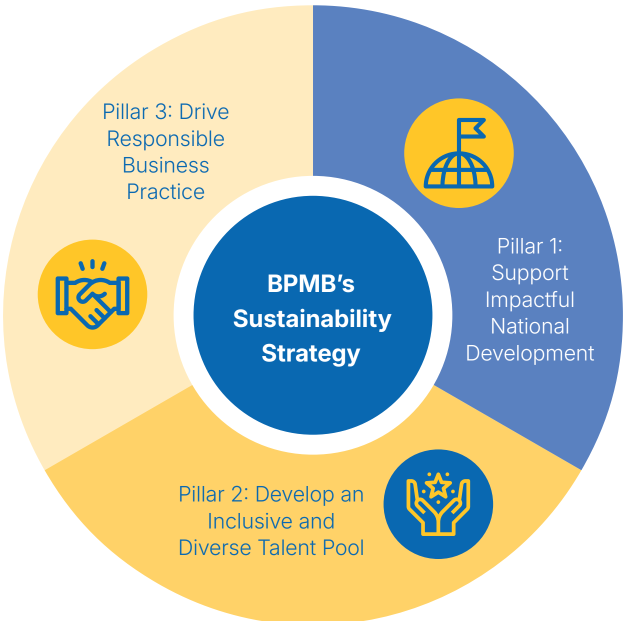
The Bank undertook a materiality assessment in 2023, guided by Bursa Malaysia's Sustainability Reporting Guide and relevant regulatory references, incorporating stakeholder engagement, internal assessment and management deliberation. The outcome of this process was reviewed and validated by the Board.

A total of 13 material sustainability matters were identified as most relevant to BPMB, covering environmental, social, governance and business-related themes. These material matters inform the Bank's sustainability strategy, including the identification and management of sustainability and climate-related risks and opportunities, as well as related disclosures. The Bank reviews its material matters on a periodic basis, and there were no changes to the identified material matters during the current reporting period.

The Bank's sustainability-related disclosures are organised around the identified material matters, providing a structured approach to communicating how BPMB manages its sustainability priorities. Throughout the Sustainability Section, disclosures are denoted as "MM X — [Material Matter]" to indicate the relevant material matter addressed. Further details on the materiality assessment methodology, including the full list of identified topics, stakeholder engagement approach, as well as the associated risks and opportunities for each material matter, are available in the Sustainability Report 2024.

Sustainability Strategy

Guided by its purpose of 'Delivering Impact Capital for National Development,' BPMB's sustainability strategy is built on three (3) strategic pillars:



These pillars underpin BPMB's integrated approach to embedding sustainability considerations across its financing activities, operations and decision-making processes, while strengthening its role as a development financial institution in supporting Malaysia's long-term sustainability agenda.

Each pillar is aligned with the Bank's identified material sustainability matters, providing a structured basis for implementation, monitoring and performance tracking, while supporting the 2030 Agenda for Sustainable Development.

To support this approach, the Bank has identified nine (9) priority Sustainable Development Goals ("SDGs"), which are aligned with its material matters, policies and programmes. These reflect BPMB's strategic focus on financing high-impact projects, fostering an inclusive and diverse workforce, and upholding responsible business practices. The Sustainability Section outlines BPMB's sustainability performance and progress across each pillar, demonstrating how the strategy is translated into action for the financial year ("FY") 2025.

2025 Key Sustainability Highlights

Pillar 1: Support Impactful National Development	Pillar 2: Develop an Inclusive and Diverse Talent Pool	Pillar 3: Drive Responsible Business Practice
100% of projects approved in 2025, aligned with national development priorities, representing **RM5.3 billion** in approved financing	**533** employees, comprising **100%** Malaysian	**52.1%** reduction in Scope 1 and Scope 2 operational GHG emissions from the 2023 baseline, with total emissions amounting to **1,301.4 tCO_2e**
RM53.2 million in NETF financing approved, with **>62.0%** of the fund mobilised towards bioenergy projects	**32.9** average hours of training per employee recorded, with **17,553** total training hours delivered in 2025	**23.9%** reduction in total energy consumption from 2024
7,068 potential jobs to be created through projects financed during the year	**RM3.4 million** invested in employee training and development	Sourced **21.3%** of operational electricity through TNB's Green Electricity Tariff programme, avoiding an estimated **334.1 tCO_2e** of grid electricity emissions
500 affordable housing units financed, supporting access to safe and inclusive living conditions for low- to middle-income households	**53.7%** women representation in the workforce, with women holding **46.5%** of management positions	**82.4%** of total procurement spend directed to local suppliers, of which **40.0%** was awarded to Bumiputera suppliers
78.5 km of road infrastructure to be constructed, improving connectivity		**Zero** confirmed incidence of corruption recorded
21,462 patients to be served through increased access to healthcare and medical services		**>RM351,000** contributed to **10** CSR programmes, benefitting **774** beneficiaries
		11,472 cumulative employee volunteering hours recorded since 2024
		56 scholarships awarded under the BAGUS and zakat-funded scholarship programmes

Sustainability

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About the Sustainability Section

BPMB presents this Sustainability Section ("the Section") as part of the Annual Integrated Report ("AIR") 2025. The Section provides an overview of the Bank's approach, governance, initiatives and performance in managing sustainability and climate-related matters for the financial year ended 31 December 2025.

Reporting Period, Scope and Boundary

The Section covers the financial year from 1 January 2025 to 31 December 2025, which is aligned with the Bank's financial reporting period. Unless otherwise stated, the disclosures presented in the Section primarily cover BPMB's operations and activities.

Sustainability-related information for SME Bank and EXIM Bank for FY2025 is disclosed separately in their respective AIRs, while the ongoing harmonisation of sustainability strategies, sustainability governance, policies, frameworks, data management and reporting processes across the Group continues.

Reporting Framework

The Section is prepared with reference to applicable regulatory requirements and recognised frameworks to support consistent and decision-useful disclosures. The Bank's sustainability and climate-related disclosures are guided primarily by:

- Bank Negara Malaysia ("BNM") Climate Risk Management and Scenario Analysis ("CRMSA") Policy Document ("PD")
- Task Force on Climate-related Financial Disclosures ("TCFD") Recommendations
- Global Reporting Initiative ("GRI") Standards; and
- BPMB's sustainability-related frameworks.

Feedback

We welcome feedback from BPMB's stakeholders on the Sustainability Section and the matters covered. Feedback may be directed to Sustainability Management at bpmb.mind@bpmb.com.my.

Pillar 1: Support Impactful National Development

Aligned with the UN SDGs:

7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

MM1 — Supporting National Agenda

BPMB plays a central role in delivering impact capital to support Malaysia's socio-economic development, focusing on high-impact sectors that drive inclusive growth, infrastructure development and sustainability outcomes.

Strategic Programmes to Accelerate Key Economic Sectors

BPMB's programmes are focused on accelerating the nation's economic progress in line with broad development goals, targeting key sectors such as digitalisation, sustainability, maritime and logistic, and public transportation.

BPMB supports high-impact projects and enhances access to financing for businesses, including through tailored funding solutions such as equity and working capital support. These efforts contribute towards Malaysia's long-term economic development and resilience.

BPMB's financing activities are aligned with national development frameworks, including the MADANI Economy, National Energy Transition Roadmap ("NETR"), New Industrial Master Plan ("NIMP 2030") and the Financial Sector Blueprint. Further details on BPMB's financing programmes are available on the Bank's corporate website.

In 2025, **100%** of approved projects aligned with national development priorities, representing **RM5.3 billion** in approved financing.

Breakdown of Financing by the 12th Malaysia Plan Themes

Themes	Financing Amount
Resetting the Economy Focuses on improving productivity and innovation, and transforming micro, small and medium enterprises	RM3.9 Billion
Strengthening Security, Well-Being and Inclusivity Includes revitalising the healthcare system, eradicating poverty and reducing the development gap	RM0.7 Billion
Advancing Sustainability Focuses on green growth, energy sustainability and water sector transformation	RM0.7 Billion
Total	RM5.3 Billion

BPMB Sustainable Development Sukuk Framework

BPMB has established a Sustainable Development Sukuk ("SDS") Framework to mobilise capital towards projects that deliver positive environmental and social outcomes, supporting Malaysia's transition to a low-carbon and inclusive economy.

Proceeds from the SDS are allocated to finance or refinance eligible projects across key areas such as renewable energy, energy efficiency, sustainable infrastructure, affordable housing and access to essential services, in line with recognised sustainability objectives.

The SDS Framework also incorporates exclusion criteria to ensure that proceeds are not allocated to activities that are inconsistent with the Bank's sustainability and ethical standards, including sectors that are prohibited under Shariah principles and other environmentally or socially harmful activities. Further details on the eligibility criteria, use of proceeds and exclusion list are available in BPMB's SDS Framework on the Bank's corporate website.

Commitment to Ethical and Responsible Financing

BPMB upholds a strong commitment to ethical and responsible financing practices. In line with this, the Bank has established an exclusion list to ensure that its financing activities are aligned with its sustainability principles and ethical standards. BPMB does not finance or engage in activities related to:

Illegal Activities	**Coal-related Activities[1], Including Mining and Coal-fired Power Generation**
Bribery and Money Laundering	**Activities Involving Deforestation or Adverse Impact on High Conservation Value Areas**
Terrorism	**Violation of Labour and Human Rights, Including Child Labour and Human Trafficking**
Smuggling	**Ethically or Morally Controversial Activities (E.g. Gambling[2], Adult Entertainment)**
Weapons and Ammunition, Including Weapons of Mass Destruction	**Activities That Adversely Impact Protected or Heritage Sites[1]**

[1] *Subject to alignment with government directives, national policies, or applicable regulations.*
[2] *Exception may be granted if the activity concerned is ancillary to a project's primary operations.*

MM2 — Poverty Alleviation Through Inclusive Economic Activities

Advancing Sustainable Urban Renewal and Affordable Housing

BPMB continues to support inclusive urban development and affordable housing through strategic collaboration with the Real Estate and Housing Developers' Association ("REHDA") Institute.

In May 2025, BPMB co-organised an Executive Dialogue on the proposed Urban Renewal Act ("URA"), bringing together policymakers, industry players and community representatives to discuss approaches for rejuvenating ageing urban areas through inclusive and community-focused redevelopment.

The dialogue focused on key considerations, including governance, implementation mechanisms and the protection of vulnerable communities, while exploring opportunities to enhance access to affordable housing and support sustainable urban regeneration.

This initiative reflects BPMB's role in contributing to both policy development and financing solutions, supporting broader efforts to create more resilient, inclusive and sustainable cities in Malaysia.

Beyond policy and ecosystem engagement, BPMB also supports affordable housing through direct financing of impactful projects.

Case Highlight:
Advancing Affordable Housing — Juru Hills Project

BPMB provided RM18.5 million in Tawarruq financing to support the first phase of the Juru Hills Affordable Housing Project in Penang, the Bank's first ESG-aligned affordable housing financing for a private-sector development.

The project supports Malaysia's social housing agenda and aligns with national development priorities, contributing to efforts to address housing demand under initiatives such as Penang2030. Designed to support inclusive communities, the development incorporates facilities such as a Youth Learning Centre and a Nursing Home, while creating over 400 jobs.

Sustainability features include a rainwater harvesting system, expected to save up to 4,880 cubic metres of water annually, supporting responsible resource management. This project demonstrates BPMB's role in delivering impact capital to improve housing accessibility while promoting sustainable and inclusive urban development.

MM3 — Mitigating Our Portfolio's Climate Impact

BPMB plays a catalytic role in delivering financial solutions that support Malaysia's national development aspirations in a sustainable, inclusive and climate-aligned manner. In line with national priorities, including the 12th Malaysia Plan ("12MP"), Malaysia MADANI, the NETR and the NIMP 2030, BPMB developed the Measuring Impact on National Development ("MIND") Assessment Framework ("MIND Framework") as a structured and holistic tool to embed sustainability and development impact considerations across its financing and investment lifecycle.

MIND 2.0: A Strategic Impact Assessment Approach

Building on the enhancement and institutionalisation of the MIND Framework in 2024, BPMB continued to apply MIND 2.0 in 2025 as a key tool for assessing sustainability and national development impact across its financing activities. The MIND Framework has evolved from a compliance mechanism into a core enabler of BPMB's sustainability-driven transformation.

MIND 2.0 adopts a balanced and forward-looking approach, evaluating both positive and negative development impacts. It integrates sector-specific indicators, climate risk screening and alignment with key regulatory and policy frameworks, including BNM's Climate Change and Principle-based Taxonomy ("CCPT"), Value-based Intermediation Assessment Framework ("VBIAF") and the United Nations Sustainable Development Goals ("SDGs").

The MIND Framework is applied across **100%** of new financing and portfolio reviews, and is progressively embedded across BPMB's operations, including investment, private equity, leasing and zakat.

A key feature of MIND 2.0 is the MIND Score, a quantifiable development impact rating that complements credit and climate risk assessments, supporting more balanced and informed financing decisions. Further details on BPMB's MIND Assessment Framework are available on the Bank's corporate website.

Financing Key Development Sectors

BPMB assesses its financing portfolio using MIND 2.0 to evaluate its alignment with sectors that support economic growth, infrastructure development and the transition towards a more sustainable economy.

Portfolio Exposure by Sector Distribution Assessed Using MIND 2.0

Sector	FY2025	FY2024
Construction	10.2%	9.9%
Electricity, Gas and Water Supply	1.4%	6.0%
Finance, Insurance/ Takaful and Business	<0.1%	<0.1%
Hotel and Restaurant	6.7%	7.0%
Housing	<0.1%	<0.1%
Infrastructure	50.5%	45.3%
Manufacturing	4.2%	4.2%
Other Community, Social and Personal Service Activities	2.2%	2.4%
Real Estate, Renting and Business Activities	8.8%	10.4%
Transport, Storage and Communication	15.9%	14.7%

BPMB's portfolio continues to reflect strong alignment with its development mandate and national development priorities, with a significant concentration in infrastructure and transport related sectors. The portfolio composition demonstrates the Bank's continued focus on financing sectors that support sustainable, resilient and inclusive economic development.

Projected Development Outcomes

In 2025, BPMB assessed **20** approved projects and conducted an annual review of its performing portfolio using MIND 2.0, guiding capital allocation towards high-impact sectors such as renewable energy, sustainable infrastructure and affordable housing. The figures below illustrate the expected development impact of projects in 2025 supported by BPMB's approved financing in 2025, based on MIND 2.0 assessments:

- **78.5** kilometres of road infrastructure expected to be constructed
- **500** affordable housing units expected to be delivered
- **7,068** jobs expected to be created
- **21,462** patients expected to be served

These projections demonstrate how BPMB translates financing into tangible economic, environmental and social outcomes.

Case Highlight: Advancing Green Mobility through Innovative Blended Finance — Penang Hill Cable Car Project

BPMB provided financing for the RM367.2 million Penang Hill Cable Car Project through the Group's inaugural blended finance structure, combining debt financing with equity participation by BPMB Dana Sdn. Bhd., supported under the National Energy Transition Facility ("NETF"). This innovative financing approach demonstrates how public and private capital can be mobilised to accelerate sustainable infrastructure development.

The project will establish a modern cable car system connecting the Penang Botanical Gardens to Penang Hill, enhancing accessibility to one of Malaysia's premier eco-tourism destinations while complementing the existing funicular railway. By improving visitor mobility, reducing congestion and strengthening transport resilience, the project will support the growth of sustainable tourism and local economic development.

Located within the UNESCO-recognised Penang Hill Biosphere Reserve, the project incorporates sustainable design features, including renewable energy integration, Green Building Index ("GBI") considerations, rainwater harvesting systems and environmental safeguards to minimise ecological impacts.

Enabling Client Transition

BPMB takes a proactive and collaborative approach to supporting clients and industries in their transition to a low-carbon economy. Through the MIND Framework, BPMB engages with clients to assess sustainability and climate-related risks and opportunities, supporting the integration of sustainability considerations into their business strategies. The Framework integrates development impact and climate assessments (Climate Change Risk Assessment ("CCRA")/CCPT) into the Bank's financing processes, enabling BPMB to identify, manage and monitor sustainability and climate-related risks across its portfolio.

Additionally, in 2025, BPMB introduced the Gemilang SME Programme, a structured accelerator aimed at advancing high-potential Bumiputera enterprises. Delivered in collaboration with BPMB Dana and the Centre for Entrepreneur Development and Research ("CEDAR"), the programme focuses on strengthening governance, enhancing financial discipline, embedding ESG practices and improving scalability.

A total of **10** SMEs participated in the programme, which comprised targeted capacity-building sessions, business model refinement and strategic advisory support. The programme culminated in a structured pitching platform, where selected participants may be considered for equity investment, subject to BPMB Dana's investment evaluation framework.

This programme reflects BPMB's commitment to supporting impactful national development by strengthening SME capabilities, enhancing investment readiness and fostering sustainable, well-governed businesses that contribute to economic resilience and inclusive growth.

CFIL
Climate Finance Innovation Lab

Climate Finance Innovation Lab ("CFIL"): Catalysing Malaysia's Climate Finance Ecosystem

Recognising that achieving Malaysia's transition towards a low-carbon and climate-resilient economy requires more than financing alone, BPMB continued to play a leading role in strengthening the broader climate finance ecosystem through its administration of the CFIL. Established under the JC3 and co-chaired by BNM and the Securities Commission ("SC") Malaysia, CFIL serves as Malaysia's first industry-led platform dedicated to accelerating the development, readiness and financing of climate and environmental projects. As the appointed administrator, BPMB operationalises the platform as part of its developmental mandate, leveraging its expertise, networks and convening capability to connect project developers with capital providers, technical partners and strategic stakeholders.

Rather than functioning as a traditional financing programme, CFIL addresses structural barriers that often prevent climate projects from reaching implementation. Through a combination of project screening, accelerator programmes, readiness assessments, ecosystem matchmaking and capital solutioning engagements, the platform helps improve project bankability while facilitating access to a broad spectrum of financing solutions, including grants, blended finance, catalytic capital, commercial debt and private investment. This ecosystem-driven approach strengthens collaboration across financial institutions, development partners, government agencies, philanthropies and investors to unlock financing opportunities for projects with significant environmental and socio-economic impact.

During the reporting year, BPMB successfully established the core building blocks of the platform, including the launch of CFIL's digital application portal, implementation of the CFIL Accelerator Programme in partnership with CEDAR and the United Nations Development Programme ("UNDP"), organisation of the Impact Launchpad pitching event, and facilitation of Capital Solutioning engagements for large-scale climate initiatives. The inaugural cohort (Cohort 1) attracted **23** climate-related projects representing the four (4) thematic areas of CFIL namely 1) energy transition and green innovation, 2) circular economy and sustainable cities, 3) sustainable agriculture and 4) nature-based solutions and biodiversity. The cohort had a cumulative funding requirement of approximately **USD850 million.** These initiatives enhanced project readiness while creating meaningful engagement opportunities between project proponents and financial institutions, investors and ecosystem partners.

Beyond programme delivery, CFIL reflects BPMB's commitment to creating long-term systemic impact by strengthening Malaysia's climate finance architecture. By convening stakeholders across the public, private and philanthropic sectors, BPMB is helping build a more coordinated and investable pipeline of climate projects while fostering innovative financing pathways capable of mobilising capital at scale.

FY2025 Highlights
National Platform
Malaysia's first industry-led climate finance platform
Governance
Under JC3, co-chaired by BNM and SC
Administrator
BPMB
Climate Projects
23
Funding Sought
USD850 million
Accelerator Programme
15 projects completed structured capacity building
Impact Launchpad
>80 ecosystem participants
Capital Solutioning
>160 stakeholders convened
Financing Outcome
RM1 million grant catalysed for a climate adaptation project

Recognition of Impact Innovation

BPMB's efforts in advancing impact-driven financing through the MIND Framework were recognised at the Association of Development Finance Institutions of Malaysia ("ADFIM") Awards 2025, where the MIND Transformation Project was awarded first place under the Sustainability and Green Impact category.

MM4 — Renewable and Clean Energy

BPMB supports Malaysia's transition towards a low-carbon economy by financing renewable and clean energy projects that are aligned with national priorities and policies, including the NETR. The Bank undertakes both direct financing and strategic roles in national initiatives to facilitate the flow of capital into priority sectors.

As part of this commitment, BPMB plays a key role in facilitating energy transition financing through its involvement in the NETF, established under the NETR by the Ministry of Economy. The NETF focuses on projects across the six (6) energy transition levers identified under the NETR, namely energy efficiency, renewable energy, hydrogen, bioenergy, green mobility, and carbon capture, utilisation and storage ("CCUS").

With an estimated allocation of up to RM1.0 billion, the facility supports projects that are marginally bankable or generate below-market returns, helping to address financing gaps and enable broader implementation of transition initiatives. BPMB Dana Sdn. Bhd. has been appointed as the fund manager for the facility.

In 2025, **RM53.2 million** in funding was approved under NETF. More than **62.0%** of the approved funding was mobilised towards bioenergy projects, while the remaining funding supported green mobility projects.

Beyond domestic energy transition initiatives, BPMB also participates in strategic collaborations to mobilise financing for sustainable infrastructure. This includes a partnership with the Asian Infrastructure Investment Bank ("AIIB") and local financial institutions to mobilise up to USD6.0 billion in financing for infrastructure projects across ASEAN, including renewable energy and power transmission.

Through this collaboration, BPMB contributes to the development of cross-border infrastructure and supports regional energy transition efforts, in line with its mandate to advance national development while facilitating broader regional connectivity and sustainable growth.

Pillar 2: Develop an Inclusive and Diverse Talent Pool

Aligned with the UN SDGs:

MM5 — Talent Management

Our workforce remains a key enabler of BPMB's performance and long-term impact. As at 31 December 2025, BPMB employs **533** employees, comprising **100%** Malaysians. We continue to build a capable, inclusive and future-ready workforce, guided by our core values of Courage, Respect, Shared Trust, Empathy and Agility.

Workforce practices are governed by the Group Human Resource (GHR) Policy, which sets standards across recruitment, development, performance management, remuneration and employee relations. The Policy incorporates key labour and human rights principles, including fair employment practices, non-discrimination, equal opportunity and respect for employee well-being, and is applied across BPMB's operations.

Employee conduct is guided by the Code of Ethics and Conduct, reinforcing expectations on integrity, accountability and professional behaviour across all levels of the organisation. Together with established grievance mechanisms and workplace policies, this supports a transparent, fair and ethical working environment across the employee lifecycle.

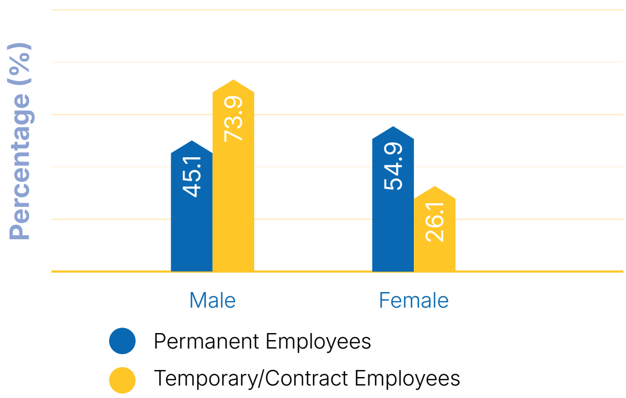
Profile of Our Workforce

Total Number of Employees at the End of FY2025
533

Male Employees
46.3%

Female Employees
53.7%

Breakdown of Employees' Employment Contract, by Gender



Recruiting, Developing and Retaining Talent

BPMB's approach to recruiting, developing and retaining talent is focused on four (4) areas:

- Matching the right skills with the right roles
- Strengthening technical and leadership competencies through training
- Providing competitive benefits
- Fostering an efficient, growth-driven work environment

Talent Management Approach

BPMB's talent management approach is supported by the Human Resource Management System ("HRMS") platform, which enables more integrated management of the employee lifecycle, from recruitment and onboarding to performance, learning, talent management and employee engagement. The platform provides a common system for managing workforce information, improving process efficiency and supporting more consistent human capital practices across the Bank.

In 2025, BPMB continued to strengthen the use of HRMS to support data-driven workforce management and improve visibility over key human resource ("HR") processes such as:

- E-Learning platform for all mandatory courses in BPMB
- E-Form for Staff Declaration and Asset Declaration
- E-Letter for all HR Operations official letters, such as increment, bonus, promotion and performance rating.

This provides a stronger foundation for workforce planning, reporting and future harmonisation of human capital practices across BPMB Group following the merger in May 2025.

Talent Attraction

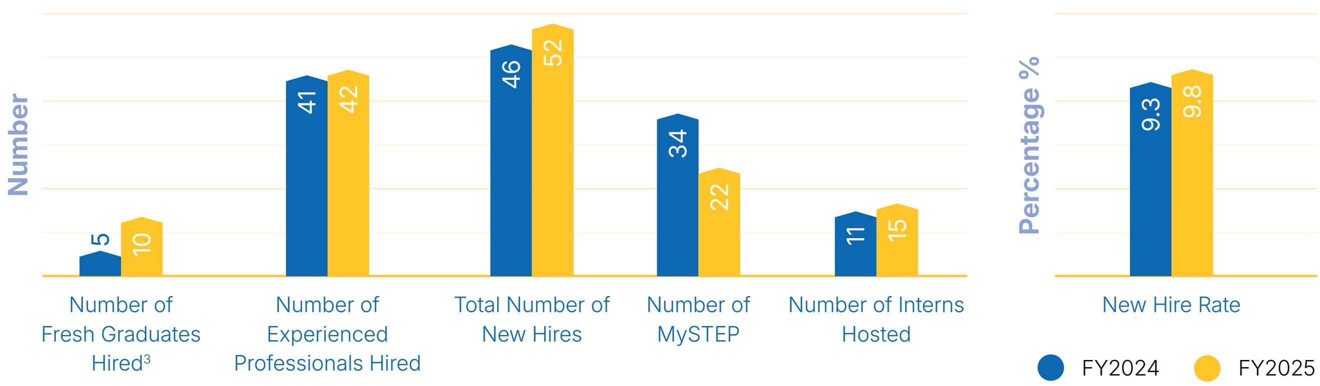
BPMB's talent attraction approach focuses on building a balanced talent pipeline across entry-level, graduate scholars, internship and experienced professional segments. This enables the Bank to strengthen workforce capacity while ensuring access to the skills required to support its development finance mandate and evolving strategic priorities.

At the early-career level, BPMB provides structured pathways through internships, Malaysia Short-Term Employment Programme ("MySTEP") placements and fresh graduate hiring. Internships offer students short-term exposure to banking operations and corporate functions, while MySTEP provides graduates with practical work experience on a contract basis. Fresh graduate hiring supports the Bank's entry-level permanent workforce needs and provides a pathway for young talent to build long-term careers with BPMB. Further details on BPMB's BAGUS scholarship and MySTEP programmes are provided under the Social Responsibility as a National Development Partner section of this Report.

For experienced professionals, BPMB continues to attract talent with relevant technical, sectoral and leadership capabilities to support specialised functions across the Bank, including areas such as credit, risk, finance, digital, sustainability and business sectors. In 2025, these recruitment efforts were supported through targeted recruitment channels, career platforms and employer branding initiatives.

During the year, BPMB participated in five (5) career fairs and recruitment events and recorded a new hire rate of **9.8%** against the total employees in 2025. By gender, new hire rates were **10.5%** for male employees and **9.1%** for female employees, reflecting the Bank's continued commitment to fair and inclusive recruitment practices.

Talent Attraction Breakdown



[3] *Includes former MySTEP participants who were subsequently absorbed into permanent positions during the reporting year.*

Breakdown of New Hires by Gender in FY2025[4]	
Male	Female
10.5%	9.1%

Breakdown of New Hire Rate by Age Group in FY2025[4]		
<30 Years Old	30–50 Years Old	>50 Years Old
37.5%	7.2%	4.4%

Compensation and Benefits

BPMB's compensation and benefits framework is designed to support talent attraction, retention and performance, while ensuring alignment with market practices and internal policies. The framework comprises fixed and variable compensation, performance-based incentives and employee benefits.

For full-time employees, BPMB provides core benefits including life insurance, healthcare coverage, parental leave and retirement provisions. Contract employees are also provided with essential benefits, including life insurance, healthcare coverage and parental leave, ensuring a consistent baseline of protection and support across the workforce.

These benefits are structured to support employees' financial security, health protection and caregiving responsibilities, in accordance with applicable human resource policies and employment terms.

In 2025, BPMB continued to review its remuneration and benefits practices to support workforce well-being and retention of critical talent. For more information, please refer to the Employee Well-Being Programmes section of this Report.

Training and Development

BPMB's training and development approach focuses on strengthening employee competencies required to support the Bank's mandate, business priorities and regulatory expectations. Learning priorities are identified through Development Needs Analysis ("DNA") and Training Needs Analysis ("TNA"), which help align training programmes with organisational needs, role requirements and individual development plans.

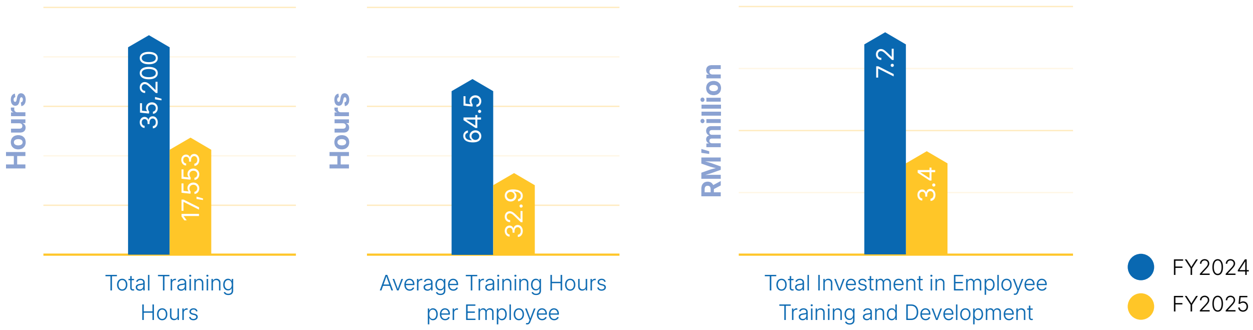
Learning is delivered through the 70:20:10 Learning Model, combining on-the-job exposure, coaching and mentoring and formal training. In 2025, training programmes covered leadership development, technical and functional competencies, risk management, compliance, anti-corruption, financial literacy, sustainability and climate-related topics, occupational safety and health and other role-specific areas.

Competency assessments are conducted at relevant intervals to evaluate leadership, technical and functional capabilities. These assessments support the identification of development needs, succession planning and readiness for critical roles.

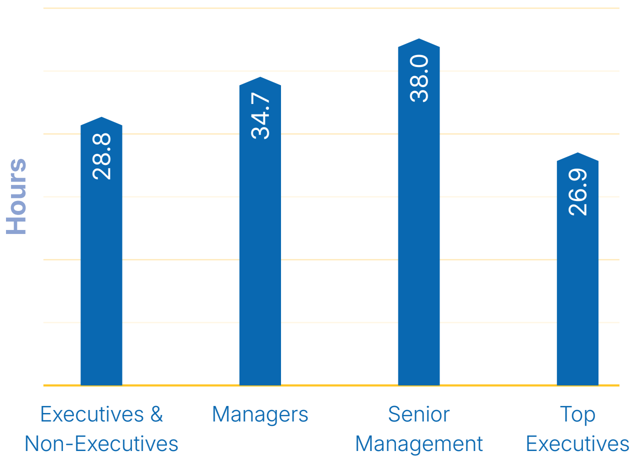
To support continued employability, BPMB provides employees with access to development programmes, internal learning opportunities and career conversations. Employees approaching retirement or other career transitions are supported in accordance with applicable GHR policies and employment practices, including relevant awareness programmes where applicable.

In 2025, BPMB recorded **17,553** total training hours, with an average of **32.9** training hours per employee. Training hours recorded in 2025 mainly reflected mandatory and technical skills programmes. As at 31 December 2025, BPMB achieved **52,753** cumulative training hours since 2024, representing **65.9%** progress against its 80,000 cumulative training hours target by 2030.

[4] *Calculation methodology: New hire rates are calculated using the total number of employees within the respective gender or age group as the denominator.*



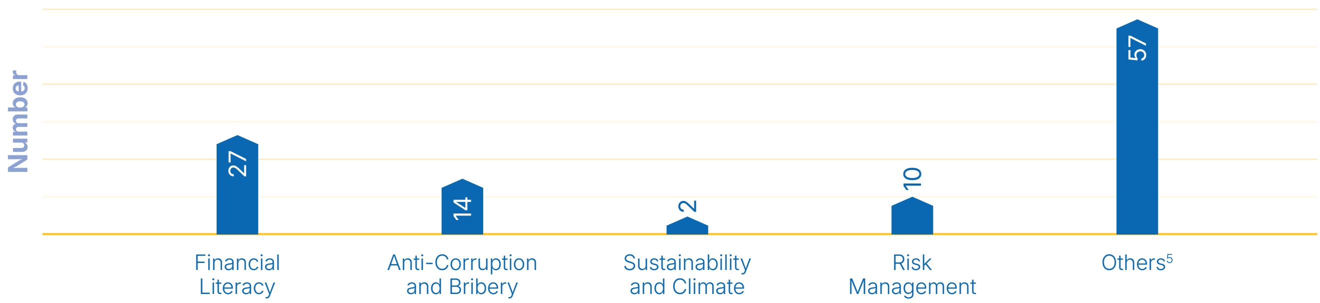
Average Training Hours per Employee by Employee Category in FY2025



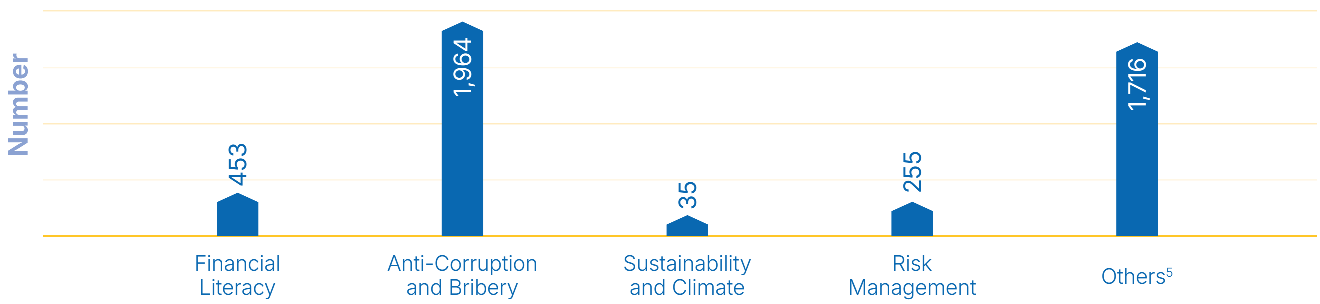
Breakdown of Average Training Hours per Employee, by Gender (Hours)

FY2025	
Male	Female
33.3	32.6
FY2024	
Male	Female
39.2	38.0

Total Number of Training Programmes Conducted in FY2025



Number of Employees Trained in FY2025[6]



[5] *The category includes training programmes related to information technology, leadership development, soft skills, legal and regulatory matters, team building and other professional development topics.*

[6] *The number of employees trained represents total training attendances. As individual employees may participate in more than one training programme during the reporting year, the figures should not be interpreted as the number of unique employees trained.*

Retaining Talent

BPMB's retention approach focuses on internal mobility, career progression, employee engagement and leadership continuity. These areas support workforce stability while enabling employees to build long-term careers within the Bank.

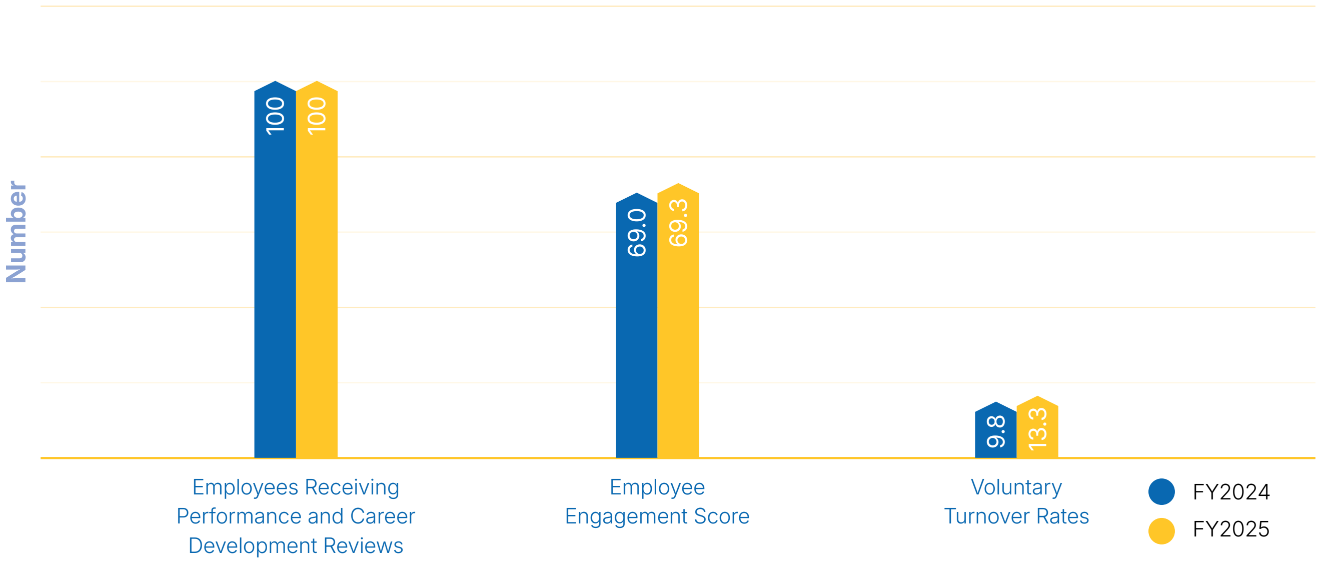
Internal mobility remains a key retention lever. In 2025, **9.6%** of open positions were filled by existing employees, providing opportunities for career development while retaining institutional knowledge within the organisation.

Succession planning complements internal mobility by supporting continuity for key and critical roles. Senior leaders work with GHR to identify potential successors and development needs through structured talent reviews and career planning discussions.

BPMB actively engages employees through regular check-ins and employee engagement surveys to understand workforce experience, workplace concerns and areas for improvement. In 2025, BPMB recorded an employee engagement score of **69.3%,** compared with **69.0%** in 2024. The improvement was supported by continued management engagement with employees through various staff programmes and engagement activities throughout the year. Survey results are used to identify workplace priorities and inform employee engagement and retention initiatives.

Performance and career development reviews provide a structured platform for employees and supervisors to discuss performance outcomes, development needs and career aspirations. In 2025, **100%** of eligible employees received performance and career development reviews.

Voluntary turnover[7] is monitored as an indicator of workforce stability and retention effectiveness. In 2025, BPMB recorded a voluntary turnover rate of **13.3%,** compared with 9.8% in 2024. Turnover trends are reviewed to support workforce planning, engagement and retention actions.



Voluntary Turnover Rates, by Gender[8] in FY2025

Male	Female
14.6%	12.2%

Voluntary Turnover Rates, by Age Group[8] in FY2025

<30 Years Old	30–50 Years Old	>50 Years Old
19.6%	12.7%	12.3%

7 *Voluntary turnover refers to employees who voluntarily left the Bank through resignation or retirement during the reporting period.*

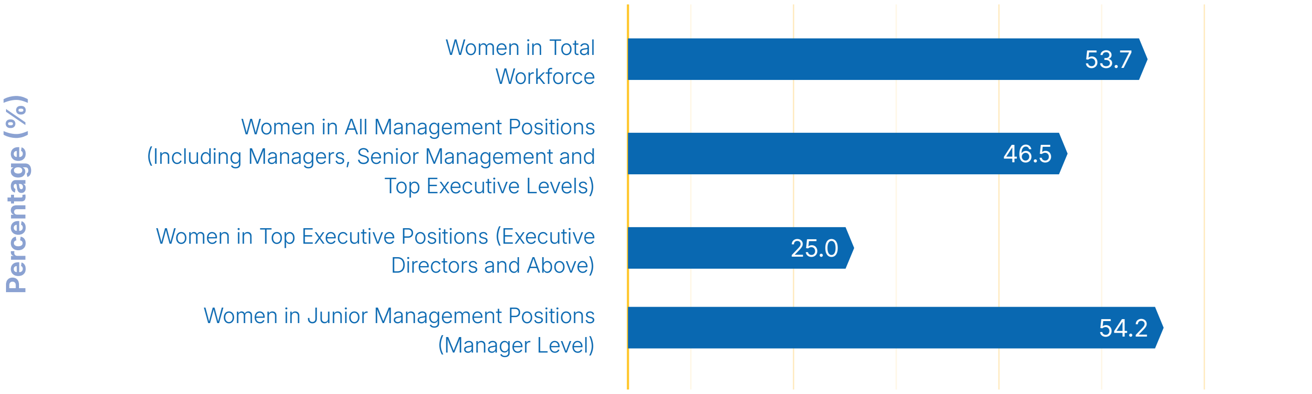
8 *Calculation methodology: Voluntary turnover rates are calculated using the total number of employees within the respective gender or age group as the denominator.*

MM6 — Diversity, Equity and Inclusion

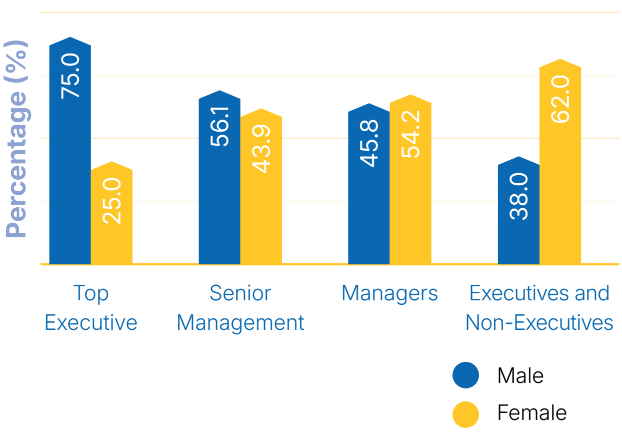
BPMB's approach to diversity, equity and inclusion is anchored on fair employment practices, equal opportunity and non-discrimination. These principles are embedded in the GHR Policy and support a workplace where employees are assessed based on merit, capability and performance.

As at 31 December 2025, women represented **53.7%** of BPMB's workforce (53.0% in 2024). Women also held **46.5%** of management positions (41.0% in 2024), reflecting continued progress in strengthening gender representation at leadership levels.

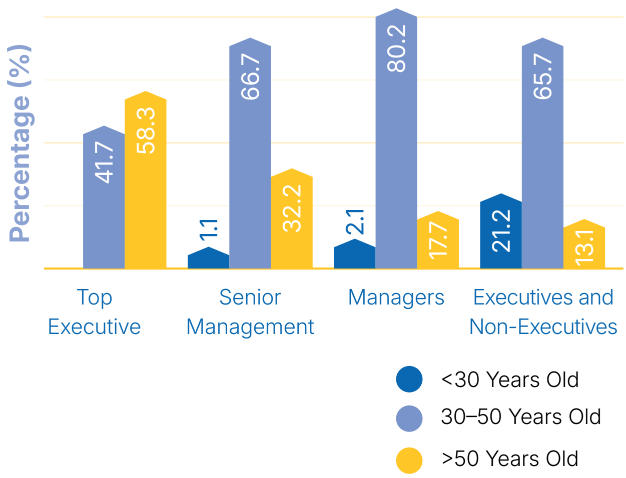
Women Representation in FY2025



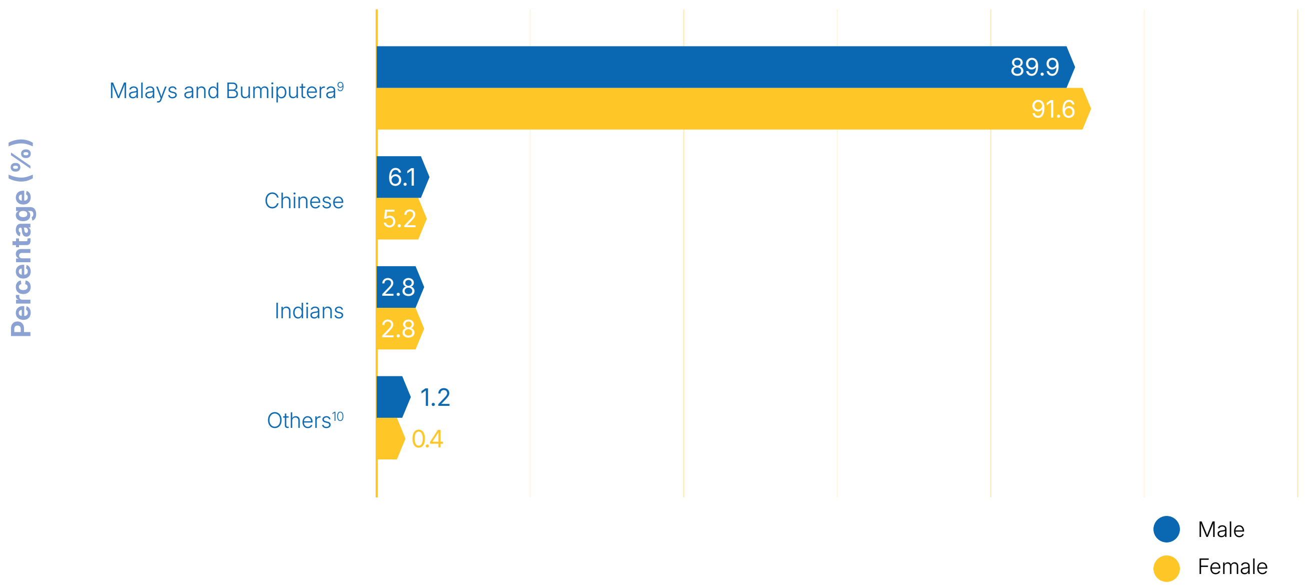
Gender Diversity by Employee Category in FY2025



Age Diversity by Employee Category in FY2025



Workforce Race Diversity by Gender in FY2025



Respecting Labour Rights and Upholding Freedom of Association

BPMB respects labour rights in line with Malaysian laws and recognised labour principles. This includes fair employment practices, non-discrimination, freedom of association and collective bargaining and a safe working environment.

BPMB signed its 13th Collective Agreement with the National Union of Commercial Workers ("NUCW"), following constructive negotiations concluded within one (1) month. The agreement, approved by the Ministry of Finance in April 2025 and signed on 20 June 2025, introduced enhanced employment terms and benefits for eligible non-executive employees.

Key enhancements under the agreement include revised salary scales, extended parental leave, enhanced medical coverage, improved allowances and greater leave flexibility. In 2025, **9.2%** of employees were covered by collective bargaining agreements (9.5% in 2024).

In addition to formal collective bargaining arrangements, employee engagement sessions with the CEO, Senior Management and employees were held during the year to discuss workplace matters, employee concerns and overall employee experience.

Preventing Workplace Discrimination and Grievance Mechanism

BPMB upholds a zero-tolerance approach towards discrimination, harassment and workplace misconduct. Employees may seek advice on workplace policies and responsible business conduct, or raise concerns through the Whistleblowing Channel, GHR or immediate supervisors.

These channels provide avenues for confidential reporting, employment-related engagement and escalation of workplace concerns. All concerns raised are reviewed through established procedures to support impartiality, timely resolution and protection against retaliation. BPMB also maintains safeguards to protect employees who raise concerns in good faith from retaliation.

In 2025, BPMB recorded **15** confirmed grievance cases, all of which were fully resolved amicably. The Bank recorded no confirmed incidents of discrimination during the year. Where required, grievance cases were reviewed and addressed through appropriate corrective actions in accordance with applicable internal procedures.

9 *This category includes ethnic Malays and other indigenous peoples, such as the Orang Asli in Peninsular Malaysia and various indigenous groups in Sabah and Sarawak, who are collectively referred to as Bumiputera.*

10 *This category covers various smaller communities, including other minorities that do not fall under the above classifications.*

MM7 — Employee Well-Being

Occupational Safety and Health ("OSH")

The Bank is committed to providing a safe, healthy and supportive working environment for its employees, contractors and stakeholders. While operating primarily in an office-based setting, BPMB recognises that effective OSH management remains essential to protecting employee well-being, preventing workplace incidents and supporting overall organisational performance.

The Bank focuses on proactively managing workplace risks, strengthening emergency preparedness and promoting a culture of safety and well-being across the organisation.

OSH Management System and Governance

BPMB's approach to OSH is guided by the Bank's Safety and Health Policy Statement, which sets out the Bank's commitment and approach to maintaining a safe working environment. The Policy Statement is approved by the Board of Directors, reflecting top-level commitment to workplace safety and employee well-being.

The Policy Statement is accessible to all employees via the Bank's intranet and is embedded into staff onboarding programmes, which include mandatory sharing of the Safety and Health Policy Statement and relevant workplace safety standards. It applies to all employees, contractors and individuals under BPMB's supervision.

The Bank's OSH management system is implemented in accordance with applicable regulatory requirements, including the Occupational Safety and Health (Amendment) Act 2022, and is supported by internal policies, procedures and operational controls. The system is applied across BPMB's workplace activities, with no significant exclusions.

Oversight of workplace health and safety is carried out through the Occupational Safety and Health Committee ("OSHC"), which comprises both employer and employee representatives. The Committee meets quarterly to review safety performance, deliberate on workplace concerns and drive continuous improvement.

To support emergency preparedness, the Emergency Response Team ("ERT") has been established across the organisation. Members are formally appointed and trained to respond effectively to workplace emergencies, supported by regular drills and capacity-building programmes.

BPMB implements its OSH initiatives through an Annual OSH Plan, which outlines key priorities and risk mitigation measures. The Bank is progressively strengthening performance monitoring, including the development of measurable safety and health targets.

BPMB provides formal channels for employees to report safety and health concerns. Employees may raise workplace safety issues through designated communication channels, including a dedicated OSH email, and all reported matters are reviewed and addressed by the OSHC. Appropriate safeguards are in place to ensure that employees can raise concerns without fear of reprisal.

For contractors, vendors and service providers, BPMB enforces strict safety requirements through a Permit-to-Work ("PTW") system. Contractors are required to submit relevant documentation prior to commencing work, including job safety analysis, method statements and relevant competency certifications. For higher-risk activities, additional controls are implemented, including review and approval by the Safety and Health Officer. Contractors are only permitted to commence work upon approval of the PTW and completion of required safety induction procedures.

Health and Safety Training

BPMB strengthens employee awareness and preparedness through structured training and engagement programmes aimed at fostering a culture of safety.

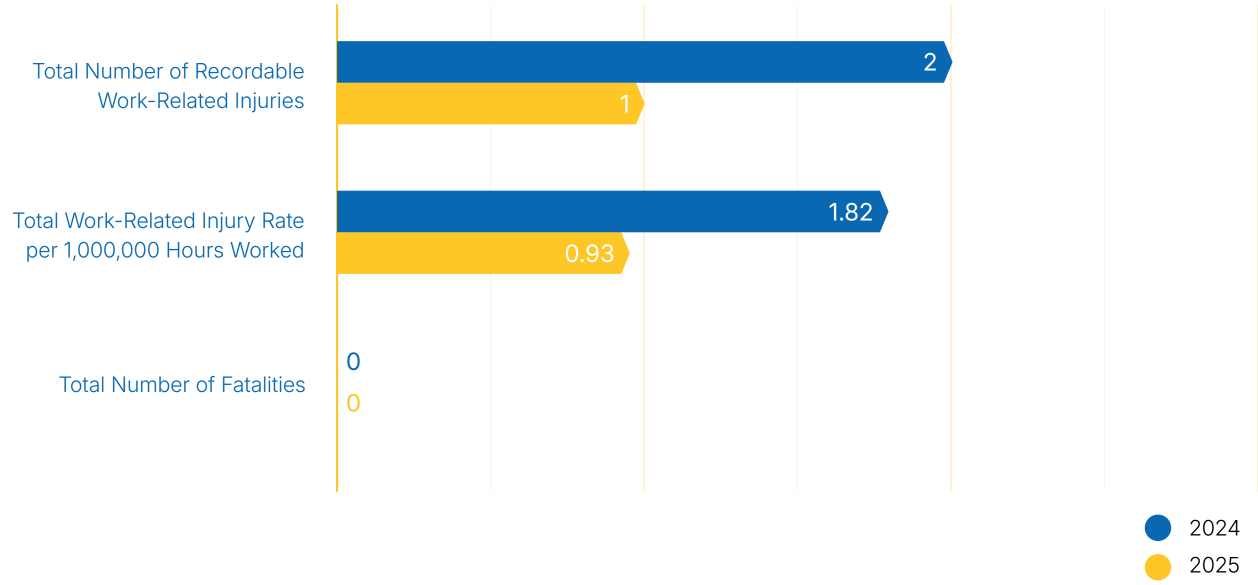
In 2025, all BPMB personnel participated in the annual fire and emergency evacuation drill conducted in line with regulatory requirements. The Bank also continued to build emergency preparedness through targeted training for **17** ERT members, including collaboration with relevant authorities, and first aid training for **27** employees to equip them with basic life-saving skills.

To reinforce workplace safety awareness, BPMB issued nearly **50** safety-related communications, including infographics and newsletters, and conducted talks and briefings on safety, health and sustainability-related topics. These included the Ramadan Well-Binar Talk, attended by **146** participants, and the Ergonomics Talk, attended by **50** participants.

BPMB also conducted targeted ergonomic awareness initiatives to address risks associated with prolonged desk-based work. These sessions focused on musculoskeletal health, posture improvement and practical workplace adjustments to reduce strain and prevent injury.

BPMB supports employee well-being through access to healthcare benefits and workplace arrangements, alongside initiatives that promote physical and mental health. Further information is available in the Employee Well-Being Programme section of this Report.

Occupational Safety Performance



Employee Well-Being Programmes

BPMB supports employee well-being through healthcare benefits, flexible work arrangements and voluntary wellness programmes. These initiatives are intended to support employees' physical, mental and social well-being, beyond occupational health and safety requirements.

Employees are provided access to non-occupational medical and healthcare services through the Bank's employee benefits, including healthcare coverage, medical claims and health screening support, subject to eligibility and applicable GHR policies. These benefits support access to preventive care and treatment for general health needs.

In addition, BPMB provides workplace arrangements and facilities that support work-life balance and inclusivity. These include flexible working hours, work-from-home arrangements, designated prayer rooms and lactation facilities, as well as paid family or care leave beyond parental leave (for example, to care for a child, spouse, parent or other dependants with health conditions). These arrangements are available to both full-time and contract employees, where applicable.

BPMB conducted **15** health and well-being programmes throughout the year to promote healthy lifestyles and address non-work-related health risks. These initiatives include counselling and awareness sessions, Health Day programmes and sports and recreational activities, all designed to encourage employee participation and holistic well-being.

Supported by digital well-being platforms such as Naluri, the programmes focus on key areas including mental health, nutrition, physical fitness, preventive health, stress management and emotional well-being, while also fostering physical activity and social engagement among employees.

Well-Being in Action: Supporting Employee Health and Resilience

In 2025, BPMB strengthened its employee well-being initiatives through the renewed Naluri Community Programme, which provided employees with access to digital health support, professional coaching, remote therapy sessions, onsite consultations and 24/7 Careline support. The programme was designed to help employees better manage stress, strengthen emotional resilience, improve physical well-being and adopt healthier lifestyle practices, while also supporting employees in navigating personal and workplace challenges more effectively.

As part of these efforts, BPMB organised various well-being initiatives during the year, including health screenings, mindfulness and counselling support, fitness activities and preventive healthcare programmes such as the Influenza Vaccination Drive. In 2025, **237** employees completed the DASS-21 well-being assessment, while employees also participated in **71** onsite consultations, **82** remote therapy sessions, **17** Careline engagements and **five (5)** fitness classes conducted throughout the year. In addition, **195** employees received influenza vaccinations through the Bank's preventive healthcare initiative, reflecting continued employee participation and awareness towards well-being and healthy living.

Pillar 3: Drive Responsible Business Practice

Aligned with the UN SDGs:

MM8 — Climate Change

Our Climate Commitment

Climate change continues to shape the operating environment for financial institutions, businesses and communities. As a DFI, BPMB supports Malaysia's transition towards a low-carbon and climate-resilient economy while managing climate-related risks and opportunities across its operations and financing activities.

BPMB's climate approach is guided by national priorities and regulatory expectations, including the NETR, BNM's CCPT, BNM's CRMSA requirements and the JC3 TCFD Application Guide for Malaysian Financial Institutions. In 2025, BPMB continued to strengthen its climate transition planning, operational decarbonisation efforts, climate risk management practices and sustainable financing initiatives. For easy reference, the TCFD Index can be found on page 162 of this Report.

Climate Governance

The Board of Directors has overall oversight and accountability for sustainability and climate-related matters, including climate-related risks and opportunities, climate commitments, transition planning and related disclosures. The Board is responsible for ensuring that climate-related considerations are appropriately integrated into BPMB's governance, strategy, risk management and decision-making processes.

The Board is supported by relevant Board and Management Committees, including the Board Risk Management Committee and Management Risk Committee. These committees provide oversight on the integration of climate-related risks into BPMB's risk management framework, risk appetite, portfolio monitoring and financing activities. Further information on BPMB's overall risk governance structure is set out in the Risk Management section of this Report.

At Management level, climate-related matters are coordinated by the relevant business, risk, strategy and sustainability functions. The Sustainability Management function works closely with Group Risk Management, business teams and other internal stakeholders to support the implementation of BPMB's climate-related policies, frameworks, disclosures and initiatives.

In 2025, climate-related matters were tabled and discussed at Board and Management levels, including updates on BNM's Dear CEO Letter on transition planning, BPMB's decarbonisation pathway, climate risk stress testing ("CRST"), financed emissions measurement, sustainable and transition finance initiatives and climate-related disclosure enhancements. Read more in the BPMB's Sustainability Governance section of this Report.

Climate-Related Governance and Oversight

Governance Committees	Meeting Frequency	Key Climate-Related Matters Discussed in FY2025
Risk matters		
Board of Directors	As required, or monthly where relevant	Provided overall oversight and approval, where required, on key sustainability and climate-related matters, including BPMB's decarbonisation pathway, climate transition planning, CRST results, climate-related disclosures and sustainable financing progress. The Board also oversaw and approved matters relating to the Sustainable Development Sukuk Framework and related annual reporting, where applicable.
Board Risk Management Committee	As required, or monthly where relevant	Reviewed and endorsed climate-related financial risk matters for Board approval, where applicable, including integration of climate risk into risk management practices, risk appetite, portfolio monitoring and climate-related reporting.
Management Risk Committee	Monthly	Deliberated and endorsed climate-related risk matters for escalation to the relevant Board-level committee, where applicable, including CCPT classification, MIND Score, CRST, portfolio exposure, threshold limits and implementation progress of climate-related initiatives.
Credit matters		
Board Credit Committee ("BCC")	Monthly	Approved financing-related matters incorporating climate-related considerations, where applicable, including CCPT classification and MIND Score. For Sustainable Development Sukuk, the BCC reviewed matters relating to shortlisted Eligible Assets and removal or substitution of Eligible Assets, where applicable.
Group Credit Committee ("GCC")	Bi-weekly or as required	Deliberated and endorsed financing proposals for escalation to the relevant approving authority, where applicable, taking into account transaction-level climate-related inputs such as CCPT classification, MIND assessment outcomes and customer climate risk considerations. Where authority was delegated, the GCC reviewed matters relating to shortlisted Eligible Assets for the Sustainable Development Sukuk portfolio, where applicable.

BPMB continued to strengthen internal climate capability through training and awareness programmes covering sustainability governance, impact assessment, BNM CCPT, CRMSA, Greenhouse Gas ("GHG") accounting, climate-related metrics and sustainable finance. These initiatives support Board, Management and employee readiness in responding to evolving climate-related risks, opportunities and disclosure expectations. For further details on the Board members' experience, credentials and profiles, please refer to the Board of Directors section of this Report.

Climate Strategy

BPMB recognises that climate change may affect its own operations, its customers and the sectors it finances. BPMB views climate-related risks as cross-cutting risks that may affect credit, market, liquidity, operational, legal and reputational risk. These risks may arise from transition drivers, such as policy and regulatory changes, technology shifts, market expectations and carbon-related costs, as well as physical risk drivers, including floods, extreme weather events and longer-term climate impacts.

BPMB assesses climate-related risks and opportunities from two (2) perspectives: as an organisation managing its own operational footprint, and as a lender/investor supporting customers and national development priorities. These considerations are progressively embedded into BPMB's business strategy, financing activities, risk appetite, portfolio monitoring and transition planning.

In line with the TCFD recommendations, BPMB considers short-term risks and opportunities as those arising within three (3) years, medium-term between four (4) to 10 years and long-term considerations as those arising beyond 10 years.

Climate-Related Risks and Opportunities

Climate Risk Type and Driver	Time Horizon	Risk or Opportunity Type	Potential Impact on BPMB	BPMB's Response
Transition risks arising from policy and regulatory changes, technology shifts, market dynamics and reputational expectations	Medium- to long-term	Credit, market, liquidity, legal and reputational risks	May affect customers' profitability, repayment capacity and asset values, particularly for higher-emitting or transition-exposed sectors. This may lead to higher credit risk, compliance costs or portfolio adjustment needs.	Integrated climate considerations into MIND Assessment, CCRA and CCPT classification; monitored climate-related indicators through risk appetite and portfolio-level reporting; continued financed emissions measurement and climate stress testing.
Physical risks arising from acute events such as floods and extreme weather	Short- to medium-term	Credit and operational risks	May disrupt customers' operations, damage assets and collateral and increase expected credit losses in affected locations and sectors.	Completed the 2024 CRST, including a short-term acute 1-in-200-year flood scenario; continued to strengthen geospatial risk mapping and portfolio climate risk assessment.
Chronic **physical risks** such as rising temperatures, water stress and longer-term climate shifts	Long-term	Credit, operational and collateral risks	May affect long-term asset values, infrastructure resilience and business continuity for customers and financed projects.	Continued sectoral climate risk analysis and integration of climate vulnerability considerations into financing assessments and portfolio monitoring.
Operational emissions from BPMB's own activities	Short- to medium-term	Operational and reputational risks	Electricity consumption remains the main source of BPMB's operational emissions and may affect progress against Scope 1 and Scope 2 commitments.	Continued energy efficiency measures, operating from a green-certified building and subscribing to TNB's Green Electricity Tariff programme in 2025.
Growing demand for green and transition finance	Short- to long-term	Climate-related opportunity	Provides opportunities to support Malaysia's low-carbon transition, expand sustainable financing and strengthen BPMB's development impact.	Continued support through the Renewable Energy and Transition Programme ("RETP"), NETF and CFIL.
Client transition readiness	Medium- to long-term	Climate-related opportunity and risk mitigation	Customers may require support to manage transition risks, improve climate data and develop credible decarbonisation pathways.	Strengthened client engagement, emissions data collection, sector position papers and transition-related discussions.

Sectoral Climate Risk Exposure

As part of BPMB's portfolio-level climate risk assessment, the Bank maps sectoral exposure to identify sectors that may be more vulnerable to physical and transition risks. This supports BPMB in assessing potential financial and operational impacts, strengthening portfolio monitoring and identifying opportunities to support customers in their transition towards lower-carbon and climate-resilient business models. As at 31 December 2025, BPMB's exposure to selected sectors with higher climate risk considerations was as follows:

Percentage of Total Financing Activity as at 31 December 2025

Sector	%	Sector	%	Sector	%
Infrastructure	51.1%	Real Estate	9.0%	Other Community, Social and Personal Services Activities	1.8%
Transport, Storage and Communication	16.8%	Accommodation and Food Services Activities	6.6%	Electricity, Gas and Water Supply	1.2%
Construction	9.2%	Manufacturing	4.3%	Others	<0.1%

The analysis indicates that climate-related impacts may differ across sectors. Transition risks may arise from carbon pricing, higher compliance costs, changes in market demand, technology shifts and the cost of adapting to a low-carbon economy. Physical risks may arise from acute events such as floods and extreme weather, as well as chronic risks such as water stress and rising temperatures, which may affect asset values, operational continuity, maintenance costs and takaful premiums.

Insights from sectoral exposure analysis are used to support BPMB's financing assessments, portfolio monitoring, CRST, client engagement and development of sector position papers. These insights also support BPMB's ability to identify opportunities for sustainable and transition financing, including financing for renewable energy, green buildings, low-carbon transport, climate-resilient infrastructure and other transition-related activities.

To better understand how these risks may evolve over time, BPMB completed the 2024 CRST in 2025, in line with BNM's CRMSA requirements. The exercise assessed the potential impact of physical and transition risks on BPMB's portfolio under long-term and short-term climate scenarios, providing further insights into the resilience of the Bank's business strategy and portfolio.

Description and Risk Profiles of Climate Scenarios Assessed

Scenario	*Description*	*Risk Profile*
Net Zero 2050	Assumes strong climate policies and significant green technology breakthroughs to rapidly reduce emissions and limit global warming.	Low physical risk; high transition risk.
Divergent Net Zero 2050	Assumes uneven transition impacts, with some sectors more affected due to different timing and intensity of climate policies.	Low physical risk; medium to high transition risk.
Nationally Determined Contributions	Assumes implemented and pledged policies are in place but remain insufficient to facilitate an orderly transition.	Medium to high physical risk; low transition risk.
Short-Term Acute Physical Risk	Assumes a one-off 1-in-200-year flood event in Malaysia.	Tests the impact of severe acute flooding on borrowers, collateral values and expected credit losses.

The CRST results indicated that BPMB remained broadly resilient under the stress scenarios assessed, while providing useful insights on potential vulnerabilities, especially in relation to borrower repayment capacity, asset values, collateral values and expected credit losses. The exercise also highlighted areas for enhancement, including probability of default modelling, climate data infrastructure and geospatial risk mapping. The insights from BPMB's climate risk assessment, scenario analysis and portfolio monitoring continue to inform the Bank's climate strategy. In 2025, BPMB focused on three (3) key areas:

	Strategic Focus	FY2025 Progress
01	Managing Operational Emissions	BPMB continued to improve energy efficiency, operate from a green-certified building and subscribe to renewable electricity through TNB's Green Electricity Tariff programme.
02	Managing Portfolio-Related Climate Risks	BPMB completed the 2024 CRST and further embedded climate risk assessment into financing and portfolio monitoring.
03	Supporting Malaysia's Transition	BPMB continued to support sustainable and transition financing through the RETP, NETF and CFIL, while progressing towards stronger sustainable and transition finance frameworks.

As BPMB progresses into its next phase following the amalgamation, the Group will leverage the collective capabilities of its entities to strengthen its role in supporting Malaysia's climate transition. While remaining committed to its long-term climate ambitions, BPMB will increasingly focus on enabling clients through integrated transition finance solutions, strategic engagement under initiatives such as CFIL and the Customer Transition Blueprint, capacity-building programmes and innovative funding mechanisms.

Climate Risk Management

BPMB manages climate-related risks as part of its broader Group risk management approach, recognising that climate risks may transmit through existing risk categories such as credit, market, liquidity, operational, legal and reputational risk. Further details on BPMB's Group Governance and Risk Management Framework, Three Lines of Defence model, principal risks and Risk Appetite Statement and Tolerance Level are set out in the Risk Management section of this Report.

Within this approach, climate considerations are integrated into financing and portfolio monitoring through the MIND Assessment Framework, which incorporates the CCRA aligned with BNM's CCPT. This enables BPMB to assess climate-related risks and opportunities at transaction level and monitor portfolio exposure through climate-related indicators, including CCPT classification and MIND Score. The Climate Change Risk Framework further outlines BPMB's broader approach to identifying, assessing, managing and monitoring climate-related risks.

Integration of Climate Risk into BPMB's Risk Management Approach

Transaction Assessment

Climate-related risks and opportunities are assessed through the MIND Assessment Framework, which incorporates the CCRA aligned with BNM's CCPT, at financing origination and review where relevant.

Portfolio Monitoring and Risk Appetite

Climate-related indicators, including CCPT classification and MIND Score, are monitored through BPMB's portfolio-level risk appetite and tolerance framework.

Scenario Analysis and Stress Testing

Climate scenario analysis and stress testing are used to assess potential transmission of climate risks into credit risk and portfolio resilience.

Credit and Financing Decisions

Climate-related inputs, including CCPT classification and MIND assessment outcomes, are considered in financing deliberations and approval processes, where relevant.

Client Engagement and Transition Support

BPMB continues to engage customers on climate-related risks, emissions data and transition readiness, supported by sector insights and sustainable or transition finance initiatives.

In 2025, BPMB completed the 2024 CRST. The exercise strengthened BPMB's understanding of how physical and transition risks may affect borrower repayment capacity, asset values, collateral values and expected credit losses. It also highlighted areas for further enhancement, including climate data infrastructure, probability of default modelling, geospatial risk mapping and integration of climate risk insights into future credit assessments and portfolio stress testing.

BPMB will continue to strengthen its climate risk management capabilities through improved data collection, internal capacity building, client engagement and progressive enhancement of climate risk tools and methodologies.

Climate Metrics and Targets

BPMB tracks selected climate-related metrics to monitor operational emissions, portfolio exposure and progress against climate commitments. These include operational Scope 1 and Scope 2 emissions, selected Scope 3 emissions, CCPT classification, MIND Score and financing exposure to sectors with higher climate risk. Detailed operational emissions are disclosed under Our Greenhouse Gas Emissions section of this Report.

As part of its climate-related portfolio monitoring, BPMB continues to apply BNM's CCPT to assess climate-related risks and opportunities across its financing portfolio. The CCPT supports the Bank in monitoring portfolio alignment, informing financing and risk management decisions, and identifying opportunities to support customers in their transition towards more sustainable and climate-resilient business models.

Our GHG Emissions

BPMB's operational GHG emissions primarily arise from activities at its corporate headquarters. The Bank continues to monitor and manage its emissions across Scope 1, Scope 2 and selected Scope 3 categories as part of its efforts to strengthen operational environmental performance.

Scope 1 emissions cover direct emissions from sources owned or controlled by BPMB, including company-owned vehicles and standby generators, while Scope 2 emissions arise from purchased electricity consumed across the Bank's operations.

For the reporting year, total Scope 1 and Scope 2 emissions amounted to **1,301.4 tonnes of carbon dioxide equivalent (tCO_2e)**, representing a **52.1%** reduction from the 2023 baseline. Electricity consumption remained the primary contributor to operational emissions, reflecting the Bank's office-based operations. While total operational emissions declined, Scope 1 emissions increased to **64.1 tCO_2e** in 2025, compared with 41.8 tCO_2e in 2024, mainly attributable to fugitive emissions from refrigerant top-ups and higher diesel usage, as shown in the table below[11]:

Scope 1 and Scope 2 Emissions	FY2025	FY2024	FY2023[12]
Scope 1 (tCO_2e)	64.1	41.8[13]	47.5
Scope 2[14] (tCO_2e)	1,237.3[15]	2,160.0	2,669.0
Total Scope 1 and Scope 2 Emissions (tCO_2e)	**1,301.4**	**2,201.8**	**2,716.5**

[11] *All our carbon emission data are prepared in accordance with the methodologies of the GHG Protocol Corporate Accounting and Reporting Standard using the operational control consolidation approach. Gases included are CO_2, CH_4 and N_2O. Scope 1 and Scope 3 emissions factors are sourced from the GHG Conversion Factors for Company Reporting, published by the UK Department for Environment, Food and Rural Affairs ("DEFRA").*

[12] *FY2023 is used as the reference year for tracking Scope 1 and Scope 2 emissions performance.*

[13] *The FY2024 total Scope 1 emissions are calculated based on unrounded figures. Accordingly, the sum of the individual figures presented in the Scope 1 breakdown may differ from the reported total due to rounding.*

[14] *Scope 2 emissions factors for electricity grids in Malaysia are sourced from the Grid Emission Factor ("GEF") published on MyEnergyStats, an online portal managed by the Energy Commission of Malaysia.*

[15] *Total operational electricity consumption was 2,123,562 kWh, of which 451,475 kWh was verified as zero-carbon renewable electricity via Malaysia Renewable Energy Certificates and excluded from Scope 2 emissions in line with GHG accounting protocol.*

Scope 1 Breakdown	FY2025	FY2024
Stationary Combustion (Standby Genset Fuel) (tCO_2e)	0.6	0.7
Mobile Source (Company-Owned Vehicles) (tCO_2e)	38.0	41.2
Fugitive Emissions (tCO_2e)	25.5	-
Total Scope 1 Emissions (tCO_2e)	**64.1**	**41.9**

The reduction in Scope 2 emissions was driven by lower electricity consumption during the year, supported by the Bank's procurement of renewable electricity under the Green Electricity Tariff ("GET") programme, as discussed further in the Energy section.

BPMB continues to report selected Scope 3 emissions categories. In 2025, the Bank expanded its Scope 3 monitoring coverage to include waste generated and disposed of, as well as emissions generated through leased assets, in addition to existing categories such as business travel, water supply and water treatment. For the reporting year, total Scope 3 emissions amounted to **212.8 tCO_2e**, as detailed below:

Scope 3 Breakdown	FY2025	FY2024
Business Travel (by Air) (tCO_2e)	167.6	160.5
Water Supply (tCO_2e)	2.4	3.2
Water Treatment (tCO_2e)	2.2	3.9
Waste Generated and Disposed (tCO_2e)	11.2[16]	-
Emissions Generated through Leased Assets (tCO_2e)	29.4[17]	-
Total Scope 3 Emissions (tCO_2e)	**212.8**	**167.6**

Managing Our Environmental Footprint

BPMB manages its environmental footprint through efficient resource use, energy optimisation and responsible waste management across its operations.

Energy

Energy consumption, particularly electricity usage, remains the primary contributor to BPMB's operational emissions. In response, the Bank maintains a structured energy management approach supported by governance oversight, operational controls, monitoring mechanisms and employee engagement initiatives.

In 2025, BPMB recorded total energy consumption of **7,653.5 gigajoules (GJ)**, representing a **23.9%** reduction from 10,057.6 GJ in 2024. This was mainly attributable to lower electricity consumption during the year, supported by ongoing energy management and optimisation efforts.

Energy Consumption Breakdown	FY2025	FY2024
Fuel Energy Consumption from Non-Renewable Sources (GJ)	8.6	11.3
Electricity Consumption from Non-Renewable Sources (GJ)	6,019.5	10,046.3
Electricity Consumption from Renewable Sources (GJ)	1,625.3	-
Total Energy Consumption (GJ)	**7,653.5**	**10,057.6**

[16] *Waste data covers Menara Wawasan and Plaza Conlay for FY2025.*
[17] *Electricity consumption data for one (1) leased premise occupied by a tenant from 1 December 2025 was not available during the reporting period and has therefore been excluded from the Scope 3 emissions calculation for FY2025.*

BPMB's energy management efforts are guided by an established Energy Management System ("EnMS"), which supports structured monitoring, operational efficiency and continuous improvement in energy performance.

Energy management initiatives are coordinated through the Energy Management Committee, supported by operational teams responsible for implementation and monitoring across the organisation. To strengthen accountability and improve monitoring capabilities, BPMB has established Energy Accounting Centres ("EACs") to enable more granular tracking of energy consumption across its operations. Key initiatives implemented during the year include:

- **Optimisation of Lighting Systems and Air-Conditioning Controls**
- **Implementation of Energy Monitoring and Tracking Mechanisms**
- **Employee Awareness and Behaviour-Based Energy-Saving Initiatives**
- **Subscription to TNB's GET Programme**

In July 2025, BPMB subscribed to TNB's GET as part of its efforts to support renewable electricity consumption and strengthen operational emissions management. During the reporting year, the programme supplied approximately **21.3%** of the Bank's operational electricity consumption through verified renewable electricity, avoiding an estimated **334.1 tCO_2e** of grid electricity emissions. The GET subscription is supported through Malaysia Renewable Energy Certificates, which represent verified renewable electricity attributes recognised under Malaysia's renewable energy market mechanism.

Employee engagement remains a key enabler of these efforts. Initiatives such as the Energy Champion Challenge encourage departments to actively reduce energy consumption through simple behavioural changes, reinforcing a culture of shared responsibility across the Bank.

In line with BPMB's broader sustainability commitments, the Bank continues to progressively strengthen its operational decarbonisation efforts through practical and operationally focused initiatives. These include operating within a green-certified office environment, enhancing energy monitoring and efficiency measures, promoting resource-conscious workplace practices and assessing opportunities for lower-emission mobility solutions where feasible.

These efforts support BPMB's aspiration towards achieving carbon neutrality for operational Scope 1 and Scope 2 emissions by 2030, while the Group's longer-term decarbonisation approach will continue to be refined as part of the ongoing post-merger sustainability roadmap.

Water

BPMB's water consumption is primarily associated with office-based activities at its premises. In 2025, total water consumption was **12,686.1 cubic metres**. The Bank continues to monitor water usage as part of its broader resource management efforts and promotes responsible consumption among employees through awareness and good housekeeping practices.

Waste

BPMB implements waste management practices to minimise environmental impact and promote responsible resource use across its operations. Waste generated from the Bank's activities primarily comprises non-hazardous waste such as paper, plastics and general office waste. Waste is managed through designated collection and disposal processes in accordance with operational requirements and applicable waste management practices.

In 2025, BPMB recorded **21.6 metric tonnes** of waste directed to disposal across its premises. The Bank continues to progressively strengthen waste monitoring and data management practices to improve the completeness and consistency of waste reporting across its operations.

BPMB also promotes employee awareness on responsible resource use through initiatives focused on reducing single-use materials, encouraging proper waste segregation and fostering more sustainable workplace practices.

MM9 — Sustainable and Responsible Sourcing

Procurement Management and Governance

BPMB's procurement activities are guided by its Procurement Policy and Procedures, which set out requirements for procurement planning, evaluation, approval and vendor engagement in accordance with delegated authority limits and applicable internal guidelines.

The Bank's procurement practices are guided by the principles of value for money, transparency, fairness, quality and efficiency. These principles support competitive and accountable processes, ensuring that engagements are fit-for-purpose and aligned with the Bank's objectives.

Integrity is maintained throughout the procurement lifecycle. Employees, Senior Management and Board members involved in procurement are required to comply with BPMB Group's Core Values and Employee Code of Ethics and Conduct, including the declaration of any actual, potential or perceived conflicts of interest, and to abstain from related deliberations or decisions where necessary.

All third-party appointments are subject to appropriate due diligence, including compliance with applicable Anti-Money Laundering and Countering Financing of Terrorism requirements. The Bank continues to leverage its e-Procurement system to enhance efficiency, transparency and oversight of procurement activities. Further details on BPMB's broader governance and integrity practices are available in the Statement of Corporate Governance section of this Report.

Responsible Sourcing and Vendor Code of Conduct

BPMB's responsible sourcing expectations are set out in its Vendor Code of Conduct, which applies to vendors, suppliers, service providers, agents and subcontractors conducting business with BPMB. Compliance with the Code is mandatory as a condition of doing business with the Bank.

The Code was enhanced to strengthen vendor expectations on ethical conduct, environmental stewardship, labour and human rights, occupational health and safety, confidentiality, data protection, regulatory compliance and avoidance of activities linked to illegal deforestation or adverse impacts on sensitive ecosystems.

The Code also reinforces BPMB Group's zero-tolerance stance towards bribery, corruption, money laundering and unethical conduct. Vendors are required to comply with applicable anti-bribery and corruption laws, BPMB Group's policies and the principles under the Guidelines on Adequate Procedures pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act.

Supporting Local and Bumiputera Suppliers

As a DFI, BPMB recognises the role of procurement in supporting domestic supply chains and inclusive economic participation. In 2025, **82.4%** of total procurement spend[18] was directed to local suppliers[19]. Of this local supplier spend, **40.0%** was directed to Bumiputera suppliers[20].

This approach supports BPMB's development mandate while ensuring procurement decisions remain guided by governance, suitability and the Bank's procurement requirements. Moving forward, BPMB will continue to strengthen responsible sourcing practices, including through the progressive harmonisation of procurement policies, vendor expectations and sustainability considerations across the BPMB Group.

[18] *Total procurement spend refers to procurement expenditure incurred during the reporting year.*
[19] *Local suppliers refer to suppliers registered and operating in Malaysia.*
[20] *Bumiputera supplier spend is calculated as a percentage of total local supplier spend.*

MM10 — Data Security and Privacy

BPMB's approach to data security and privacy is supported by a structured IT governance, technology risk and data management framework. The Bank's IT Policy serves as the primary policy governing the planning, management and safeguarding of BPMB Group's IT environment and digital information.

The IT Policy is complemented by the Policy on Technology Risk Management, which supports the identification, assessment, management, monitoring and reporting of technology-related risks across BPMB Group. This is supported by internal frameworks and procedures across key IT and data governance areas. Technology and cybersecurity matters relevant to data security are overseen through the Bank's established governance structure, including Board and management-level committees. Further details on BPMB's governance are provided in the Statement of Corporate Governance section of this Report.

Managing Data Security Risks

BPMB applies a risk-based approach to managing data security risks, taking into account system criticality, operational dependencies, regulatory requirements and emerging risk exposures. This includes risk assessment, control implementation, monitoring, escalation and periodic review. Third-party technology risks are managed through the Bank's established outsourcing, procurement and third-party risk management processes. BPMB's broader approach to technology and operational risk management is discussed in the Risk Management section of this Report.

Data Privacy and Confidentiality

BPMB is committed to protecting personal data in accordance with the Personal Data Protection Act 2010. The Bank's Privacy Notice governs the collection, use, disclosure and processing of personal data for legitimate business purposes.

Employees are required to maintain information confidentiality and comply with applicable IT and data governance requirements. Awareness and communication activities are conducted on an ongoing basis to promote responsible handling of information and use of technology resources.

MM11 — Business Ethics and Integrity

BPMB Group is committed to conducting its business with integrity, accountability and transparency. Further details on the Group's corporate governance framework, Board oversight, internal controls and risk management practices are set out in the Governance section of this AIR.

BPMB Group adopts a zero-tolerance stance on bribery, corruption, fraud and all forms of misconduct, in compliance with applicable laws and regulatory requirements, including those issued by the Malaysian Anti-Corruption Commission ("MACC").

This commitment is operationalised through a robust governance framework comprising Board-approved policies applied consistently across the Group. Key instruments include the Anti-Bribery and Corruption Policy (incorporating the No Gift Policy), Corporate Integrity Pledge, Treat Customers Fairly Charter and Whistleblowing Policy, all of which collectively promote ethical conduct, transparency and accountability.

The Group undertakes the Corporate Integrity Pledge on a periodic basis to reinforce a culture of integrity and to mitigate risks of public fund leakage and abuse of power.

In parallel, the enhanced Code of Ethics and Conduct strengthens expectations on ethical behaviour, with greater emphasis on a speak-up culture, protection against retaliation and clear accountability of leadership in fostering an open and trusted environment.

BPMB Group continues to strengthen awareness and understanding of business ethics and compliance through internal communication, onboarding programmes, e-learning modules and targeted training initiatives. Integrity and compliance-related matters are further reinforced through periodic engagement sessions, awareness programmes and the Designated Compliance Officer ("DCO") network, supporting the Group's efforts to embed a culture of ethical conduct across the organisation.

The Group also maintains established whistleblowing and reporting channels that enable employees and external stakeholders to raise concerns relating to misconduct, unethical behaviour or regulatory breaches in a secure and confidential manner. All disclosures are subject to independent review and appropriate follow-up actions in accordance with the Group's whistleblowing procedures.

BPMB Group recorded zero confirmed incidents of corruption during the reporting period. Further details on BPMB Group's corporate governance practices are available in the Statement of Corporate Governance section of this Report.

MM12 — Social Responsibility as a National Development Partner

Corporate Social Responsibility ("CSR") - Creating Lasting Impact Beyond Financing

Building an inclusive, resilient and sustainable Malaysia requires more than capital investment alone. It requires purposeful action, responsible stewardship and meaningful partnerships that create opportunities, strengthen communities and generate lasting value for future generations.

As Malaysia's development financial institution, BPMB plays a pivotal role in advancing the nation's socioeconomic agenda by delivering impact capital that supports strategic sectors, catalyses business growth and strengthens economic resilience. In doing so, the Bank contributes towards the aspirations of the MADANI Economy framework and other national priorities, including the NIMP 2030, the NETR and the 12MP, all of which seek to foster inclusive growth, strengthen national competitiveness and improve the quality of life for all Malaysians.

Guided by our purpose of delivering impact capital that drives sustainable growth, advances national priorities and empowers businesses and communities, CSR is an integral extension of BPMB's development mandate. Beyond financing projects and enterprises that contribute to Malaysia's economic progress, we invest in initiatives that strengthen communities, expand opportunities and create lasting social impact. By integrating social responsibility into the way we operate, we reinforce our role as a catalyst for sustainable development while contributing to a more inclusive, resilient and equitable Malaysia.

A Strategic and Purpose-Driven Approach

Our approach to CSR is deliberate, structured and impact-driven. We recognise that creating meaningful change begins with understanding the needs and aspirations of the communities we serve. Through stakeholder engagement, research and community needs assessments, we identify areas where our interventions can create the greatest value, ensuring every programme is purposeful, relevant and capable of delivering measurable, sustainable outcomes.

Building on the foundation established in 2024, BPMB further refined its CSR strategy in 2025 to strengthen the alignment of its initiatives with the Bank's sustainability priorities, stakeholder expectations and development mandate. Our CSR framework is also aligned with the United Nations Sustainable Development Goals, reinforcing our commitment to supporting both national aspirations and global sustainable development outcomes.

Accordingly, our CSR initiatives are anchored on two (2) strategic pillars that reflect the breadth of our development mandate while addressing the evolving needs of society.

Community Development

Community Development lies at the heart of our CSR strategy. Through initiatives focused on education, healthcare, financial inclusion, socioeconomic empowerment, capacity building and sustainable livelihoods, we seek to strengthen resilience, expand opportunities and improve quality of life. By empowering individuals and communities to become more self-reliant, we contribute towards inclusive socioeconomic development and shared prosperity.

Environment

Environmental sustainability is fundamental to long-term resilience and sustainable economic growth. Through initiatives that promote environmental awareness and encourage responsible environmental practices, BPMB supports greater environmental stewardship while contributing to Malaysia's transition towards a greener, more resilient and sustainable future.

Delivering Meaningful Impact

Our commitment to creating shared value is reflected not only in the programmes we undertake, but also in the positive and lasting outcomes they deliver.

In 2025, BPMB invested **RM351,533.30** across **10** CSR initiatives, benefiting **774** beneficiaries nationwide. Our initiatives focused on expanding access to education, strengthening food security, improving healthcare, preserving cultural heritage and promoting financial empowerment, reinforcing our commitment to delivering meaningful and sustainable social impact.

Employee volunteerism continues to play a defining role in extending the reach and impact of our CSR efforts. During the year, BPMB employees contributed **9,936** volunteering hours, a significant increase from 1,536 hours recorded in 2024. This brings cumulative employee volunteering hours to **11,472**, representing approximately **23.0%** progress towards our aspiration of achieving 50,000 volunteering hours by 2030.

Whether responding to communities affected by natural disasters, celebrating festive occasions with underserved groups or empowering young Malaysians through education and leadership development, our employees continue to demonstrate that meaningful impact is achieved through collective action, compassion and a shared sense of purpose.

As BPMB continues to advance its development mandate, we remain committed to strengthening our CSR approach through strategic partnerships, active employee volunteerism and initiatives that create enduring value for businesses, communities and the nation. Together, we will continue delivering impact that extends well beyond financing, contributing towards a stronger, more inclusive and sustainable Malaysia.

Creating Shared Value in Action

Our CSR initiatives throughout 2025 demonstrate how purposeful action can create meaningful and lasting impact. From responding to communities in times of need to investing in future generations and fostering greater social inclusion, each initiative reflects BPMB's commitment to translating purpose into positive outcomes for the people and communities we serve.

Supporting Communities in Times of Need

Flood Relief Support

In response to severe flooding across Kelantan, Sabah and Sarawak, BPMB provided post-flood relief assistance amounting to **RM22,575.00**, benefiting **300** individuals and households.

The initiative provided timely support to help alleviate immediate hardships while contributing to community recovery and resilience. Beyond meeting urgent needs, it reaffirmed BPMB's commitment to standing alongside communities during times of adversity and supporting their journey towards recovery.

Empowering the Next Generation

Piala Pembangunan Oratory Competition 2025

Investing in future generations remains central to BPMB's commitment to nation-building. Through the Piala Pembangunan Oratory Competition 2025, BPMB contributed **RM167,209.45**, benefiting **153** students and participants nationwide.

The competition provided young Malaysians with a platform to strengthen their confidence, communication and critical thinking skills while encouraging thoughtful discourse on issues shaping the nation's future. By nurturing leadership potential and cultivating the confidence to express ideas with purpose, the initiative reflects BPMB's continued commitment to education, talent development and youth empowerment.

Fostering Inclusion through Community Engagement

Festive Community Outreach

BPMB also carried out festive community outreach activities in conjunction with Chinese New Year, Ramadan, Hari Raya Aidilfitri, Deepavali and Christmas, with a total contribution of **RM161,748.85**. These initiatives benefited **321** individuals from welfare homes, underserved communities and vulnerable groups.

While providing assistance during festive celebrations, these programmes also created opportunities to strengthen community bonds, foster social inclusion and encourage employee volunteerism. More importantly, they reinforced the values of compassion, unity and shared responsibility, reflecting BPMB's enduring commitment to building stronger, more caring and resilient communities.

Environmental initiatives are further elaborated under the ALAM section of this Report.

Zakat Contributions: Advancing Sustainability through Islamic Social Finance

In 2025, BPMB continued to uphold its societal obligations through a business zakat contribution of **RM13.7 million**, reflecting the Bank's role in advancing Islamic social finance and inclusive development. The zakat was managed by the Zakat Management Unit under Group Islamic Finance and distributed in accordance with Shariah principles, guided by BPMB's Policy on Business Zakat.

The distribution was subject to structured governance, with the Shariah Committee reviewing and approving the distribution amount, while the Board of Directors provided strategic oversight through the approval of the overall business zakat payment. This approach ensures that zakat distribution is carried out with accountability, transparency and alignment to the Bank's development mandate.

Of the total contribution, **RM8.6 million** was channelled to state zakat authorities to support state-level distribution efforts based on regional priorities and needs. The remaining funds were self-distributed by BPMB through targeted initiatives across four (4) key pillars, namely Education, Healthcare, Entrepreneurship and Basic Needs, as outlined in the table below:

BPMB's Key Self-Distributed Zakat Initiatives in FY2025

Pillar	FY2025 Focus and Selected Initiatives	Total Contribution	Beneficiaries	SDG Alignment
Education	BPMB supported education empowerment for asnaf students by reducing financial barriers and enabling better access to learning and professional pathways. Key initiatives included: • **The BAGUS UMMAH** contribution supported **50** undergraduate students across **five (5)** local public universities through the provision of full scholarships; • **AFIA–ACCA Professional Accounting Programme**, fully sponsored **three (3)** asnaf students at Universiti Poly-Tech Malaysia to pursue professional accounting qualifications;	**RM3.7 million**	**1,729**	1 No Poverty 4 Quality Education 10 Reduced Inequalities

Pillar	2025 Focus and Selected Initiatives	Total Contribution	Beneficiaries	SDG Alignment
	• **Back to School Programme**, providing essential school necessities to **931** asnaf fakir and miskin students across various states.			
Healthcare	BPMB enhanced access to critical healthcare support for asnaf patients through the provision of medical implants and devices for patients receiving treatment at Hospital Pakar Universiti Sains Malaysia. This initiative helped reduce medical-related financial burden and supported continuity of care.	**RM300,000**	**133**	1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING 10 REDUCED INEQUALITIES
Entrepreneurship	BPMB supported income generation among asnaf entrepreneurs through the SME Bank iTEKAD ISHRAF Programme, which provided seed grants together with structured and intensive entrepreneurial training. The programme aimed to equip beneficiaries with business skills, financial literacy and discipline to start and grow micro-businesses.	**RM1.0 million**	**420**	1 NO POVERTY 8 DECENT WORK AND ECONOMIC GROWTH
Basic Needs	BPMB addressed essential living conditions and emergency relief needs for asnaf fakir and miskin beneficiaries. Contributions under this pillar covered basic household assistance, housing-related needs and immediate relief, helping to strengthen community well-being and resilience.	**RM220,000**	**510**	1 NO POVERTY

Collectively, BPMB's self-distributed zakat initiatives supported **2,792** beneficiaries in 2025. Education remained the largest area of contribution, reflecting the Bank's focus on creating longer-term socio-economic mobility through access to learning, scholarships and professional development. The inclusion of entrepreneurship as a dedicated pillar further strengthened BPMB's role in supporting income generation and self-reliance among asnaf communities.

To strengthen impact measurement and accountability, all zakat-funded projects are assessed through MIND Zakat across four (4) key dimensions: 1) Recipient impact, 2) Socio-economic relevance, 3) BPMB Group priorities and 4) Contribution to national development plans and selected UN SDGs. The assessment considers factors such as direct beneficiaries, sustainability of support, access to essential needs, contribution to priority sectors and states with higher poverty rates or lower zakat collection, as well as broader support for national priorities.

Looking ahead to 2026, BPMB aims to strengthen the strategic deployment of zakat as part of its broader Group integration journey. This includes moving towards a more coordinated approach across BPMB, SME Bank and EXIM Bank, balancing long-term signature programmes, such as the BEST Microfinancing Programme, Back to School Assistance and BAGUS UMMAH Scholarship, with targeted initiatives that respond to emerging community needs, including medical equipment support, TVET upskilling and entrepreneurship development.

Developing Young Malaysian Talent

BPMB supports the development of young Malaysian talent through education assistance and graduate employability initiatives. These programmes are aligned with the Bank's role as a development financial institution and its broader contribution to national socio-economic progress.

BAGUS and Zakat-Funded Scholarships

The BPMB Award of Group's Undergraduate Scholarship Award ("BAGUS") programme supports high-potential Malaysian students pursuing undergraduate studies in fields relevant to the financial sector and national development priorities. The programme covers business-related disciplines, engineering and technology and other banking-related fields.

In 2025, BPMB awarded **three (3)** BAGUS scholarships, providing comprehensive financial support, covering tuition fees, living and book allowances, computer support, air travel and structured internship exposure. As at 31 December 2025, BPMB invested **RM5.2 million** to support scholars under BAGUS.

To extend access to higher education for deserving asnaf students, BPMB introduced BAGUS UMMAH, a zakat-funded extension of the BAGUS Scholarship Programme. In 2025, **RM2.4 million** was channelled through BAGUS UMMAH to support **50** asnaf undergraduate students across **five (5)** local public universities, in collaboration with Group Islamic Finance. Further details on BPMB's zakat-funded education initiatives are provided under the Zakat Contributions section of this Report.

Graduate Employability through MySTEP

BPMB also supports graduate employability through MySTEP. The programme provides graduates with short-term work exposure, training and mentorship to strengthen practical skills and readiness for employment. In 2025, BPMB engaged **22** MySTEP participants under the programme. Further details on MySTEP as part of BPMB's early-career talent pathway are provided under the Talent Attraction section of this Report.

BPMB targets to support 500 young Malaysian talents under BAGUS and MySTEP by 2030. As at 31 December 2025, the Bank had supported a cumulative total of **74** young talents under these programmes.

BAGUS Scholarships Awarded

FY2025	FY2024
3	16

Zakat-Funded Scholarships Awarded

FY2025	FY2024
53	50

Total Scholarships Awarded

FY2025	FY2024
56	66

Total BAGUS Scholarship Investment to Date

FY2025	FY2024
RM5.2 Million	RM3.9 Million

Total Young Talents Supported Under BAGUS and MySTEP

FY2025	FY2024
25	49

Amanah Lestari Alam ("ALAM")

ALAM is a tax-exempt environmental trust and company limited by guarantee established in 2020 as a national environmental initiative mooted by the Ministry of Finance and spearheaded by BPMB as its founding guarantor.

Operating as an independent not-for-profit organisation governed by an autonomous Board of Trustees, ALAM complements BPMB Group's sustainability agenda by promoting environmental stewardship, youth empowerment and community participation across Malaysia. Guided by its tagline, "Transforming Minds, Nurturing Hearts", ALAM seeks to inspire positive behavioural change and foster a culture of sustainability among Malaysians.

In 2025, ALAM marked its fifth year of operations, continuing its role as a national platform that bridges the gap between sustainability awareness and sustained action. Through public education, community-based initiatives, youth leadership programmes and involvement in national policy discussions, ALAM supports the translation of environmental aspirations into practical outcomes that contribute to Malaysia's sustainability priorities.

Since its inception, ALAM has expanded its reach through strategic partnerships with government agencies, educational institutions, civil society organisations and private sector stakeholders, enabling broader participation in environmental conservation and sustainable development initiatives.

ALAM's Impact

National-level outcomes, programme reach and targeted initiatives reflect the impact ALAM has delivered, translating sustainability awareness into practical action.

National Impact

- >3.0 Million people reached
- >RM20.0 Million total project value catalysed into initiatives
- RM3.3 Million fund mobilised
- >50 strategic collaborations
- 5 youth champions created
- ESD integrated into national policy

Programme Scale

>210 initiatives implemented

>181,400 Malaysians engaged

>60 conferences and engagements

National and global participations (COP, summits, dialogues, pocket talks)

>20,000 trees planted nationwide

National Policy Influence

ESD Integration

- Malaysia Education Plan 2026–2035
- Malaysia Higher Education Plan 2026–2035
- 13th Malaysia Plan

Catalysing Sustainable Behavioural Change

- 2022 National Budget Announcements
- 12th Malaysia Plan

ALAM's SDGs Alignment

ALAM's Focus Areas

Focus Areas	Descriptions	Initiatives
Public Education and Advocacy	Strengthening environmental literacy and climate discourse through national campaigns and platforms.	• Suara ALAM Conference • ALAM *Merubah Minda Time* Series • ALAM Instagram Challenge • Collaboration with key ministries • CARE 4 ALAM ("Culture, Awareness and Education") • National Climate Governance Summit ("NCGS")
Grants – Research, Education, Conservation and Rehabilitation	Supporting ecosystem restoration, education and community-led environmental action.	• Education for Sustainable Development ("ESD") • *Rumah Baca* – Indigenous Women Empowerment and Early Childhood Education • Sinar ALAM
Youth Capacity Building and Empowerment	Developing youth as sustainability leaders through structured programmes and global platforms.	• Youth Environment Living Labs ("YELL") • ALAM Be-Leaf Programme • National Young Reporters for the Environment ("NYRE") • Capacity Building Workshop for Educators on Climate Change Education • ALAM Be-Lead • Global Indigenous Youth Summit on Climate Change

Scaling the Next Phase of Impact

Building on the momentum and impact achieved over the past five (5) years, ALAM will roll out ALAM ReSet 2.0 (2026–2035), a 10-year strategic roadmap to scale sustainability impact nationwide. Anchored by Bank Negara Malaysia's Performance Measurement Framework ("PMF"), which places sustainability, ESG integration and impact-driven outcomes at the core of development finance, ALAM ReSet 2.0 will serve as a platform to translate these priorities into tangible, on-the-ground action. Through this roadmap, ALAM will accelerate climate-aligned initiatives and programmes while driving greater ESG adoption across businesses, communities and institutions.

The roadmap will introduce a more sustainable funding model and leverage digital platforms to deepen public engagement, strengthen capabilities and promote responsible environmental practices through stronger collaboration with policymakers, corporates and civil society. Looking ahead, ALAM will expand its footprint into marine conservation and the blue economy under its next strategic focus, "Protect the Green, Power the Blue," while sustaining its commitment to environmental education, responsible consumption and community-led action. ALAM will also introduce new initiatives, including Conversation with Nature (*Bicara ALAM*), further strengthening its role as a national platform for high-impact sustainability action.

More information on ALAM and its programmes can be found at https://alam.earth/.

TCFD Index

The following table provides an overview of BPMB's alignment with the recommendations of the TCFD.

TCFD pillars	Recommended disclosure	Disclosure reference	Page no.
Governance *Disclose the organisation's governance around climate-related issues and opportunities.*	• Describe the Board's oversight of climate-related risks and opportunities. • Describe management's role in assessing and managing climate-related risks and opportunities	Sustainability Governance	121
		Our Material Matters	122
		MM8 — Climate Change: Climate Governance	143
Strategy *Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material.*	• Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term. • Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning. • Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2-degree Celsius or lower scenario.	Our Material Matters	122
		MM3 — Mitigating Our Portfolio's Climate Impact	129
		MM4 — Renewable and Clean Energy	132
		MM8 — Climate Change: Climate Strategy	144
Risk management *Disclose how the organisation identifies, assesses and manages climate-related risks.*	• Describe the organisation's processes for identifying and assessing climate-related risks. • Describe the organisation's processes for managing climate-related risks. • Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Governance — Risk Management	98
		Sustainability Governance	121
		MM3 — Mitigating Our Portfolio's Climate Impact	129
		MM8 — Climate Change: Climate Risk Management	147
Metrics and targets *Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.*	• Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. • Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks. • Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	MM3 — Mitigating Our Portfolio's Climate Impact;	129
		MM8 — Climate Change: Climate Metrics and Targets	148
		MM8 — Climate Change: Our GHG Emissions	148
		MM8 — Climate Change: Managing Our Environmental Footprint	149

Sustainability Data Performance

INDICATORS		UOM	FY2025	FY2024
Pillar 1: Support Impactful National Development				
1	Number of projects financed that align with 12MP	Number	20	19
2	Total amount of financing aligned with 12MP themes	RM'billion	5.3	4.3
3	Number of jobs expected to be created from projects financed	Number	7,068	5,755
4	Number of affordable housing units expected to be constructed from projects financed	Number	500	2,132
5	Portfolio assessed using MIND Assessment Framework	%	100	100
6	Amount of financing on transition/green-related projects	RM'million	53.2	72.2
Pillar 2: Develop an Inclusive and Diverse Talent Pool				
7	Total number of employees	Number	533	551
8	Employee breakdown, by gender:			
	a) Male	%	46.3	47.0
	b) Female	%	53.7	53.0
9	Employee breakdown, by employment contract:			
	a) Permanent employees	%	95.7	96.0
	b) Temporary/contract employees	%	4.3	4.0
10	Breakdown of employees' employment contract, by gender:			
	a) Male			
	- Permanent employees	%	45.1	46.0
	- Temporary/contract employees	%	73.9	71.0
	b) Female			
	- Permanent employees	%	54.9	54.0
	- Temporary/contract employees	%	26.1	29.0
11	Number of fresh graduates hired	Number	10	5
12	Number of experienced professionals hired	Number	42	41
13	Number of MySTEP	Number	22	34
14	Number of interns hosted	Number	15	11
15	Total number of new hires	Number	52	46
16	New hire rate	%	9.8	9.3
17	Total training hours	Hours	17,553	35,200
18	Average training hours per employee	Hours	32.9	64.5
19	Total investment in employee training and development	RM'million	3.4	7.2
20	Breakdown of average training hours per employee, by gender			
	a) Male	Hours	33.3	39.2
	b) Female	Hours	32.6	38.0
21	Employee engagement score	%	69.3	69.0

INDICATORS		UOM	FY2025	FY2024
22	Voluntary turnover rate	%	13.3	9.8
23	Women in total workforce	%	53.7	53.2
24	Women in all management positions (including Managers, Senior Management and Top Executive levels)	%	46.5	41.3
25	Gender diversity, by employee category			
	a) Male			
	- Top Executive	%	75.0	84.6
	- Senior Management	%	56.1	57.0
	- Managers	%	45.8	42.3
	- Executives and Non-Executives	%	38.0	38.6
	b) Female			
	- Top Executive	%	25.0	15.4
	- Senior Management	%	43.9	43.0
	- Managers	%	54.2	57.7
	- Executives and Non-Executives	%	62.0	61.4
26	Age diversity, by employee category			
	a) <30 years old			
	- Top Executive	%	0.0	0.0
	- Senior Management	%	1.1	0.5
	- Managers	%	2.1	5.8
	- Executives and Non-Executives	%	21.2	17.8
	b) 30–50 years old			
	- Top Executive	%	41.7	61.5
	- Senior Management	%	66.7	70.0
	- Managers	%	80.2	79.8
	- Executives and Non-Executives	%	65.7	70.6
	c) >50 years old			
	- Top Executive	%	58.3	38.5
	- Senior Management	%	32.2	29.5
	- Managers	%	17.7	14.4
	- Executives and Non-Executives	%	13.1	11.6
27	Employees covered by collective bargaining agreements	%	9.2	9.5
28	Number of incidents of discrimination	Number	0	0
29	Total number of recordable work-related injuries	Number	1	2
30	Total work-related injury rate per 1,000,000 hours worked	Rate	0.93	1.82
31	Total number of fatalities	Number	0	0
32	Number of employee health and wellness activities conducted	Number	15	20

INDICATORS		UOM	FY2025	FY2024
Pillar 3: Drive Responsible Business Practices				
33	Scope 1 GHG emissions	tCO_2e	64.1	41.8
34	Scope 2 GHG emissions	tCO_2e	1,237.3	2,160.0
35	Total Scope 1 and Scope 2 GHG emissions	tCO_2e	1,301.4	2,201.8
36	Scope 3 GHG emissions	tCO_2e	212.8	167.6
37	Total energy consumption	GJ	7,653.5	10,057.6
38	Total water consumption[21]	m^3	12,686.1	-
39	Total waste generated[21]	MT	21.6	-
40	Proportion of procurement spend on local suppliers[21]	%	82.4	-
41	Proportion of local procurement spend directed to Bumiputera suppliers[21]	%	40.0	-
42	Total number and nature of confirmed incidents of corruption	Number	0	0
43	Amount invested in CSR activities	RM'million	0.35	0.4
44	Total number of beneficiaries of CSR activities	Number	774	2,717
45	Number of employee volunteering hours	Hours	9,936	1,536
46	Total amount of zakat contribution	RM'million	13.7	10.5
47	Total number of beneficiaries from self-distributed zakat	Number	2,792	4,700
48	BAGUS scholarships awarded	Number	3	16
49	Zakat-funded scholarships awarded	Number	53	50
50	Total scholarships awarded	Number	56	66
51	Total BAGUS scholarship investment to date	RM'million	5.2	3.9
52	Total young talents supported under BAGUS and MySTEP	Number	25	49

[21] *FY2025 represents the first year of data collection and reporting for this indicator. Accordingly, comparative data for FY2024 is not available.*

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