

**Kenanga Investment Bank Berhad**  
**(Company No. 197301002193 (15678-H))**

**Unaudited Condensed Interim Financial Statements**  
**30 June 2025**

**KENANGA INVESTMENT BANK BERHAD**  
**197301002193 (15678-H)**

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2025**

<u>Group</u>	Note	As at 30 June 2025 RM'000	As at 31 December 2024 RM'000
<b>ASSETS</b>			
Cash and bank balances	A11	2,140,261	2,098,059
Financial assets at fair value through profit or loss ("FVTPL")	A12	443,808	552,301
Financial investments at fair value through other comprehensive income ("FVOCI")	A13 (i)	733,120	868,573
Financial investments at amortised cost ("AC")	A13 (ii)	495,151	521,018
Derivative financial assets	B11	7,816	49,697
Loans, advances and financing	A14	1,746,781	1,823,852
Balances due from clients and brokers	A15	414,933	454,947
Other assets	A16	358,004	439,768
Statutory deposit with Bank Negara Malaysia	A17	36,770	73,768
Tax recoverable		37,350	37,251
Investment in associates		144,525	158,996
Investment in joint ventures		25,241	27,710
Property, plant and equipment		150,653	154,441
Intangible assets		340,920	341,040
Right-of-use assets		19,512	22,543
Deferred tax assets		25,663	32,949
<b>TOTAL ASSETS</b>		<b>7,120,508</b>	<b>7,656,913</b>
<b>LIABILITIES</b>			
Deposits from customers	A18	3,166,581	3,762,594
Deposits and placements of banks and other financial institutions	A19	813,321	729,835
Balances due to clients and brokers		927,730	1,012,438
Derivative financial liabilities	B11	38,398	60,133
Other liabilities	A20	481,281	659,717
Obligations on securities sold under repurchase agreements		433,782	69,514
Borrowings	A21	142,000	189,500
Lease liabilities		20,136	23,274
Provision for taxation and zakat		25,164	32,018
Deferred tax liabilities		44	48
<b>TOTAL LIABILITIES</b>		<b>6,048,437</b>	<b>6,539,071</b>

**KENANGA INVESTMENT BANK BERHAD**  
**197301002193 (15678-H)**

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2025**

<u>Group (cont'd.)</u>	Note	As at 30 June 2025 RM'000	As at 31 December 2024 RM'000
<b>EQUITY</b>			
Share capital		253,834	253,834
Treasury shares		(7,701)	(7,441)
Reserves		825,938	871,449
<b>TOTAL EQUITY</b>		<b>1,072,071</b>	<b>1,117,842</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS'</b>			
<b>EQUITY</b>			
		<b>7,120,508</b>	<b>7,656,913</b>
<b>Commitments and contingencies</b>	A29	5,108,112	6,442,908
<b>Net assets per share attributable to equity holders of the Bank (RM)</b>		<b>1.47</b>	<b>1.53</b>

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024.

**KENANGA INVESTMENT BANK BERHAD**  
**197301002193 (15678-H)**

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2025**

<u>Bank</u>	Note	As at 30 June 2025 RM'000	As at 31 December 2024 RM'000
<b>ASSETS</b>			
Cash and bank balances	A11	1,441,738	1,386,786
Financial assets at FVTPL	A12	444,956	553,541
Financial investments at FVOCI	A13 (i)	733,120	868,573
Financial investments at AC	A13 (ii)	495,151	521,018
Derivative financial assets	B11	7,816	49,697
Loans, advances and financing	A14	1,766,211	1,849,731
Balances due from clients and brokers	A15	414,797	454,837
Other assets	A16	165,543	219,144
Statutory deposit with Bank Negara Malaysia	A17	36,770	73,768
Tax recoverable		33,351	24,716
Investment in subsidiaries		77,812	77,812
Investment in associates		91,844	91,844
Investment in joint ventures		45,706	45,706
Property, plant and equipment		142,126	145,048
Intangible assets		331,856	333,576
Right-of-use assets		14,176	16,645
Deferred tax assets		3,481	11,169
<b>TOTAL ASSETS</b>		<b>6,246,454</b>	<b>6,723,611</b>
<b>LIABILITIES</b>			
Deposits from customers	A18	3,291,749	3,904,816
Deposits and placements of banks and other financial institutions	A19	813,321	729,835
Balances due to clients and brokers		250,142	360,633
Derivative financial liabilities	B11	38,398	60,133
Other liabilities	A20	250,396	338,078
Obligations on securities sold under repurchase agreements		433,782	69,514
Borrowings	A21	130,500	180,500
Lease liabilities		14,605	17,161
Provision for taxation and zakat		16,749	17,071
<b>TOTAL LIABILITIES</b>		<b>5,239,642</b>	<b>5,677,741</b>

**KENANGA INVESTMENT BANK BERHAD**  
**197301002193 (15678-H)**

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2025**

<u>Bank (cont'd.)</u>	Note	As at 30 June 2025 RM'000	As at 31 December 2024 RM'000
<b>EQUITY</b>			
Share capital		253,834	253,834
Treasury shares		(7,701)	(7,441)
Reserves		760,679	799,477
<b>TOTAL EQUITY</b>		<b>1,006,812</b>	<b>1,045,870</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS'</b>			
<b>EQUITY</b>			
		<b>6,246,454</b>	<b>6,723,611</b>
<b>Commitments and contingencies</b>	A29	5,201,974	6,538,731
<b>Net assets per share (RM)</b>		<b>1.38</b>	<b>1.44</b>

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024.

**KENANGA INVESTMENT BANK BERHAD**  
**197301002193 (15678-H)**

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	Note	Individual Quarter		Cumulative Quarters	
		3 months ended 30 June 2025 RM'000	3 months ended 30 June 2024 RM'000	6 months ended 30 June 2025 RM'000	6 months ended 30 June 2024 RM'000
<b>Group</b>					
Interest income	A22	67,645	65,871	136,880	128,497
Interest expense	A23	(47,424)	(49,225)	(98,075)	(95,739)
Net interest income		20,221	16,646	38,805	32,758
Net income from Islamic banking operations	A34	7,314	6,797	13,378	13,201
Other operating income	A24	124,354	163,363	254,840	303,767
Net income		151,889	186,806	307,023	349,726
Other operating expenses	A25	(140,884)	(168,300)	(279,587)	(312,834)
Operating profit		11,005	18,506	27,436	36,892
Credit loss expense	A26	(2,890)	(6,014)	(3,725)	(12,305)
Bad debts recovered	A27	119	902	483	2,197
		8,234	13,394	24,194	26,784
Share of results of associates and joint ventures		(942)	403	(1,550)	13,720
<b>Profit before taxation and zakat</b>		7,292	13,797	22,644	40,504
Taxation and zakat	B5	(5,009)	(4,427)	(10,594)	(8,306)
<b>Profit for the period</b>		2,283	9,370	12,050	32,198
Earnings per share:					
Basic (sen)	B8	0.31	1.29	1.65	4.44
Fully diluted (sen)	B8	0.31	1.29	1.65	4.42

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**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	Individual Quarter		Cumulative Quarters	
	3 months ended 30 June 2025 RM'000	3 months ended 30 June 2024 RM'000	6 months ended 30 June 2025 RM'000	6 months ended 30 June 2024 RM'000
<b>Group (cont'd.)</b>				
<b>Other comprehensive (loss)/income</b>				
Items that will not be reclassified subsequently to profit or loss:				
Net change in revaluation of equity instruments at FVOCI	(226)	(137)	(226)	(137)
Share of other comprehensive (loss)/income in associates	(4,037)	(1,418)	(2,335)	5,669
Income tax relating to the fair value changes on equity instruments	54	33	54	33
Items that will be reclassified subsequently to profit or loss:				
Foreign exchange differences on consolidation	(6,604)	(204)	(7,424)	3,154
Net change in revaluation of debt instruments at FVOCI	8,942	(2,188)	13,487	(1,485)
Income tax effect	(2,145)	463	(3,232)	302
Other comprehensive (loss)/ income for the period, net of tax	<u>(4,016)</u>	<u>(3,451)</u>	<u>324</u>	<u>7,536</u>
<b>Total comprehensive (loss)/ income for the period, net of tax</b>	<u><u>(1,733)</u></u>	<u><u>5,919</u></u>	<u><u>12,374</u></u>	<u><u>39,734</u></u>

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024.

**KENANGA INVESTMENT BANK BERHAD**  
**197301002193 (15678-H)**

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	Note	Individual Quarter		Cumulative Quarters	
		3 months ended 30 June 2025 RM'000	3 months ended 30 June 2024 RM'000	6 months ended 30 June 2025 RM'000	6 months ended 30 June 2024 RM'000
<b>Bank</b>					
Interest income	A22	64,723	62,995	130,691	122,995
Interest expense	A23	(48,180)	(50,404)	(99,917)	(98,641)
Net interest income		16,543	12,591	30,774	24,354
Net income from Islamic banking operations	A34	7,314	6,797	13,378	13,201
Other operating income	A24	73,308	120,295	144,250	204,272
Net income		97,165	139,683	188,402	241,827
Other operating expenses	A25	(87,240)	(118,211)	(167,907)	(215,531)
Operating profit		9,925	21,472	20,495	26,296
Credit loss expense	A26	(4,465)	(6,449)	(6,734)	(11,640)
Bad debts recovered	A27	119	902	483	2,197
<b>Profit before taxation and zakat</b>		5,579	15,925	14,244	16,853
Taxation and zakat		(2,059)	(2,984)	(4,805)	(3,755)
<b>Profit for the period</b>		3,520	12,941	9,439	13,098
<b>Other comprehensive income/(loss)</b>					
Items that will not be reclassified subsequently to profit or loss:					
Net change in revaluation of equity instruments at FVOCI		(226)	(137)	(226)	(137)
Income tax effect		54	33	54	33
Items that will be reclassified subsequently to profit or loss:					
Net change in revaluation of debt instruments at FVOCI		8,942	(2,188)	13,487	(1,485)
Income tax effect		(2,145)	463	(3,232)	302
Other comprehensive income/(loss) for the period, net of tax		6,625	(1,829)	10,083	(1,287)
<b>Total comprehensive income for the period, net of tax</b>		10,145	11,112	19,522	11,811

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024.

**KENANGA INVESTMENT BANK BERHAD**  
**197301002193 (15678-H)**

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

Group	Non- Distributable					Distributable		Total Equity RM'000	
	Ordinary Shares RM'000	ESS Reserve RM'000	Fair Value Reserve RM'000	Regulatory Reserve RM'000	Exchange Reserve RM'000	Capital Reserve RM'000	Treasury Shares RM'000		Retained Profits RM'000
<b>At 1 January 2025</b>	253,834	448	9,552	16,748	25,062	88,938	(7,441)	730,701	1,117,842
Net profit for the financial period	-	-	-	-	-	-	-	12,050	12,050
Share of other comprehensive (loss)/income of associates	-	-	(2,654)	-	-	-	-	319	(2,335)
Other comprehensive income/(loss)	-	-	10,083	-	(7,424)	-	-	-	2,659
Total comprehensive income/(loss)	-	-	7,429	-	(7,424)	-	-	12,369	12,374
Share-based payment under Employees' Share Scheme ("ESS")	-	(38)	-	-	-	-	-	-	(38)
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	-	(260)	(15)	(275)
Transfer (to)/from retained profits	-	(5)	-	805	-	-	-	(800)	-
Dividend paid	-	-	-	-	-	-	-	(58,267)	(58,267)
Disposal of an associate	-	-	-	-	435	-	-	-	435
<b>At 30 June 2025</b>	<b>253,834</b>	<b>405</b>	<b>16,981</b>	<b>17,553</b>	<b>18,073</b>	<b>88,938</b>	<b>(7,701)</b>	<b>683,988</b>	<b>1,072,071</b>

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**KENANGA INVESTMENT BANK BERHAD**  
**197301002193 (15678-H)**

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

Group	Non- Distributable					Distributable		Total Equity RM'000	
	Ordinary Shares RM'000	ESS Reserve RM'000	Fair Value Reserve RM'000	Regulatory Reserve RM'000	Exchange Reserve RM'000	Capital Reserve RM'000	Treasury Shares RM'000		Retained Profits RM'000
<b>At 1 January 2024</b>	253,834	1,317	6,849	16,064	28,836	88,938	(11,739)	686,876	1,070,975
Net profit for the financial period	-	-	-	-	-	-	-	32,198	32,198
Share of other comprehensive income of associates	-	-	4,378	-	-	-	-	1,291	5,669
Other comprehensive (loss)/income	-	-	(1,287)	-	3,154	-	-	-	1,867
Total comprehensive income	-	-	3,091	-	3,154	-	-	33,489	39,734
Share-based payment under ESS	-	72	-	-	-	-	-	-	72
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	-	1,079	(456)	623
Transfer (to)/from retained profits	-	(123)	-	329	-	-	-	(206)	-
Dividend paid	-	-	-	-	-	-	-	(50,852)	(50,852)
<b>At 30 June 2024</b>	<b>253,834</b>	<b>1,266</b>	<b>9,940</b>	<b>16,393</b>	<b>31,990</b>	<b>88,938</b>	<b>(10,660)</b>	<b>668,851</b>	<b>1,060,552</b>

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**KENANGA INVESTMENT BANK BERHAD**  
**197301002193 (15678-H)**

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

	Non- Distributable					Distributable		Total Equity RM'000
	Ordinary Shares RM'000	ESS Reserve RM'000	Fair Value Reserve RM'000	Regulatory Reserve RM'000	Capital Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000	
<b>Bank</b>								
<b>At 1 January 2025</b>	253,834	448	309	16,748	153,863	(7,441)	628,109	1,045,870
Net profit for the financial period	-	-	-	-	-	-	9,439	9,439
Other comprehensive income	-	-	10,083	-	-	-	-	10,083
Total comprehensive income	-	-	10,083	-	-	-	9,439	19,522
Share-based payment under ESS	-	(38)	-	-	-	-	-	(38)
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	(260)	(15)	(275)
Transfer (to)/from retained profits	-	(5)	-	805	-	-	(800)	-
Dividend paid	-	-	-	-	-	-	(58,267)	(58,267)
<b>At 30 June 2025</b>	<b>253,834</b>	<b>405</b>	<b>10,392</b>	<b>17,553</b>	<b>153,863</b>	<b>(7,701)</b>	<b>578,466</b>	<b>1,006,812</b>

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024.

**KENANGA INVESTMENT BANK BERHAD**  
**197301002193 (15678-H)**

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

	Non- Distributable					Distributable		Total Equity RM'000
	Ordinary Shares RM'000	ESS Reserve RM'000	Fair Value Reserve RM'000	Regulatory Reserve RM'000	Capital Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000	
<b>Bank</b>								
<b>At 1 January 2024</b>	253,834	1,317	2,856	16,064	153,863	(11,739)	609,024	1,025,219
Net profit for the financial period	-	-	-	-	-	-	13,098	13,098
Other comprehensive loss	-	-	(1,287)	-	-	-	-	(1,287)
Total comprehensive (loss)/income	-	-	(1,287)	-	-	-	13,098	11,811
Share-based payment under ESS	-	72	-	-	-	-	-	72
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	1,079	(456)	623
Transfer (to)/from retained profits	-	(123)	-	329	-	-	(206)	-
Dividend paid	-	-	-	-	-	-	(50,852)	(50,852)
<b>At 30 June 2024</b>	<b>253,834</b>	<b>1,266</b>	<b>1,569</b>	<b>16,393</b>	<b>153,863</b>	<b>(10,660)</b>	<b>570,608</b>	<b>986,873</b>

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024.

**KENANGA INVESTMENT BANK BERHAD**  
**197301002193 (15678-H)**

**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>				
<b>Profit before taxation and zakat</b>	22,644	40,504	14,244	16,853
<b>Adjustments for:</b>				
Depreciation of property, plant and equipment	5,118	5,649	4,165	4,829
Amortisation of intangible assets	5,011	4,335	3,370	3,487
Amortisation of right-of-use assets	3,702	3,949	2,988	3,260
Lease interest expenses	553	689	392	553
ESS (reversal)/expense	(22)	54	(22)	54
Credit loss expense	3,725	12,305	6,734	11,640
Property, plant and equipment written off	-	37	-	2
Net gain/(loss) on derecognition of right-of-use assets & lease liabilities	(57)	-	16	-
Loss on disposal of an associate	99	-	-	-
<b>Non-cash items</b>	<b>18,129</b>	<b>27,018</b>	<b>17,643</b>	<b>23,825</b>
Net gain from sale of financial assets at FVTPL and derivatives	(73,157)	(57,032)	(71,614)	(55,756)
Net gain from sale of financial instruments at FVOCI	(4,627)	(1,504)	(4,627)	(1,504)
Gross dividend income from investments	(581)	(1,442)	(5,598)	(10,488)
Unrealised loss on revaluation of financial assets at FVTPL and derivatives	37,183	12,408	37,282	10,843
Gain on disposal of property, plant and equipment	(22)	-	(22)	-
Share of results of associates and joint ventures	1,550	(13,720)	-	-
<b>Non-operating items - investing</b>	<b>(39,654)</b>	<b>(61,290)</b>	<b>(44,579)</b>	<b>(56,905)</b>
Adjustments for non-operating and non-cash items	(21,525)	(34,272)	(26,936)	(33,080)
Operating profit/(loss) before working capital changes	1,119	6,232	(12,692)	(16,227)

**KENANGA INVESTMENT BANK BERHAD**  
**197301002193 (15678-H)**

**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	Group		Bank	
	30 June 2025 RM'000	30 June 2024 RM'000	30 June 2025 RM'000	30 June 2024 RM'000
<b>Changes in working capital:</b>				
Net changes in operating assets	265,359	(174,402)	176,881	11,262
Net changes in operating liabilities	(410,984)	480,569	(363,516)	342,047
Cash (used in)/generated from operations	(144,506)	312,399	(199,327)	337,082
Taxation and zakat paid	(13,443)	(8,751)	(9,252)	(1,574)
Rental/lease interest payment	(553)	(689)	(392)	(553)
<b>Net operating cash flow</b>	<u>(158,502)</u>	<u>302,959</u>	<u>(208,971)</u>	<u>334,955</u>
<b>Cash flows from investing activities</b>				
Dividends received	5,598	4,989	37,598	10,488
Purchase of property, plant equipment and intangible assets	(6,437)	(12,235)	(3,107)	(9,455)
Proceeds from disposal of property, plant and equipment and intangible assets	238	-	237	-
Net sales/(purchase) of securities	344,111	(93,350)	342,560	(94,626)
<b>Net investing cash flow</b>	<u>343,510</u>	<u>(100,596)</u>	<u>377,288</u>	<u>(93,593)</u>
<b>Cash flows from financing activities</b>				
Dividend paid	(58,267)	-	(58,267)	-
Repayment of lease liabilities	(3,752)	(3,966)	(3,091)	(3,184)
Net repayment of borrowings	(47,500)	-	(50,000)	-
Share buy-back	(297)	-	(297)	-
Proceeds from exercise of ESS	22	623	22	623
<b>Net financing cash flow</b>	<u>(109,794)</u>	<u>(3,343)</u>	<u>(111,633)</u>	<u>(2,561)</u>
<b>Net change in cash and cash equivalents during the financial period</b>	75,214	199,020	56,684	238,801
<b>Cash and cash equivalents brought forward</b>	<u>1,305,007</u>	<u>949,750</u>	<u>1,299,196</u>	<u>885,705</u>
<b>Cash and cash equivalents carried forward</b>	<u>1,380,221</u>	<u>1,148,770</u>	<u>1,355,880</u>	<u>1,124,506</u>

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**197301002193 (15678-H)**

**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash and short-term funds, excluding segregated funds from customers, deposits and monies held in trust on behalf of dealer's representatives. Cash and cash equivalents included in the statements of cash flows comprise of the following amounts in the statements of financial position:

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and short-term funds	1,887,127	1,633,632	1,199,593	1,116,422
Deposits and placements with banks and other financial institutions	253,134	105,029	242,145	94,380
Less: Segregated funds from customers	(509,504)	(358,810)	-	-
Less: Monies and short-term deposits held in trust on behalf of dealers' representatives	(96,742)	(86,296)	(85,858)	(86,296)
Less: Monies and short-term deposits held in trust on behalf of funds' clients	(153,694)	(144,785)	-	-
Less: Deposits more than 3 months	(100)	-	-	-
	<u>1,380,221</u>	<u>1,148,770</u>	<u>1,355,880</u>	<u>1,124,506</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A1. Basis Of Preparation**

The interim financial statements for the financial period ended 30 June 2025 have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") Accounting Standard 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements have also incorporated those activities relating to the Islamic banking business undertaken by the Group.

The material accounting policies adopted in preparing these interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2024. The Group has not adopted any other standard, interpretation or amendment that have been issued but not effective yet.

**A2. Condensed financial statements**

The interim financial statements have been prepared on a condensed basis and as such should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2024.

**A3. Preceding financial year audit report**

The preceding financial year audit report in respect of the financial year ended 31 December 2024 was not qualified by the external auditors.

**A4. Seasonal or Cyclical Factors**

The Group's performance was mainly dependent on Bursa Malaysia trading volume and value which in turn were affected by market sentiment and the country's macro economic conditions.

**A5. Nature and amounts in relation to assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence**

There were no exceptional items which have affected the assets, liabilities, equity, net income or cash flows.

**A6. Changes in the nature and amount of estimated figures reported in prior interim periods and financial years**

There were no changes made to the estimated figures reported in prior interim periods and financial years.

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A7. Issuance, cancellation, repurchase, resale or repayment of debt and equity securities**

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the financial period ended 30 June 2025 other than the followings:

- a) transfer of 37,000 units of treasury shares to staff pursuant to the exercise of ESS.
- b) the Bank repurchased 346,700 ordinary shares of its issued share capital from the open market at an average cost of RM0.856 per share. The total consideration paid for the share buy-back, including transaction costs was RM0.30 million, and was financed by internally generated fund.

As at 30 June 2025, the number of treasury shares held was 7,767,500 shares.

- c) on 20 March 2025, the Bank has fully redeemed the tranche 4 of its Subordinated Notes with nominal value of RM50 million which was issued on 20 March 2020 under the Tier 2 Subordinated Notes Programme.
- d) on 11 June 2025, the Bank has established Additional Tier 1 Capital Securities under an AT1CS Programme of up to RM500 million in nominal value.

**A8. Dividends paid per share**

An interim dividend of 8.0 sen per share in respect of the financial year ended 31 December 2024, which amounted to RM58,346,744 was paid on 16 April 2025.

**A9. Significant event during and subsequent to the interim financial period**

There was no significant event during and subsequent to the interim financial period.

**A10. Changes in composition of the Group**

There were no changes in the composition of the Group during the interim financial period other than the below:-

On 25 March 2025, K & N Kenanga Holdings Berhad ("KNKH"), a wholly owned subsidiary of the Bank, had fully disposed its 4,500,000 shares in Kenanga Investment Corporation Limited ("KICL") representing 45% of the issued and paidup share capital of KICL for a total consideration of LKR34,470,000 (equivalent to RM517,000). Arising therefrom, KICL has ceased to be an associate company of KNKH. The disposal resulted in net loss of RM99,000 to the Group.

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	Group		Bank	
	As at 30 June 2025 RM'000	As at 31 December 2024 RM'000	As at 30 June 2025 RM'000	As at 31 December 2024 RM'000
<b>A11. Cash and bank balances</b>				
Cash and balances with banks and other financial institutions	657,288	822,675	177,200	206,301
Money at call and deposit placements	1,482,973	1,275,384	1,264,538	1,180,485
	<b>2,140,261</b>	<b>2,098,059</b>	<b>1,441,738</b>	<b>1,386,786</b>
Included in cash and bank balances are:				
Cash and cash equivalents	1,380,221	1,305,007	1,355,880	1,299,196
Monies held in trust on behalf of funds' clients, dealers' representatives and segregated funds for customers	759,940	792,952	85,858	87,590
Deposits more than 3 months	100	100	-	-
	<b>2,140,261</b>	<b>2,098,059</b>	<b>1,441,738</b>	<b>1,386,786</b>
<b>A12. Financial assets at FVTPL</b>				
<b>At fair value</b>				
<b>Quoted Securities:</b>				
Shares and funds in Malaysia	176,748	275,869	175,822	274,906
Shares and funds outside Malaysia	13,354	21,415	13,354	21,415
	<b>190,102</b>	<b>297,284</b>	<b>189,176</b>	<b>296,321</b>
<b>Unquoted Securities:</b>				
Shares and funds in Malaysia	<b>253,706</b>	<b>255,017</b>	<b>255,780</b>	<b>257,220</b>
<b>Total financial assets at FVTPL</b>	<b>443,808</b>	<b>552,301</b>	<b>444,956</b>	<b>553,541</b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**Group and Bank**  
**As at As at**  
**30 June 31 December**  
**2025 2024**  
**RM'000 RM'000**

**A13. Financial investments other than those measured at FVTPL**

**(i) Financial investments at FVOCI**

**At fair value**

**Money market instruments:**

Malaysian Government Securities	190,186	291,869
Malaysian Government Investment Certificates	326,921	402,651
	517,107	694,520

**Equity instruments in Malaysia:**

Unquoted Shares	1,196	1,421
	1,196	1,421

**Debt instruments in Malaysia:**

Islamic Corporate Sukuk	179,116	137,238
Corporate Bonds	35,701	35,394
	214,817	172,632

**Total financial investments at FVOCI**

**733,120 868,573**

Included in financial investments at FVOCI are financial assets sold under repurchase agreements as follows:

Malaysian Government Securities	19,931	-
Malaysian Government Investment Certificates	80,305	-
	100,236	-

**Impairment losses on debt instruments measured at FVOCI**

**Group and Bank**

	<b>2025</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Movements in Expected Credit Loss ("ECL")</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
As at 1 January 2025	539	-	-	539
Net remeasurement of allowances	24	-	-	24
As at 30 June 2025	563	-	-	563

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A13. Financial investments other than those measured at FVTPL (cont'd.)**

**(i) Financial investments at FVOCI (cont'd.)**

**Impairment losses on debt instruments measured at FVOCI (cont'd.)**

**Group and Bank**

<b>Movements in ECL</b>	<b>2024</b>			
	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	<b>Total RM'000</b>
As at 1 January 2024	1,460	-	-	1,460
New assets originated or purchased	86	-	-	86
Net remeasurement of allowances	(409)	-	-	(409)
Assets derecognised or matured (excluding write-offs)	(491)	-	-	(491)
Changes in model assumption or methodology	(107)	-	-	(107)
As at 31 December 2024	539	-	-	539

<b>Group and Bank</b>	
<b>As at 30 June 2025 RM'000</b>	<b>As at 31 December 2024 RM'000</b>

**(ii) Financial investments at AC**

**At cost**

**Money market instruments:**

Malaysian Government Securities	125,411	125,560
Malaysian Government Investment Certificates	260,293	260,201
	<u>385,704</u>	<u>385,761</u>

**Debt instruments in Malaysia:**

Islamic Corporate Sukuk	110,288	136,411
Less: Allowance for ECL	(841)	(1,154)
	<u>109,447</u>	<u>135,257</u>

**Total financial investments at AC**

**495,151      521,018**

Included in financial investments at AC are financial assets sold under repurchase agreements as follows:

Malaysian Government Securities	123,359	-
Malaysian Government Investment Certificates	210,187	69,514
	<u>333,546</u>	<u>69,514</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A13. Financial investments other than those measured at FVTPL (cont'd.)**

**(ii) Financial investments at AC (cont'd.)**

**Impairment losses on debt instruments measured at Amortised Cost ("AC")**

**Group and Bank**

	<b>2025</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Movements in ECL</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
As at 1 January 2025	1,154	-	-	1,154
Net remeasurement of allowances	(313)	-	-	(313)
As at 30 June 2025	841	-	-	841

  

	<b>2024</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Movements in ECL</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
As at 1 January 2024	-	-	-	-
New assets purchased	394	-	-	394
Net remeasurement of allowances	760	-	-	760
As at 31 December 2024	1,154	-	-	1,154

	<b>Group</b>		<b>Bank</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>A14. Loans, advances and financing</b>				
<b>At AC</b>				
Share margin financing	1,094,409	1,148,571	1,094,409	1,148,571
Term loans/financing	637,679	651,153	650,706	664,182
Subordinated term loan	-	-	40,077	45,140
Other lending and factoring receivables	32,858	31,373	-	-
Gross loans, advances and financing	1,764,946	1,831,097	1,785,192	1,857,893
Less: Allowance for ECL				
- Stage 1- 12-month ECL	(618)	(803)	(1,434)	(1,720)
- Stage 2- Lifetime ECL non-credit impaired	-	(750)	-	(750)
- Stage 3- Lifetime ECL credit impaired	(17,547)	(5,692)	(17,547)	(5,692)
<b>Net loans, advances and financing</b>	<b>1,746,781</b>	<b>1,823,852</b>	<b>1,766,211</b>	<b>1,849,731</b>

NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

	Group		Bank	
	As at 30 June 2025 RM'000	As at 31 December 2024 RM'000	As at 30 June 2025 RM'000	As at 31 December 2024 RM'000
<b>A14. Loans, advances and financing (cont'd.)</b>				
<b>(i) By Type of Customer</b>				
Domestic business enterprises				
- Small and medium enterprises	248,164	208,829	232,139	194,310
- Others	447,373	496,095	500,477	554,265
Individuals	1,069,409	1,126,173	1,052,576	1,109,318
<b>Gross loans, advances and financing</b>	<b>1,764,946</b>	<b>1,831,097</b>	<b>1,785,192</b>	<b>1,857,893</b>
<b>(ii) By Geographical Distribution</b>				
In Malaysia	1,762,860	1,827,771	1,783,106	1,854,567
Outside Malaysia	2,086	3,326	2,086	3,326
<b>Gross loans, advances and financing</b>	<b>1,764,946</b>	<b>1,831,097</b>	<b>1,785,192</b>	<b>1,857,893</b>
<b>(iii) By Interest Rate/ Profit Rate Sensitivity</b>				
Fixed rate				
- Other fixed rate loans	1,127,267	1,179,944	1,094,409	1,148,571
Variable rate				
- Other variable rates	637,679	651,153	690,783	709,322
<b>Gross loans, advances and financing</b>	<b>1,764,946</b>	<b>1,831,097</b>	<b>1,785,192</b>	<b>1,857,893</b>
<b>(iv) By Purpose</b>				
Purchase of securities	1,329,185	1,346,448	1,329,185	1,346,448
Working capital	107,057	121,916	153,636	178,073
Others	328,704	362,733	302,371	333,372
<b>Gross loans, advances and financing</b>	<b>1,764,946</b>	<b>1,831,097</b>	<b>1,785,192</b>	<b>1,857,893</b>

NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

	Group		Bank	
	As at 30 June 2025 RM'000	As at 31 December 2024 RM'000	As at 30 June 2025 RM'000	As at 31 December 2024 RM'000
<b>A14. Loans, advances and financing (cont'd.)</b>				
<b>(v) By Residual Contractual Maturity</b>				
Within one year	1,404,370	1,479,606	1,403,650	1,473,852
More than one year	360,576	351,491	381,542	384,041
<b>Gross loans, advances and financing</b>	<b>1,764,946</b>	<b>1,831,097</b>	<b>1,785,192</b>	<b>1,857,893</b>
<b>(vi) Movements in impaired loans, advances and financing ("Impaired LAF")</b>				
At beginning of the financial period	98,415	61,471	94,150	57,041
Impaired during the financial period	22,019	52,157	12,518	52,157
Amount recovered during the financial period	(5,824)	(15,213)	(5,805)	(15,048)
At end of the financial period	114,610	98,415	100,863	94,150
Less: Allowance for ECL	(17,547)	(5,692)	(17,547)	(5,692)
Net impaired LAF	97,063	92,723	83,316	88,458
Net impaired LAF as a % of net loans, advances and financing	<b>5.56%</b>	<b>5.08%</b>	<b>4.72%</b>	<b>4.78%</b>
<b>(vii) Impaired LAF by Geographical Distribution</b>				
In Malaysia	114,610	98,415	100,863	94,150
<b>(viii) Impaired LAF by Purpose</b>				
Purchase of securities	87,756	94,150	87,756	94,150
Others	26,854	4,265	13,107	-
Gross impaired loans	114,610	98,415	100,863	94,150

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A14. Loans, advances and financing (cont'd.)**

**(ix) Impairment allowance for loans, advances and financing are as follows:**

An analysis of changes in the ECL allowances in relation to share margin financing is as follows:

**Share margin financing**

**Group and Bank**

	<b>2025</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Movements in ECL</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
As at 1 January 2025	-	-	5,692	5,692
New assets originated or purchased	-	-	33	33
Assets derecognised or repaid (excluding write-offs)	-	-	487	487
Net remeasurement of allowances	-	-	9,576	9,576
As at 30 June 2025	-	-	15,788	15,788
	<b>2024</b>			
<b>Movements in ECL</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Movements in ECL</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
As at 1 January 2024	-	-	3,296	3,296
New assets originated or purchased	-	-	5,394	5,394
Assets derecognised or repaid (excluding write-offs)	-	-	(2,235)	(2,235)
Net remeasurement of allowances	-	-	(763)	(763)
As at 31 December 2024	-	-	5,692	5,692

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A14. Loans, advances and financing (cont'd.)**

(ix) Impairment allowance for loans, advances and financing are as follows (cont'd.):

**Term loan/financing and subordinated term loan**

**Group**

	<b>2025</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Movements in ECL</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
As at 1 January 2025	803	750	-	1,553
New assets originated or purchased	3	-	1	4
Assets derecognised or repaid (excluding write-offs)	(27)	-	-	(27)
Net remeasurement of allowances	(161)	-	1,008	847
Transfer of stages	-	(750)	750	-
As at 30 June 2025	<u>618</u>	<u>-</u>	<u>1,759</u>	<u>2,377</u>

	<b>2024</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Movements in ECL</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
As at 1 January 2024	537	2,741	-	3,278
New assets originated or purchased	98	-	-	98
Assets derecognised or repaid (excluding write-offs)	(53)	-	-	(53)
Net remeasurement of allowances	221	(1,991)	-	(1,770)
As at 31 December 2024	<u>803</u>	<u>750</u>	<u>-</u>	<u>1,553</u>

**Bank**

	<b>2025</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Movements in ECL</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
As at 1 January 2025	1,720	750	-	2,470
New assets originated or purchased	16	-	1	17
Assets derecognised or repaid (excluding write-offs)	(48)	-	-	(48)
Net remeasurement of allowances	(254)	-	1,008	754
Transfer of stages	-	(750)	750	-
As at 30 June 2025	<u>1,434</u>	<u>-</u>	<u>1,759</u>	<u>3,193</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A14. Loans, Advances and Financing (cont'd.)**

**(ix) Impairment allowance for loans, advances and financing are as follows (cont'd.):**

An analysis of changes in the ECL allowances in relation to other loans and financing is as follows:

**Bank**

<b>Movements in ECL</b>	<b>2024</b>			<b>Total RM'000</b>
	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	
As at 1 January 2024	680	2,741	-	3,421
New assets originated or purchased	149	-	-	149
Assets derecognised or repaid (excluding write-offs)	(59)	-	-	(59)
Net remeasurement of allowances	950	(1,991)	-	(1,041)
As at 31 December 2024	1,720	750	-	2,470

<b>Group</b>		<b>Bank</b>	
<b>As at 30 June 2025 RM'000</b>	<b>As at 31 December 2024 RM'000</b>	<b>As at 30 June 2025 RM'000</b>	<b>As at 31 December 2024 RM'000</b>

**A15. Balances due from clients and brokers**

Balances due from clients and brokers	432,726	473,299	432,590	473,189
Less: Allowance for ECL	(17,793)	(18,352)	(17,793)	(18,352)
	<b>414,933</b>	<b>454,947</b>	<b>414,797</b>	<b>454,837</b>

An analysis of changes in the ECL allowances in relation to balance due from clients and brokers is as follows:

**Group and Bank**

<b>Movements in ECL</b>	<b>2025</b>		<b>Total RM'000</b>
	<b>Non-Credit Impaired RM'000</b>	<b>Credit- Impaired RM'000</b>	
As at 1 January 2025	1,525	16,827	18,352
Charged during the financial period	96	38	134
Written back during the financial period	(93)	(299)	(392)
Written off during the financial period	-	(301)	(301)
As at 30 June 2025	1,528	16,265	17,793

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A15. Balances due from clients and brokers (cont'd.)**

An analysis of changes in the ECL allowances in relation to balance due from clients and brokers is as follows (cont'd.):

**Group and Bank**

<b>Movements in ECL</b>	<b>2024</b>		
	<b>Non-Credit Impaired RM'000</b>	<b>Credit- Impaired RM'000</b>	<b>Total RM'000</b>
As at 1 January 2024	1,553	1,255	2,808
Charged during the financial period	263	2,801	3,064
Written back during the financial period	(291)	(566)	(857)
Net remeasurement of allowances	-	13,337	13,337
As at 31 December 2024	1,525	16,827	18,352

<b>Group</b>		<b>Bank</b>	
<b>As at 30 June 2025 RM'000</b>	<b>As at 31 December 2024 RM'000</b>	<b>As at 30 June 2025 RM'000</b>	<b>As at 31 December 2024 RM'000</b>

**A16. Other assets**

Assets segregated for customers	169,552	225,773	-	-
Interest/income receivable	13,630	14,029	13,471	13,862
Prepayments and deposits	21,717	20,055	17,226	15,442
Other debtors	182,622	225,851	93,983	133,004
Dividend receivable from subsidiaries	-	-	-	32,000
Treasury trade receivables	44,160	29,904	44,160	29,904
Amount due from subsidiaries	-	-	36,567	33,866
Amount due from related parties	144	79	144	79
	<b>431,825</b>	<b>515,691</b>	<b>205,551</b>	<b>258,157</b>
Allowance for ECL				
- Other debtors	(73,821)	(75,923)	(39,153)	(38,507)
- Amount due from subsidiaries	-	-	(855)	(506)
	<b>358,004</b>	<b>439,768</b>	<b>165,543</b>	<b>219,144</b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A16. Other assets (cont'd.)**

An analysis of changes in the ECL allowances in relation to other debtors is as follows:

**Group**

	<b>2025</b>		
	<b>Non-Credit Impaired RM'000</b>	<b>Credit- Impaired RM'000</b>	<b>Total RM'000</b>
<b>Movements in ECL</b>			
As at 1 January 2025	109	75,814	75,923
New assets originated or purchased	169	156	325
Assets derecognised or repaid (excluding write-offs)	-	(3,486)	(3,486)
Transfer of stages	(172)	172	-
Net remeasurement of allowances	-	1,059	1,059
As at 30 June 2025	106	73,715	73,821

	<b>2024</b>		
	<b>Non-Credit Impaired RM'000</b>	<b>Credit Impaired RM'000</b>	<b>Total RM'000</b>
<b>Movements in ECL</b>			
As at 1 January 2024	141	35,594	35,735
New assets originated or purchased	466	25,838	26,304
Assets derecognised or repaid (excluding write-offs)	-	(6,880)	(6,880)
Transfer of stages	(498)	498	-
Net remeasurement of allowances	-	23,384	23,384
Amounts written off	-	(2,620)	(2,620)
As at 31 December 2024	109	75,814	75,923

**Bank**

	<b>2025</b>		
	<b>Non-Credit Impaired RM'000</b>	<b>Credit Impaired RM'000</b>	<b>Total RM'000</b>
<b>Movements in ECL</b>			
As at 1 January 2025	109	38,398	38,507
New assets originated or purchased	169	109	278
Assets derecognised or repaid (excluding write-offs)	-	(691)	(691)
Transfer of stages	(172)	172	-
Net remeasurement of allowances	-	1,059	1,059
As at 30 June 2025	106	39,047	39,153

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A16. Other assets (cont'd.)**

An analysis of changes in the ECL allowances in relation to other debtors is as follows (cont'd.):

**Bank (cont'd.)**

	<b>2024</b>		<b>Total RM'000</b>
	<b>Non-Credit Impaired RM'000</b>	<b>Credit Impaired RM'000</b>	
<b>Movements in ECL</b>			
As at 1 January 2024	141	23,861	24,002
New assets originated or purchased	466	979	1,445
Assets derecognised or repaid (excluding write-offs)	-	(6,880)	(6,880)
Transfer of stages	(498)	498	-
Net remeasurement of allowances	-	22,560	22,560
Amounts written off	-	(2,620)	(2,620)
As at 31 December 2024	<u>109</u>	<u>38,398</u>	<u>38,507</u>

An analysis of changes in the ECL allowances in relation to amount due from subsidiaries is as follows:

**Bank**

	<b>2025</b>			<b>Total RM'000</b>
	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	
<b>Movements in ECL</b>				
As at 1 January 2025	506	-	-	506
Net remeasurement of allowances	349	-	-	349
As at 30 June 2025	<u>855</u>	<u>-</u>	<u>-</u>	<u>855</u>

	<b>2024</b>			<b>Total RM'000</b>
	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	
<b>Movements in ECL</b>				
As at 1 January 2024	94	-	-	94
Net remeasurement of allowances	412	-	-	412
As at 31 December 2024	<u>506</u>	<u>-</u>	<u>-</u>	<u>506</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**Group and Bank**  
**As at As at**  
**30 June 31 December**  
**2025 2024**  
**RM'000 RM'000**

**A17. Statutory deposit with Bank Negara Malaysia**

Statutory Deposit	36,770	73,768
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The non-interest bearing statutory deposit is maintained by the Bank with Bank Negara Malaysia in compliance with Section 26(2) (c) of the Central Bank of Malaysia Act 2009, and is determined as a set percentage of net eligible liabilities.

<b>Group</b>		<b>Bank</b>	
<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>
<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>

**A18. Deposits from customers**

**(i) By type of deposit**

Fixed term deposits	2,034,898	3,037,129	2,090,250	3,097,356
Short term money deposits	965,410	509,206	1,035,226	591,201
Call money deposits	43,404	84,828	43,404	84,828
Negotiable instruments of deposits	122,869	131,431	122,869	131,431
	<b>3,166,581</b>	<b>3,762,594</b>	<b>3,291,749</b>	<b>3,904,816</b>

**(ii) By type of customer**

Government and other statutory bodies	464,990	524,913	464,990	524,913
Individuals	176,702	191,916	176,702	191,916
Business enterprises	797,070	706,126	797,070	706,126
Non-bank financial institutions	1,727,819	2,339,639	1,727,819	2,339,639
Subsidiaries and related companies	-	-	125,168	142,222
	<b>3,166,581</b>	<b>3,762,594</b>	<b>3,291,749</b>	<b>3,904,816</b>

**(iii) By maturity structure**

On demand	43,404	84,828	43,404	84,828
Due within six months	2,113,404	3,029,175	2,238,063	3,170,897
More than six months to one year	856,520	466,179	857,029	466,679
More than one year	153,253	182,412	153,253	182,412
	<b>3,166,581</b>	<b>3,762,594</b>	<b>3,291,749</b>	<b>3,904,816</b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**Group and Bank**  
**As at As at**  
**30 June 31 December**  
**2025 2024**  
**RM'000 RM'000**

**A19. Deposits and placements of banks and financial institutions**

Licenced banks	326,475	210,000
Licenced investment banks	220,000	90,000
Other financial institutions	40,000	140,157
Other related companies	226,846	289,678
	<b>813,321</b>	<b>729,835</b>

**A20. Other liabilities**

	<b>Group</b>		<b>Bank</b>	
	<b>As at 30 June 2025 RM'000</b>	<b>As at 31 December 2024 RM'000</b>	<b>As at 30 June 2025 RM'000</b>	<b>As at 31 December 2024 RM'000</b>
Interest/income payable	29,501	34,929	29,883	35,307
Securities borrowing and lending	17,452	29,205	17,452	29,206
Accruals and provisions	177,574	265,043	38,039	66,618
Retention for contra losses	17	17	17	17
Structured products	20,525	16,410	20,525	16,410
Treasury trade payables	-	29,904	-	29,904
Deposits and other creditors	65,774	91,142	58,346	72,746
Amounts held in trust on behalf of dealer's representatives	85,858	87,590	85,858	87,590
Allowances for impairment losses on loan commitments and bank guarantee (i)	-	-	17	13
Amount due to trustees	84,580	105,477	-	-
Amount due to subsidiaries	-	-	259	267
	<b>481,281</b>	<b>659,717</b>	<b>250,396</b>	<b>338,078</b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A20. Other liabilities (cont'd.)**

- (i) The movements in allowances for impairment losses on loan commitments and bank guarantee are as follows:

**Group**

<b>Movements in ECL</b>	<b>2025</b>			
	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	<b>Total RM'000</b>
As at 1 January/ 30 June 2025	-	-	-	-
<b>Movements in ECL</b>	<b>2024</b>			
	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	<b>Total RM'000</b>
As at 1 January 2024	42	-	-	42
Exposure derecognised or repaid (excluding write-offs)	(42)	-	-	(42)
As at 31 December 2024	-	-	-	-

**Bank**

<b>Movements in ECL</b>	<b>2025</b>			
	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	<b>Total RM'000</b>
As at 1 January 2025	13	-	-	13
Exposure derecognised or repaid (excluding write-offs)	(4)	-	-	(4)
Net remeasurement of allowances	8	-	-	8
As at 30 June 2025	17	-	-	17
<b>Movements in ECL</b>	<b>2024</b>			
	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	<b>Total RM'000</b>
As at 1 January 2024	81	-	-	81
Exposure derecognised or repaid (excluding write-offs)	(64)	-	-	(64)
Net remeasurement of allowances	(4)	-	-	(4)
As at 31 December 2024	13	-	-	13

**KENANGA INVESTMENT BANK BERHAD**  
**197301002193 (15678-H)**

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A21. Borrowings**

	<b>Group</b>		<b>Bank</b>	
	<b>As at 30 June 2025 RM'000</b>	<b>As at 31 December 2024 RM'000</b>	<b>As at 30 June 2025 RM'000</b>	<b>As at 31 December 2024 RM'000</b>
<b>Unsecured:</b>				
Revolving bank loans	11,500	9,000	-	-
Subordinated notes	130,500	180,500	130,500	180,500
	<b>142,000</b>	<b>189,500</b>	<b>130,500</b>	<b>180,500</b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	<u>3 months ended 30 June 2025</u> <u>RM'000</u>	<u>3 months ended 30 June 2024</u> <u>RM'000</u>	<u>6 months ended 30 June 2025</u> <u>RM'000</u>	<u>6 months ended 30 June 2024</u> <u>RM'000</u>
<b>A22. Interest income</b>				
<b><u>Group</u></b>				
Loans, advances and financing	31,986	30,578	64,145	60,473
Money at call and deposit placements with financial institutions	22,386	21,630	44,735	41,147
Financial investments at FVOCI	6,310	6,458	12,947	12,447
Financial investments at AC	4,578	4,109	9,232	7,965
Others	2,385	3,096	5,821	6,465
	<b>67,645</b>	<b>65,871</b>	<b>136,880</b>	<b>128,497</b>
<b><u>Bank</u></b>				
Loans, advances and financing	32,573	31,287	65,285	61,832
Money at call and deposit placements with financial institutions	18,884	18,059	37,419	34,311
Financial investments at FVOCI	6,310	6,458	12,947	12,447
Financial investments at AC	4,578	4,109	9,232	7,965
Others	2,378	3,082	5,808	6,440
	<b>64,723</b>	<b>62,995</b>	<b>130,691</b>	<b>122,995</b>
<b>A23. Interest expense</b>				
<b><u>Group</u></b>				
Deposits from customers	32,574	36,838	70,342	72,700
Deposits and placement from banks and other financial institutions	5,888	2,665	9,008	4,402
Borrowings	1,682	2,153	3,922	4,305
Lease interest expenses	252	353	553	689
Others	7,028	7,216	14,250	13,643
	<b>47,424</b>	<b>49,225</b>	<b>98,075</b>	<b>95,739</b>
<b><u>Bank</u></b>				
Deposits from customers	33,578	37,859	72,459	75,013
Deposits and placement from banks and other financial institutions	5,888	2,665	9,008	4,402
Borrowings	1,504	2,153	3,553	4,305
Lease interest expenses	172	260	392	553
Others	7,038	7,467	14,505	14,368
	<b>48,180</b>	<b>50,404</b>	<b>99,917</b>	<b>98,641</b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	<u>3 months ended 30 June 2025</u> RM'000	<u>3 months ended 30 June 2024</u> RM'000	<u>6 months ended 30 June 2025</u> RM'000	<u>6 months ended 30 June 2024</u> RM'000
<b>A24. Other operating income</b>				
<b><u>Group</u></b>				
(a) Fee income:				
Brokerage fees	32,978	59,785	72,251	110,437
Corporate advisory fees	2,733	2,725	5,113	4,901
Processing fees on loans, advances and financing	88	43	168	82
Commissions	3,399	2,993	7,001	5,896
Management fee income	49,918	48,967	102,726	98,019
Placement fees	2,268	4,064	5,644	6,045
Underwriting commissions	250	150	250	150
Other fee income	3,655	8,115	8,423	14,625
Others	(194)	1,183	1,330	1,508
	<u>95,095</u>	<u>128,025</u>	<u>202,906</u>	<u>241,663</u>
(b) Net gain arising from sale/redemption of:				
Derivatives and financial assets at FVTPL	30,115	35,231	72,652	57,023
Financial investments at FVOCI	3,739	1,204	3,738	1,207
	<u>33,854</u>	<u>36,435</u>	<u>76,390</u>	<u>58,230</u>
(c) Gross dividend income from financial assets at FVTPL	<u>177</u>	<u>1,033</u>	<u>581</u>	<u>1,442</u>
(d) Interest income from financial assets at FVTPL	<u>431</u>	<u>504</u>	<u>753</u>	<u>809</u>
(e) Unrealised loss on revaluation of derivatives and financial assets at FVTPL	<u>(10,889)</u>	<u>(7,608)</u>	<u>(37,183)</u>	<u>(12,408)</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	<u>3 months ended 30 June 2025</u> RM'000	<u>3 months ended 30 June 2024</u> RM'000	<u>6 months ended 30 June 2025</u> RM'000	<u>6 months ended 30 June 2024</u> RM'000
<b>A24. Other operating income (cont'd.)</b>				
<b><u>Group</u></b>				
(f) Other income:				
Net foreign exchange income	3,419	2,647	6,973	5,382
Gain on disposal of property, plant and equipment	15	-	22	-
Other operating income	784	697	1,527	1,272
Other non-operating income				
- Rental income	579	577	1,148	1,148
- Loss on disposal of an associate	-	-	(99)	-
- Others	889	1,053	1,822	6,229
	<u>5,686</u>	<u>4,974</u>	<u>11,393</u>	<u>14,031</u>
Total other operating income	<b><u>124,354</u></b>	<b><u>163,363</u></b>	<b><u>254,840</u></b>	<b><u>303,767</u></b>
<b><u>Bank</u></b>				
(a) Fee income:				
Brokerage fees	32,978	59,785	72,251	110,437
Corporate advisory fees	2,757	2,750	5,162	4,951
Processing fees on loans, advances and financing	137	100	269	202
Management fee income	35	81	79	157
Placement fees	2,268	3,811	5,644	5,792
Underwriting commissions	250	150	250	150
Other fee income	1,550	1,642	2,951	3,307
Others	(477)	1,104	471	1,366
	<u>39,498</u>	<u>69,423</u>	<u>87,077</u>	<u>126,362</u>
(b) Net gain arising from sale/redemption of:				
Financial assets at FVTPL and derivatives	29,328	34,916	71,109	55,747
Financial investments at FVOCI	3,739	1,204	3,738	1,207
	<u>33,067</u>	<u>36,120</u>	<u>74,847</u>	<u>56,954</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	<b>3 months ended 30 June 2025 RM'000</b>	<b>3 months ended 30 June 2024 RM'000</b>	<b>6 months ended 30 June 2025 RM'000</b>	<b>6 months ended 30 June 2024 RM'000</b>
<b>A24. Other operating income (cont'd.)</b>				
<b><u>Bank (cont'd.)</u></b>				
(c) Gross dividend from:				
Financial assets at FVTPL	177	1,033	581	1,442
Subsidiary	-	5,500	-	5,500
Associate	5,017	3,546	5,017	3,546
	<u>5,194</u>	<u>10,079</u>	<u>5,598</u>	<u>10,488</u>
(d) Interest income from financial assets at FVTPL	<u>431</u>	<u>504</u>	<u>753</u>	<u>809</u>
(e) Unrealised loss on revaluation of financial assets at FVTPL and derivatives	<u>(11,286)</u>	<u>(5,424)</u>	<u>(37,282)</u>	<u>(10,843)</u>
(f) Other income:				
Net foreign exchange income	3,544	2,578	7,566	5,239
Gain on disposal of property, plant and equipment	15	-	22	-
Other operating income	900	4,660	1,668	6,776
Other non-operating income				
- Rental income	1,172	1,157	2,332	2,308
- Others	773	1,198	1,669	6,179
	<u>6,404</u>	<u>9,593</u>	<u>13,257</u>	<u>20,502</u>
Total other operating income	<u><b>73,308</b></u>	<u><b>120,295</b></u>	<u><b>144,250</b></u>	<u><b>204,272</b></u>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	<b>3 months ended 30 June 2025 RM'000</b>	<b>3 months ended 30 June 2024 RM'000</b>	<b>6 months ended 30 June 2025 RM'000</b>	<b>6 months ended 30 June 2024 RM'000</b>
<b>A25. Other operating expenses</b>				
<b>Group</b>				
Personnel costs	58,860	62,200	111,899	115,565
- Salaries, allowances and bonuses	46,674	48,877	84,430	89,155
- EPF	2,470	5,484	11,134	10,993
- ESS (reversal)/expense	(39)	33	(38)	71
- Others	9,755	7,806	16,373	15,346
Establishment costs	19,711	20,017	39,553	39,061
- Depreciation of property, plant and equipment	2,550	2,815	5,118	5,649
- Amortisation of intangible assets	2,575	2,189	5,011	4,335
- Amortisation of right-of-use assets	1,800	1,974	3,702	3,949
- Rental of premises	207	171	332	289
- Rental of equipment	223	226	424	446
- Repairs and maintenance	826	1,012	2,082	2,035
- Information technology expenses	10,439	10,494	20,761	20,231
- Others	1,091	1,136	2,123	2,127
Marketing expenses	6,845	6,380	14,347	12,421
- Promotion and advertisements	6,028	4,808	12,078	9,701
- Travel and entertainment	1,146	1,276	2,225	2,224
- Others	(329)	296	44	496
Administration and general expenses	55,468	79,703	113,788	145,787
- Communication expenses	1,132	1,451	2,153	2,663
- Professional and legal fees	1,711	1,303	2,057	2,533
- Regulatory charges	4,505	6,123	8,245	10,249
- Publication and research material	2,953	3,328	5,909	6,564
- Fees and brokerage	40,780	62,008	86,132	113,210
- Administrative expenses	4,387	5,490	9,292	10,568
<b>Total other operating expenses</b>	<b>140,884</b>	<b>168,300</b>	<b>279,587</b>	<b>312,834</b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	<b>3 months</b>	<b>3 months</b>	<b>6 months</b>	<b>6 months</b>
	<b>ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>

**A25. Other operating expenses (cont'd.)**

**Bank**

Personnel costs	38,714	45,796	71,836	82,569
- Salaries, allowances and bonuses	33,137	37,933	57,276	67,156
- EPF	1,074	4,240	8,359	8,504
- ESS (reversal)/expense	(22)	21	(22)	54
- Others	4,525	3,602	6,223	6,855
Establishment costs	13,616	15,822	27,558	30,709
- Depreciation of property, plant and equipment	2,073	2,394	4,165	4,829
- Amortisation of intangible assets	1,735	1,764	3,370	3,487
- Amortisation of right-of-use assets	1,481	1,629	2,988	3,260
- Rental of premises	153	157	255	264
- Rental of equipment	136	146	242	292
- Repairs and maintenance	742	983	1,903	1,964
- Information technology expenses	6,419	7,899	12,887	14,896
- Others	877	850	1,748	1,717
Marketing expenses	2,179	2,616	4,424	4,587
- Promotion and advertisements	1,836	1,743	3,068	2,932
- Travel and entertainment	686	598	1,342	1,189
- Others	(343)	275	14	466
Administration and general expenses	32,731	53,977	64,089	97,666
- Communication expenses	801	1,224	1,596	2,237
- Professional and legal fees	1,540	891	1,801	1,952
- Regulatory charges	4,225	5,789	7,551	9,657
- Publication and research material	2,334	2,716	4,633	5,386
- Fees and brokerages	19,370	38,768	39,845	69,509
- Administrative expenses	4,461	4,589	8,663	8,925
<b>Total other operating expenses</b>	<b>87,240</b>	<b>118,211</b>	<b>167,907</b>	<b>215,531</b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A26. Credit loss (expense)/reversal**

The tables below show the ECL charges on financial instruments for the period recorded in the income statement:

**Group**

**Individual Quarter**

(i) Movements in ECL on debt instruments, loan commitments, loans, advances and financing:

	<b>2025</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Debt instruments at FVOCI	(4)	-	-	(4)
Debt instruments at AC	177	-	-	177
Loans, advances and financing	11	750	(6,567)	(5,806)
Recoveries from share margin financing	-	-	1,842	1,842
<b>Credit loss reversal/(expense)</b>	<b>184</b>	<b>750</b>	<b>(4,725)</b>	<b>(3,791)</b>

  

	<b>2024</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Debt instruments at FVOCI	265	-	-	265
Debt instruments at AC	(453)	-	-	(453)
Loans, advances and financing	(308)	-	5,165	4,857
Recoveries from share margin financing	-	-	3,222	3,222
<b>Credit loss (expense)/reversal</b>	<b>(496)</b>	<b>-</b>	<b>8,387</b>	<b>7,891</b>

(ii) Movements in ECL on other financial assets:

	<b>2025</b>		
	<b>Non-Credit Impaired</b>	<b>Credit-Impaired</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance due from clients and brokers	10	190	200
Other debtors	(88)	789	701
<b>Credit loss (expense)/reversal</b>	<b>(78)</b>	<b>979</b>	<b>901</b>

  

	<b>2024</b>		
	<b>Non-Credit Impaired</b>	<b>Credit-Impaired</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance due from clients and brokers	(2)	(7,451)	(7,453)
Other debtors	(115)	(6,337)	(6,452)
<b>Credit loss expense</b>	<b>(117)</b>	<b>(13,788)</b>	<b>(13,905)</b>

NOTES TO INTERIM FINANCIAL STATEMENTS  
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A26. Credit loss (expense)/reversal (cont'd.)

Group

Cumulative Quarters

(iii) Movements in ECLs on debt instruments, loan commitments, loans, advances and financing

	<b>2025</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Debt instruments at FVOCI	(23)	-	-	(23)
Debt instruments at AC	313	-	-	313
Loans, advances and financing	185	750	(11,856)	(10,921)
Recoveries from share margin financing	-	-	4,546	4,546
<b>Credit loss reversal/(expense)</b>	<b>475</b>	<b>750</b>	<b>(7,310)</b>	<b>(6,085)</b>

	<b>2024</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Debt instruments at FVOCI	229	-	-	229
Debt instruments at AC	(453)	-	-	(453)
Loans, advances and financing	(191)	-	3,169	2,978
Recoveries from share margin financing	-	-	4,507	4,507
Loan commitments	42	-	-	42
<b>Credit loss (expense)/reversal</b>	<b>(373)</b>	<b>-</b>	<b>7,676</b>	<b>7,303</b>

(iv) Movements in ECLs on other financial assets

	<b>2025</b>		
	<b>Non-Credit Impaired</b>	<b>Credit-Impaired</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance due from clients and brokers	(3)	261	258
Other debtors	(169)	2,271	2,102
<b>Credit loss (expense)/reversal</b>	<b>(172)</b>	<b>2,532</b>	<b>2,360</b>

	<b>2024</b>		
	<b>Non-Credit Impaired</b>	<b>Credit-Impaired</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance due from clients and brokers	22	(10,614)	(10,592)
Other debtors	(235)	(8,781)	(9,016)
<b>Credit loss expense</b>	<b>(213)</b>	<b>(19,395)</b>	<b>(19,608)</b>

NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

A26. Credit loss (expense)/reversal (cont'd.)

Bank

Individual Quarter

(v) Movements in ECL on debt instruments, loan commitments, loans, advances and financing:

	2025			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Debt instruments at FVOCI	(4)	-	-	(4)
Debt instruments at AC	177	-	-	177
Loans, advances and financing	216	750	(6,566)	(5,600)
Recoveries from share margin financing	-	-	1,842	1,842
Loan commitments	(9)	-	-	(9)
Amount due from subsidiaries	(564)	-	-	(564)
<b>Credit loss (expense)/reversal</b>	<b>(184)</b>	<b>750</b>	<b>(4,724)</b>	<b>(4,158)</b>

	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Debt instruments at FVOCI	265	-	-	265
Debt instruments at AC	(453)	-	-	(453)
Loans, advances and financing	(340)	-	5,165	4,825
Recoveries from share margin financing	-	-	3,222	3,222
Amount due from subsidiaries	(4)	-	-	(4)
<b>Credit loss (expense)/reversal</b>	<b>(532)</b>	<b>-</b>	<b>8,387</b>	<b>7,855</b>

(vi) Movements in ECL on other financial assets:

	2025		
	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
Balance due from clients and brokers	10	190	200
Other debtors	(88)	(419)	(507)
<b>Credit loss expense</b>	<b>(78)</b>	<b>(229)</b>	<b>(307)</b>

	2024		
	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
Balance due from clients and brokers	(2)	(7,451)	(7,453)
Other debtors	(115)	(6,736)	(6,851)
<b>Credit loss expense</b>	<b>(117)</b>	<b>(14,187)</b>	<b>(14,304)</b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A26. Credit loss (expense)/reversal (cont'd.)**

**Bank**

**Cumulative Quarters**

(vii) Movements in ECLs on debt instruments, loan commitments, loans, advances, and financing

	<b>2025</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Debt instruments at FVOCI	(23)	-	-	(23)
Debt instruments at AC	313	-	-	313
Loans, advances and financing	286	750	(11,855)	(10,819)
Recoveries from share margin financing	-	-	4,546	4,546
Loan commitments/ bank guarantee	(14)	-	-	(14)
Amount due from subsidiaries	(349)	-	-	(349)
<b>Credit loss reversal/(expense)</b>	<b>213</b>	<b>750</b>	<b>(7,309)</b>	<b>(6,346)</b>

  

	<b>2024</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Debt instruments at FVOCI	229	-	-	229
Debt instruments at AC	(453)	-	-	(453)
Loans, advances and financing	(347)	-	3,169	2,822
Recoveries from share margin financing	-	-	4,507	4,507
Loan commitments	53	-	-	53
Amount due from subsidiaries	(7)	-	-	(7)
<b>Credit loss (expense)/reversal</b>	<b>(525)</b>	<b>-</b>	<b>7,676</b>	<b>7,151</b>

(viii) Movements in ECLs on other financial assets

	<b>2025</b>		
	<b>Non-Credit Impaired</b>	<b>Credit-Impaired</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance due from clients and brokers	(3)	261	258
Other debtors	(169)	(477)	(646)
<b>Credit loss expense</b>	<b>(172)</b>	<b>(216)</b>	<b>(388)</b>

  

	<b>2024</b>		
	<b>Non-Credit Impaired</b>	<b>Credit-Impaired</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance due from clients and brokers	22	(10,614)	(10,592)
Other debtors	(235)	(7,964)	(8,199)
<b>Credit loss expense</b>	<b>(213)</b>	<b>(18,578)</b>	<b>(18,791)</b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A27. Bad debts recovered**

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	<b>3 months ended 30 June 2025</b> RM'000	<b>3 months ended 30 June 2024</b> RM'000	<b>6 months ended 30 June 2025</b> RM'000	<b>6 months ended 30 June 2024</b> RM'000
<b><u>Group and Bank</u></b>				
Loans, advances and financing	105	896	410	2,152
Balance due from clients and brokers	14	6	73	45
	<b>119</b>	<b>902</b>	<b>483</b>	<b>2,197</b>

**A28. Fair value of financial instruments**

**Fair value measurements**

The Group and the Bank use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3 - techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**Valuation techniques and sensitivity analysis**

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. This would include quoted securities.

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the fair values are estimated using pricing models or discounted cash flow techniques. Where discounted cash flow technique is used, the expected future cash flows are discounted using prevailing market rates for a similar instrument at the reporting date.

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A28. Fair value of financial instruments (cont'd.)**

**Group**

**30 June 2025**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets measured at fair value</b>				
Financial assets at FVTPL				
- Debt securities	-	97,926	-	97,926
- Equity securities	190,102	-	155,780	345,882
Financial investments at FVOCI				
- Debt securities	-	731,924	-	731,924
- Equity securities	-	-	1,196	1,196
Derivative financial assets	289	7,527	-	7,816
<b>Financial assets at amortised cost for which fair values are disclosed</b>				
Financial investments at AC	-	513,743	-	513,743
Loans, advances and financing	-	-	1,759,666	1,759,666
	<b>190,391</b>	<b>1,351,120</b>	<b>1,916,642</b>	<b>3,458,153</b>
<b>Financial liabilities measured at fair value</b>				
Derivative financial liabilities	21,376	17,022	-	38,398
Obligations on securities sold under repurchase agreements	-	433,782	-	433,782
Borrowings	-	137,710	-	137,710
Deposits from customers	-	3,166,581	-	3,166,581
Deposits and placements of banks and other financial institutions	-	813,321	-	813,321
Others	-	1,305,372	-	1,305,372
	<b>21,376</b>	<b>5,873,788</b>	<b>-</b>	<b>5,895,164</b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A28. Fair value of financial instruments (cont'd.)**

**Group**

**31 December 2024**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets measured at fair value</b>				
Financial assets at FVTPL				
- Debt securities	-	97,797	-	97,797
- Equity securities	297,284	-	157,220	454,504
Financial investments at FVOCI				
- Debt securities	-	867,152	-	867,152
- Equity securities	-	-	1,421	1,421
Derivative financial assets	203	49,494	-	49,697
<b>Financial assets at amortised cost for which fair values are disclosed</b>				
Financial investments at AC	-	534,125	-	534,125
Loans, advances and financing	-	-	1,835,276	1,835,276
	<b>297,487</b>	<b>1,548,568</b>	<b>1,993,917</b>	<b>3,839,972</b>
<b>Financial liabilities measured at fair value</b>				
Derivative financial liabilities	40,567	19,566	-	60,133
Obligations on securities sold under repurchase agreements	-	69,514	-	69,514
Borrowings	-	182,998	-	182,998
Deposits from customers	-	3,762,594	-	3,762,594
Deposits and placements of banks and other financial institutions	-	729,835	-	729,835
Others	-	1,535,098	-	1,535,098
	<b>40,567</b>	<b>6,299,605</b>	<b>-</b>	<b>6,340,172</b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A28. Fair value of financial instruments (cont'd.)**

**Bank**

**30 June 2025**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets measured at fair value</b>				
Financial assets at FVTPL				
- Debt securities	-	100,000	-	100,000
- Equity securities	189,176	-	155,780	344,956
Financial investments at FVOCI				
- Debt securities	-	731,924	-	731,924
- Equity securities	-	-	1,196	1,196
Derivative financial assets	289	7,527	-	7,816
<b>Financial assets at amortised cost for which fair values are disclosed</b>				
Financial investments at AC	-	513,743	-	513,743
Loans, advances and financing	-	-	1,779,614	1,779,614
	<b>189,465</b>	<b>1,353,194</b>	<b>1,936,590</b>	<b>3,479,249</b>
<b>Financial liabilities measured at fair value</b>				
Derivative financial liabilities	21,376	17,022	-	38,398
Obligations on securities sold under repurchase agreements	-	433,782	-	433,782
Borrowings	-	126,210	-	126,210
Deposits from customers	-	3,291,749	-	3,291,749
Deposits and placements of banks and other financial institutions	-	813,321	-	813,321
Others	-	407,891	-	407,891
	<b>21,376</b>	<b>5,089,975</b>	<b>-</b>	<b>5,111,351</b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A28. Fair value of financial instruments (cont'd.)**

**Bank**

**31 December 2024**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets measured at fair value</b>				
Financial assets at FVTPL				
- Debt securities	-	100,000	-	100,000
- Equity securities	296,321	-	157,220	453,541
Financial investments at FVOCI				
- Debt securities	-	867,152	-	867,152
- Equity securities	-	-	1,421	1,421
Derivative financial assets	203	49,494	-	49,697
<b>Financial assets at amortised cost for which fair values are disclosed</b>				
Financial investments at AC	-	534,125	-	534,125
Loans, advances and financing	-	-	1,861,726	1,861,726
	<b>296,524</b>	<b>1,550,771</b>	<b>2,020,367</b>	<b>3,867,662</b>
<b>Financial liabilities measured at fair value</b>				
Derivative financial liabilities	40,567	19,566	-	60,133
Obligations on securities sold under repurchase agreements	-	69,514	-	69,514
Borrowings	-	173,998	-	173,998
Deposits from customers	-	3,904,816	-	3,904,816
Deposits and placements of banks and other financial institutions	-	729,835	-	729,835
Others	-	582,806	-	582,806
	<b>40,567</b>	<b>5,480,535</b>	<b>-</b>	<b>5,521,102</b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A29. Commitments and Contingencies**

In the normal course of business, the Group and the Bank enter into various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

	Group		Bank	
	As at 30 June 2025 Principal Amount RM'000	As at 31 December 2024 Principal Amount RM'000	As at 30 June 2025 Principal Amount RM'000	As at 31 December 2024 Principal Amount RM'000
Obligations under underwriting agreements	83,260	-	83,260	-
Commitments to extend credit with maturity of less than 1 year :-				
- share margin financing	2,861,756	2,953,118	2,861,756	2,953,118
- foreign exchange related contracts	-	171,468	-	171,468
Other commitments with an original maturity of less than 1 year :-				
- corporate loans	83,164	74,817	134,164	131,817
Other commitments with an original maturity of more than 1 year :-				
- corporate loans	27,000	74,250	47,000	89,250
- others	6,000	-	6,000	-
Monies held in trust on behalf of clients	1,166,985	1,734,642	1,166,985	1,734,642
Securities borrowing and lending	16,747	27,893	16,747	27,893
Derivative financial assets				
- dual currency investment - options	17,271	16,410	17,271	16,410
- equity related contracts - options	3,254	-	3,254	-
- equity related contracts - swaps	9,880	26,974	9,880	26,974
- equity related contract - forwards	36,875	79,445	36,875	79,445
- foreign exchange related contracts	63,233	31,688	63,233	31,688
Derivative financial liabilities				
- dual currency investment - options	17,271	16,410	17,271	16,410
- equity related contracts - options	639,638	1,038,858	639,638	1,038,858
- equity related contract - forwards	59,726	50,007	59,726	50,007
- foreign exchange related contracts	5,079	139,780	5,079	139,780
Capital commitment:				
- Authorised and contracted for	10,973	7,148	6,607	6,796
Investment in equity fund	-	-	27,228	24,175
	<u>5,108,112</u>	<u>6,442,908</u>	<u>5,201,974</u>	<u>6,538,731</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A30. Operating lease arrangements**

A summary of the sub-lease receipts expected to be received under non-cancellable sublease are as follows:

	Group		Bank	
	30 June 2025 RM'000	31 December 2024 RM'000	30 June 2025 RM'000	31 December 2024 RM'000
Future minimum sub-lease receipts:				
Subsidiaries	-	-	1,596	2,499
External parties	296	406	296	406
	<u>296</u>	<u>406</u>	<u>1,892</u>	<u>2,905</u>

**A31. Capital Adequacy**

(i) Components of Common Equity Tier 1 ("CET 1") capital ratio, Tier 1 and Tier 2 capital:

	Group		Bank	
	30 June 2025 RM'000	31 December 2024 RM'000	30 June 2025 RM'000	31 December 2024 RM'000
<u>CET 1 / Tier 1 capital</u>				
Paid-up share capital	253,834	253,834	253,834	253,834
Retained profits	671,938	730,701	569,027	628,109
Reserves	141,950	140,748	182,213	171,368
Less: Regulatory adjustments:				
Deferred tax assets	(25,663)	(32,949)	(3,481)	(11,169)
55% of cumulative gains on financial investments at FVOCI	(9,340)	(5,254)	(5,715)	(170)
Goodwill	(241,027)	(241,027)	(252,909)	(252,909)
Other intangibles	(99,893)	(100,013)	(78,947)	(80,667)
Regulatory reserve	(17,553)	(16,748)	(17,553)	(16,748)
Treasury shares	(7,701)	(7,441)	(7,701)	(7,441)
Investment in ordinary shares of unconsolidated financial entities	(169,766)	(186,706)	(215,161)	(215,162)
Total CET 1/Tier 1 capital	<u>496,779</u>	<u>535,145</u>	<u>423,607</u>	<u>469,045</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A31. Capital Adequacy (cont'd.)**

(i) Components of Common Equity Tier 1 ("CET 1") capital ratio, Tier 1 and Tier 2 capital (cont'd.):

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2025 RM'000</b>	<b>31 December 2024 RM'000</b>	<b>30 June 2025 RM'000</b>	<b>31 December 2024 RM'000</b>
<u>Tier 2 capital</u>				
Subordinated obligations capital	130,500	180,500	130,500	180,500
General provisions <sup>^</sup>	21,209	21,628	21,049	22,478
Total Tier 2 capital	<u>151,709</u>	<u>202,128</u>	<u>151,549</u>	<u>202,978</u>
Total capital	<u>648,488</u>	<u>737,273</u>	<u>575,156</u>	<u>672,023</u>
CET 1 capital ratio	14.432%	16.671%	15.731%	17.264%
Tier 1 capital ratio	14.432%	16.671%	15.731%	17.264%
Total capital ratio	18.840%	22.967%	21.359%	24.736%

<sup>^</sup> Refers to loss allowances measured at an amount equal to 12-month and lifetime expected credit losses and regulatory reserve, to the extent they are ascribed to non-credit impaired exposures, determined under Standardised Approach for credit risk.

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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**A31. Capital Adequacy (cont'd.)**

(ii) Breakdown of risk-weighted assets in the various categories of risks are as follows:

	<b>Group</b>		<b>Group</b>	
	<b>30 June 2025</b>		<b>31 December 2024</b>	
	<b>Notional amount</b>	<b>Risk-weighted amount</b>	<b>Notional amount</b>	<b>Risk-weighted amount</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Credit Risk	6,143,464	2,000,116	7,160,027	1,911,823
Market Risk	-	323,479	-	284,753
Operational Risk	-	1,032,051	-	927,031
Large exposure risk	-	86,524	-	86,524
<b>Total Risk Weighted Assets</b>	<b>6,143,464</b>	<b>3,442,170</b>	<b>7,160,027</b>	<b>3,210,131</b>

	<b>Bank</b>		<b>Bank</b>	
	<b>30 June 2025</b>		<b>31 December 2024</b>	
	<b>Notional amount</b>	<b>Risk-weighted amount</b>	<b>Notional amount</b>	<b>Risk-weighted amount</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Credit Risk	5,302,702	1,683,903	6,275,954	1,798,236
Market Risk	-	320,931	-	282,104
Operational Risk	-	601,402	-	549,963
Large exposure risk	-	86,524	-	86,524
<b>Total Risk Weighted Assets</b>	<b>5,302,702</b>	<b>2,692,760</b>	<b>6,275,954</b>	<b>2,716,827</b>

The capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's Revised Risk-weighted Capital Adequacy Framework: Standardised Approach for Credit Risk and Market Risk, and Basic Indicator Approach for Operational Risk ("RWCAF Basel II").

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A32. Credit Exposures Arising From Credit Transactions With Connected Parties**

Credit transactions and exposures to connected parties as disclosed below include the extension of credit facilities and/or off-balance sheet credit exposures such as loan commitments:

	<b>30 June 2025</b>	<b>31 December 2024</b>
Outstanding credit exposures with connected parties (RM'000)	<u>191,313</u>	<u>192,530</u>
Percentage of outstanding credit exposures to connected parties:-		
- as a proportion of total credit exposures	<u>5.95%</u>	<u>5.55%</u>
- which was impaired or in default	<u>-</u>	<u>-</u>

The credit exposure above were derived based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which was effective since 1 January 2008.

**A33. Segmental reporting**

The Group has five major operating divisions as described below. The divisions form the basis of which the Group reports its segment information.

- (i) Investment bank - Investment banking business, treasury and related financial services;
- (ii) Stockbroking - Dealings in equity securities and investment related services;
- (iii) Listed derivatives - Futures broking;
- (iv) Asset and Wealth Management - Management of funds, unit trusts and robo-advisory; and
- (v) Corporate and others - Money lending and financing, e-Services management platform, support services comprising all middle and back office functions costs that are not allocated out to business segments and include business operations conducted by the Group's associates in the Kingdom of Saudi Arabia, Malaysia and Sri Lanka (which has since been disposed in March 2025) and joint ventures, Rakuten Trade Sdn Bhd and Rakuten Trade Singapore Pte Ltd.

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A33. Segmental reporting (cont'd.)**

	<b>Investment banking RM'000</b>	<b>Stock broking RM'000</b>	<b>Listed derivatives RM'000</b>	<b>Asset and wealth management RM'000</b>	<b>Corporate and Others RM'000</b>	<b>Elimination/ consolidation adjustments RM'000</b>	<b>Total RM'000</b>
<b>2025</b>							
<b>Revenue</b>							
External sales	104,104	178,460	14,182	115,533	750	-	413,029
- Interest income	72,949	65,568	7,238	6,997	2,132	-	154,884
- Fee income	12,174	77,111	6,970	108,636	-	-	204,891
- Trading and investment income	15,448	29,534	-	(89)	(513)	-	44,380
- Other operating income	3,533	6,247	(26)	(11)	(869)	-	8,874
Inter-segment sales	26,827	(30,678)	1,062	4,387	6,427	(8,025)	-
<b>Total revenue</b>	<b>130,931</b>	<b>147,782</b>	<b>15,244</b>	<b>119,920</b>	<b>7,177</b>	<b>(8,025)</b>	<b>413,029</b>
<b>Result</b>							
Net interest income	6,893	20,943	6,876	(431)	4,208	316	38,805
Net income from Islamic banking business	11,464	1,914	-	-	-	-	13,378
Other operating income	26,906	112,469	6,948	112,164	6,412	(10,059)	254,840
Net income	45,263	135,326	13,824	111,733	10,620	(9,743)	307,023
Other operating expenses	(31,131)	(135,459)	(9,012)	(104,164)	(4,048)	4,227	(279,587)
Credit loss (expense)/reversal	(2,830)	(8,693)	-	2,795	4,789	214	(3,725)
Bad debt recovered	-	472	-	-	11	-	483
Share of results in associates and joint ventures	-	-	-	-	(1,550)	-	(1,550)
Profit/(loss) before taxation and zakat	11,302	(8,354)	4,812	10,364	9,822	(5,302)	22,644
Taxation and zakat							(10,594)
<b>Net profit for the financial year</b>							<b>12,050</b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A33. Segmental reporting (cont'd.)**

	Investment banking RM'000	Stock broking RM'000	Listed derivatives RM'000	Asset and wealth management RM'000	Corporate and Others RM'000	Elimination/ consolidation adjustments RM'000	Notes	Total RM'000
<b>2025 (cont'd.)</b>								
<b>Other information</b>								
Net interest and finance income	14,454	20,992	6,876	(431)	4,208	316		46,415
Depreciation and amortisation	(483)	(5,105)	(214)	(3,946)	(5,012)	929		(13,831)
Disposal of a joint venture/associate	-	-	-	-	48	(147)		(99)
Non cash items								
- Unrealised (loss)/gain on revaluation of financial assets at FVTPL and derivatives	-	(36,734)	-	(65)	(512)	128		(37,183)
<b>Assets</b>								
Investments in associates	-	-	-	-	144,525	-		144,525
Investment in a joint venture	-	-	-	-	25,241	-		25,241
Additions to property, plant and equipment and intangible assets	398	630	14	1,917	3,478	-	<b>A</b>	6,437
Segment assets	3,604,472	2,020,054	751,954	388,470	684,749	(329,191)	<b>B</b>	7,120,508
<b>Liabilities</b>								
Segment liabilities	4,621,058	442,597	721,874	274,778	211,223	(223,092)	<b>C</b>	6,048,438

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A33. Segmental reporting (cont'd.)**

	<b>Investment banking RM'000</b>	<b>Stock broking RM'000</b>	<b>Listed derivatives RM'000</b>	<b>Asset and wealth management RM'000</b>	<b>Corporate and Others RM'000</b>	<b>Elimination/ consolidation adjustments RM'000</b>	<b>Total RM'000</b>
<b>2024</b>							
<b>Revenue</b>							
External sales	85,768	231,420	12,538	114,468	3,138	-	447,332
- Interest income	67,413	66,259	6,725	4,456	956	-	145,809
- Fee income	13,118	115,659	5,737	109,736	-	-	244,250
- Trading and investment income	3,046	45,819	-	199	1,605	-	50,669
- Other operating income	2,191	3,683	76	77	577	-	6,604
Inter-segment sales	35,420	(34,344)	723	4,070	7,857	(13,726)	-
<b>Total revenue</b>	<b>121,188</b>	<b>197,076</b>	<b>13,261</b>	<b>118,538</b>	<b>10,995</b>	<b>(13,726)</b>	<b>447,332</b>
<b>Result</b>							
Net interest income	4,222	17,257	6,458	9	3,982	830	32,758
Net income from Islamic banking business	11,234	1,967	-	-	-	-	13,201
Other operating income	21,792	167,605	5,815	112,557	15,447	(19,449)	303,767
Net income	37,248	186,829	12,273	112,566	19,429	(18,619)	349,726
Other operating expenses	(31,985)	(172,541)	(8,503)	(94,921)	(7,840)	2,956	(312,834)
Credit loss (expense)/reversal	(8,261)	(2,916)	-	(6,090)	(463)	5,425	(12,305)
Bad debt recovered	-	2,197	-	-	-	-	2,197
Share of results of associates and joint ventures	-	-	-	-	13,720	-	13,720
(Loss)/Profit before taxation and zakat	(2,998)	13,569	3,770	11,555	24,846	(10,238)	40,504
Taxation and zakat							(8,306)
<b>Net profit for the financial year</b>							<b>32,198</b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A33. Segmental reporting (cont'd.)**

	Investment banking RM'000	Stock broking RM'000	Listed derivatives RM'000	Asset and wealth management RM'000	Corporate and Others RM'000	Elimination/ consolidation adjustments RM'000	Notes	Total RM'000
<b>2024 (cont'd.)</b>								
<b>Other information</b>								
Net interest and finance income	12,227	17,314	6,458	9	3,982	830		40,820
Depreciation and amortisation Non cash items	(474)	(5,806)	(217)	(3,339)	(5,008)	911		(13,933)
- Unrealised (loss)/gain on revaluation of financial assets at FVTPL and derivatives	(63)	(11,815)	-	199	878	(1,607)		(12,408)
<b>Assets</b>								
Investments in associates	-	-	-	-	158,996	-		158,996
Investment in joint ventures	-	-	-	-	27,710	-		27,710
Additions to property, plant and equipment and intangible assets	522	5,424	51	9,094	21,330	-	<b>A</b>	36,421
Segment assets	3,754,116	2,320,030	731,685	490,095	724,749	(363,762)	<b>B</b>	7,656,913
<b>Liabilities</b>								
Segment liabilities	4,820,817	604,513	705,207	388,898	293,459	(273,823)	<b>C</b>	6,539,071

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A33. Segmental reporting (cont'd.)**

**Notes**

**A** The details for the additions to property, plant equipment and intangible assets are as follows:-

	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Property, plant and equipment		
- Additions during the financial period	1,341	12,714
Intangible assets		
- Additions during the financial period	5,096	23,707
	<u>6,437</u>	<u>36,421</u>

**B** The following items are deducted (from)/added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Investments in subsidiaries	(96,100)	(96,100)
Investments in associates and joint ventures	30,433	46,906
Intangible assets	(39,666)	(39,650)
Inter-segment assets	<u>(223,858)</u>	<u>(274,918)</u>
	<u>(329,191)</u>	<u>(363,762)</u>

**C** The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits accepted from subsidiaries	(125,168)	(142,222)
Inter-segment liabilities	<u>(97,924)</u>	<u>(131,601)</u>
	<u>(223,092)</u>	<u>(273,823)</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A34. Operations of Islamic Banking**

**(a) Unaudited Statement of Financial Position**  
**As at 30 June 2025**

	Note	Group and Bank	
		As at 30 June 2025 RM'000	As at 31 December 2024 RM'000
<b>ASSETS</b>			
Cash and bank balances	(e)	622,207	449,464
Financial assets at FVTPL	(f)	100,000	100,000
Financial investments at FVOCI	(g)(i)	151,586	184,671
Financial investments at AC	(g)(ii)	96,780	106,904
Financing and advances	(h)	108,847	122,947
Balances due from clients and brokers		2,240	1,386
Other assets	(i)	7,436	7,091
Property, plant and equipment		13	13
Intangible assets		1	1
<b>TOTAL ASSETS</b>		<b>1,089,110</b>	<b>972,477</b>
<b>LIABILITIES</b>			
Deposits from customers	(j)	537,918	345,164
Deposits and placements of banks and other financial institutions	(k)	-	10,000
Balances due to clients and brokers		4,027	3,842
Other liabilities	(l)	311,065	385,434
Deferred tax liabilities		886	168
Provision for taxation and zakat		3,059	6,390
<b>TOTAL LIABILITIES</b>		<b>856,955</b>	<b>750,998</b>
<b>ISLAMIC BANKING CAPITAL FUNDS</b>			
Islamic banking funds		120,000	120,000
Reserves		112,155	101,479
<b>TOTAL ISLAMIC BANKING CAPITAL FUNDS</b>		<b>232,155</b>	<b>221,479</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>		<b>1,089,110</b>	<b>972,477</b>
<b>Commitments and contingencies</b>	(s)	<b>60,734</b>	<b>91,915</b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A34. Operations of Islamic Banking (cont'd.)**

**(b) Unaudited Statement Of Profit Or Loss And Other Comprehensive Income**  
**For the financial period ended 30 June 2025**

	<b>Group and Bank</b>			
	<b>Individual Quarter</b>		<b>Cumulative Quarters</b>	
	<b>3 months</b>	<b>3 months</b>	<b>6 months</b>	<b>6 months</b>
	<b>ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of depositors' funds	(m) 10,947	9,596	19,854	18,761
Income derived from investment of shareholders' funds	(n) 1,962	1,528	3,917	3,690
Credit loss expense	(52)	(298)	(78)	(144)
Total attributable income	12,857	10,826	23,693	22,307
Profit distributed to depositors	(o) (5,355)	(3,891)	(9,807)	(8,607)
Net income	7,502	6,935	13,886	13,700
Finance cost	(240)	(436)	(586)	(643)
Personnel costs	(p) (197)	(188)	(388)	(400)
Other overhead expenses	(q) (756)	(1,036)	(1,472)	(1,963)
<b>Profit before taxation and zakat</b>	<b>6,309</b>	<b>5,275</b>	<b>11,440</b>	<b>10,694</b>
Taxation and zakat	(1,879)	(1,475)	(3,059)	(2,879)
<b>Profit for the financial period</b>	<b>4,430</b>	<b>3,800</b>	<b>8,381</b>	<b>7,815</b>
<b>Other comprehensive income/(loss)</b>				
Items that will be reclassified subsequently to profit or loss:				
Net change in revaluation of debt instruments at FVOCI	1,740	(476)	3,013	(638)
Income tax impact	(418)	112	(718)	152
<b>Total other comprehensive income for the financial period, net of tax</b>	<b>5,752</b>	<b>3,436</b>	<b>10,676</b>	<b>7,329</b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A34. Operations of Islamic Banking (cont'd.)**

**(b) Unaudited Statement Of Profit Or Loss And Other Comprehensive Income**  
**For the financial period ended 30 June 2025 (cont'd.)**

For consolidation with the conventional banking operations, income from Islamic Banking Window operations as shown on the face of the consolidated statements of profit or loss and statements of profit or loss, comprised of the following items:

	<b>Group and Bank</b>			
	<b>Individual Quarter</b>		<b>Cumulative Quarters</b>	
	<b>3 months</b>	<b>3 months</b>	<b>6 months</b>	<b>6 months</b>
	<b>ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of depositors' funds	10,947	9,596	19,854	18,761
Income derived from investment of shareholders' funds	1,962	1,528	3,917	3,690
Total income before impairment allowances and overhead expenses	12,909	11,124	23,771	22,451
Profit distributed to depositors	(5,355)	(3,891)	(9,807)	(8,607)
Finance cost	(240)	(436)	(586)	(643)
Income from Islamic Banking Window operations reported in the statement of profit or loss of the Group and of the Bank	<b>7,314</b>	<b>6,797</b>	<b>13,378</b>	<b>13,201</b>

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

**A34. Operations Of Islamic Banking (cont'd.)**

**(c) Statement Of Changes In Islamic Banking Funds**  
**For the financial year ended 30 June 2025**

Group and Bank	Non- Distributable					Distributable	Total Equity RM'000
	Islamic Banking Fund RM'000	Fair Value Reserve RM'000	Regulatory Reserve RM'000	ESS Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000	
<b>At 1 January 2025</b>	120,000	530	1,573	2	5,248	94,126	221,479
Net profit for the financial period	-	-	-	-	-	8,381	8,381
Other comprehensive income for the financial period	-	2,295	-	-	-	-	2,295
Transfer to retained profits	-	-	(183)	-	-	183	-
<b>At 30 June 2025</b>	<b>120,000</b>	<b>2,825</b>	<b>1,390</b>	<b>2</b>	<b>5,248</b>	<b>102,690</b>	<b>232,155</b>
<b>At 1 January 2024</b>	120,000	1,183	2,654	6	5,248	75,515	204,606
Net profit for the financial period	-	-	-	-	-	7,815	7,815
Other comprehensive loss for the financial period	-	(486)	-	-	-	-	(486)
Share based payment under ESS	-	-	-	-	-	(4)	(4)
Transfer to retained profits	-	-	(36)	(1)	-	37	-
<b>At 30 June 2024</b>	<b>120,000</b>	<b>697</b>	<b>2,618</b>	<b>5</b>	<b>5,248</b>	<b>83,363</b>	<b>211,931</b>

**KENANGA INVESTMENT BANK BERHAD**  
**197301002193 (15678-H)**

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A34. Operations Of Islamic Banking (cont'd.)**

**(d) Unaudited Condensed Statements Of Cash Flows**  
**For the financial period ended 30 June 2025**

	<b>Group and Bank</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2025</b>	<b>2024</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation and zakat	11,440	10,694
Adjustments for:		
Depreciation of plant and equipment	4	2
Credit loss expense	78	144
Net gain from sale of financial assets at FVTPL	(505)	(9)
Net gain from sale of financial investments other than those measured at FVTPL	(889)	(297)
Operating profit before working capital changes	10,128	10,534
<b>Changes in operating assets:</b>		
Financing and advances	14,057	(24,659)
Balances due from clients and brokers	(861)	826
Other assets	(348)	(234)
<b>Changes in operating liabilities:</b>		
Deposits from customers	192,754	3,356
Deposits and placements of banks and other financial institutions	(10,000)	(10,000)
Balances due to clients and brokers	185	119
Other liabilities	(80,142)	(1,495)
Cash generated from/(used in) operating activities	125,773	(21,553)
Zakat paid	(617)	(427)
Net cash generated from/(used in) operating activities	125,156	(21,980)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4)	(8)
Net sales of securities, representing net investing cash flow	47,591	81,997
Net cash generated from investing activities	47,587	81,989
<b>Net change in cash and cash equivalents</b>	172,743	60,009
<b>Cash and cash equivalents at beginning of the financial period</b>	449,464	342,387
<b>Cash and cash equivalents at end of the financial period</b>	622,207	402,396

**KENANGA INVESTMENT BANK BERHAD**  
**197301002193 (15678-H)**

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A34. Operations Of Islamic Banking (cont'd.)**

	<b>Group and Bank</b>	
	<b>As at 30 June 2025 RM'000</b>	<b>As at 31 December 2024 RM'000</b>
<b>(e) Cash and bank balances</b>		
Current accounts with Bank Negara Malaysia and banks	14,957	18,214
Money at call and deposit placements with:		
Licensed Islamic banks	230,000	51,250
Licensed investment banks	30,000	-
Bank Negara Malaysia	-	180,000
Domestic non-bank financial institutions	347,250	200,000
	<u>622,207</u>	<u>449,464</u>
<b>(f) Financial assets at FVTPL</b>		
<b>Unquoted Securities in Malaysia:</b>		
Funds	<u>100,000</u>	<u>100,000</u>
<b>(g) Financial investments other than those measured at FVTPL</b>		
<b>(i) Financial investments at FVOCI</b>		
<b>At fair value</b>		
<b>(a) Money market instruments:</b>		
Malaysian Government Investment Certificates	104,871	143,433
<b>(b) Debt instruments:</b>		
Corporate Sukuk	46,715	41,238
<b>Total financial investments at FVOCI</b>	<u>151,586</u>	<u>184,671</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A34. Operations Of Islamic Banking (cont'd.)**

**(g) Financial investment other than those measured at FVTPL (cont'd.)**

**Impairment losses on debt instruments measured at FVOCI**

An analysis of changes in the ECLs is as follows:

**Group and Bank**

	<b>2025</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Movements in ECL</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
As at 1 January 2025	61	-	-	61
Net remeasurement of allowances	25	-	-	25
As at 30 June 2025	86	-	-	86

**Group and Bank**

	<b>2024</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Movements in ECL</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
As at 1 January 2024	-	-	-	-
Net remeasurement of allowances	61	-	-	61
As at 31 December 2024	61	-	-	61

<b>Group and Bank</b>	
<b>As at</b>	<b>As at</b>
<b>30 June</b>	<b>31 December</b>
<b>2025</b>	<b>2024</b>
<b>RM'000</b>	<b>RM'000</b>

**(ii) Financial investments at AC**

**At cost**

**(a) Money market instruments:**

Malaysian Government Investment Certificates	49,992	49,966
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**(b) Debt instruments:**

Corporate Sukuk	46,788	56,938
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<b>Total financial investment at AC</b>	<b>96,780</b>	<b>106,904</b>
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<b>Total financial investments other than those measured at FVTPL</b>	<b>248,366</b>	<b>291,575</b>
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**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A34. Operations Of Islamic Banking (cont'd.)**

	<b>Group and Bank</b>	
	<b>As at</b>	<b>As at</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(h) Financing and advances</b>		
<b>At AC</b>		
Commodity Murabahah share margin financing		
- Shariah contract - others	147	416
Commodity Murabahah revolving credit		
- Shariah contract - others	44,974	50,847
Commodity Murabahah term financing		
- Shariah contract - others	64,116	72,031
Gross financing and advances	<u>109,237</u>	<u>123,294</u>
Less: Allowance for ECL	(390)	(347)
Net financing and advances	<u>108,847</u>	<u>122,947</u>
<b>(i) Gross financing and advances analysed by type of customer are as follows:</b>		
Domestic business enterprises	65,570	73,893
Individuals	43,667	49,401
	<u>109,237</u>	<u>123,294</u>
<b>(ii) Gross financing and advances analysed by geographical distribution:</b>		
In Malaysia	<u>109,237</u>	<u>123,294</u>
<b>(iii) Gross financing and advances analysed by profit rate sensitivity are as follows:</b>		
Fixed rate	147	416
Variable rate - Cost plus	109,090	122,878
	<u>109,237</u>	<u>123,294</u>
<b>(iv) Gross financing and advances analysed by economic purpose are as follows:</b>		
Working capital	35,686	38,739
Purchase of securities	8,650	8,918
Others	64,901	75,637
	<u>109,237</u>	<u>123,294</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A34. Operations Of Islamic Banking (cont'd.)**

**Group and Bank**  
**As at**                      **As at**  
**30 June**    **31 December**  
**2025**                      **2024**  
**RM'000**                      **RM'000**

**(h) Financing and advances (cont'd.)**

**(v) Gross financing and advances analysed by residual contractual maturity are as follows:**

Within one year	53,624	59,765
More than one year	55,613	63,529
	109,237	123,294

**(vi) Impairment allowance for financing and advances are as follows:**

**Group and Bank**

**Term Financing :**

	<b>2025</b>	
	<b>Stage 1</b>	<b>Total</b>
<b>Movements in ECL</b>	<b>RM'000</b>	<b>RM'000</b>
As at 1 January 2025	347	347
Assets derecognised or repaid (excluding write-offs)	(2)	(2)
Net remeasurement of allowances	45	45
As at 30 June 2025	390	390

	<b>2024</b>	
	<b>Stage 1</b>	<b>Total</b>
<b>Movements in ECL</b>	<b>RM'000</b>	<b>RM'000</b>
As at 1 January 2024	208	208
New assets originated or purchased	98	98
Assets derecognised or repaid (excluding write-offs)	(53)	(53)
Net remeasurement of allowances	42	42
Changes in model assumption or methodology	52	52
As at 31 December 2024	347	347

**KENANGA INVESTMENT BANK BERHAD**  
**197301002193 (15678-H)**

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A34. Operations Of Islamic Banking (cont'd.)**

	<b>Group and Bank</b>	
	<b>As at 30 June 2025 RM'000</b>	<b>As at 31 December 2024 RM'000</b>
<b>(i) Other Assets</b>		
Income receivables	4,354	4,066
Prepayment	4	1
Other receivables	3,107	3,051
Less: Allowance for ECL	(29)	(27)
	7,436	7,091

**Group and Bank**

	<b>2025</b>		
	<b>Non-Credit Impaired RM'000</b>	<b>Credit Impaired RM'000</b>	<b>Total RM'000</b>
<b>Movements in ECL</b>			
As at 1 January 2025	-	27	27
New assets originated or purchased	3	28	31
Assets derecognised or repaid (excluding write-offs)	-	(29)	(29)
Transfer of stages	(2)	2	-
As at 30 June 2025	1	28	29

	<b>2024</b>		
	<b>Non-Credit Impaired RM'000</b>	<b>Credit Impaired RM'000</b>	<b>Total RM'000</b>
<b>Movements in ECL</b>			
As at 1 January 2024	1	26	27
New assets originated or purchased	4	31	35
Assets derecognised or repaid (excluding write-offs)	-	(35)	(35)
Transfer of stages	(5)	5	-
As at 31 December 2024	-	27	27

**KENANGA INVESTMENT BANK BERHAD**  
**197301002193 (15678-H)**

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A34. Operations Of Islamic Banking (cont'd.)**

	<b>Group and Bank</b>	
	<b>As at 30 June 2025 RM'000</b>	<b>As at 31 December 2024 RM'000</b>
<b>(j) Deposits from customers</b>		
<b>(i) By type of deposit</b>		
Term deposits		
- Tawarruq (Commodity Murabahah deposits)	<u>537,918</u>	<u>345,164</u>
<b>(ii) By type of customers</b>		
Domestic non-bank institutions	296,246	242,397
Government and other statutory bodies	200,000	50,000
Business enterprises	27,555	38,820
Individuals	776	699
Subsidiary companies	13,341	13,248
	<u>537,918</u>	<u>345,164</u>
<b>(iii) By maturity</b>		
Due within six months	337,918	295,164
Due more than six months	200,000	50,000
	<u>537,918</u>	<u>345,164</u>
<b>(k) Deposits and placements of banks and other financial institutions</b>		
<b>(i) By type of deposit</b>		
Term deposits		
- Tawarruq (Commodity Murabahah deposits)	<u>-</u>	<u>10,000</u>
<b>(ii) By type of customers</b>		
Other financial institution	<u>-</u>	<u>10,000</u>
<b>(iii) By maturity</b>		
Due within six months	<u>-</u>	<u>10,000</u>

**KENANGA INVESTMENT BANK BERHAD**  
**197301002193 (15678-H)**

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A34. Operations Of Islamic Banking (cont'd.)**

	<b>Group and Bank</b>	
	<b>As at 30 June 2025 RM'000</b>	<b>As at 31 December 2024 RM'000</b>
<b>(I) Other liabilities</b>		
Mudarabah Specific Investment Account	16,232	32,427
Profit payables	1,094	798
Other payables	293,739	352,209
	<u>311,065</u>	<u>385,434</u>

(i) The movements in allowances for impairment losses on financing commitments are as follows:

	<b>Group and Bank 2025</b>	
	<b>Stage 1 RM'000</b>	<b>Total RM'000</b>
<b>Movements in ECL</b>		
As at 1 January / 30 June 2025	-	-
	<b>2024</b>	
	<b>Stage 1 RM'000</b>	<b>Total RM'000</b>
<b>Movements in ECL</b>		
As at 1 January 2024	93	93
Assets derecognised or repaid (excluding write-offs)	(93)	(93)
As at 31 December 2024	-	-

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A34. Operations Of Islamic Banking (cont'd.)**

	<b>Group and Bank Individual Quarter</b>		<b>Group and Bank Cumulative Quarters</b>	
	<b>3 months ended 30 June 2025 RM'000</b>	<b>3 months ended 30 June 2024 RM'000</b>	<b>6 months ended 30 June 2025 RM'000</b>	<b>6 months ended 30 June 2024 RM'000</b>
<b>(m) Income derived from investment of depositors' funds</b>				
<b>Finance income</b>				
Financing and advances	234	1,229	602	1,359
Deposits and placements with financial institutions	4,618	2,618	8,388	6,070
Financial investment other than those measured at FVTPL	2,609	3,071	5,416	6,542
Accretion of discount	(161)	(160)	(320)	(350)
Others	-	-	1	1
	<b>7,300</b>	<b>6,758</b>	<b>14,087</b>	<b>13,622</b>
<b>Other operating income</b>				
Net gain/(loss) on sale of financing assets at FVTPL	450	(15)	505	9
Unrealised loss on revaluation of financial assets at FVTPL	-	(25)	-	-
Net gain on sale of financial investments other than those measured at FVTPL	889	-	889	297
Fees on financing and advances	5	4	9	8
Brokerage fee	1,017	1,109	1,857	1,908
Profit income from financial assets at FVTPL	1,224	1,136	2,445	2,290
Advisory fee	92	109	117	128
Direct trading fees expense	(35)	(26)	(61)	(49)
Other operating income	1	541	2	543
Other non-operating income	4	5	4	5
	<b>3,647</b>	<b>2,838</b>	<b>5,767</b>	<b>5,139</b>
<b>Total income derived from investment of depositors' funds</b>	<b>10,947</b>	<b>9,596</b>	<b>19,854</b>	<b>18,761</b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A34. Operations Of Islamic Banking (cont'd.)**

	<b>Group and Bank Individual Quarter</b>		<b>Group and Bank Cumulative Quarters</b>	
	<b>3 months ended 30 June 2025 RM'000</b>	<b>3 months ended 30 June 2024 RM'000</b>	<b>6 months ended 30 June 2025 RM'000</b>	<b>6 months ended 30 June 2024 RM'000</b>
<b>(n) Income derived from investment of shareholders' funds</b>				
<b>Finance income</b>				
Financing and advances	1,667	1,537	3,374	3,690
Financial investments other than those measured at FVTPL	325	(9)	600	-
Accretion of premium	(30)	-	(57)	-
	<b>1,962</b>	<b>1,528</b>	<b>3,917</b>	<b>3,690</b>
<b>(o) Profit distributed to depositors</b>				
Deposits from customers and financial institutions				
- Murabahah Fund	4,372	2,880	7,839	6,584
Others	983	1,011	1,968	2,023
	<b>5,355</b>	<b>3,891</b>	<b>9,807</b>	<b>8,607</b>
<b>(p) Personnel costs</b>				
- Salaries, wages, allowances and bonus	150	146	299	313
- EPF	24	23	47	49
- Other staff related expenses	23	19	42	38
	<b>197</b>	<b>188</b>	<b>388</b>	<b>400</b>
<b>(q) Other overhead expenses:</b>				
<b>Establishment costs</b>				
- Depreciation	2	1	4	2
- Office rental	15	14	29	29
- Others	7	10	15	17
	<b>24</b>	<b>25</b>	<b>48</b>	<b>48</b>
<b>Marketing and travelling expenses</b>				
- Advertisement and promotions	2	-	2	-
- Travelling and entertainment expenses	-	1	1	2
	<b>2</b>	<b>1</b>	<b>3</b>	<b>2</b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A34. Operations Of Islamic Banking (cont'd.)**

	<b>Group and Bank Individual Quarter</b>		<b>Group and Bank Cumulative Quarters</b>	
	<b>3 months ended 30 June 2025 RM'000</b>	<b>3 months ended 30 June 2024 RM'000</b>	<b>6 months ended 30 June 2025 RM'000</b>	<b>6 months ended 30 June 2024 RM'000</b>
<b>(q) Other overhead expenses (cont'd.):</b>				
<b>Administration and general expenses</b>				
- Fees and brokerage	111	259	219	432
- Support service charges	444	618	888	1,237
- Shariah committee expenses	49	49	103	100
- Others	126	84	211	144
	<u>730</u>	<u>1,010</u>	<u>1,421</u>	<u>1,913</u>
<b>Total other overhead expenses</b>	<b><u>756</u></b>	<b><u>1,036</u></b>	<b><u>1,472</u></b>	<b><u>1,963</u></b>

	<b>Group and Bank</b>	
	<b>As at 30 June 2025 RM'000</b>	<b>As at 31 December 2024 RM'000</b>
<b>(r) Capital adequacy</b>		
<b>CET 1 / Tier 1 Capital</b>		
Islamic Banking funds	120,000	120,000
Retained profits	94,309	94,126
Reserves	9,465	7,353
Less:		
Intangible assets	(1)	(1)
55% of cumulative gains on financial investments at FVOCI	(1,554)	(291)
Regulatory reserves	(1,390)	(1,573)
<b>Total CET 1 / Tier 1 capital</b>	<b><u>220,829</u></b>	<b><u>219,614</u></b>
<b>Tier 2 Capital</b>		
General provisions	1,868	1,860
<b>Total Tier 2 capital</b>	<b><u>1,868</u></b>	<b><u>1,860</u></b>
<b>Total capital</b>	<b><u>222,697</u></b>	<b><u>221,474</u></b>

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A34. Operations Of Islamic Banking (cont'd.)**

	<b>Group and Bank</b>	
	<b>As at 30 June 2025 RM'000</b>	<b>As at 31 December 2024 RM'000</b>
<b>(r) Capital adequacy (cont'd.)</b>		
CET 1 capital ratio	68.825%	82.627%
Tier 1 capital ratio	68.825%	82.627%
Total capital ratio	69.407%	83.327%

The breakdown of risk-weighted assets (excluding any deferred tax assets) in the various categories of risk-weights are as follows:

	<b>Group and Bank</b>			
	<b>As at 30 June 2025</b>		<b>As at 31 December 2024</b>	
	<b>Notional amount RM'000</b>	<b>Risk- weighted amount RM'000</b>	<b>Notional amount RM'000</b>	<b>Risk- weighted amount RM'000</b>
Credit risk	1,028,050	285,236	912,672	228,046
Operational risk	-	35,620	-	37,743
Total Risk Weighted Assets	1,028,050	320,856	912,672	265,789

**(s) Commitments and contingencies**

In the normal course of business, the Group and the Bank enter into various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

As at reporting date, the commitment and contingencies are as follows:

	<b>Group and Bank</b>	
	<b>As at 30 June 2025 RM'000</b>	<b>As at 31 December 2024 RM'000</b>
Commitments to extend credit with maturity of less than 1 year:		
- Islamic share margin financing	16,153	16,134
Other commitments with an original maturity of less than 1 year:		
- Islamic corporate financing	44,581	41,531
Other commitments with an original maturity of more than 1 year:		
- Islamic corporate financing	-	34,250
	60,734	91,915

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Performance Review**

**Group:**

	Individual period		Cumulative period	
	3 months ended	3 months ended	6 months ended	6 months ended
	30 June 2025 (2Q25)	30 June 2024 (2Q24)	30 June 2025 (1H25)	30 June 2024 (1H24)
(RM'000)				
Revenue	203,421	243,126	413,029	447,332
Net income	151,889	186,806	307,023	349,726
Profit before tax	7,292	13,797	22,644	40,504
Profit after tax	2,283	9,370	12,050	32,198

The Group reported lower revenue for 2Q25 as compared to 2Q24 mainly due to lower brokerage income generated during the current quarter as Bursa trading volume was dampened by market conditions during the first half of this year. In addition, net investment banking fee, management fee and trading and investment income recorded for current quarter were lower but partially mitigated by lower overheads and lesser credit loss expenses.

Lower PBT was recorded for 1H25 mainly due to lower net income as the higher net interest and futures commission income recorded were offset by lower brokerage and management fee income. Furthermore, a one-off income of RM13mil from an associate company had also contributed to the higher PBT in 1H24.

**Investment Banking:**

	Individual period		Cumulative period	
	3 months ended	3 months ended	6 months ended	6 months ended
	30 June 2025 (2Q25)	30 June 2024 (2Q24)	30 June 2025 (1H25)	30 June 2024 (1H24)
(RM'000)				
Revenue	64,555	64,846	130,931	121,188
Net income	22,798	22,593	45,263	37,248
Profit/(Loss) before tax	7,152	(893)	11,302	(2,998)

Investment Banking has turnaround and registered PBT for 2Q25 compared to loss before tax ("LBT") for 2Q24 mainly due to higher trading and investment income generated in current quarter.

This division registered higher revenue and PBT for 1H25 compared to LBT for 1H24 largely due to higher net interest, trading and investment income as well as lower credit loss expense incurred during the current period.

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Performance Review (cont'd.)**

**Current quarter and financial year-to-date**

Performance analysis of the Group's major operating segments are as follows:

**Stockbroking:**

	Individual period		Cumulative period	
	3 months ended	3 months ended	6 months ended	6 months ended
	30 June 2025 (2Q25)	30 June 2024 (2Q24)	30 June 2025 (1H25)	30 June 2024 (1H24)
(RM'000)				
Revenue	74,380	112,274	147,782	197,076
Net income	68,073	105,413	135,326	186,829
Loss before tax	(3,715)	14,815	(8,354)	13,569

For stockbroking, decline in Bursa trading volume has led to lower brokerage income generated for 2Q25 and 1H25. The LBT for 1H25 was also attributable to lower trading and investment income generated as well as higher credit loss recorded in current period.

Bursa average daily value dropped by 27% year-on-year (Y-o-Y). This was mainly due to lower trading activities by the retail investors. Trading volume trended downwards due to cautious investor sentiment amid global trade tensions.

**Asset and Wealth Management:**

	Individual period		Cumulative period	
	3 months ended	3 months ended	6 months ended	6 months ended
	30 June 2025 (2Q25)	30 June 2024 (2Q24)	30 June 2025 (1H25)	30 June 2024 (1H24)
(RM'000)				
Revenue	57,339	64,544	119,920	118,538
Net income	53,299	56,682	111,733	112,566
Profit before tax	4,553	3,949	10,364	11,555

Asset and Wealth Management registered a revenue of RM57.3 million for 2Q25, 11.2% lower Y-o-Y mainly attributed to lower management fee income amid weak market sentiment.

In 1H25, PBT stood at RM10.4 million versus RM11.6 million for the corresponding period last year, mainly due to strategic interest rate positioning and higher transaction cost related to the robo-advisory platform (Digital Investment Management).

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Performance Review (cont'd.)**

**Current quarter and financial year-to-date (cont'd.)**

Performance analysis of the Group's major operating segments are as follows (cont'd.):

**Listed derivatives:**

	Individual period		Cumulative period	
	3 months ended	3 months ended	6 months ended	6 months ended
	30 June 2025 (2Q25)	30 June 2024 (2Q24)	30 June 2025 (1H25)	30 June 2024 (1H24)
(RM'000)				
Revenue	7,374	6,923	15,244	13,261
Net income	6,661	6,365	13,824	12,273
Profit before tax	2,225	2,177	4,812	3,770

Listed derivatives business has reported higher PBT for 2Q25 and 1H25 compared to corresponding periods last year largely due to the higher trading commission earned on the back of higher trading activities in the derivatives market.

**Corporate and others:**

	Individual period		Cumulative period	
	3 months ended	3 months ended	6 months ended	6 months ended
	30 June 2025 (2Q25)	30 June 2024 (2Q24)	30 June 2025 (1H25)	30 June 2024 (1H24)
(RM'000)				
Revenue	3,340	3,956	7,177	10,995
Net income	7,833	12,069	10,620	19,429
Profit before tax	1,389	4,710	9,822	24,846

Lower PBT was recorded for 2Q25 and 1H25 as compared to the corresponding period last year largely due to lower trading and investment income as well as the substantial profit contributed from an associate in 1H24.

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B2. Explanatory comments on any material change in profit before taxation for current quarter as compared with the immediate preceding quarter**

**Group:**

(RM'000)	<b>Current quarter</b>	<b>Previous quarter</b>
	<b>3 months ended 30 June 2025 (2Q25)</b>	<b>3 months ended 31 March 2025 (1Q25)</b>
Revenue	203,421	209,608
Net income	151,889	155,134
Profit before tax	7,292	15,352
Profit after tax	2,283	9,767

For 2Q25, the Group has achieved lower PBT compared to 1Q25 due to lower brokerage fee income, higher overheads and higher credit loss expense. This was partially mitigated by higher trading and investment income recorded during current quarter.

**B3. Prospects**

The domestic economy remained stable in 2Q25, with key major indicators mainly the manufacturing output, and retail sales showing moderate but steady gains. Looking forward, growth is expected to remain supported by firm domestic demand supported by private consumption and investment. This is underpinned by higher income prospects, the realisation of approved investments, and ongoing policy support.

However, persistent external headwinds could weigh on momentum. We project Gross Domestic Product growth to ease to 4.3% in 2025 (2024: 5.1%). Slower global growth, driven by escalating trade tensions and prolonged geopolitical instability, may dampen sentiment and curb external demand.

Following a 25 basis point cut in July, described as a “pre-emptive” measure, we continue to expect BNM to hold the Overnight Policy Rate (OPR) at 2.75% for the rest of the year, barring major shocks. BNM will likely to maintain a cautious stance in its monetary policy decision, balancing growth support with inflation risks amid global uncertainty.

Given the current macroeconomic landscape and the significant decline in stock market volume in Malaysia, the Group continues to navigate a challenging operating environment for the remainder of 2025. In response, the Group is proactively implementing prudent cost management strategies and adjusting its priorities to preserve operational efficiency and sustain performance through the year.

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**SELECTED EXPLANATORY NOTES**  
**REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA**  
**MALAYSIA SECURITIES BERHAD**

**B4. Variance From Profit Forecast And Profit Guarantee**

This is not applicable as the Company did not issue any profit forecast or profit guarantee during the financial period.

**B5. Taxation and zakat**

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	<b>3 months ended 30 June 2025</b> <b>RM'000</b>	<b>3 months ended 30 June 2024</b> <b>RM'000</b>	<b>6 months ended 30 June 2025</b> <b>RM'000</b>	<b>6 months ended 30 June 2024</b> <b>RM'000</b>
Income tax and zakat	(959)	(1,539)	(1,697)	(2,829)
Deferred taxation	(4,050)	(2,888)	(8,897)	(5,477)
<b>Total</b>	<b>(5,009)</b>	<b>(4,427)</b>	<b>(10,594)</b>	<b>(8,306)</b>

The effective tax rate of the Group for the current financial period ended 30 June 2025 was higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purpose.

<u>Bank</u>	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	<b>3 months ended 30 June 2025</b> <b>RM'000</b>	<b>3 months ended 30 June 2024</b> <b>RM'000</b>	<b>6 months ended 30 June 2025</b> <b>RM'000</b>	<b>6 months ended 30 June 2024</b> <b>RM'000</b>
Income tax and zakat	(163)	(136)	(295)	(276)
Deferred taxation	(1,896)	(2,848)	(4,510)	(3,479)
<b>Total</b>	<b>(2,059)</b>	<b>(2,984)</b>	<b>(4,805)</b>	<b>(3,755)</b>

The effective tax rate of the Bank for the current financial period ended 30 June 2025 was higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purpose.

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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**SELECTED EXPLANATORY NOTES**  
**REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA**  
**MALAYSIA SECURITIES BERHAD**

**B6. Borrowings**

	Group		Bank	
	As at 30 June 2025 RM'000	As at 31 December 2024 RM'000	As at 30 June 2025 RM'000	As at 31 December 2024 RM'000
<b>Unsecured</b>				
Revolving bank loans*				
- Within one year	11,500	9,000	-	-
Subordinated notes*				
- More than one year	130,500	180,500	130,500	180,500
	<u>142,000</u>	<u>189,500</u>	<u>130,500</u>	<u>180,500</u>

\* All borrowings are denominated in RM

**B7. Dividend**

The Bank had, on 26 February 2025 declared an interim single tier dividend of 8.00 sen per share in respect of the financial year ended 31 December 2024. This interim single tier dividend which amounted to RM58,346,744 based on the entitled share capital of 729,334,299 ordinary shares was paid on 16 April 2025.

No dividend has been proposed for the current financial quarter.

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**SELECTED EXPLANATORY NOTES**  
**REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA**  
**MALAYSIA SECURITIES BERHAD**

**B8. Earnings per share**

	Individual Quarter		Cumulative Quarters	
	3 months ended 30 June 2025 RM'000	3 months ended 30 June 2024 RM'000	6 months ended 30 June 2025 RM'000	6 months ended 30 June 2024 RM'000
Profit for the period attributable to equity holders of the Bank	2,283	9,370	12,050	32,198
Weighted average number of ordinary shares in issue ('000)	728,022	725,096	728,173	724,698
Effects of dilution	-	-	-	3,420
Adjusted weighted average number of ordinary shares in issue ('000)	728,022	725,096	728,173	728,118
Earnings per share (sen)				
- basic	0.31	1.29	1.65	4.44
- fully diluted	0.31	1.29	1.65	4.42

There were no potential dilutive ordinary shares outstanding as at 30 June 2025.

**B9. Changes in Material Litigation**

The Group and the Bank do not have any material litigation which would materially and adversely affect the financial position of the Group and of the Bank.

**B10. Status of corporate proposal**

There was no corporate proposal announced but not completed as at 30 June 2025.

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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**REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA**  
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**B11. Derivative financial instruments**

Derivative financial instruments are as follows:

**Group and Bank**

Items	As at 30 June 2025		As at 31 December 2024	
	Contract/ Notional Value RM'000	Fair Value RM'000	Contract/ Notional Value RM'000	Fair Value RM'000
<u>Derivative financial assets</u>				
Equity related contract- options	3,254	2,927	-	2,761
Equity related contract- swaps	9,880	114	26,974	898
Equity related contract- forwards	36,875	4,478	79,445	45,812
Foreign exchange related contracts	63,233	289	31,688	203
Dual currency investment- options	17,271	8	16,410	23
	<b>130,513</b>	<b>7,816</b>	<b>154,517</b>	<b>49,697</b>
<u>Derivative financial liabilities</u>				
Equity related contract- options	639,638	36,865	1,038,858	56,703
Equity related contract- forwards	59,726	1,492	50,007	2,627
Foreign exchange related contracts	5,079	33	139,780	780
Dual currency investment- options	17,271	8	16,410	23
	<b>721,714</b>	<b>38,398</b>	<b>1,245,055</b>	<b>60,133</b>

**Changes in the risk, cash requirement, policies in place and accounting policies reported in prior financial years**

There have been no significant changes since the end of the previous financial year ended 31 December 2024 in respect of the following:

- (i) the market risk and credit risk associated with the derivatives;
- (ii) the cash requirements of the derivatives;
- (iii) the policies in place for mitigating or controlling the risks associated with the derivatives; and
- (iv) the related accounting policies

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA**  
**MALAYSIA SECURITIES BERHAD**

**B11. Derivative financial instruments (cont'd.)**

**Types of derivative financial instruments**

Options are contractual agreements or embedded in other financial instruments under which seller/issuer grants the purchaser the right, but not the obligation, either to buy a call option or sell a put option at or by a pre-defined date during a pre-defined period, a specific amount of an underlying assets at a pre-determined price.

The Seller may receive a premium from the purchaser in consideration of risk. Options may be either exchange-traded, negotiated between the purchaser and the seller at the over-the-counter market or embedded components in other financial instruments.

A swap is an agreement between two parties to exchange a series of future cash flows. Each cash flow comprises one leg of the swap. One cash flow is generally fixed, while the other is variable and based on a benchmark interest rate, floating currency exchange rate or index price.

A swap contract is essentially a derivative contract in which the value of the contract derived from the assets it represents. These assets are called the underlying assets and their value typically changes, resulting in a change of the value of the derivative itself. Most swaps contracts are traded over-the-counter that are customized to the needs of both parties.

**Purposes of engaging in derivative financial instruments**

There have been no changes since the end of the previous financial year in respect of the type of derivative financial instruments, the rationale and expected benefits accruing to the Group from these derivative financial instruments.

**Fair value changes of derivative financial instruments**

The unrealised loss arising from fair value changes of derivative financial instruments for the current quarter amounted to RM11,093,522 (1Q25 loss: RM25,139,087). This was arrived at based on the fluctuations in the market prices of the derivative financial instruments or underlying assets which are listed on Bursa Malaysia.