



کو-آپ بینک پرتاما
**CO-OP BANK
PERTAMA**

**YEARS OF
SUCCESS**

ANNUAL REPORT 2025

66

**ANNUAL
GENERAL MEETING**

ANNUAL GENERAL
MEETING OF
DELEGATES

66TH



Dewan Perdana Felda,
Kuala Lumpur



9.00 a.m.

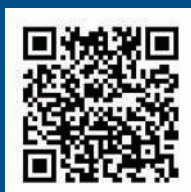


20 June 2026

FEATURES IN THE 2025 ANNUAL REPORT

Follow the 3 simple steps
below to access the QR
Code feature:

- Download the "QR Code Reader" application on your smartphone
- Direct the camera towards the QR Code
- Obtain the access to 2025 CO-OPBANKPERTAMA Annual Report



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2025 Activities



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Financial Statement

2025 HIGHLIGHTS



TOTAL NET INCOME

RM352.21

(MILLION)

(2024: RM305.19 million)



PROFIT BEFORE TAX AND ZAKAT

RM131.26

(MILLION)

(2024: RM124.30 million)



ASSETS

RM14.48

(BILLION)

(2024: RM12.84 billion)



ZAKAT

RM4.00

(MILLION)

(2024: RM3.30 million)



SHAREHOLDERS' FUNDS

RM1.94

(BILLION)

(2024: RM1.92 billion)



75

YEARS IN THE COOPERATIVE
AND BANKING SECTOR

2025 HIGHLIGHTS



NET FINANCING GROWTH

13%

(2024: 16%)



2024

MALAYSIA'S PREMIER COOPERATIVE



TOTAL NET FINANCING

RM8.64

(BILLION)

(2024: RM7.63 billion)



TOTAL EMPLOYEES

1,138



DEPOSITS

RM10.78

(BILLION)

(2024: RM9.58 billion)



35

TOTAL BRANCHES
AND OUTLETS

VISION

To be the Preferred Financial
Institution for All

MISSION

Offering competitive
Islamic Financial
Solutions.

Upholding
governance and
business practices
with fairness and
integrity.

Propelling the
Ummah's economic
prosperity and well-
being.

Committed to
ensuring the efficient
management of
resources and
environmental
sustainability.

MOTTO

Empowering Community,
Upholding Values

OBJECTIVES

—
To achieve RM300 million in profit by the year 2026

—
To own assets in total of RM16 billion by the year 2026

—
To achieve net financing balance of RM10 billion by the year 2026

—
To increase the total Member Share Capital to RM1.8 billion by 2026

COOPERATIVE PRINCIPLES

—
Voluntary and Open Membership

—
Concern for the Community

—
Members Participation in Economic Activities

—
Freedom and Autonomy

—
Education, Training and Information

—
Cooperation Among Cooperatives

—
Democratic Control by Members

AT A GLANCE



4 MARCH

Known as Koperasi
Bank Persatuan
Bekerjasama-Sama
Seberang Prai
Tanggungan Berhad



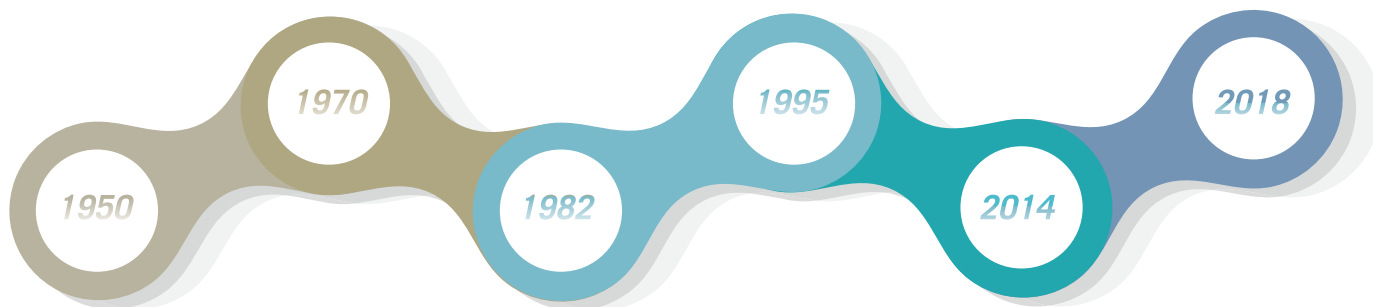
5 APRIL

Known as Koperasi
Bank Persatuan
Malaysia Berhad



13 SEPTEMBER

Known as Koperasi
Co-opbank Pertama
Malaysia Berhad



7 JUNE

Established under
the name 'The
Province Wellesley
Co-operative
Banking Union
Limited'

26 APRIL

Known as Koperasi
Bank Persatuan
Kerjasama Seberang
Perai Berhad



15 SEPTEMBER

Recognized as Co-
opbank and known
as Koperasi Co-
opbank Persatuan
Malaysia Berhad



CORPORATE INFORMATION

BOARD MEMBERS

Datuk Baharom bin Embi
Chairman

Hajah Nor Hidayah binti Omar
Deputy Chairman

Yunus bin Kasim
(Up until 30 November 2025)

Mohd. Shapie bin Idris
(Up until 30 September 2025)

Dr. Hajah Jamilah binti Din

Dato' Shahrudin bin Mohd Sa'ad

Dato' Zaini bin Sa'ad

Dr. Mohd Azlan bin Yahya

Prof. Madya Dr. Azharudin bin Ali

BOARD MEMBERS' COMMITTEES

Nomination and Remuneration Committee

Dato' Zaini bin Sa'ad
Chairman (January 2025 - present)

Datuk Baharom bin Embi

Hajah Nor Hidayah binti Omar
Member (January 2025 - February 2025)

Dato' Shahrudin bin Mohd Sa'ad

Prof. Madya Dr. Azharudin bin Ali

Nur Fatin binti Mohamad Hashim
Management Representative

Membership Committee

Dr. Mohd Azlan bin Yahya
Chairman (July 2025 - present)

Dr. Hajah Jamilah binti Din
Chairman (January 2025 - June 2025)

Hajah Nor Hidayah binti Omar

Mohd. Shapie bin Idris
Member (January 2025 - September 2025)

Dato' Zaini bin Sa'ad

Governance and Risk Oversight Committee

Dato' Shahrudin bin Mohd Sa'ad
Chairman (January 2025 - present)

Datuk Baharom bin Embi

Dr. Hajah Jamilah binti Din
Member (January 2025 - February 2025)

Dato' Zaini bin Sa'ad
(January 2025 - June 2025)

Prof. Madya Dr. Azharudin bin Ali

Investment and Product Committee

Prof. Madya Dr. Azharudin bin Ali
Chairman (January 2025 - present)

Dato' Shahrudin bin Mohd Sa'ad

Dr. Mohd Azlan bin Yahya

Yunus bin Kasim
Member (July 2025 - November 2025)

Mohd. Shapie bin Idris
Member (January 2025 - September 2025)

Hajah Nor Hidayah binti Omar
Member (January 2025 - June 2025)

Dr. Hajah Jamilah binti Din
Member (January 2025 - June 2025)

Credit Committee

Hajah Nor Hidayah binti Omar
Chairman (January 2025 - present)

Datuk Baharom bin Embi

Mohd. Shapie bin Idris
Member (January 2025 - September 2025)

Dr. Mohd Azlan bin Yahya

Dr. Hajah Jamilah binti Din
(July 2025 - present)

Yunus bin Kasim
(January 2025 - November 2025)

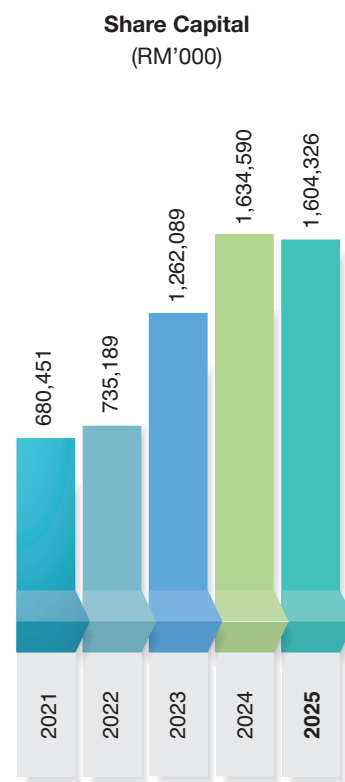
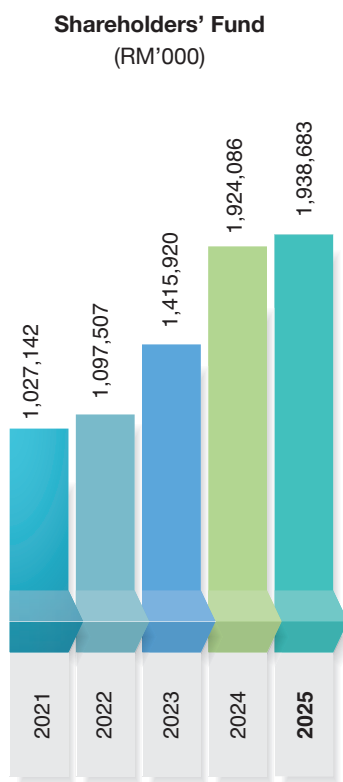
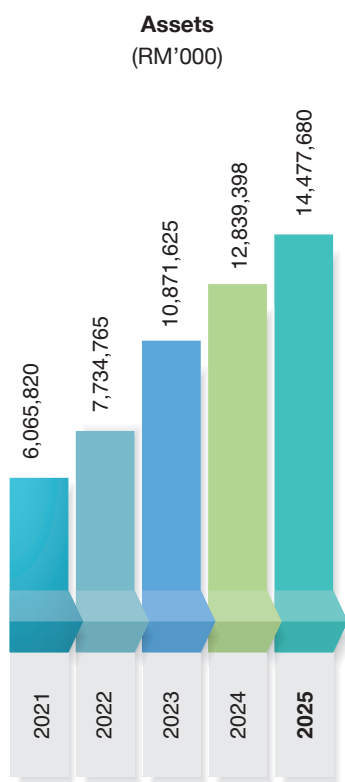
**CBP Board Members Representative in
Subsidiary:
River Leaf Sdn Bhd (formerly known as
Pembangunan BPSP Sdn Bhd)**

Dr. Hajah Jamilah binti Din
Chairman (July 2025 - present)

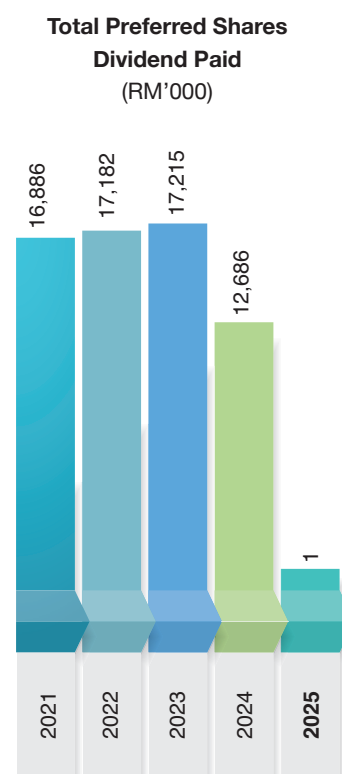
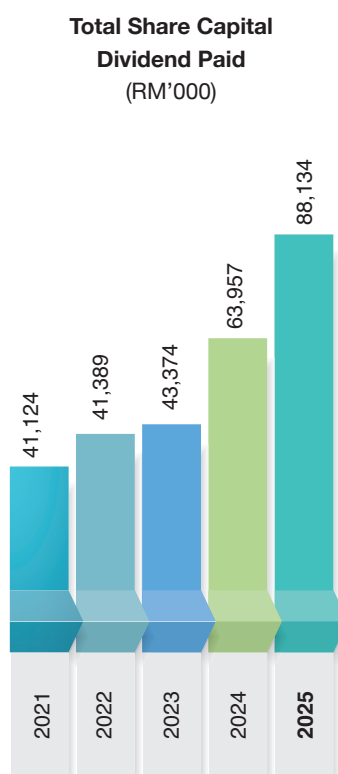
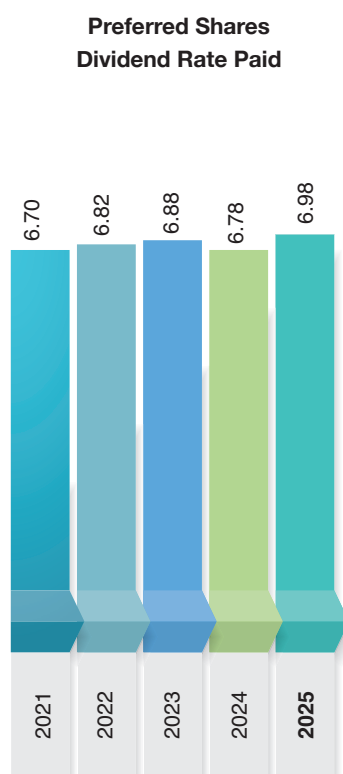
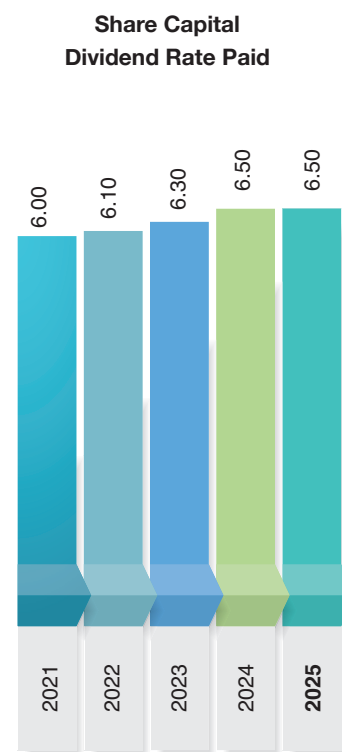
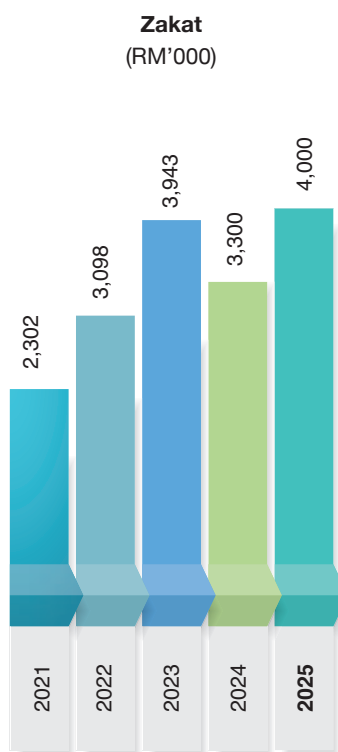
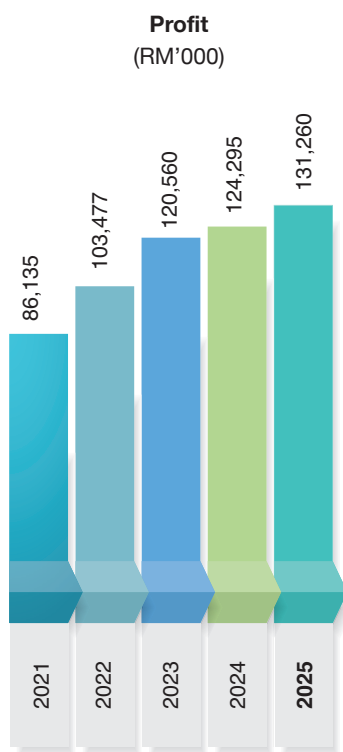
Yunus bin Kasim
Chairman (January 2025 - June 2025)

5-YEAR PERFORMANCE HIGHLIGHTS

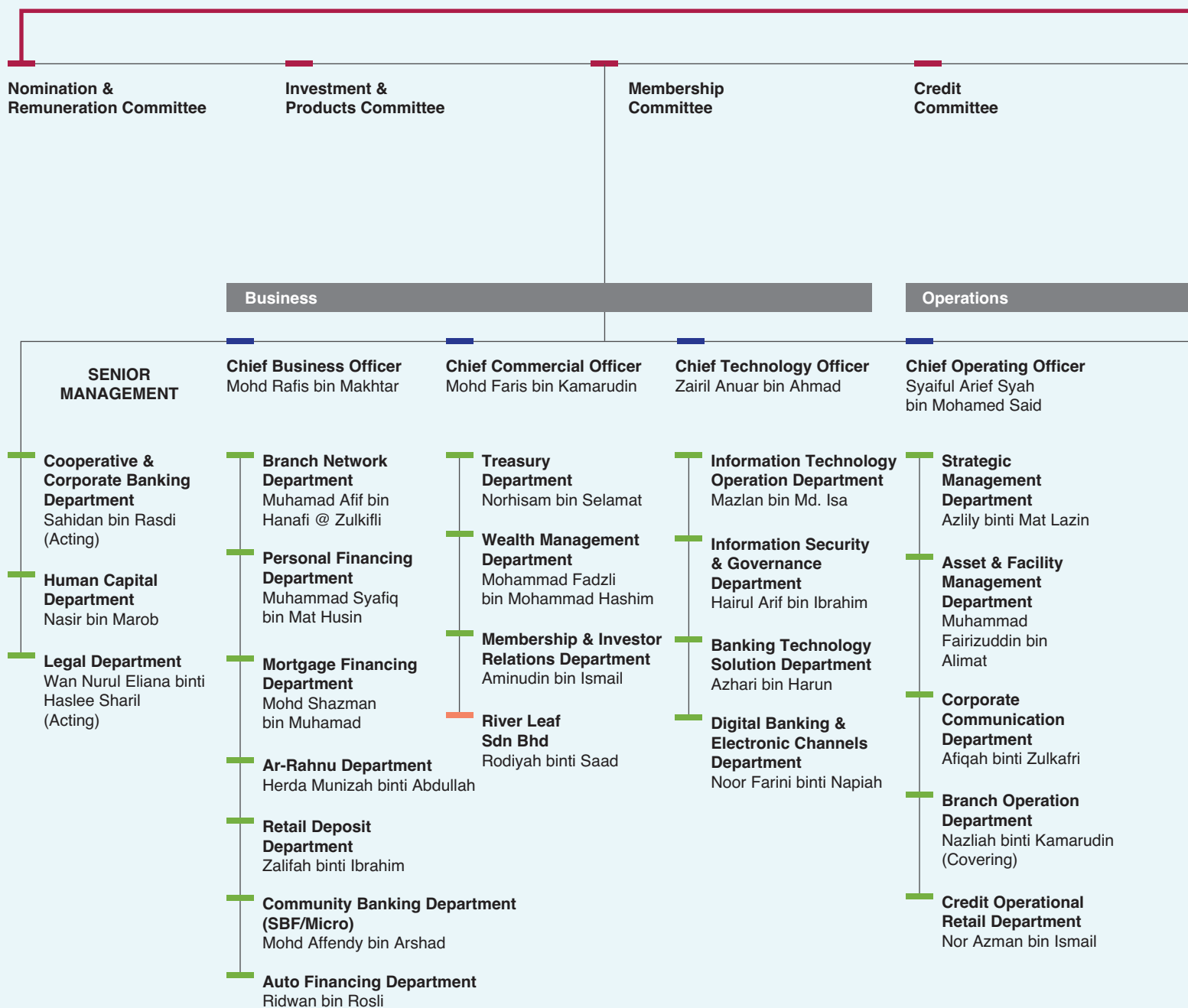
	2021 (RM'000)	2022 (RM'000)	2023 (RM'000)	2024 (RM'000)	2025 (RM'000)
Assets	6,065,820	7,734,765	10,871,625	12,839,398	14,477,680
Shareholders' Fund	1,027,142	1,097,507	1,415,920	1,924,086	1,938,683
Share Capital	680,451	735,189	1,262,089	1,634,590	1,604,326
Preferred Shares	252,002	250,244	161	-	-
Net Financing	4,133,334	5,048,191	6,550,211	7,627,120	8,637,254
Customer Deposits	4,926,378	6,267,929	8,754,767	9,581,080	10,776,232
Profit	86,135	103,477	120,560	124,295	131,260
Zakat	2,302	3,098	3,943	3,300	4,000
Share Capital Dividend Rate Paid	6.00%	6.10%	6.30%	6.50%	6.50%
Preferred Shares Dividend Rate Paid	6.70%	6.82%	6.88%	6.78%	6.98%
Total Share Capital Dividend Paid	41,124	41,389	43,374	63,957	88,134
Total Preferred Shares Dividend Paid	16,886	17,182	17,215	12,686	1
Number of Individual Members	90,854	90,365	94,118	96,082	91,968
Number of Cooperative Members	747	768	840	954	970



5-YEAR PERFORMANCE HIGHLIGHTS

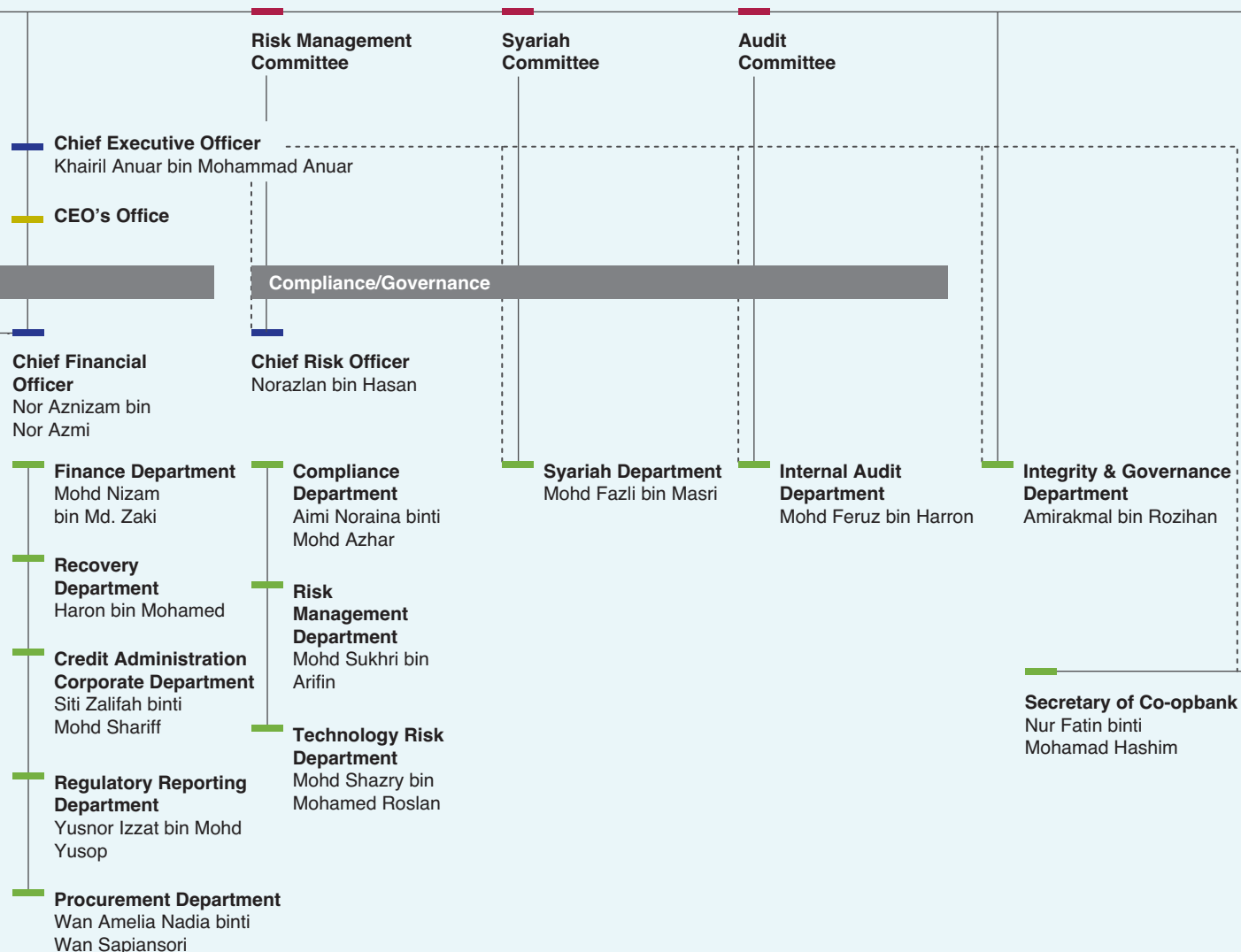


ORGANIZATIONAL CHART



ORGANIZATIONAL CHART

CO-OPERATIVE BOARD MEMBERS



Legend / Key

■ Senior Management ■ Department ■ Section ■ Unit ■ Subsidiary

— Department that reports directly to the CEO for operational and functional administration.

- - - - - Department that reports directly to the Committee on matters related to operations and on administrative functions to the Chief Executive Officer.

AWARDS AND ACHIEVEMENTS



2025

Nation's Pride - Shariah Compliant Cooperative Banking & Collateralized Borrowing/ Pawn Broking



2025

Highly Commended Top Investment House in Malaysia Ringgit Local Currency Bonds Category



2025

Pinnacle Champion Brand of The Year 2025



2025

Pinnacle Established Business of The Year 2025



2025

Industry Innovation Award (Cooperative Organisation)



2025

Premier Cooperative Malaysia 2025



2025

Industry Excellence in Cooperative Banking



2025

ShareGuide Association 2025 ICT Awards



2024

Premier Cooperative Malaysia 2024



2024

Recognising Malaysia's Leading Companies in Technology Innovation

AWARDS AND ACHIEVEMENTS



2024

Bronze Category – Integrity, Governance and Anti-Corruption Award (AIGA)



2023

Premier Cooperative Malaysia 2023



2023

Runner-Up for Highest Will Sales Award



2023

Runner-Up for the Inheritance Award



2022

Premier Cooperative Malaysia 2022



2022

Brand of The Year Cooperative Banking, The BrandLaureate Best Brands Awards 2022



2021

Premier Cooperative Malaysia 2021



2020

First Place in Malaysia's Top 100 Cooperative Index 2020



2019

Corporate Excellence Award, Asia Pacific Entrepreneurship Awards 2019
5th Place in Malaysia's Top 100 Cooperative Index 2019

BOARD MEMBER



From left to right:

**PROF. MADYA DR.
AZHARUDIN BIN ALI**
Board Member

**DATUK BAHAROM
BIN EMBI**
Chairman

**DATO' SHAHARUDIN
BIN MOHD SA'AD**
Board Member

**DR. MOHD AZLAN
BIN YAHYA**
Board Member

**HAJAH NOR HIDAYAH
BINTI OMAR**
Deputy Chairman

BOARD MEMBER



**MOHD. SHAPIE
BIN IDRIS**
Board Member
(Until 30 September 2025)

**DATO' ZAINI
BIN SA'AD**
Board Member

**YUNUS
BIN KASIM**
Board Member
(Until 30 November 2025)

**DR. HAJAH JAMILAH
BINTI DIN**
Board Member

BOARD MEMBERS' PROFILE



DATUK BAHAROM BIN EMBI

CHAIRMAN

Nationality : Malaysian

Age (In 2025) : 65

Gender : Male

Appointment as a Board Member:

- Appointed by Malaysia Co-operative Societies Commission (SKM) since October 2021

Award/Qualification(s):

- Darjah Kebesaran Negeri Melaka

Academic:

- Master in Business Administration (Decision Support System) University of Southern New Hampshire, USA.
- Bachelors in Business Administration (Economics & Finance), University of Southern New Hampshire, USA
- Diploma in Business Management, Universiti Teknologi Mara, Malaysia
- Islamic Financial Planner (IFP)

Other Positions Held in CBP:

- Chairman, Co-opbank Pertama
- Member, Risk Management Committee (January 2025 – present)
- Member, Nomination and Remuneration Committee (January 2025 – present)
- Member, Credit Committee (January 2025 – present)

Other positions held:

- Chairman, Federation Financial Services Co-operative Malaysia
- INEPS AsiaFIN Holdings Corp

Previous Experience:

- Board Member, IKMa, Co-operative Development Fund Group Member (KWAPb)
- Chief Executive Officer, TEKUN Nasional (2015-2018)
- Senior Management, Bank Rakyat

BOARD MEMBERS' PROFILE



HAJAH NOR HIDAYAH BINTI OMAR

DEPUTY CHAIRMAN

Nationality : Malaysian

Age (In 2025) : 49

Gender : Female

Appointment as a Board Member:

- Appointed by the Annual General Meeting since 2014

Award/Qualification(s):

- Pingat Jasa Kebaktian, TYT Pulau Pinang (PJK)
- Chartered Accountant, Malaysian Institute of Accountants (MIA)
- Chartered Co-operative Auditor approved by the Co-operative Societies Commission of Malaysia (SKM),
- Institute of Cooperative & Management Auditors (ICMA)
- Bachelors in Accountancy (Honours), Universiti Utara Malaysia (UUM)
- Certified HRDF Corp Trainer

Other Positions Held in CBP:

- Chairman, Credit Committee (January 2025 – present)
- Member, Nomination and Remuneration Committee (January 2025 – June 2025)
- Member, Membership Committee (January 2025 – present)
- Member, Shariah Committee (July 2025 - present)

Other Positions Held:

- Auditor, Hidayah & Co
- Consultant, Hebat Hidayah Sdn. Bhd.
- Finance Director, PH Skatepark Sdn. Bhd.
- Chairman, Koperasi Penyedia Perkhidmatan Profesional Pulau Pinang Bhd (KOPRO)

Previous Experience:

- Member, Internal Audit Committee, Bank Persatuan
- Accountant, Opals Group
- Accountant, MS Consultants
- Accountant, Iqbal & Associates
- Accountant, Shazalis Groups
- Accountant, Umpan Jaya Groups

BOARD MEMBERS' PROFILE



YUNUS BIN KASIM

BOARD MEMBER

Nationality : Malaysia

Age (in 2025) : 62

Appointment as Board Member:
(Until 30 November 2025)

Gender : Male

Appointment as a Board Member:

- Appointed by the Annual General Meeting since 2011

Awards / Qualifications:

- Pingat Kelakuan Terpuji (PKT), TYT Pulau Pinang
- Pingat Jasa Kebaktian (PJK), TYT Pulau Pinang
- Diploma in Banking Studies, ITM
- Member, Institute of Co-operative & Management Auditors (ICMA)
- Member, Institute of Co-operative Auditors (ICA)
- Excellent Service Award, National Audit Department (1993, 1997, 2014)
- Commendable Service Award, Penang State Government (2010 & 2011)

Other Positions Held in CBP:

- Chairman, River Leaf Sdn Bhd (July 2024 – June 2025)
- Member, Investment and Product Committee (July 2025 - November 2025)

- Member, Board Credit Committee (July 2025 – November 2025)
- Member, Membership Committee (July 2025 – November 2025)

Other Positions Held:

- Chairman, Koperasi Peniaga-Peniaga Melayu Penang Sentral Berhad
- Chairman, Koperasi Penggiat Ekonomi Usahawan Berhad

Past Experience:

- Deputy Chairman, Bank Persatuan
- Chairman, Internal Audit Committee, Bank Persatuan
- Senior Auditor, National Audit Department
- Head of Performance Audit, National Audit Department

BOARD MEMBERS' PROFILE



MOHD. SHAPIE BIN IDRIS

BOARD MEMBER

Appointment as Board Member:

(Until 30 September 2025)

Gender : Male

Nationality : Malaysia

Age (in 2025) : 69

Appointment as a Board Member:

- Appointed by the Annual General Meeting since 2016
- Passed away on 30 September 2025

Award/Qualification(s):

- Pingat Perkhidmatan Am
- Pingat Perkhidmatan Setia
- Darjah Kebesaran Kepahlawanan Angkatan Tentera Malaysia
- Pingat Jasa Malaysia
- Pingat Jasa Kebaktian
- Service Excellence Award, Ministry of Defence (1994, 1995 and 1998)
- Executive Master in Management, Asia E University
- Executive Diploma in Business Management, Open University
- Certificate of Completion, International Business, Murdoch University, Australia
- Work In Team For Specialist - Singapore

Other Positions Held in CBP:

- Member, Governance and Risk Oversight Committee (July 2025 – September 2025)
- Member, Credit Committee (January 2025 – September 2025)
- Member, Investment and Product Committee (January 2025 – September 2025)

Other positions held:

- Chairman, Koperasi Perkasa Malaysia Bhd
- Deputy Chairman, ANGKASA Federal Territory Liaison Committee
- Board Member, Koperasi Pasaraya Malaysia Berhad
- Board Member, Koperasi Keluarga Malaysia Berhad
- Board Member, Koperasi Kebajikan Bekas Tentera Malaysia

Previous Experience:

- Branch Supervisor of Pensions at the Records & Pensions Department – Malaysian Armed Forces, Ministry of Defense Malaysia

BOARD MEMBERS' PROFILE



DR. HAJAH JAMILAH BINTI DIN

BOARD MEMBER

Nationality	:	Malaysia
Age (in 2025):	:	68

Gender	:	Female
--------	---	--------

Appointment as a Board Member:

- Appointed by the Annual General Meeting since 2017

Award/Qualification(s):

- Certified as Industry Expert for Business Management, Business and Finance Subsector, Skills Development Department, Ministry of Human Resource
- PhD (Economy) Universiti Putra Malaysia (UPM)
- Master of Business Administration Universiti Malaya (UM)
- Bachelor of Business Administration, Universiti Kebangsaan Malaysia (UKM)
- Diploma in Business Studies, Universiti Teknologi Mara Malaysia (UiTM)
- Diploma in “Training of Trainers” for Co-operative Management in International Centre for Advanced Technical & Vocational Training, Turin, Italy
- Diploma in Co-operative Management at Asia International Labour Organisation International Training Centre, Turin, Italy

Other Positions Held in CBP:

- Chairman, Membership Committee (January 2025 – May 2025)
- Member, Membership Committee (July 2025 – present)
- Board Representative, Shariah Committee (January 2024 – July 2024)
- Chairman, River Leaf Sdn. Bhd. (July 2025 - present)

Other Positions Held:

- Treasurer, Koperasi Pembangunan Daerah Petaling Bhd
- Chairman, Koperasi Sahabat Pesara Selangor Berhad (until 2021)
- Board Member, Koperasi Kakitangan MKM Berhad (until 2021)
- Committee Member, Persatuan Pajak Gadai Islam Malaysia (March 2024 – present)

Previous Experience:

- Chairman, Franchise Marketing Fund, Rakyat Management Services
- Senior Lecturer/Director, MKM
- Development & Project Officer, LKIM
- Finance Officer, Tuah Enterprise (Syarikat Kopi Hang Tuah Sdn. Bhd.)
- Unit Trust Consultant, CIMB Principal Asset Management Bhd
- Steering Committee, National Co-operative Blueprint, KPDNKK
- Blue Ocean Strategy Plan Central Committee, Ministry of Federal & Rural Development
- Development Panel for the SLDN Programme, Department of Skills Development, Ministry of Human Resource
- Member, German Research Team, Friedrich-Eberg-Stiftung
- Sub-Committee Ar-Rahnu, Cooperative Financial Sector, Suruhanjaya Koperasi Malaysia

BOARD MEMBERS' PROFILE



DATO' SHAHARUDIN BIN MOHD SA'AD

BOARD MEMBER

Nationality : Malaysia

Age (in 2025): : 57

Gender : Male

Appointment as a Board Member:

- Appointed by the Co-operative Societies Commission of Malaysia (SKM) since 21 December 2020

Award/Qualification(s):

- Darjah Indera Mahkota Pahang (DIMP)
- Bentara Setia Kelantan (BSK)
- Jaksa Pendamai (JP) Kelantan
- Master of Business Administration (UKM)
- Bachelor of Accountancy (Honours) (UKM)
- Member, Malaysia Institute of Accounting (MIA)
- Member, The Institute of Internal Auditors Malaysia (IIAM)
- Member, Institute of Corporate Director Malaysia (ICDM)
- Certified Integrity Officer (CeIO)

Other Positions Held in CBP:

- Chairman, Governance and Risk Oversight Committee (January 2025 – present)
- Member, Nomination and Remuneration Committee (January 2025 – present)
- Member, Investment and Product Committee (January 2025 – present)

Other Positions Held:

- Treasurer, Koperasi Ekuiti Bhd.
- Director, Widad Skycore Sdn Bhd
- Director, SMS Yatadi Sdn Bhd
- Trustee, Amanah Yayasan Canselor UKM
- Chairman, Internal Audit Committee, ANGKASA
- Chairman, Relationship Selangor State CeIO Association
- President, Parent Teachers Association (PIBG), SMK Lubok China, Melaka
- Panel Tribunal of SKM

Previous Experience:

- Head Co-operative Retail and several other departments in Bank Rakyat
- Kumpulan Wang Amanah Pendidikan Koperasi Committee, Malaysia Co-operative Societies Commission (SKM)
- Kumpulan Wang Amanah Pembangunan Koperasi Committee, Malaysia Co-operative Societies Commission (SKM)
- Board Member, Bank Rakyat Employee Cooperative (SEKATARAKYAT)
- Internal Audit Committee, SEKATARAKYAT

BOARD MEMBERS' PROFILE



DATO' ZAINI BIN SA'AD

BOARD MEMBER

Nationality	:	Malaysia	Gender	:	Male
Age (in 2025)	:	65			

Appointment as a Board Member:

- Appointed by the Annual General Meeting since 2021

Award/Qualification(s):

- Darjah Setia Pangkuan Negeri, TYT Pulau Pinang (DSPN)
- Pingat Jasa Masyarakat, TYT Pulau Pinang (PJM)
- Chartered Accountant, Malaysia Institute of Accountants (MIA)
- Associate Member, Institute of Internal Auditors Malaysia (IIAM)
- Bachelor of Accountancy (Honours) Universiti Utara Malaysia (UUM)
- Member, Institute of Corporate Directors Malaysia

Other Positions Held in CBP:

- Chairman, Nomination and Remuneration Committee (January 2025 – present)
- Member, Investment and Product Committee (June 2025 – present)
- Member, Membership Committee (August 2025 – present)
- Member, Governance and Risk Oversight Committee (July 2024 – May 2025)

Other Positions Held:

- Secretary, Internal Audit Committee ANGKASA
- Treasurer, Serdang Belia Resident Association, Kepala Batas, Penang

Previous Experience:

- Relation Committee, ANGKASA Negeri Pulau Pinang
- Head of Finance, Co-opbank Persatuan
- Accountant, Hitachi Semiconductor (M) Sdn. Bhd.
- Council Member, Universiti Utara Malaysia

BOARD MEMBERS' PROFILE



DR. MOHD AZLAN BIN YAHYA

BOARD MEMBER

Nationality : Malaysia

Age (in 2025) : 66

Gender : Male

Appointment as a Board Member:

- Appointed by the Annual General Meeting since 25 June 2022 and reappointed on 21 June 2025 and currently serving.

Award/Qualification(s):

- PhD Business Administration, Universiti Utara Malaysia
- MSc Social Accounting and Financial Management, University of Birmingham
- Bachelor of Accounting, UUM
- Pingat Jaya Cemerlang by Majlis Raja-Raja Malaysia
- Malaysia Royal Education Award, UUM
- Service Excellence Award, UUM
- Chartered Integrity Officer

Other Positions in CBP:

- Chairman, Membership Committee (July 2025 - present)
- Member, Membership Committee (January 2025 to June 2025)
- Member, Credit Committee (January 2025 - present)

- Member, Governance and Risk Oversight Committee (July 2025 - present)
- Member, Investment and Product Committee (January 2025 - June 2025)

Other Positions Held:

- Chief Executive Officer, Yayasan Infaq Angkasa
- Chairman, Koperasi Ekuiti Berhad
- Chairman, PERKIM Kelana Jaya, Selangor

Previous Experience:

- Vice President, Angkatan Koperasi Kebangsaan Malaysia Bhd
- Senior Lecturer Accountancy and Finance, Universiti Utara Malaysia
- Director, Co-operative and Entrepreneurship Development Institute (CEDI), Universiti Utara Malaysia
- Manager, National Council for Entrepreneur Continuing Education, Ministry of Higher Education
- President, Universiti Utara Malaysia Alumni Association

BOARD MEMBERS' PROFILE



PROF. MADYA DR. AZHARUDIN BIN ALI

BOARD MEMBER

Nationality	:	Malaysian	Gender	:	Male
Age (in 2025)	:	51			

Appointment as a Board Member:

- Appointed by the Malaysia Co-operative Societies Commission (SKM) since June 2024

Awards / Qualifications:

- Doctor of Philosophy (PhD) in Management, Aston University, United Kingdom
- Master's Degree in Internal Audit and Management, City University, United Kingdom
- Bachelor of Accounting, UUM
- Certified Sustainability and ESG Practitioner

Other Positions Held in CBP:

- Chairman, Investment and Product Committee (January 2025 – present)
- Member, Governance and Risk Oversight Committee (January 2025 – present)
- Member, Nomination and Remuneration Committee (January 2025 – present)

Other Positions Held:

- Senior Lecturer, TISSA-UUM
- Advisor, Overview Consulting Sdn Bhd
- Director, Institute for Sustainability and Accounting Development (ISSAD)
- Director, Sustainability Office, UUM

Past Experience:

- Head, Audit and Governance Unit, Faculty of Accountancy, UUM
- Director, Business College - Smart Business Consultancy
- Project Manager, Carbon Footprint Initiative, UUM
- Risk Management Committee Member, TISSA-UUM
- Quality Auditor, UUM

INTERNAL AUDIT COMMITTEE PROFILE



NIK MUHAMAD FAUZI BIN NIK SULAIMAN

Nationality : Malaysian

Age (in 2025) : 60

Gender : Male

Appointment to the Internal Audit Committee (IAC):

- First Appointment as IAC Member: 1 December 2020
- Reappointment: 1 December 2021
- Reappointment: 1 July 2022
- Reappointment: 1 July 2023
- Reappointment: 1 July 2024
- Reappointment: 1 July 2025

Awards / Qualifications:

- Bachelor of Accounting, UiTM
- Diploma in Accounting, UiTM
- Professional Certificate, Malaysian Institute of Accountants (MIA)
- Practising Certificate for Company Secretary

Other Positions Held in CBP:

- None

Other Positions Currently Held:

- Board Member, Koperasi Muslimin Malaysia Berhad
- Chairman, Collection and Debt Recovery, Koperasi Muslimin Malaysia Berhad
- Member, Finance and Investment Committee, Koperasi Muslimin Malaysia Berhad
- Associate Partner, Khairul Afrizan Khairudin & Partners (Accounting Firm)
- Accountant, Khairul Afrizan Khairudin & Partners (Accounting Firm)
- Committee Member, Kelantan Association of Company Secretaries

Past Experience:

- Chairman, Kelantan Association of Company Secretaries
- Chairman, Internal Audit Committee, Koperasi Muslimin Malaysia Berhad
- Technical Committee Member, Kelantan Association of Company Secretaries
- Accountant, ASM Development (Terengganu) Sdn Bhd
- Finance and Administration Manager, Syarikat Ladang Sungai Terah Sdn Bhd
- Senior Supervisor, Azman, Wong, Salleh & Co

INTERNAL AUDIT COMMITTEE PROFILE



DR. ZAHARUDDIN BIN ZAINAL ABIDIN

Nationality	:	Malaysia	Gender	:	Male
Age (in 2025)	:	59			

Appointment to the Internal Audit Committee (IAC):

- First Appointment as IAC Member: 1 July 2022
- Reappointment: 1 July 2023
- Reappointment: 1 July 2024
- Reappointment: 1 July 2025

Awards / Qualifications:

- Bintang Cemerlang Negeri (B.C.N), Pulau Pinang
- Doctor of Philosophy (PhD) in Accounting, UPM
- Master of Business Administration (Finance), UPM
- Bachelor of Accounting, UiTM
- Certified Public Accountant, The Malaysian Institute of Certified Public Accountants (MICPA)
- Chartered Accountant, Malaysian Institute of Accountants (MIA)

Other Positions Held in CBP:

- None

Other Positions Currently Held:

- Member, Audit Committee, Langkawi Development Authority (LADA)
- Head, Internal Audit Unit (IAU), Accountant General’s Department (ADP), Ministry of Finance (served until 31 December 2025)

Past Experience:

- State Director of Audit, National Audit Department, Penang
- Head of Internal Audit, Ministry of Agriculture and Food Security
- Deputy Director of Audit (Finance 3), National Audit Department
- Head of Internal Audit, Ministry of Works
- Deputy State Director of Audit, National Audit Department, Penang
- Deputy Director of Audit, Federal Statutory Bodies Sector, National Audit Department
- Head of Internal Audit, Syarikat Perumahan Negara Berhad
- Head of Internal Audit, Ministry of Plantation Industries and Commodities
- Head, School of Accounting, National Audit Academy
- Auditor, Public Service Department
- Auditor, Implementation Coordination Unit, Prime Minister’s Department
- Audit Executive, Ministry of Health Malaysia
- Clerk, Standard Chartered Bank

INTERNAL AUDIT COMMITTEE PROFILE



MOHD ANUAR BIN MD NOH

Nationality : Malaysia

Gender : Male

Age (in 2025) : 61

Appointment to the Internal Audit Committee (IAC):

- First Appointment as IAC Member: 1 July 2023
- Reappointment: 1 July 2024
- Reappointment: 1 July 2025

Awards / Qualifications:

- Bachelor of Accounting, UiTM
- Diploma in Accounting, UiTM
- Certificate in Taxation, UiTM
- Chartered Accountant, Malaysian Institute of Accountants (MIA)
- Ahli Mangku Negara (AMN), conferred by the Yang di-Pertuan Agong in 2015
- Excellent Service Award, Prime Minister's Department (2007 and 2016)

Other Positions Held in CBP:

- None

Other Positions Currently Held:

- None

Past Experience:

- Deputy Head, Internal Audit Unit, Ministry of Education
- Deputy Director, Kedah State Audit Department
- Chief Auditor, Ministry of Communications
- Chief Auditor, Prime Minister's Department
- Senior Auditor, Ministry of Domestic Trade and Consumer Affairs
- Senior Auditor, National Audit Department
- Auditor, Prime Minister's Department

SHARIAH COMMITTEE MEMBER PROFILE



PROF. DR. MUSHADDAD BIN HASBULLAH (D.N.S)

Nationality	:	Malaysia	Gender	:	Male
Age (in 2025)	:	50			

Appointment to the Shariah Committee:

- 1 February 2025 – 31 January 2028

Awards / Qualifications:

- Doctor of Philosophy in Islamic Revealed Knowledge and Heritage, International Islamic University Malaysia (IIUM)
- Masters of Islamic Revealed Knowledge and Heritage, International Islamic University Malaysia (IIUM)
- Bachelor’s Degree in Islamic Shariah, Islamic University of Madinah, Saudi Arabia
- Certified Shariah Advisor (CSA), Association of Shariah Advisors in Islamic Finance (ASAS)
- Darjah Setia Negeri Sembilan (D.N.S)

Other Positions Held in CBP:

- None

Other Positions Held:

- Deputy Vice Chancellor (Student Affairs and Alumni), Universiti Sains Islam Malaysia (USIM)
- Professor (VK7), Universiti Sains Islam Malaysia (USIM)
- Member, Federal Territories Shariah Law Consultative Committee

- Member, Baitulmal Council, Kelantan Islamic Religious and Malay Customs Council
- Chairman, Shariah Committee, Citibank Berhad
- Member, Shariah Committee, MLRe Takaful
- Wakaf MARA MADANI Shariah Panel Committee

Past Experience:

- Dean, Faculty of Shariah & Law, Universiti Sains Islam Malaysia (USIM)
- Director, Zakat and Wakaf Centre, Universiti Sains Islam Malaysia (USIM)
- Member, Shariah Committee, Swiss Re Takaful
- Chairman, Shariah Committee, Sumitomo Mitsui Banking Corporation
- Member, Shariah Committee, Koperasi Sahabat Amanah Ikhtiar Malaysia

SHARIAH COMMITTEE MEMBER PROFILE



PROF. DR. ROMZIE BIN ROSMAN

Nationality : Malaysia

Age (in 2025) : 48

Gender : Male

Appointment to the Shariah Committee:

- 1 February 2025 – 31 January 2028

Awards / Qualifications:

- Doctor of Philosophy (PhD) in Islamic Banking & Finance, International Islamic University Malaysia (IIUM)
- Master of Business Administration (MBA) in Islamic Banking & Finance, International Islamic University Malaysia (IIUM)
- Bachelor of Arts (BA) in Accounting and Finance, University of Lancaster, United Kingdom
- Certified Islamic Finance Executive, Ethica Institute of Islamic Finance, United Arab Emirates
- Certified Shariah Advisor and Auditor (CSAA), Accounting and Auditing Organization for Islamic Financial Institution (AAOIFI)

Other Positions Held in CBP:

- None

Other Positions Held:

- Dean, Institute of Islamic Banking and Finance, IIUM
- Professor, Institute of Islamic Banking and Finance, International Islamic University Malaysia (IIUM)
- Member, Malaysian Institute of Accountants (MIA)
- Member, International Council of Islamic Finance Educators (ICIFE)
- Member, Association of Shariah Advisors in Finance (ASAS)

Past Experience:

- Associate Professor, Management & Science University (MSU)
- Associate Professor, Universiti Islam Malaysia (UIM)
- Researcher, International Shariah Research Academy for Islamic Finance (ISRA)
- Consultant & Researcher, SR Strategic Consultancy Sdn Bhd
- Lecturer, Universiti Tun Abdul Razak
- Auditor, PricewaterhouseCoopers (PwC)

SHARIAH COMMITTEE MEMBER PROFILE



PROF. MADYA. DR. MUHAMMAD SHAHRUL IFWAT BIN ISHAK

Nationality : Malaysia

Gender : Male

Age (in 2025) : 38

Appointment to the Shariah Committee:

- 1 February 2025 – 31 January 2028

Awards / Qualifications:

- Doctor of Philosophy (PhD) in Religious Studies, University of Aberdeen, United Kingdom
- Master's Degree in Fiqh and Usul Fiqh, Al al-Bayt University, Jordan
- Bachelor's Degree in Shariah, Mu'tah University, Jordan
- Certified Shariah Advisor (CSA), Association of Shariah Advisors in Islamic Finance (ASAS) – (Ongoing)

Other Positions Held in CBP:

- None

Other Positions Held:

- Associate Professor, Faculty of Business & Management, Universiti Sultan Zainal Abidin (UniSZA)
- Director, Centre for Wakaf, Universiti Sultan Zainal Abidin (UniSZA)
- Research Fellow, Islamic Social Finance Research Centre, Universiti Sultan Zainal Abidin (UniSZA)

- Committee Member, Terengganu Islamic Religious and Malay Customs Council (MAIDAM)
- Member, Shariah Committee, Al Rajhi Bank Malaysia
- Executive Committee Member, International Council of Islamic Finance Educators (ICIFE)
- Committee Member (Research and Publication), Yayasan DiRaja Sultan Mizan

Past Experience:

- Head, Special Interest Group (SIG), Islamic Social Finance, Universiti Sultan Zainal Abidin (UniSZA)
- Research Fellow, Institute for Sustainable Heritage and Islamic Built Environment (INSPIRE), UniSZA
- Director, Islamic Social Finance Research Centre, Universiti Sultan Zainal Abidin (UniSZA)
- Quality Assurance Coordinator, Universiti Sultan Zainal Abidin (UniSZA)
- Board Member, Maqasid Institute Malaysia
- Advisor, DanaBuku Islamic Crowdfunding Platform

SHARIAH COMMITTEE MEMBER PROFILE



DR. MUHAMAD MU'IZZ BIN ABDULLAH

Nationality : Malaysia

Gender : Male

Age (in 2025) : 36

Appointment to the Shariah Committee:

- 1 February 2025 – 31 January 2028

Awards / Qualifications:

- Doctor of Philosophy (PhD) in Fiqh and Usul Fiqh, International Islamic University Malaysia (IIUM)
- Master of Arts (MA) in Fiqh and Usul Fiqh, International Islamic University Malaysia (IIUM)
- Bachelor's Degree in Islamic Shariah, Al-Azhar University, Cairo, Egypt

Other Positions Held in CBP:

- None

Other Positions Held:

- Senior Lecturer, Centre for Shariah Studies, Faculty of Islamic Studies, Universiti Kebangsaan Malaysia (UKM)
- Editorial Board Member, Islamiyyat Journal
- Editorial Board Member, Journal of Contemporary Islamic Law

Past Experience:

- Executive, Amanah Raya Berhad
- Islamic Affairs Officer, Department of Islamic Development Malaysia (JAKIM)

SHARIAH COMMITTEE MEMBER PROFILE



DR. MUHAMMAD FATHULLAH AL HAQ BIN MUHAMAD ASNI

Nationality	:	Malaysia	Gender	:	Male
Age (in 2025)	:	35			

Appointment to the Shariah Committee:

- 1 February 2025 – 31 January 2028

Awards / Qualifications:

- Doctor of Philosophy (PhD) in Shariah (Muamalat), Universiti Sains Malaysia (USM)
- Master of Arts (MA) in Shariah (Muamalat), Universiti Sains Malaysia (USM)
- Bachelor’s Degree (Honours) in Fiqh and Usul Fiqh, Yarmouk University, Jordan
- Certified Shariah Advisor (CSA), Association of Shariah Advisors in Islamic Finance (ASAS) – (Ongoing)

Other Positions Held in CBP:

- None

Other Positions Held:

- Senior Lecturer, Islamic Studies Section, School of Humanities, Universiti Sains Malaysia (USM)
- Shariah Panel (Muamalat), Office of the Mufti of Perlis
- Shariah Advisor, Dewan Bersalin Muslim (DBM) Hospital Network
- Shariah Fellow, Al-Hady Centre Pulau Pinang
- Member, Association of Shariah Advisors in Islamic Finance (ASAS)

Past Experience:

- Deputy Dean, Centre for Graduate Studies (CGS), Kolej Universiti Islam Perlis (KUIPs)



INTRODUCTION
REPORTS
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DIRECTORY

SENIOR MANAGEMENT



From left to right:

NORAZLAN BIN HASAN
Chief Risk Officer

MOHD RAFIS BIN MAKHTAR
Chief Business Officer

**KHAIRIL ANUAR BIN
MOHAMMAD ANUAR**
Chief Executive Officer

SENIOR MANAGEMENT



**MOHD FARIS BIN
KAMARUDIN**
Chief Commercial Officer

**NOR AZNIZAM BIN
NOR AZMI**
Chief Financial Officer

**Ts. ZAIRIL ANUAR BIN
AHMAD**
Chief Technology Officer

**SYAIFUL ARIEF SYAH BIN
MOHAMED SAID**
Chief Operating Officer

SENIOR MANAGEMENT



KHAIRIL ANUAR BIN MOHAMMAD ANUAR

CHIEF EXECUTIVE OFFICER

Nationality	:	Malaysia
Age (in 2025)	:	50

Appointment as Chief Executive Officer:

1 November 2021 - present

Awards / Qualifications:

- Oxford Advanced Management & Leadership Programme, Saïd Business School, University of Oxford, United Kingdom, 2017
- MSc in Risk Management (with Distinction), Glasgow Caledonian University, United Kingdom, 2004
- BA (Hons) in Accounting and Finance, De Montfort University, Leicester, United Kingdom, 1998
- Diploma in Accountancy, Universiti Teknologi MARA (UiTM), 1996

Professional Qualifications:

- Chartered Banker, Asian Institute of Chartered Bankers (AICB) / Chartered Bankers Institute
- Member, The Institute of Risk Management (IRM), United Kingdom
- Certified Change Manager, PROSCI Change Management Certificate

Other Positions Held in CBP:

- Director, Himayah Sukuk Bhd

Past Experience:

- Group Chief Operating Officer (GCOO), SME Bank
October 2019 – September 2021

- Group Chief Strategy Officer (GCSO)
SME Bank
September 2015 – October 2019
- Head of Risk Management & Compliance
Hong Leong MSIG Takaful (HLMT)
April 2014 – September 2015
- Head of Corporate Strategy
Al Rajhi Bank Malaysia (ARBM)
May 2012 – April 2014
- BANK NEGARA MALAYSIA
August 1999 – April 2012
 - Manager, Governor's Office
November 2010 – April 2012
 - Manager, Strategic Management Department
January 2007 – November 2010
 - Senior Executive,
Insurance & Takaful Supervision Department
August 1999 – December 2006

SENIOR MANAGEMENT



MOHD FARIS BIN KAMARUDIN

CHIEF COMMERCIAL OFFICER

Nationality	:	Malaysia
Age (in 2025)	:	56

Appointment as Chief Commercial Officer:

March 2021 - 31 December 2025

Awards / Qualifications:

- Certified Financial Markets Practitioner (CMP), AICB/FMAM
- Executive Education in Strategic Management, National University of Singapore (NUS)
- BA [Hons] in Accountancy, University of Northumbria, United Kingdom

Internal Experience:

Chief Investment Officer
November 2018 – February 2021

External Experience:

- Kuwait Finance House (Malaysia) Berhad
 - Director/Head, Market Rates & Funding
December 2017 – August 2018
 - Director/Head, Global Sales
January 2015 – November 2017
 - Director/Head, Market Rates & Funding
September 2011 – December 2014
 - Assistant Director/Head, Sukuk Trading
January 2011 – August 2011
 - Assistant Director, Treasury & Capital Market, Treasury Division
March 2008 – December 2010

- Chief Dealer, Foreign Exchange, Treasury Division
May 2006 – March 2008
- Sime Darby Plantation
(formerly known as Minamas Plantation, Kumpulan Guthrie Berhad)
Jakarta, Indonesia
 - General Manager, Treasury & Funding, Treasury Division
August 2004 – April 2006
- P.T. Bank Maybank Indocorp, Jakarta, Indonesia
 - Vice President/Head, Treasury
August 2002 – July 2004
- Maybank International Labuan Limited
 - Treasury Dealer, Treasury Department
June 2000 – July 2002
- Maybank Berhad
 - Treasury Dealer, Corporate FX Desk, Interbank FX Desk, Money Market Desk
January 1994 – May 2000
 - Graduate Trainee Officer, RENTAS (formerly known as Speeds Unit)
December 1992 – December 1993

SENIOR
MANAGEMENT



NORAZLAN BIN HASAN

CHIEF RISK OFFICER

Nationality	:	Malaysia
Age (in 2025)	:	58

Appointment as Chief Risk Officer:
March 2024 - present

Academic Awards / Qualifications: - Bachelor in Business Administration (Hons) – Major in Finance Wichita State University (WSU), Wichita, Kansas, USA 1994 – 1995 - Diploma in Accountancy Institut Teknologi MARA (ITM), Shah Alam, Selangor, Malaysia 1985 – 1988 Professional Qualifications: - Chartered Banker (CB) Chartered Banker Institute (CBI), United Kingdom December 2025 - Associate Chartered Banker (ACB) Chartered Banker Institute (CBI), United Kingdom May 2025 - Certified Business Credit Practitioner (CBCP) Asian Institute of Chartered Bankers (AICB), Kuala Lumpur, Malaysia October 2015	Other Positions Held in CBP: - Data Protection Officer (DPO) June 2025 – current Past Experience: - General Manager, Risk Management Department Co-opbank Pertama April 2021 – February 2024 - Vice President, Risk Management Department Co-opbank Pertama July 2020 – April 2021 - Head, Credit Risk Pembangunan Leasing Corporation Sdn Bhd (PLC) (Subsidiary of BPMB) January 2020 – June 2020 - Senior Assistant Vice President/Deputy Head Risk Management Division Malaysia Debt Venture Berhad (MDV) January 2017 – October 2018	- Bank Pembangunan Malaysia Berhad (BPMB) - Manager/Deputy Head, Credit Appraisal June 2016 – December 2016 - Assistant Manager, Credit Risk Department August 2005 – May 2016 - Senior Officer, Credit Risk Section January 2000 – July 2005 - Project Officer, Melaka Branch October 1995 – December 1999 - Credit and Marketing Executive Kewangan Industri Bhd (KIB) July 1992 – December 1993 - Credit Control Executive MBf Finance BHD (MBf) September 1990 – June 1992
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SENIOR MANAGEMENT



MOHD RAFIS BIN MAKHTAR

CHIEF BUSINESS OFFICER

Nationality : Malaysia

Age (in 2025) : 44

Awards / Qualifications:

- Chartered Professional in Islamic Finance (CPIF)
- Diploma in Accountancy, Universiti Teknologi MARA (UiTM)

Other Positions Held in CBP:

Director, Iltizam Asset Bhd (STRA)

Past Experience:

CO-OPBANK PERTAMA (CBP)

- Acting Chief Business Officer
Co-opbank Pertama (CBP)
1 April 2022 – 31 December 2022
- Senior General Manager/ Head of Personal Financing,
Personal Financing Department
April 2022 - May 2022
- General Manager/ Head of Personal Financing,
Personal Financing Department
February 2022 – April 2022

Appointment as Chief Business Officer:

1 April 2022 - present

- General Manager,
Retail Business Department
December 2021 – January 2022
- Head, Region Office
March 2018 – November 2021
- Branch Manager
June 2016 – March 2018

BANK RAKYAT

- Bank Rakyat
2005 – 2016

SENIOR MANAGEMENT



SYAIFUL ARIEF SYAH BIN MOHAMED SAID

CHIEF OPERATING OFFICER

Nationality	:	Malaysia
Age (in 2025)	:	44

Qualifications:

- Chartered Professional in Islamic Finance (CPIF), Chartered Institute of Islamic Finance Professionals (CIIF)
- Level 6 Diploma in Professional Digital Marketing (ACIM), Chartered Institute of Marketing, United Kingdom
- Master of Business Administration, Universiti Utara Malaysia (UUM)
- Bachelor of Information Technology & Management (Hons), Open University Malaysia (OUM)
- Executive Diploma in Management, Universiti Malaya

Professional Qualifications:

- Chartered Marketeer, Chartered Institute of Marketing, United Kingdom
- Chartered Professional in Islamic Finance, The Chartered Institute of Islamic Finance
- PRINCE2® Certificate in Project Management
- Graduate Technologist, Malaysia Board of Technologists

Awards:

- Industry Excellence in Cooperative Banking – Malaysia Top Achievers 2025

Internal Experience:

- Senior General Manager / Head of Corporate Strategy & Communications
1 February 2022 – 31 December 2022
Corporate Strategy & Communications Department,
Co-opbank Pertama (CBP)

Appointment as Chief Operating Officer:

1 April 2022 - 31 December 2025

- General Manager / Head of Transformation
1 October 2020 – 31 January 2022
Transformation Department, Co-opbank Pertama (CBP)
- Assistant Vice President
9 July 2018 – 28 February 2020
Transformation Unit, Co-opbank Pertama (CBP)

External Experience:

- Assistant Vice President
Sime Darby Berhad
(Yayasan Sime Darby - Education Sponsorship)
2015 – 2018
- First Level Executive (Senior Executive)
Finance Department, Bank Negara Malaysia
2010 – 2015
- Administration Officer (Executive)
Foreign Exchange and Administration Department,
Bank Negara Malaysia
2005 – 2010
- Clerical Officer
Insurance Supervision Department, Bank Negara Malaysia
1999 – 2005

SENIOR MANAGEMENT



NOR AZNIZAM BIN NOR AZMI

CHIEF FINANCIAL OFFICER

Nationality : Malaysia

Age (in 2025) : 43

Appointment as Chief Financial Officer:

2023 - present

Awards / Qualifications:

- Master's Degree in Business Studies
University of Georgia (UNIES), Netherlands
- Bachelor's Degree in Finance / Accountancy / Banking,
Universiti Utara Malaysia (UUM)

Professional Qualifications:

- Chartered Accountant
Malaysian Institute of Accountants (MIA)

Internal Experience:

- Acting Chief Financial Officer
Co-opbank Pertama
2022 – 2023
- Senior General Manager/Head of Finance
Co-opbank Persatuan
2022 – 2023
- General Manager/Head of Finance
Co-opbank Persatuan
2017 – 2022

- Assistant Finance Manager
Co-opbank Persatuan
2014 – 2017
- Account Executive
Bank Persatuan
2006 – 2014

External Experience:

- Audit Associate
Jamal, Amin & Partners
2006

SENIOR
MANAGEMENT



Ts. ZAIRIL ANUAR BIN AHMAD

CHIEF TECHNOLOGY OFFICER

Nationality	:	Malaysia	Appointment as Chief Technology Officer:
Age (in 2025)	:	49	1 June 2023 - present

Awards / Qualifications:

- B.IT (Hons.) Major in Computer Science, Universiti Kebangsaan Malaysia (UKM)
- Malaysia Technology Excellence Awards 2024
- ASEAN CIO 100 Awards 2025
- Professional Technologist (Ts.), Malaysia Board of Technologists (MBOT)
- The World CIO 200 (2024 & 2025)
- Global Banking Professional Program, School of Continuing Education, Tsinghua University, Beijing

Professional Qualifications:

- PRINCE2 Registered Practitioner
- Associate Qualification in Islamic Finance (AQIF)
- Microsoft Certified Technology Specialist
- Microsoft Certified IT Professional
- Microsoft Certified Systems Engineer
- Certified Lotus Specialist
- Certified Citrix Administrator
- ITIL Foundation Certification v2

Other Positions Held in CBP:

Co-opbank Pertama Berhad

- Chief Technology Officer
1 June 2023 – current

- Head, Information Technology
13 September 2021 – 31 May 2023
- External Experience:
 - Head, Information Technology Department (VP II)
Export Import Bank Of Malaysia Berhad (EXIM)
August 2016 – August 2021
 - Head, IT Information Security & Head, Service Delivery Management
Bank Muamalat Malaysia Berhad
November 2015 – July 2016
 - Head, Project Management & Designer
Bank Muamalat Malaysia Berhad
February 2015 – November 2015
 - Head, Centre of Innovation
Bank Muamalat Malaysia Berhad
November 2014 – February 2015
 - Acting Head, IT Department cum Head, IT Information Security
Bank Muamalat Malaysia Berhad
August 2013 – October 2014
- Head, IT Infrastructure Services (Promoted from Manager to Assistant Vice President)
Bank Muamalat Malaysia Berhad
July 2010 – July 2013
- Advisory IT Specialist (Team Leader - Wintel Server Team)
IBM (M) Sdn Bhd
September 2008 – July 2010
- Deep Technical Support Specialist
Hewlett Packard (M) Sdn Bhd
September 2006 – August 2008
- Technology Specialist
Mesiniaga Berhad
May 2001 – August 2006
- System Analyst
Abacus Distribution System (M) Sdn Bhd
June 1999 – April 2001
- CMIS Executive
Lyroz Corporation Sdn Bhd
July 1998 – May 1999

MANAGEMENT INFORMATION

SENIOR MANAGEMENT

Khairil Anuar bin Mohammad Anuar
Chief Executive Officer

Mohd Rafis bin Makhtar
Chief Business Officer

Zairil Anuar bin Ahmad
Chief Technology Officer

Mohd Faris bin Kamarudin
Chief Commercial Officer

Syaiful Arief Syah bin Mohamed Said
Chief Operating Officer

Norazlan bin Hasan
Chief Risk Officer

Nor Aznizam bin Nor Azmi
Chief Financial Officer

HEADS OF DEPARTMENT

Nur Fatin binti Mohamad Hashim
Secretary, Co-opbank

Sahidan bin Rasdi
Acting Head, Co-operative & Corporate
Banking Department

Nasir bin Marob
Head, Human Capital Department

Wan Nurul Eliana binti Haslee Sharil
Acting Head, Legal Department

Muhamad Afif bin Hanafi @ Zulkifli
Head, Branch Network Department

Muhammad Syafiq bin Mat Husin
Head, Personal Financing Department

Mohd Shazman bin Muhamad
Head, Mortgage Financing Department

Herda Munizah binti Abdullah
Head, Ar-Rahnu Department

Zalifah binti Ibrahim
Head, Retail Deposit Department

Mohd Affendy bin Arshad
Head, Community Banking Department
(SBF/Micro)

Ridwan bin Rosli
Head, Auto Financing Department

Norhisam bin Selamat
Head, Treasury Department

**Mohammad Fadzli bin
Mohammad Hashim**
Head, Wealth Management Department

Aminudin bin Ismail
Head, Membership & Investor Relations
Department

Mazlan bin Md. Isa
Head, Information Technology Operation
Department

Hairul Arif bin Ibrahim
Head, Information Security & Governance
Department

Azhari bin Harun
Head, Banking Technology Solution
Department

Noor Farini binti Napiah
Head, Digital Banking & Electronic
Channels Department

Azlily binti Mat Lazin
Head, Strategic Management Department

Muhammad Fairizuddin bin Alimat
Head, Asset & Facility Management
Department

Afiqah binti Zulkafri
Head, Corporate Communication
Department

Nor Azman bin Ismail
Head, Credit Operation Retail Department

Nazliah binti Kamarudin
(Covering)
Head, Branch Operation Department

Mohd Nizam bin Md. Zaki
Head, Finance Department

Haron bin Mohamed
Head, Recovery Department

Siti Zalifah binti Mohd Shariff
Head, Credit Administration Corporate
Department

Yusnor Izzat bin Mohd Yusop
Head, Regulatory Reporting Department

Wan Amelia Nadia binti Wan Sapiansori
Head, Procurement Department

Aimi Noraina binti Mohd Azhar
Head, Compliance Department

Mohd Sukhri bin Arifin
Head, Risk Management Department

Mohd Shazry bin Mohamed Roslan
Head, Technology Risk Department

Mohd Fazli bin Masri
Head, Syariah Department

Mohd Feruz bin Harron
Head, Internal Audit Department

Amirakmal bin Rozihan
Head, Integrity & Governance Department

Rodiyah binti Saad
River Leaf Sdn. Bhd.

السلام عليكم ورحمة الله وبركاته

ALHAMDULILLAH! RABBIL
'ALAMIN, ALL PRAISE AND THE
HIGHEST GRATITUDE ARE
EXTENDED TO ALLAH S.W.T.
FOR HIS BLESSINGS AND
GRACE. MAY PEACE AND
BLESSINGS BE UPON
PROPHET MUHAMMAD S.A.W.

The year 2025 marked yet another challenging period for both the domestic and global financial landscape, shaped by economic uncertainties, cost pressures and a dynamic geopolitical environment. Nevertheless, CBP continued to strengthen its organisational resilience and delivered sustainable performance through the disciplined execution of strategies and the unwavering commitment of all CBP personnel.

On behalf of the Board Members, I am pleased to present the Annual Report of Co-opbank Pertama (CBP) for the financial year ended 31 December 2025.

DATUK BAHAROM BIN EMBI
Chairman

CHAIRMAN'S MESSAGE

CHAIRMAN'S MESSAGE



FINANCIAL AND OPERATIONAL PERFORMANCE

Alhamdulillah, despite continuing global economic uncertainties, CBP continued to record encouraging business performance. For the financial year 2025, CBP registered a profit before tax and zakat of RM131.15 million, representing an increase of 6% compared to the previous year. Total assets also expanded by 13% to RM14.48 billion, reflecting balanced portfolio growth and prudent risk management.

Total deposits increased to RM10.78 billion, while net financing as at 31 December 2025 stood at RM8.64 billion, driven by continued demand for competitive Islamic financial solutions that remain relevant to market needs. This achievement reflects the level of confidence among members and customers in the strength of CBP's financial fundamentals and business model.

From the aspect of CBP membership, there was a contraction in the overall number of members by 4.22% compared to the previous year. Individual membership declined from 96,082 members to 91,968 members in 2025, representing a decrease of 4.28%. Nevertheless, the number of co-operative members increased by 1.68%, from 954 co-operatives to 970 co-operatives in 2025. The reduction in the total number of CBP members in 2025 was due to CBP not opening applications for new members throughout 2025, except for co-operatives with a minimum share contribution of RM5,000.



TOTAL ASSET
RM14.48
 Billion
 (2024: RM12.84 billion)

INSTITUTIONAL RECOGNITION

CBP continued to strengthen its position as a high-performing co-operative bank when it was once again recognised as a Premier Co-operative of Malaysia by the Malaysia Co-operative Societies Commission (SKM) for the year 2025. This recognition, received for the fourth consecutive year, reflects excellence in governance, financial performance, and strong regulatory compliance.

CHAIRMAN'S MESSAGE

In addition, CBP continued to receive various recognitions and awards, reflecting the confidence and trust of the public towards CBP. Among the recognitions received were the (Nation's Pride – Shariah Compliant Cooperative Banking & Collateralized Borrowing/Pawn Broking;)(Highly Commended Top Investment House in Malaysia Ringgit Local Currency Bonds Category;)(Pinnacle Champion Brand of the Year 2025;)(Pinnacle Established Business of the Year 2025;)(Industry Innovation Award (Cooperative Organisation);)(Industry Excellence in Cooperative Banking and ShareGuide Association 2025 ICT Awards).

These recognitions reflect CBP's credibility in offering Shariah-compliant banking products and services to the public. Indirectly, they further strengthen the CBP brand as an institution that stands alongside other banking institutions.

STRENGTHENING GOVERNANCE AND OPERATIONAL TRANSFORMATION

Throughout 2025, CBP continued to strengthen its governance framework in line with industry best practices and the requirements of regulators, including Bank Negara Malaysia (BNM) and the Malaysia Co-operative Societies Commission (SKM).

Digitalisation initiatives remained a key agenda. The implementation of DuitNow QR through the HELOCBP application, introduced in June 2025, further strengthened CBP's banking ecosystem by enabling customers to perform financial transactions more efficiently and seamlessly. As at 31 December 2025, HELOCBP recorded more than 72,000 users.

At the same time, the HELOBiz application for corporate customers was further enhanced to support smoother, safer, and more efficient transactions, in line with CBP's digital transformation aspirations.

In April 2025, CBP also relocated to its new headquarters, known as Wisma Co-opbank Pertama, located in Kampung Bharu, Kuala Lumpur. The relocation to the new headquarters, which houses all departments under one roof, has further enhanced operational efficiency while strengthening CBP's governance framework.

At the same time, CBP continued to introduce several new products to further expand its customer reach. Among the products introduced were Auto-i Financing, Takaful Travel, Credit Takaful, and Property Hibah.

CBP continued to strengthen its position as a high-performing co-operative bank when it was once again recognised as a Premier Co-operative of Malaysia by the Malaysia Co-operative Societies Commission (SKM) for the year 2025.



CHAIRMAN'S MESSAGE



NET FINANCING
GROWTH

13%



CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

As a co-operative based institution, CBP remains committed to implementing corporate social responsibility (CSR) programmes that deliver a direct impact to the community. Initiatives such as CB-Prihatin, Back to School assistance, distribution of kotak rezeki, as well as various welfare programmes for the B40 group and asnaf communities reflect CBP's continuous commitment towards empowering communities and strengthening social well-being.

This approach is in line with co-operative principles that emphasise the balance between commercial performance and social responsibility. These CSR programmes also represent one of the ways CBP expresses its appreciation for the continued support received from its customers and members.

APPRECIATION

On behalf of the Board Members, I wish to express our appreciation to the Malaysia Co-operative Societies Commission (SKM), the Ministry of Entrepreneur and Co-operatives Development, Bank Negara Malaysia, as well as all government agencies and strategic partners for their continuous support and cooperation.

Our deepest appreciation is also extended to the Board Members, Internal Audit Committee, Shariah Committee, Senior Management team and all CBP personnel for the dedication and professionalism demonstrated throughout the year.

CONCLUSION

In reflecting on the 2025 financial year, CBP has demonstrated its ability to grow sustainably within a challenging environment. With strong financial fundamentals, sound governance and a commitment towards innovation and sustainability, I am confident that CBP is on the right path to continue creating long-term value for its members, customers and the community.

Insya-Allah, with a strong spirit of togetherness and unwavering commitment, we will continue moving forward in strengthening CBP's position as a trusted and respected co-operative bank.

Wassalam.

Empowering Community, Upholding Values

SUSTAINABILITY AND MANAGEMENT ANALYSIS REPORT



Co-opbank Pertama (CBP) is one of the Shariah-compliant financial institutions that remains firmly committed to the principle of *Barakah* in every aspect of its business operations. CBP does not merely pursue worldly profits, but is equally committed to embracing the spirit and philosophy of Islamic economics founded upon the principles of *Maqasid Syariah*.

Guided by the concept of *Al-Falah*, CBP upholds well-being and excellence through a balanced *mizan* between worldly and hereafter aspirations. CBP's objective is to create comprehensive and holistic (*syumul*) value, balancing both material and spiritual dimensions in ensuring fair distribution of economic resources towards upholding social justice, inspired by the principles of *Al-Aman wa Al-Salam*, while consistently preserving harmonious relationships with the Creator, humanity, and the environment perspective of the *Syariah*.

Accordingly, all corporate and Islamic financial activities undertaken by CBP, guided by the principles of *Fiqh al-Mizan*, are carefully considered to ensure they remain oriented towards attaining divine pleasure (*Ilahiah*) for spiritual (*ruhaniyyah*) and intellectual tranquillity (*aqliyyah*), while advancing human (*insaniah*) well-being and environmental sustainability by progressively minimising elements and practices that may bring harm and *mafsadah*, in line with the aspirational principle of *tadarruj*.

ASPECT OF SHARIAH GOVERNANCE

In line with the principles of *Al-Aman wa Al-Salam*, CBP places strong emphasis on strengthening Shariah governance as a fundamental pillar in ensuring that every operation, product and decision complies with Shariah requirements. This initiative not only enhances stakeholders' confidence, but also strengthens the institution's integrity and reputation.

To further strengthen organisational capabilities, competency development programmes were implemented, including *Program Induksi Jawatankuasa Syariah Baharu* held on 17–18 February 2025. The programme provided early exposure on the mandate, structure and operational processes of Shariah governance, while ensuring that newly appointed Shariah Committee members are able to discharge their responsibilities with greater synergy, confidence and effectiveness.



TOTAL DEPOSIT

RM10.78

Billion

(2024: RM9.58 billion)

SUSTAINABILITY AND MANAGEMENT ANALYSIS REPORT



CBP reaffirmed its commitment towards the principles of *Al-Aman wa Al-Salam* through the strengthening of a robust and structured Shariah governance framework. On 17–18 February 2025, *Majlis Penyampaian Watakah together with Program Induksi Jawatankuasa Syariah Baharu* was held to enhance the understanding and mandate of committee members in carrying out their responsibilities in accordance with Shariah principles.

As part of CBP's ongoing efforts to strengthen Shariah governance, CBP also organised the *Intellectual Discourse Shariah Control Function* programme over three days, from 28 September to 1 October 2025. The programme focused on enhancing the understanding and technical competencies of officers involved in Shariah control functions, including *Shariah Advisory*, *Shariah Review*, *Shariah Risk*, and *Shariah Audit*.

Through knowledge-sharing sessions and case study analyses, the programme successfully enhanced participants' synergy and capabilities in identifying and managing Shariah non-compliance issues in a more systematic manner. The organisation of this programme reflects CBP's commitment towards strong Shariah governance, while further strengthening the institution's integrity, reputation and stakeholders' confidence in line with the principles of *Al-Aman wa Al-Salam*.

ASPECT OF SHARIAH KNOWLEDGE CULTURE AND UNDERSTANDING

CBP, through the combination of outstanding talent within the Shariah Department and the expertise of Islamic scholars serving on the Shariah Committee as well as other scholars in Malaysia, continues to strengthen the agenda of knowledge sharing and the cultivation of Shariah values among CBP personnel, co-operative members and the wider community. This effort reinforces that Shariah is not merely a compliance framework, but a way of life that must be embraced at every level of the organisation and community.

SUSTAINABILITY AND MANAGEMENT ANALYSIS REPORT



A total of 13 programmes were implemented as part of this cultural development strategy, including a series of lectures held in conjunction with Ramadan, the Shariah Cultural Development Programme, as well as Shariah training sessions for CBP personnel throughout Malaysia. These initiatives not only enhance understanding and awareness, but also cultivate a work culture founded upon the values of trust, integrity, and barakah, in line with the principles of *Al-Aman wa Al-Salam*.

Through this approach, CBP reaffirms its role as an Islamic financial institution that not only leads in technical and operational aspects, but also shapes mindsets, nurtures culture, and empowers society through inclusive, sustainable, and authoritative Shariah knowledge.

As an extension of its efforts to strengthen Shariah governance, CBP initiated and conducted two (2) series of Shariah Masterclass programmes and published a total of 24 Shariah Quickbites bulletins through the Shariah Department, aimed at strengthening understanding and appreciation of Shariah values among CBP personnel.

These initiatives reflect CBP's commitment towards the principles of *Al-Aman wa Al-Salam* by emphasising the cultivation of Shariah values as a foundation for organisational harmony, confidence, and well-being. Through continuous education and knowledge sharing, the institution ensures that Shariah values are not only understood, but also comprehensively practised across all levels of the

organisation, thereby strengthening corporate reputation and stakeholders' trust.

On 9 October 2025 and 3 November 2025, CBP organised the Seminar Pematuhan Syariah Sektor Koperasi (SPSSK) at Ibis Hotel, attended by more than 114 co-operative industry practitioners. The seminar provided fundamental exposure to Shariah principles and concepts in Islamic finance, while also offering practical guidance for implementing operations that comply with Shariah requirements.

The organisation of SPSSK reflects CBP's commitment towards supporting the principle of synergy in strengthening a Shariah-compliant co-operative ecosystem. Through the sharing of knowledge and understanding on the role of Shariah governance, the seminar not only enhanced the capabilities of co-operative practitioners, but also strengthened confidence, stability and the well-being of the co-operative sector in line with the aspirations of *Al-Aman wa Al-Salam*. This initiative further demonstrates CBP's role as a leading institution in empowering the co-operative industry through the holistic cultivation of Shariah values.

ASPECT OF ISLAMIC PHILANTHROPY

CBP upholds the principles of Islamic social finance and the concept of a *Madani* nation, with a firm commitment towards contributing to the socio-economic development of the Islamic community and the well-being of the ummah. Through the

SUSTAINABILITY AND MANAGEMENT ANALYSIS REPORT

distribution of wakalah zakat amounting to RM1.8 million as part of its distribution initiatives, CBP established strategic collaborations with six (6) Majlis Agama Islam Negeri (MAIN), namely Lembaga Zakat Negeri Kedah (LZNK), Majlis Agama Islam dan Adat Melayu Perak (MAIPk), Lembaga Zakat Selangor (LZS), Majlis Agama Islam Kelantan (MAIK), Tabung Baitulmal Sarawak, and Majlis Agama Islam dan Adat Istiadat Melayu Perlis (MAIPs).

This collaboration reflects the systematic practice of Islamic philanthropy, supported by significant financial contributions towards the implementation of various programmes centred on the values of *kemaslahatan insaniah*, *Masalihi al-'ibad*, and *ESG*, including programmes such as *Murtaziq Zira'ah*, *Matalib al-'Afiyah*, *Murtaziq Tijarah*, *Murtaziq Bahri*, *Qalbun Salim* and *Itqan al-Huffaz*, which benefited 56 recipients. This initiative underscores CBP's commitment towards supporting the principle of synergy in strengthening the Shariah-compliant co-operative ecosystem, while upholding the aspirations of *Al-Aman wa Al-Salam* through continuous blessings, stability and well-being.

CBP further strengthened its position as a reputable Islamic financial institution through strategic collaborations with Lembaga Zakat Negeri Kedah (LZNK), Universiti Utara Malaysia (UUM), International Islamic University Malaysia (IIUM), and the Association of Shariah Advisors in Islamic Finance Malaysia (ASAS). These initiatives encompassed the implementation of academic programmes and recognition of outstanding students, thereby strengthening the knowledge ecosystem within the Islamic finance sector.

This initiative reflects the values of Islamic philanthropy and knowledge *dakwah* practised in a systematic manner, while supporting the principle of synergy in expanding the benefits of knowledge to the wider community. It further demonstrates CBP's commitment towards the aspirations of *Al-Aman wa Al-Salam* — positioning the cultivation of knowledge as a foundation for continuous blessings, integrity and well-being within the co-operative industry and the development of the ummah.

Throughout 2025, CBP channelled wakalah zakat distributions amounting to RM1.8 million, benefiting a total of 1,017 individuals and institutions through a series of high-impact programmes that reached various segments of society. These programmes included *Bantuan Dakwah Masjid dan Surau*, *Bantuan Usahawan Asnaf*, *Dermasiswa Pengajian Tinggi Dalam Negara*, *Bantuan Pesakit Dialisis*, *Bantuan Persekolahan Asnaf*, *Bantuan kepada Nelayan dan Petani Fakir Miskin*, *Bantuan Asnaf Muallaf*, *Bantuan Asnaf Orang Kurang Upaya (OKU)*, as well as *Bantuan Kewangan kepada Penghafal Al-Quran*.

This distribution is not merely reflected through numbers, but stands as clear evidence of how CBP practises the values of Islamic philanthropy in a systematic and strategic manner. It strengthens the principle of synergy within the co-operative ecosystem by channeling financial support that delivers a direct impact on the well-being of society. This initiative reaffirms CBP's role as an Islamic financial institution that remains committed to upholding the aspirations of *Al-Aman wa Al-Salam* — placing blessings, stability and well-being as the foundation of Islamic socio-economic development and the continuous strengthening of corporate reputation.

The implementation of these zakat programmes reflects CBP's strong commitment towards ensuring that wakalah zakat distributions are comprehensive, transparent and high-impact, in line with the current needs of the asnaf groups. Throughout 2025, from the total wakalah zakat funds collected, 59% were distributed to the poor and needy asnaf group, 23% to the fisabilillah asnaf group, 17% to the gharimin asnaf group, while the Muallaf and Riqab asnaf groups each received 1% of the distribution. These figures are not merely statistics, but tangible evidence of how CBP mobilises zakat as a strategic instrument in strengthening societal well-being.

Moving forward, CBP will continue to strengthen Islamic social finance through dedicated approaches and models designed to position zakat as a catalyst for the development of the ummah. Guided by the saying of Saidina 'Umar, "*When you give zakat, enrich them*," the institution emphasises that zakat is not merely a form of temporary assistance, but a transformative mechanism that uplifts asnaf groups out of poverty. This reflects the manifestation of Islamic philanthropic values practised systematically, while supporting the principle of synergy within the co-operative ecosystem and upholding the aspirations of *Al-Aman wa Al-Salam* by positioning blessings, stability, and well-being as the foundation of Islamic socio-economic development and the continuous strengthening of corporate reputation.

INNOVATION GATEWAY – BAI' MANFAAH

The primary focus of Shariah research in 2025 was to undertake an in-depth study of alternative approaches in supporting new risk mitigation efforts, with the objective of strengthening the understanding and implementation of Shariah principles within financial products and services. This initiative was undertaken to ensure continued effectiveness and compliance with Shariah values within a dynamic financial environment, while further strengthening the resilience of Islamic banking against evolving fatwa-related risks and reducing over-reliance on *Tawarruq*.

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On 25 August 2025, CBP achieved a historic milestone upon receiving approval from the Malaysia Co-operative Societies Commission (SKM) to introduce the *Bai' Manfaah Li Al-Amir bi Al-Syira'* (BMPO) concept, making CBP the first institution in the market to introduce this innovative concept in a structured manner.

The concept was presented by the Head of Shariah Department, Al-Fadhil Ustaz Mohd Fazli Masri, together with the Chairman of the Shariah Committee, Prof. Dr. Mushaddad Hasbullah, during the Malaysia Co-operative Societies Commission (SKM) Shariah Advisory Committee Meeting held on 9 July 2025, chaired by Al-Fadhil Ustaz Burhanuddin bin Lukman, Encik Abu Hassan Alshari bin Yahaya, Datuk Prof. Dr. Ashraf Md. Hashim, Prof. Datin Dr. Rusni binti Hassan and Prof. Dr. Zurina binti Shafii.

This approval represents not merely a product innovation, but also a symbol of CBP's strategic leadership in advancing Islamic finance and upholding the aspirations of *Al-Aman wa Al-Salam* by positioning blessings, stability, well-being, and peace as the foundation of Islamic financial development.

ASPECT OF SHARIAH RESEARCH

CBP recorded a prestigious achievement when the *Kajian Penyelidikan Dana Zakat bagi Melunaskan Hutang Si Mati* paper was successfully undertaken, presented at an international conference, and published in an indexed academic journal. In addition, the *Kajian Penyelidikan Analisis Implikasi Syariah terhadap Dagangan Komoditi bagi Pelaksanaan Tawarruq dari sudut Perlesenan Dagangan Komoditi* paper was also successfully developed with distinction.

These achievements reaffirm CBP's reputation as an institution that not only undertakes research, but also strengthens Shariah integrity through studies rooted in the values of Maqasid Syariah, the principles of *Al-Aman wa Al-Salam*, and *masalih al-'ibad*.

The studies demonstrate that Islamic finance is capable of serving as a mechanism that safeguards the well-being of the ummah, promotes peace and prosperity, as well as ensuring that economic and social benefits reach all segments of society.

Accordingly, CBP's corporate image is further strengthened as a reputable Islamic financial institution within the research landscape — positioning Shariah not merely as a compliance framework, but as a philosophy for inclusive, sustainable and high-value economic development.

ASPECT OF SHARIAH RESOLUTIONS

Throughout 2025, CBP further strengthened its role as a reputable Islamic financial institution by recording 13 Shariah meetings, encompassing both scheduled and special sessions, thereby exceeding the minimum requirement prescribed by the regulators. From the total meetings conducted, 96 significant Shariah resolutions were formally resolved, each reflecting a commitment towards the principles of *Maqasid Syariah* in ensuring justice, barakah, and the well-being of the ummah.

At the same time, CBP further enhanced its contributions through the publication of the 5th edition of the *Kompilasi Resolusi Syariah* in 2025, bringing the total number of recorded Shariah resolutions to 481 since 2019. This achievement is not merely an internal milestone, but a reflection of CBP's consistency in upholding trust and integrity, while reaffirming its role as an institution that serves as a guardian of Shariah values and a driver towards the aspirations of *Al-Aman wa Al-Salam* — positioning blessings, stability and well-being as the foundation of Islamic socio-economic development.

ASPECT OF ESG, VBI, ETHICS AND MAQASID SYARIAH

CBP's Shariah assessment found that none of its financing customers were involved in activities that contravene Shariah rulings, the principles of *Maqasid Syariah*, the ESG (Environmental, Social and Governance) and VBI (Value-Based Intermediation) frameworks, as well as ethical and reputational standards. Beyond this, the assessment also demonstrated that the Islamic financial activities undertaken by CBP have positively contributed towards market liquidity, stimulated the retail economy, provided second chances for customers' financial recovery and generated inclusive cash flow within the economy.

The most significant impact was that a portion of customers were successfully liberated from the burden of unethical interest-based financing, thereby restoring them to a halal and blessed financial pathway. Consequently, economic benefits are not concentrated solely among the elite or high-income groups, but are organically circulated across all levels of society, in line with the Shariah requirement that wealth must circulate and benefit the wider community.

This reflects the fulfilment of the principles of *Maqasid Syariah* and the spirit of *Al-Aman wa Al-Salam* — bringing blessings, tranquillity, peace and well-being into sustainable Islamic socio-economic development, while reaffirming CBP's role as an Islamic financial institution that not only complies with Shariah, but also liberates, rehabilitates and empowers the ummah.

SUSTAINABILITY AND MANAGEMENT ANALYSIS REPORT

PRINCIPLES OF AL-AMAN WA AL-SALAM

CBP further strengthened its Shariah assessment by embracing an inclusive concept that integrates VBI (Value-Based Intermediation), ESG (Environmental, Social and Governance), and *Maqasid Syariah*. Nevertheless, with strong conviction, CBP emphasises that ESG and VBI merely represent a small component of the greater philosophy of Shariah founded upon the principles of *Al-Aman wa Al-Salam*.

This inclusive concept of *Al-Aman wa Al-Salam* introduces three principal foundations — *ḥabl min Allah*, *ḥabl min al nās*, and *ḥabl min al ‘ālam* — as the basis of a balanced, sustainable, and authoritative Shariah assessment framework. Through this approach, CBP affirms that Shariah compliance is not merely a matter of technical compliance, but a comprehensive philosophy that ensures:

- Relationship with Allah SWT as the source of blessings and trust;
- Relationship with humanity as the foundation of social justice and well-being; and
- Relationship with the environment as the pillar of sustainability and universal welfare.

This is what positions ESG and VBI not merely as foundational frameworks, but as smaller branches of the greater Shariah principles embodied in *Al-Aman wa Al-Salam* — aspiring towards the creation of tranquillity, peace, and well-being as the foundation of inclusive and sustainable Islamic socio-economic development.

TREASURY

Treasury Department (TYD) continued to play a strategic role in ensuring that fund and liquidity management were carried out prudently and holistically to support the growth of CBP's financing assets and investment activities. The management approach adopted takes into consideration the balance between short-term liquidity requirements, medium and long-term funding stability, as well as optimisation of funding costs.

Throughout 2025, TYD strategically leveraged existing funding sources comprising Deposit-i Berjangka (D-iB), Revolving Credit-i Facilities, and Collateralised Commodity Murabahah (CCM). As at 31 December 2025, the CCM portfolio recorded an increase in utilisation amounting to RM1.53 billion, representing a growth of 42% compared to RM1.08 billion in the previous year. This performance reflects the effectiveness of TYD's asset mobilisation strategy in strengthening financing capabilities and ensuring sustainable liquidity.

In its efforts to strengthen the interbank market access, TYD expanded its network with 17 financial institutions, with a placement limit totalling RM6.20 billion. This initiative forms part of CBP's strategic preparations in applying for “*Interbank Player*” status from Bank Negara Malaysia.

From an investment management perspective, the Sukuk portfolio grew by 42% to RM2.91 billion compared to RM2.05 billion in the previous year. The focused investment strategy successfully maximised returns through a combination of coupon income and realised capital gains, contributing to an increase in income of RM34.56 million to RM116.06 million (2024: RM81.50 million).

To further strengthen the funding maturity profile, the proposed issuance of Structured Covered Sukuk will be realised in 2026 as part of efforts to diversify long-term funding sources and reduce concentration on short-term funds. In April 2025, the Bank's Financial Institution (FI Rating) was reaffirmed at A3/P2 with Stable Outlook by RAM Ratings, reflecting the strength of its financial fundamentals as well as continuous improvements in governance and compliance aspects.

Marketing activities were further strengthened through the implementation of the Commercial Client Coverage Team (CCCT) initiative involving Sales Teams under the Commercial Division. The initiatives undertaken successfully increased the number of new depositors by 40 organisations, with total accumulated deposits amounting to RM557.11 million. This reflects the effectiveness of the customer relationship management strategy implemented in an inclusive and comprehensive manner. During the same period, the initiative also contributed towards an increase in fee-based income generated by the Wealth Management Department (WMD), while further strengthening membership management carried out more systematically by the Membership & Investor Relations Department (MIR).

In fulfilling its commitment as the ADK-KWRS Fund Manager, TYD completed the development of the ADK-KWRS Module within the ALPHA system in January 2025. The system integrates the recording of co-operative data within the core banking system (FIRST) while automating the calculation and distribution of returns to stakeholders, in line with the financial governance requirements prescribed by the Malaysia Co-operative Societies Commission (SKM). As at 31 December 2025, a total of 1,690 co-operatives had deposited KWRS funds amounting to RM524.04 million, compared to 903 co-operatives and RM354.10 million in the previous year.

SUSTAINABILITY AND MANAGEMENT ANALYSIS REPORT

TYD also strengthened operational resilience through the implementation and periodic testing of the Business Continuity Plan (BCP), including the preparedness of the Disaster Recovery Centre (DRC). Various BCP simulation scenarios were conducted to assess the readiness level of TYD's DRC located in Putrajaya. A dedicated BCP document for TYD, detailing the necessary measures to ensure uninterrupted operations and business continuity during the activation of the Business Continuity Plan, was also circulated in November 2025.

The initiatives and continuous operational strengthening efforts undertaken by TYD reflect its strong commitment towards supporting the implementation of the Five-Year Strategic Plan, Future 2030 (F-30), which is anchored on Financial Sustainability, Operational Excellence, Digitalisation and Innovation, Talent Development, as well as ESG.

TYD remains committed to ensuring sustainable fund management through the implementation of effective investment strategies aimed at optimising return generation. At the same time, TYD continues to place strong emphasis on compliance while maintaining sound strategic relationships with regulators and business partners in support of the overall growth of CBP's business.

2025 CBP SHARE CAPITAL & MEMBERSHIP

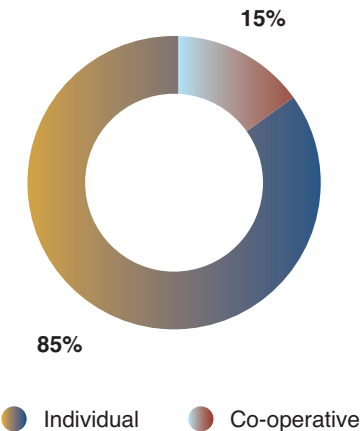
CBP Members' Share Capital Performance

For the financial year ended 31 December 2025, members' share capital recorded a total of RM1.60 billion, representing a decrease of 1.32% or RM21.48 million compared to RM1.62 billion in 2024. The decline was attributable to membership cessations and share withdrawals, the regularisation exercise involving members who did not meet the minimum shareholding requirement, the suspension of new Individual member admissions, as well as the suspension of additional share subscriptions throughout 2025.

CBP Members' Share Capital Position by Category

Individual members' share capital recorded a decline of 1.52% or RM21.02 million in 2025, with a closing balance of RM1.36 billion (2024: RM1.38 billion). Share capital from Co-operative members also recorded a decrease of 0.24% or RM0.59 million during the year under review, with a closing balance of RM244.30 million (2024: RM244.89 million).

Share Capital Composition



Comparison of Share Capital Between 2025 and 2024

	2024 (RM)	2025 (RM)	YTD (RM)	YTD (%)
Individual	1.38 Billion	1.36 Billion	(21.02 Million)	(1.52%)
Co-operative	244.89 Million	244.3 Million	(0.59 Million)	(0.24%)
Total	1.63 Billion	1.60 Billion	(21.48 Million)	(1.32%)

SUSTAINABILITY AND MANAGEMENT ANALYSIS REPORT

Number of CBP Members by Category

Overall, the total number of members in 2025 stood at 92,938, representing a decrease of 4.22% or 4,098 members compared to 2024 (97,036 members). In terms of membership composition by category, the number of Individual members recorded was 91,968, a decrease of 4.28% or 4,114 members in 2025 (2024: 96,082 members). As for Co-operative members, the number increased by 1.68% or 16 co-operatives, bringing the total to 970 co-operatives in 2025 (2024: 954 co-operatives).

Comparison of the Number of CBP Members Between 2025 and 2024

	2024	2025	YTD	YTD
Individual	96,082	91,968	(4,114)	(4.28%)
Co-operative	954	970	16	1.68%
Total	97,036	92,938	(4,098)	(4.22%)

Regularisation plan for members with insufficient minimum shareholding

In line with compliance requirements under By-Law (UUK) 13A, CBP is currently intensifying efforts to minimise the number of members who have yet to meet the minimum shareholding requirement, particularly among members whose memberships were approved prior to 2020.

As at 31 December 2025, a total of 22,093 Individual members and 39 Co-operatives had yet to fulfil their respective minimum shareholding requirements in accordance with the provisions of CBP's By-Laws approved since 2018 (RM1,000 for Individuals; RM5,000 for Co-operatives).

Membership Year	Individual <1000		Co-operative <5000	
	No.	RM	No.	RM
< 1990	34	24,719.29	-	-
1990 - 1999	322	238,113.51	-	-
2000 - 2009	4,768	3,399,573.14	4	15,740.00
2010 - 2019	16,969	9,921,033.29	35	115,100.00
Total	22,093	13,583,439.23	39	130,840.00

“
The total number of CBP members stood at
92,938
comprising Individual and Co-operative members.”

SUSTAINABILITY AND MANAGEMENT ANALYSIS REPORT

Payment of members’ benefits through the Members’ Welfare Fund (KWKA) allocation

Effective 1 January 2025, CBP launched the CBP-OnE Portal as a platform enabling members to obtain comprehensive information relating to their membership, while also facilitating applications for CBP membership benefit schemes.

Following this initiative, CBP disbursed members’ welfare benefits through the allocation under the Members’ Welfare Fund (KWKA) amounting to RM469,840 in 2025, covering various categories of membership benefit schemes.

Comparison of Benefit Scheme Payments Between 2025 and 2024

No.	Benefit Scheme	Total Payment (RM)	
		2024	2025
1	Salam Khairat Scheme	372,000	364,500
2	Prihatin Bencana Alam Scheme	7,000	9,800
3	Medik Scheme / Medik Plus Scheme	17,860	-
4	Medik Scheme	-	4,570
5	Medik Plus Scheme	-	7,900
6	SPM Excellence Education Grant / Bachelor’s Degree Education Grant	88,000	-
7	SPM Excellence Education Grant	-	8,000
8	Bachelor’s Degree Education Grant	-	72,000
9	Haji Assistance Scheme	-	3,000
10	20-Year Membership Appreciation & Course Token	37,469	-
Total		522,329	469,770

Portals Development for the convenience of CBP Members

CBP continuously strives to provide professional and high-quality services to its members through the development of several dedicated portals for the convenience of all CBP members.

No.	Portal	Function
1	CBP-OnE Portal (cbp-one.cbp.com.my)	Members are able to review their membership profiles, dividend payment statements, and submit applications relating to membership matters without having to visit CBP branches.
2	MAK CBP Portal (mak.cbp.com.my)	A dedicated portal for the Area General Meeting (MAK) was developed to encompass the overall implementation process of MAK.
3	MAPT CBP Portal (mapt.cbp.com.my)	A dedicated portal for the Annual Delegates General Meeting (MAPT) was developed to encompass the overall implementation process of MAPT.

SUSTAINABILITY AND MANAGEMENT ANALYSIS REPORT



Prospects

Moving forward, CBP remains optimistic and will continue to enhance the quality of services provided to its members, with a strong commitment towards ensuring continuous growth in returns and long-term value enhancement.

CBP – EMPOWERING COMMUNITIES, STRENGTHENING VALUES

In line with its positive financial performance, CBP, as an organisation, continues to empower communities while strengthening the core values embodied in its motto. CBP continues to emphasise the importance of Environmental, Social and Governance (ESG) aspects across the five key pillars of its strategic planning and business operations. The implementation of ESG elements continues to be strengthened under CBP's Five-Year Strategic Plan, Future 2030 (F-30), approved during the Board of Co-operative Members (ALK) Meeting No. 11/2025. The plan outlines CBP's strategic direction for the period from 2026 to 2030, with the objective of ensuring resilient, inclusive and responsible growth, in line with national economic projections and current industry trends, including digitalisation, operational cost efficiency, and stakeholders' expectations towards CBP's sustainability.

F-30 is structured around five (5) key pillars, namely Financial Sustainability and Inclusivity, Operational Excellence, Digitalisation and Innovation, Talent Development, and ESG. In its implementation, CBP places emphasis on strengthening core banking fundamentals, enhancing governance and risk management, improving asset quality, accelerating digital initiatives and offering financial solutions centred on the needs of members and customers. The Strategic Management Department plays a key role in coordinating, monitoring, and evaluating the implementation of F-30, ensuring alignment between strategic targets, Key Performance Indicators (KPIs), departmental initiatives, as well as internal and external risk assessments that may potentially affect the achievement of CBP's strategic objectives.

In line with its commitment towards ESG practices, CBP plans to introduce its ESG Framework no later than the end of 2026.

In April 2025, all personnel at CBP headquarters were relocated to CBP's new headquarters located in Kampung Bharu, Kuala Lumpur. The relocation to the 13-storey Wisma Co-opbank Pertama has enhanced management and operational efficiency as all departments now operate within a single premises.

This relocation is not only a source of pride for CBP personnel, but also for all CBP members. The new headquarters is equipped with various facilities such as ATM facilities, a cafe, convenience store, gymnasium, and others, which directly enhance the comfort and convenience of CBP personnel as well as customers.

The official opening ceremony of Wisma Co-opbank Pertama was officiated by YB Datuk Ewon Benedick, Minister of Entrepreneur and Co-operatives Development, representing the Right Honourable Prime Minister, on 10 July 2025 in a prestigious ceremony.

SUSTAINABILITY AND MANAGEMENT ANALYSIS REPORT

SOCIAL RESPONSIBILITY

In ensuring that the CBP brand continues to remain strong within the financial market, the Corporate Communications Department (COM) organised and implemented various advertising, marketing and corporate social responsibility (CSR) initiatives throughout 2025. Brand marketing efforts were carried out comprehensively through radio, television, newspapers, social media, expos and exhibitions.

In line with these efforts, CBP also undertook a rebranding and station domination initiative at Kampung Bharu LRT Station, which is now known as Kampung Bharu CBP Station, in conjunction with the location of CBP's new headquarters.

In addition, CBP expressed its appreciation towards media partners through the organisation of the CBP Sports Carnival with the Media, which directly supported branding initiatives and strengthened CBP's image among the public.

Within the context of corporate social responsibility (CSR), CBP implemented its CSR 2025 programme in a strategic, structured, and targeted manner, with the objective of strengthening community engagement, enhancing social well-being, and fostering civic awareness throughout Malaysia. The programme was planned in several phases throughout 2025:

1. March 2025 – Bubur Lambuk Distribution Programme
- Implemented in conjunction with the month of Ramadan, the programme supported SDG 2 (Zero Hunger) and SDG 3 (Good Health and Well-Being) by providing nutritional assistance to local communities while strengthening community engagement and CBP's values of compassion and social responsibility.
2. May 2025 – Apron Distribution Programme Around Wisma CBP
- The programme provided practical support to workers, volunteers, and the surrounding community, in line with the values of inclusivity and social responsibility, while positioning CBP as an institution that is attentive towards community well-being and safety, particularly in promoting proper food preparation practices.
3. June 2025 – Selected Mosque Outreach Programme Across States
- Supporting SDG 11 (Sustainable Cities and Communities), the programme strengthened religious institutions as community centres through the distribution of contributions, educational support, and social development activities. The initiative also enhanced public awareness of CBP's role in supporting diverse communities.

4. July 2025 – CSR Programme at Zoo Melaka
- The programme emphasised environmental education and wildlife conservation, in line with SDG 13 (Climate Action) and SDG 15 (Life on Land), while enhancing civic awareness and ecological responsibility among participants and the surrounding community.
5. August 2025 – Merdeka Baby and Malaysia Day Programme
- The programme fostered patriotic spirit and inclusivity, promoting national unity while contributing to the community and strengthening CBP's reputation as an institution actively involved in the nation's social development.
6. October 2025 – Beach Clean-Up Activity
- CBP personnel participated in a beach clean-up activity at Pantai Draw Bridge, Kuala Terengganu, in collaboration with Geng Plastik Hijau. The programme combined health awareness, education and social development initiatives in line with SDG 3 and SDG 4, while promoting healthy lifestyles, inclusivity and community empowerment through interactive educational activities.

Each CSR programme was funded through dedicated allocations provided under CBP's annual financial planning, with management conducted in a transparent, accountable, and periodically audited manner to ensure effectiveness and compliance.

Overall, CBP's CSR programmes in 2025 not only contributed positively towards society and the environment, but also strengthened an integrated work culture, enhanced brand reputation, improved staff morale and interdepartmental collaboration, while ensuring transparency and reporting compliance.

Long-Term Plans

CBP aspires to further expand and enhance the scale of its CSR initiatives through more structured programmes implemented nationwide, in line with F-30, ESG, and the SDGs. This approach emphasises continuity, effectiveness, and meaningful impact, ensuring that CBP remains a responsible and resilient co-operative bank that is committed towards community development and environmental sustainability.

SUSTAINABILITY AND MANAGEMENT ANALYSIS REPORT

Strengthening ICT Infrastructure

The strengthening of ICT infrastructure forms part of the strategic initiatives designed to support CBP's business and banking operations. The key element of this initiative involves assessing the actual capabilities of hardware, software, networks and support services to ensure that CBP's ICT infrastructure remains resilient and sustainable.

This infrastructure enhancement encompasses the expansion of ICT infrastructure, improvement of network speed, deployment of high-technology backup systems, protection of customer data, as well as periodic monitoring to ensure optimum performance and robust cybersecurity protection. The strategies implemented are aimed at elevating CBP's business and banking operations to be on par with other banking institutions.

BP ICT Governance and Security

In supporting the growth and sustainability of an increasingly expanding digital ecosystem, CBP's Information Technology (IT) infrastructure has been continuously enhanced in line with operational and business requirements. These improvements cover network, hardware and software aspects, including the strengthening of security controls to ensure that access to systems and networks remains controlled and secure. These initiatives were implemented in compliance with the Risk Management in Technology (RMiT) requirements prescribed by Bank Negara Malaysia.

In addition, ICT security has also been further strengthened to address various cyber threats while protecting the organisation's critical assets and information. In tandem with the increasing usage of digital channels, mobile application security has also been prioritised through the implementation of comprehensive application security controls to safeguard application integrity, communication security and customer data.

CBP Digital Transformation

CBP continues to strengthen its digital transformation agenda through the implementation and enhancement of digital banking services. Key initiatives include the implementation of the Online Banking platform (HELOCBP) as well as the introduction of electronic Know-Your-Customer (eKYC) facilities, enabling customers to register for online banking services digitally in a safer and more efficient manner.

During the same period, one of CBP's key achievements was its participation in Malaysia's Real-time Retail Payments Platform (RPP) ecosystem. This participation enables CBP to become part of the real-time payment network while further strengthening its capabilities in delivering more efficient, secure and inclusive digital payment and banking services.

Enhancement of Operational Efficiency and Productivity

The implementation of technology through the utilisation of digital systems, work process automation and online platforms has contributed towards enhancing operational efficiency and productivity. Digitalisation initiatives involving documents, together with the use of integrated systems, have also reduced dependency on physical documents and paper usage. This approach not only accelerates service delivery processes, but also supports more efficient, sustainable, and environmentally friendly work practices in strengthening digital transformation while ensuring resilient operational continuity.

EMPOWERING THE CO-OPERATIVE MOVEMENT AND CORPORATE SECTOR

During the 2025 financial year, the Cooperative & Corporate Banking (CCB) Department approved financing applications amounting to a total of RM349.76 million. Of the total approvals, financing approvals for the co-operative sector amounted to RM152.72 million, while financing approvals for the corporate sector totalled RM197.04 million. This represented an increase of 37.68% compared to the 2024 financial year, where total approvals recorded stood at RM254.04 million.

A total of 44 new financing approvals were recorded in 2025. This development demonstrates that the financing products offered are increasingly becoming the preferred choice among both the co-operative and corporate sectors. As at 31 December 2025, total financing disbursements amounted to RM166.64 million, comprising RM75.47 million for the co-operative sector and RM91.16 million for the corporate sector.

In addition, the gross financing balance as at 31 December 2025 was recorded at RM465.14 million, comprising RM163.98 million for the co-operative sector and RM301.16 million for the corporate sector, based on the overall CCB portfolio.

SUSTAINABILITY AND MANAGEMENT ANALYSIS REPORT



CCB also remains committed to expanding its role as a co-operative bank, particularly within the Credit Co-operative sector, through the continuation of the COSTART Financing Scheme introduced in November 2023 under its new branding, the COSTART Plus Financing Scheme. The scope of the financing scheme has also been expanded to include all credit co-operatives registered under the Malaysia Co-operative Societies Commission (SKM). Under this scheme, an additional financing allocation of RM15.0 million was injected into the original financing fund of RM10.0 million, bringing the total financing fund to RM25.0 million to support the growth of eligible credit co-operatives and stimulate the co-operative economic sector nationwide.

Based on current market developments, CCB has also actively offered Revolving Credit financing facilities to co-operatives involved in Ar Rahn business activities to support their funding requirements amid the growing momentum of the gold trading industry, particularly the Ar Rahn business sector.

For the corporate sector, CCB remains committed to formulating financing strategies for the services sector, particularly within the information technology industry, with a focus on government-related contracts by offering competitive terms that are able to compete with other financial institutions. As at 31 December 2025, CCB recorded approvals for i-Contract Financing amounting to RM344.91 million, involving contract values totalling RM510.87 million.

Overall, the growth of CCB's financing portfolio for the 2025 financial year demonstrated encouraging performance. This positive development was driven by the implementation of proactive marketing activities and sustainable credit assessments to support growth across both the co-operative and corporate sectors.

SUSTAINABILITY AND MANAGEMENT ANALYSIS REPORT

DIVERSIFICATION OF FEE-BASED PRODUCTS AND SERVICES

The year 2025 marked an important and challenging year for the Wealth Management Department (WMD) in continuing to offer a diverse range of fee-based products and services to customers, members and CBP personnel. The department continued to play a strategic role in contributing fee income to CBP through the credit, direct, group, and digital segments. Various products, services, marketing campaigns, and community initiatives were implemented to fulfil the bank's aspirations in an efficient and effective manner.

1. Sustainable Financial Performance

For the 2025 financial year, fee income recorded gross fee receipts amounting to RM20.31 million, representing an increase of RM4.33 million or 27% compared to RM15.98 million in 2024. This increase was driven by:

- Effective marketing campaigns;
- The introduction of relevant and inclusive new products;
- More efficient distribution approaches through digital channels and strategic partners; and
- Direct involvement of CBP personnel.

2. Product Innovation & Customer Solutions

WMD continued to collaborate with its strategic partners in launching new products aligned with the agenda of social and economic balance. Several new products focused on customers' short-term and long-term financial planning were introduced, namely:

1. CBP Hibah Hartanah

A Shariah-compliant estate planning solution designed to ensure orderly and effective asset distribution to beneficiaries.

2. Takaful CBP Travel

A comprehensive travel protection solution aimed at providing customers with smoother and more reassuring travel experiences.

3. Takaful CBP Protect (Edisi Digital)

An affordable personal accident protection product offered through a digital platform to facilitate easier online access, subscription, and payment.

4. CBP WasiatKu

A comprehensive Shariah-compliant will-writing service specially designed for CBP customers and members under CBP's own branding to strengthen customers' legacy planning.

The introduction of these new products supports financial inclusivity while enhancing awareness on the importance of protection and estate planning among customers.

SUSTAINABILITY AND MANAGEMENT ANALYSIS REPORT

3. Strategic Collaborations & Industry Ecosystem

In providing efficient and responsive product and service infrastructure, WMD established collaborations with strategic partners possessing diverse market backgrounds and industry experience. These strategic partnerships enabled CBP to offer products and services comparable to those of other financial institutions within a relatively short timeframe.

Among the new strategic partners introduced in 2025 were:

1. Etiqa General Takaful

A strategic collaboration for the expansion of attractive travel takaful offerings through the digital platform, namely Takaful CBP Travel.

2. MyANGKASA Amanah Berhad

A collaboration to offer unsecured Hibah Hartanah products to customers for legacy and estate management planning for beneficiaries or recipients.

These collaborations not only expanded the product ecosystem, but also enhanced operational efficiency and service quality for customers.

4. Community Engagement Initiatives & Social Impact

As part of its commitment towards social sustainability, WMD implemented community engagement initiatives targeting local communities, particularly within the Kampung Bharu area. This approach aimed to strengthen CBP's brand presence among the Kampung Bharu community while promoting CBP's fee-based products and services.

Among the key initiatives regularly implemented was the "Nasi Lemak Attack" programme, a casual and community-friendly initiative combining charitable activities with brief introductions to CBP's products and services. The programme was conducted at several strategic locations, namely:

- Kampung Bharu Co-opbank Pertama LRT Station
- Raja Uda MRT Station
- IJN Surau

In addition, WMD also operated promotional counters at selected LRT stations to:

- Engage with new customers in expanding the product market;
- Facilitate immediate customer enquiries and references; and
- Enhance accessibility of products and services to LRT users.

These community engagement initiatives reflect CBP's commitment towards supporting the social sustainability agenda by engaging communities in an inclusive, practical and impactful manner

5. Future Plans

WMD will continue to strengthen its role as a Shariah Co-operative Bank that drives growth through the development of more innovative and higher-value products, in line with the evolving needs of customers and members. WMD remains committed to introducing financial solutions that deliver long-term benefits, encompassing protection, estate planning, and comprehensive legacy management.

SUSTAINABILITY AND MANAGEMENT ANALYSIS REPORT

In line with the evolving banking landscape and the preferences of the younger generation, WMD will continue to expand its digital product and service offerings to enhance accessibility, efficiency and customer experience. This digitalisation approach aims to attract greater participation from the younger generation through solutions that are simple, fast and user-friendly.

Simultaneously, WMD will continue to offer inclusive financial planning solutions to support financial inclusivity across various segments of society. These efforts reflect WMD's commitment towards expanding access to all categories of customers and members.

STRENGTHENING INTEGRITY AND GOVERNANCE

The Integrity and Governance Department (IGD) carries four (4) core functions, namely Complaint Management, Detection and Verification, Governance and Integrity Strengthening. In 2025, IGD formulated the CBP Co-operative Anti-Corruption Plan in line with recommendations by the Malaysia Co-operative Societies Commission (SKM), which requires CBP to establish an anti-corruption plan similar to the Government Anti-Corruption Plan, namely the National Anti-Corruption Plan (NACP) and the National Anti-Corruption Strategy (NACS). The plan was developed through comprehensive collaboration with all departments within CBP to identify risks relating to corruption, governance and operations. As a result of the assessment process, a total of 202 risks were identified, of which 24 risks were classified as high-level risks following discussions and agreement with the respective heads of departments. Views and input from the Malaysian Anti-Corruption Commission (MACC) were also referred to throughout the development process to ensure alignment with best practices and regulatory requirements.

Under its complaint management, verification, and detection functions, IGD continuously refers complaints and reports received to the Complaint Evaluation Panel (PMA) to determine the appropriate course of action. This process is supported through collaboration with the Internal Audit Department (IAD), Risk Management Department (RMD), Compliance Department (CMP), and Human Capital Department (HCD). IGD also continuously keeps abreast of current developments and guidance issued by the MACC to ensure that good governance practices are effectively implemented within CBP.

FINANCIAL RISK MANAGEMENT

Various initiatives were implemented by CBP throughout 2025 to mitigate the impact of economic risks on the organisation. Among the strategies implemented by CBP to manage risk exposure during 2025 were as follows:

1. Credit Risk – Financing Assessment

The employment sector recovery continued to show improvement in 2025, further supported by the reduction of the Overnight Policy Rate (OPR) to 2.75% on 9 July 2025. Mitigation measures and early monitoring initiatives were implemented to identify accounts with arrears of one to three months at the 'early care' stage. Enhancements to credit risk analysis were also continuously undertaken for co-operative and corporate, and personal financing to ensure asset quality while supporting early-stage risk mitigation.

The revised Risk Appetite Statement (RAS) was approved by the ALK Meeting on 25 March 2025, with several enhancements particularly involving the Single-Counterparty Limit (SCL) and Group Single-Counterparty Limit (GSCL), in line with CBP's business developments. In addition, the Risk Management Framework and Risk Management Policy were approved for implementation on 28 July 2025 and 26 November 2025 respectively, serving as comprehensive guidance for CBP's business activities, particularly in relation to credit risk.

2. Strengthening Liquidity Risk

Liquidity risk refers to CBP's ability to accommodate asset growth and fulfil obligations without incurring excessive losses, including financing and market liquidity risks.

SUSTAINABILITY AND MANAGEMENT ANALYSIS REPORT

CBP enhanced its oversight of liquidity risk through liquidity Stress Testing conducted via monthly reporting. CBP also undertook a review of its Liquidity and Market Risk Limits as an initiative to further strengthen controls over liquidity risk. In addition, CBP established the Risk Management Framework and Policy, together with monthly Risk Appetite Statement reporting.

3. Strengthening Capital Controls

From the perspective of strengthening capital controls, CBP implemented various Stress Testing exercises as part of its mitigation measures to ensure that CBP's capital position remained satisfactory while identifying risks that could threaten CBP's reputation. Capital Stress Testing was conducted twice annually, alongside analyses on OPR changes that could affect CBP's spread.

CBP also updated its Contingency Funding Plan based on its current operational environment. This was undertaken to ensure that Risk Management Governance remains relevant and effective.

4. Strengthening Operational Risk Management

Operational risk refers to the risk of loss arising from inadequate or failed internal processes, human resources, systems, or external factors that may disrupt business operations.

Based on the definition of Operational Risk, the Operational Risk Section under the Risk Management Department collected incident data covering Shariah non-compliance risk, legal/litigation matters, information technology, building security, and other related risks reported by Departments and Branches through the Incident Data Management (IDM) Report, including recommendations for improvements, which were subsequently escalated to management and the board for consideration.

Operational risk management exposure is addressed through the development and maintenance of comprehensive internal controls over procedures based on segregation of duties, independent checks, system access control segregation, and multi-level approval processes. Several initiatives were undertaken to strengthen operational risk management within CBP.

In 2025, CBP focused on implementing various activities and programmes aimed at enhancing risk awareness, particularly in relation to business continuity. These initiatives were carried out through the development of new guidelines, knowledge-sharing sessions, publication of bulletins, and other related initiatives.

Business Impact Analysis (BIA) assessments were also successfully conducted across all 34 departments at Headquarters to determine the criticality level of each business function within their respective departments. Through the implementation of the BIA, each business user detailed their business functions and subsequently established the Maximum Tolerable Downtime (MTD) for each function. MTD refers to the maximum period during which a business function may remain disrupted without significantly affecting the organisation's operations, financial position or reputation, and serves as a guideline in determining recovery priorities during a crisis. The establishment of MTD enables CBP to formulate more effective recovery strategies in the event of operational disruptions or crises.

To guide CBP personnel in completing BIA assessments, Operational Guidelines relating to Risk Assessment (RA) and Business Impact Analysis (BIA) were developed and circulated as reference materials.

In addition, CBP's official Alternate Sites were fully completed in November 2025 to support the implementation of all recovery activities for critical business functions in the event of a crisis.

To detect, monitor, and measure risk levels that may affect organisational performance or objectives, the implementation of Key Risk Indicators (KRI) was carried out, beginning with periodic KRI monitoring relating to PayNet. PayNet is the national payment infrastructure operator regulated and supervised by Bank Negara Malaysia (BNM).

SUSTAINABILITY AND MANAGEMENT ANALYSIS REPORT



KRI serves to provide early information or warning signs regarding potential risks that may arise in the future, enabling preventive or mitigating actions to be implemented promptly and effectively.

In addition, Risk Control Self-Assessment (RCSA) activities were implemented across all departments within CBP, functioning as a systematic tool to identify, assess and manage operational risks within organisational processes and activities, including evaluating the likelihood and impact of risks, assessing the effectiveness of existing controls and identifying control gaps. Through RCSA, process owners are responsible for assessing their respective risks and proposing suitable mitigation plans to ensure that risk levels remain within acceptable thresholds, while supporting governance, compliance and risk-based management decision-making.

Several methods for operational risk assessment and control monitoring were also established to support operational risk management, including the introduction of the Self Risk Assessment Template (SRAT) and Product Materiality Assessment Template (PMAT), aimed at educating process or risk owners in identifying appropriate risks and controls relevant to the activities or projects undertaken.

5. Shariah Risk Management

Shariah Risk Management refers to the systematic process implemented by Islamic financial institutions to identify, assess, monitor and control risks relating to non-compliance with Shariah principles in business operations and activities.

The primary objective of Shariah risk management is to ensure that all banking and financial activities conducted are in accordance with Islamic principles, while avoiding prohibited elements such as *riba* (interest), *gharar* (uncertainty) and *maysir* (gambling).

Given that Shariah risk forms part of operational risk, the methods adopted in managing Shariah risk are guided by the Operational Risk Framework and utilise the same tools, namely Incident Data Management (IDM), Risk Control Self-Assessment (RCSA) and Key Risk Indicators (KRI).

Through these mechanisms, issues and incidents relating to Shariah risk are recorded, monitored and reported in a structured manner to management and relevant stakeholders for continuous monitoring and oversight.

In addition, CBP, through its Shariah Risk Unit, also conducted a review of the Shariah Risk Appetite Statement (RAS) to ensure that the level of tolerance for Shariah non-compliance risk remains aligned with the institution's strategic direction, risk tolerance and prevailing Shariah governance requirements. The outcome of the Shariah RAS review serves as a reference in risk monitoring, the establishment of KRI thresholds, and the implementation of appropriate mitigation measures.

2025 ACTIVITIES

CBP AIDILFITRI OPEN HOUSE 8 APRIL 2025



The CBP Aidilfitri Open House was held in Kuala Lumpur and Penang, attended by regulators and CBP's strategic partners. The event aimed to strengthen relationships and collaboration while celebrating Aidilfitri in a warm and festive atmosphere.

ADK-KWRS DIVIDEND ANNOUNCEMENT CEREMONY 4 FEBRUARY 2025



The Chairman of the Malaysia Co-operative Societies Commission, Lieutenant General (Rtd.) Datuk Ahmad Norihan Jalal, announced the ADK-KWRS dividend at a ceremony held at Renaissance Hotel, Kuala Lumpur, which was also attended by CBP Board Members and Senior Management.

BUBUR LAMBUK DISTRIBUTION PROGRAMME 12 MARCH 2025



CBP organised a Bubur Lambuk distribution programme at several locations around Kuala Lumpur in conjunction with the month of Ramadan as part of efforts to share blessings and foster a spirit of togetherness within the community.

2025 ACTIVITIES

CSR JELAJAH MASJID PROGRAMME

14 JUNE 2025



CBP organised the CSR Jelajah Masjid Programme, which was implemented across 14 selected mosques nationwide through CBP branches as part of CBP's corporate social responsibility initiatives.

65TH CBP ANNUAL GENERAL MEETING

21 JUNE 2025



CBP conducted its 65th Annual General Meeting (MAPT-65) virtually. The meeting involved more than 900 delegates comprising individual and co-operative members from across Malaysia.

2025 ACTIVITIES

HARI KOPERASI NEGARA 27 JULY 2025



CBP organised a corporate social responsibility programme in conjunction with *Hari Koperasi Negara* held at Zoo Melaka, which was also participated in by students from Politeknik Merlimau, Melaka.

OFFICIAL OPENING CEREMONY OF WISMA CO-OPBANK PERTAMA 10 JULY 2025



The official opening ceremony of Wisma Co-opbank Pertama was officiated by the Minister of Entrepreneur and Co-operatives Development, YB Datuk Ewon Benedick, representing the Prime Minister of Malaysia, YAB Dato' Seri Anwar Bin Ibrahim, on 10 July 2025.

2025 ACTIVITIES

AR-RAHNU APRON DISTRIBUTION PROGRAMME 30 MAY 2025



CBP distributed Ar-Rahnu aprons to food vendors around Kampung Bharu as a gesture of support for the local business community.

CBP HELO RUN 16 NOVEMBER 2025



CBP's 75-year journey was further celebrated through the inaugural organisation of CBP HELO RUN 2025, which attracted participation from more than 700 participants.

SPORTS ACTIVITIES WITH THE MEDIA 13 AND 29 NOVEMBER 2025



CBP organised sports activities with media partners over two days, including football at Stadium Merdeka and bowling at Ampang Superbowl, Berjaya Times Square. The programme was attended by representatives from various media organisations.

2025 ACTIVITIES

BRANDLAUREATE AWARDS

30 OCTOBER 2025



CBP received prestigious recognition at The BrandLaureate 20th Anniversary Special Limited Best Brand Awards 2025 under the category of Nation's Pride – Shariah Compliant Cooperative Banking & Collateralized Borrowing/Pawn Broking.

CO-OPERATIVE SECTOR SHARIAH COMPLIANCE SEMINAR

9 OCTOBER 2025



CBP organised the Co-operative Sector Shariah Compliance Seminar over two days at Hotel Ibis, Kuala Lumpur. The seminar was attended by participants from 60 co-operatives, representing various stakeholders within the co-operative sector.

CBP 75 CAMPAIGN SECOND QUARTER PRIZE PRESENTATION CEREMONY

26 NOVEMBER 2025



CBP presented prizes to the winners of the CBP75 Campaign for the second quarter, at Wisma Co-opbank Pertama. The campaign offered total prizes worth RM1.2 million.

2025 ACTIVITIES

KENDURIAN WITH THE MEDIA

27 NOVEMBER 2025



CBP strengthened its relationship with media partners through the *Kendurian with the Media* event held at Restoran Haji Ghani, Ampang Jaya, Selangor, attended by representatives from various media organisations.

COURTESY VISIT BY CLIMBS LIFE AND GENERAL INSURANCE COOPERATIVE (CLIMBS)

3 DECEMBER 2025



CBP received a courtesy visit from CLIMBS Life and General Insurance Cooperative (CLIMBS) in conjunction with the 2nd Global Coop Climate Summit at Wisma Co-opbank Pertama, which was also attended by representatives from ANGKASA.

CORPORATE GOVERNANCE STATEMENT

The Board Members of Co-opbank Pertama (CBP) intends to continue its efforts to improve governance by implementing more efficient and intelligent management that can ensure the long-term success of the CBP while obtaining the highest credibility and integrity, particularly in business principles, the professionalism expected by members, clients and regulators.

BOARD MEMBERS

Composition

Composition the Board Members of CBP consist of nine (9) individuals appointed at the Annual General Meeting (AGM) in accordance to Clause 36 of the CBP By-Laws as follows:

- a) Six (6) representatives selected in the AGM; and
- (b) Three (3) members or representatives nominated by the Malaysia Co-operative Societies Commission (SKM).

However, the SKM reserves the right to appoint any person as a member of the CBP Board as permitted by Section 69(1)(iv)(B). All Board Members are free to make judgments on direction, strategy, key performance indicator index setting, resource selection and policy setting.

The Corporate Governance Structure of CBP required by GP11: Guidelines for the Establishment and Operation of a Co-opbank (Amendment) 2019 (GP11) includes the following:

- (i) The Board shall meet the eligibility and appropriate criteria according to GP3: Guidelines for Appointment or Re-appointment of Board Members;
- (ii) Separate Management from the Board Members of CBP;
- (iii) An independent Internal Audit Committee ; and
- (iv) Other committees formed such as the Remuneration Committee and the Risk Management Committee.

Board members have diverse backgrounds and expertise in banking, finance, auditing, accounting, law and business. The Board also has experience in managing risks and key issues related to CBP activities, especially in policies, strategies and action plans to formulate strategies to effectively overcome the challenges and obstacles that will arise in the current banking environment.

Term of Office

According to Clause 39 of the CBP By-Laws:

- (i) One-third (1/3) of the Board Members as per paragraph (a), Clause 36 shall vacate their office by rotation at each MAPT.
- (ii) All Board Members under paragraph (b) of Clause 36 shall vacate their office at each MAPT and may be reappointed.
- (iii) The appointment of a Board Member made under subparagraph 69(1)(iv)(B) of the Act is not subject to paragraph (2).
- (iv) Any vacancy in the Board Members under paragraph (a) of Clause 36 shall be filled by the Board within sixty days from the date of vacancy by appointing any qualified member, whose service shall end at the next MAPT.
- (v) Any vacancy in the Board Members under paragraph (b) of Clause 36 shall be filled by the Commission, whose service shall end at the next MAPT.

Duties and Responsibilities

In performing their duties and responsibilities, the Board Members are committed and fully comply with the highest standards of corporate governance. This is necessary to ensure CBP continues to record strong financial performance in providing long-term and sustainable value to stakeholders.

The duties and responsibilities of Board Members conducting banking activities as required by GP11 SKM are as follows:

- (a) Ensuring the cooperative's direction is clear and aligned with the role mandated by the members. The Board Members are responsible for leading CBP to provide suitable financial services and facilities effectively. They may also offer advisory and technical support to targeted sectors in the national economy;

CORPORATE GOVERNANCE STATEMENT

- (b) Selecting and appointing qualified and competent Senior Officers to manage CBP effectively and well. The Board Members are responsible for ensuring CBP staff are competent and effective in performing their duties. They must also ensure CBP staff understand the corporate mission, strategy, programs, and various schemes and funds established by the Government and SKM;
- (c) Overseeing and acknowledging CBP's affairs and its management policies to ensure that CBP is well-managed. The Board Members are tasked with supervising and overseeing CBP to operate safely and securely. Therefore, the entrusted supervision and oversight commitment requires a high level of wisdom, prudence, good business decisions, and high competence;
- (d) Adopting and complying with well-prepared and thoroughly discussed policies and objectives. The Board Members must set clear policies and objectives to enable management and staff to perform operational tasks. Operational aspects that need monitoring and policy formulation include strategic planning, credit administration and control, asset and liability management (covering liquidity risk management and profit rate and market risk), accounting system administration and control, service quality, information system and automation planning, anti-money laundering and counter-terrorism financing prevention, profit planning and budgeting, and adequacy of financial and human capital development;
- (e) Establishing and ensuring the effectiveness of the Internal Audit Committee, Remuneration Committee, Nomination and Governance Committee, and internal Risk Management Committee functions;
- (f) Establishing an effective Internal Audit Department managed by qualified staff to perform financial and management audit functions;
- (g) Avoiding self-serving practices and conflicts of interest. The Board Members must perform their fiduciary role reflecting the highest trust in CBP in their dealings with CBP or other parties. They are required to disclose their business interests to the Board. CBP is prohibited from providing financing to Board Members or any individuals/companies with such interests; and
- (h) Complying with relevant legal requirements, orders, and regulations. The Board Members must be knowledgeable in legal matters, regulations, interpretation of orders, and notices to ensure all related requirements are met. They will be held accountable if CBP incurs losses due to illegal actions.

Training and Competency Development

Board Members keep abreast of current developments in the banking industry by attending conferences and seminars organized by Bank Negara Malaysia (BNM), SKM, Malaysian Cooperative Institute (IKMa), National Cooperative Organization of Malaysia (ANGKASA), Islamic Banking and Finance Institute Malaysia (IBFIM), Institute of Malaysian Banks (IBBM) and others.

Additionally, Board Members are always informed about the Co-operative Societies Act 1993, Co-operative Societies Regulations 2010, and the new guidelines from SKM and BNM related to the banking industry and the cooperative sector in the country.

They are also encouraged to attend lectures and training to learn about the latest developments in the banking business environment, ensuring they are well-informed and up-to-date on the banking industry and the cooperative sector in the country in performing their responsibilities effectively.

BOARD MEETINGS

The Board Members shall meet at least once every two (2) months, with additional or special meetings held if necessary to assist in making important decisions that require appropriate discussion and consideration. For the 2025 session, the Board Members met sixteen (16) times, including Special Board Meetings, to discuss various matters including business performance, risk profiles, business plans, and other strategic issues affecting the business.

The agenda for each Board Meeting, along with complete reports, proposal papers, and supporting documents from Management, must be distributed to Board Members at least three (3) days before the meeting date. This ensures the Board Members have sufficient time to review matters to be discussed at the Board Meeting and subsequently assist Management in decision-making.

All Board Members are required to immediately declare to the Board Meeting if they have any personal conflicts of interest in any transactions directly or indirectly involving CBP. Any interested Board Member must recuse themselves from the discussion and decision-making process regarding the transaction to ensure they do not influence other Board Members regarding the transaction.

CORPORATE GOVERNANCE STATEMENT

The following is the list of Board Members and a record of attendance of the Full Board Meeting and Special Meeting of Board Members for the 2025 session:

Full Board Members		
No	Name	Meeting Attendance
1.	Datuk Baharom bin Embi - Chairman	16/16
2.	Hajah Nor Hidayah binti Omar- Deputy Chairman	15/16
3.	*Yunus bin Kasim	14/15
4.	*Mohd. Shapie bin Idris	11/13
5.	Dr. Hajah Jamilah binti Din	16/16
6.	Dato' Shahrudin bin Mohd Sa'ad	16/16
7.	Dato' Zaini bin Sa'ad	16/16
8.	Dr. Mohd Azlan bin Yahya	16/16
9.	Prof. Madya Dr. Azharudin bin Ali	16/16

Note: Full Board Meeting attendance period from 1st January 2025 to 31st December 2025.

* Yunus bin Kasim (Resigned with effect from 30th November 2025)

* Mohd. Shapie bin Idris (Passed away on 30th September 2025)

Meeting Quorum

The quorum for Full Board Meeting shall be more than half (1/2) of the total number of Board Members, where at least half (1/2) of the Board Members approved by the Commission shall be counted as the quorum.

Frequency of Meeting

Meeting shall be held at least once in two (2) months.

Functions and Terms of Reference of the Board Members

The functions of the Board Members are in line with the role mandated to the cooperative as provided in GP11 SKM, which are:

- (i) Establishing the direction, vision, mission, objectives, and strategies of CBP.
- (ii) Appointing the Senior Management Team consisting of Chief Officers, Executive Secretary, and Head of Internal Audit of CBP. The Board Members must select and appoint Senior Management from among qualified and competent individuals to manage CBP effectively.

- (iii) Reviewing, discussing, and deciding on CBP's strategic business planning.
- (iv) Forming and ensuring the functions of sub-committees at the Board Members level are carried out with full integrity and based on the best governance practices.
- (v) Setting and approving policies, rules, and regulations for CBP activities.
- (vi) Appointing qualified External Auditors to perform accounting audits and other statutory requirements.
- (vii) Establishing departments that operate and report independently such as the Internal Audit Department, Compliance Department and Risk Management Department.
- (viii) Being responsible for compliance with the legal provisions provided by the authorities (such as SKM and BNM).
- (ix) Always understanding CBP's current risk profile and striving to minimize these risks.
- (x) Consider and review CBP's financial statements and the activities of its subsidiaries (if any).
- (xi) Performing functions and responsibilities as provided in Article 48 of the CBP Cooperative By-Laws.

BOARD COMMITTEES

In performing their duties, the Board Members are assisted by several Committees established and chaired by a Board Member according to the established Terms of Reference (TOR). These committees include the Governance and Risk Oversight Committee, Membership Committee, Nomination and Remuneration Committee, Investment and Product Committee, Credit Committee, Internal Audit Committee, and Shariah Committee.

The TOR of each Committee is regularly reviewed and updated to ensure all Committees meet CBP's main goals and objectives. Each Committee also reports to the Full Board Meeting on decisions made to ensure all Board Members are aware of every aspect of CBP's operations.

CORPORATE GOVERNANCE STATEMENT

1. GOVERNANCE AND RISK OVERSIGHT COMMITTEE (JKTPR)

Membership and Composition

The Governance and Risk Oversight Committee (JKTPR) appointed by the Board Members consists of not less than three (3) members selected from among the Board Members, and the majority of the members of JKTPR are from the Board Members under paragraph (b) of Clause 36 of the By-Laws [UUK51 (v)]. The following is a list of JKTPR Members and attendance records for the 2025 session:

Governance and Risk Oversight Committee		
No.	Name	Meeting Attendance
1.	Dato' Shaharudin bin Mohd Sa'ad - Chairman* (January 2025 - present)	10/10
2.	Datuk Baharom bin Embi	10/10
3.	Mohd. Shapie bin Idris - (July 2025 - September 2025)	3/3
4.	Dr. Hajah Jamilah binti Din - (January 2025 - June 2025)	4/5
5.	Dato' Zaini bin Sa'ad - (January 2025 - June 2025)	5/5
6.	Dr. Mohd Azlan bin Yahya - (July 2025 - present)	5/5
7.	Prof. Madya Dr. Azharudin bin Ali	9/10

Note: Attendance period for Board Members is from 1st January 2025 to 31st December 2025.

Meeting Quorum

The quorum for JKTPR meeting is at least three (3) members, including the Chairman of JKTPR.

Frequency of Meeting

Meeting shall be held at least six (6) times a year or as needed.

Functions and Terms of Reference of the Committee

- Reviewing, evaluating, and recommending the Risk Management Framework and policies covering operational, credit, market, and liquidity risks for approval by the Board Meeting.
- Recommending appropriate risk tolerance levels and risk appetite as well as Business Continuity/Contingency Plans in line with the nature, scale, and complexity of CBP's activities.

- Ensuring effective implementation of risk identification, measurement, monitoring, and management covering operational risk, credit risk, market risk including liquidity risk, and reputation risk.
- Performing risk and compliance oversight functions at senior management level through regular reporting.
- Ensuring that risk management processes and cultures are practiced at all levels of work processes by every employee.
- Providing advice and views related to risk exposure on activities/issues discussed in the Credit Financing Committee (CRECO) and Asset and Liability Management Committee (ALCO) meetings.
- Monitoring the current risk exposure positions of operational, credit, market, and liquidity risks at CBP and ensuring compliance with:
 - CBP By-Laws;
 - CBP's internal policies and procedures;
 - Regulatory directives and guidelines;
 - The Co-operative Societies Act 1993 and related Acts to banking activities.
- Providing views and recommending the drafting/review of all CBP frameworks, policies, and operational guidelines for approval by the Board Members, ensuring alignment with the best practices in the banking industry.
- Considering approaches and proposals for IT projects, including procurement needs, business needs, technical requirements, and human resources.
- Supporting IT initiatives and procurements exceeding JKPIT's limits.
- JKTPR has access to all information discussed in other committee meetings for conducting risk and compliance reviews at CBP.
- Directing management reviews or suggesting audit investigations if the meeting finds reasons requiring reviews or investigations.
- Performing other duties as directed by the Board Members to this Committee.

CORPORATE GOVERNANCE STATEMENT

2. MEMBERSHIP COMMITTEE

Membership and Composition

The Membership Committee (JKKA), appointed by the Board Members shall consist of not fewer than three (3) members selected from among the Members of the Co-operative Board (ALK). Below is the list of JKKA members and their attendance record for the 2025 session:

Membership Committee		
No.	Name	Meeting Attendance
1.	Dr. Hajah Jamilah binti Din - Chairman (January 2025 - June 2025)	6/6
2.	Hajah Nor Hidayah binti Omar	5/6
3.	***Yunus bin Kasim - Member (August 2025 - November 2025)	2/2
4.	**Mohd. Shapie bin Idris - Member (January 2025 - June 2025)	4/4
5.	Dato' Zaini bin Sa'ad	6/6
6.	*Dr. Mohd Azlan bin Yahya - Chairman (July 2025 - present)	5/6

Note: Attendance period for Board Members is from 1st January 2025 to 31st December 2025.

- * Appointed as Chairman of the Membership Committee effective July 2025 to present.
- ** Ceased to serve as a Member of the Membership Committee in June 2025.
- *** Resigned with effect from 30th November 2025.

Meeting Quorum

The quorum for JKKA meeting shall be at least two-thirds (2/3) of the members, including the Chairman of JKKA.

Frequency of Meeting

Meeting shall be held at least six (6) times a year or as needed.

Functions and Terms of Reference of the Committee

- (i) Considering proposals and procedures for the implementation of Area General Meetings and CBP Annual General Delegates Meetings.
- (ii) Reviewing and supporting new membership applications.
- (iii) Approving the increase in shares, partial share withdrawals, cessation, or transfer of membership shares up to RM500,000.00 (cumulative maximum amount for each member) and reporting to the Full Board Meeting for confirmation.
- (iv) Confirming and approving applications and payments related to CBP Members' Welfare Fund.
- (v) Reviewing, discussing, and setting conditions and proposing amendments to the regulations of activities of the Members' Welfare Fund and other funds involving the committee's jurisdiction proposed from time to time.
- (vi) Approving proposals for each program or event involving the Members' Fund up to RM100,000.00.
- (vii) Having access to information related to membership activities.
- (viii) Directing audit reviews or investigations if the meeting finds suspicious information, data, or approvals.
- (ix) Performing other duties as directed by the Board Members to this Committee.

3. NOMINATION AND REMUNERATION COMMITTEE

Membership and Composition

The Nomination and Remuneration Committee (JKPI) appointed by the Board Members consists of at least three (3) members, including the Chairman of JKPI, and the majority of JKPI members are from the Board Members under paragraph (b) of Clause 36 of the CBP By-Laws [UUK 51(v)]. To avoid conflicts of interest, Committee Members should not participate in discussions and decision-making involving themselves. The following is a list of JKPI Members and attendance records for the 2025 session:

CORPORATE GOVERNANCE STATEMENT

Nomination and Remuneration Committee

No.	Name	Meeting Attendance
1.	Dato' Zaini bin Sa'ad - Chairman (January 2025 - present)	7/7
2.	Datuk Baharom bin Embi	7/7
3.	Dato' Shahrudin bin Mohd Sa'ad	7/7
4.	Prof. Madya Dr. Azharudin bin Ali	7/7
5.	*Nur Fatin binti Mohamad Hashim - Co-operative Management (January 2025 - present)	4/7

Note: Attendance period for Board Members is from 1st January 2025 to 31st December 2025.

* Appointed as a Member of the JKPI Meeting representing the Co-operative Management (January 2025 - present)

Meeting Quorum

The quorum for JKPI meeting is at least three (3) members, including the Chairman of JKPI, and the majority of JKPI members must be from the Board Members under paragraph (b) of Clause 36 CBP By-Laws [UUK 51(v)].

Frequency of Meeting

Meeting shall be held at least six (6) times a year or as needed.

Functions and Terms of Reference of the Committee

- (i) Recommending the minimum requirements for Board Members, which include a combination of skills, experience, qualifications, and core competencies necessary for a Board Member.
- (ii) Establishing and recommending the remuneration framework, including salary, allowances, bonuses, and benefits, as well as the minimum qualification requirements for:
 - (a) Board Members;
 - (b) Internal Audit Committee;
 - (c) Shariah Committee;
 - (d) Senior Management;
 - (e) Head of Internal Audit Department;
 - (f) Head of Shariah Department; and
 - (g) Co-opbank Secretary.
- (iii) Conducting the verification process and recommending the review and verification of Board Members proposals to the Full Board Meeting.

- (iv) Annually evaluating and ensuring that Board Members and the above individuals meet the qualification requirements as stipulated under:
 - (a) CBP By-Laws;
 - (b) Statutory Instructions from SKM;
 - (c) SKM Guidelines;
 - (d) Co-operative Societies Act 1993; and
 - (e) Co-operative Societies Regulations 2010.
- (v) Evaluating and recommending to the Full Board Meeting candidates for the positions of:
 - (a) Internal Audit Committee;
 - (b) Shariah Committee;
 - (c) Senior Management;
 - (d) Head of Internal Audit Department (subject to the recommendation and evaluation by the Internal Audit Committee);
 - (e) Head of Shariah Department (subject to the recommendation and evaluation by the Shariah Committee); and
 - (f) Co-opbank Secretary.
- (vi) Evaluating and recommending the assessment of the following individuals:
 - (a) Internal Audit Committee;
 - (b) Shariah Committee;
 - (c) Senior Management;
 - (d) Head of Internal Audit Department (subject to the recommendation and evaluation by the Internal Audit Committee);
 - (e) Head of Shariah Department (subject to the recommendation and evaluation by the Shariah Committee); and
 - (f) Co-opbank Secretary.
- (vii) Conducting annual performance assessments based on criteria that align with CBP's business objectives and strategies. These criteria must be approved by the Full Board Meeting.
- (viii) Overseeing and recommending the appointment and reappointment of the above individuals.
- (ix) Reviewing, evaluating and recommending the planning and replacement of the above individuals.
- (x) Recommending to the Full Board Meeting the suspension of any Board Members if they do not comply with the qualification requirements based on the provisions of the By-Laws.
- (xi) Recommending to the Full Board Meeting the termination of the above individuals if there is misconduct in performing their responsibilities.

CORPORATE GOVERNANCE STATEMENT

- (xii) Evaluating and recommending to the Full Board Meeting the review of CBP's parent organization structure, including restructuring and abolition (amendments).
- (xiii) Recommending and reviewing proposals for the overall remuneration framework, including salary, allowances, bonuses, and benefits for CBP staff based on individual performance.
- (xiv) Recommending a good performance management system that aligns with industry practices.
- (xv) Considering remuneration policies that take into account the following:
 - (a) Documented and approved by the Full Board Meeting, and any changes to it must be subject to the approval of the Full Board Meeting.
 - (b) Attracting and retaining staff while balancing their needs, experience, and responsibilities.
 - (c) Ensuring that CBP's funds are sufficient to provide a remuneration package.
 - (d) Not decided solely at the discretion of any individual or a limited group of individuals. Competitive and commensurate with CBP's objectives and strategies.
- (xvi) Reviewing and recommending any necessary changes to the CBP staff schemes, terms of service, and new terms before being submitted to the Full Board Meeting.
- (xvii) Providing proper consideration to the KPI assessment regarding the effectiveness and achievements of Senior Management, Head of Internal Audit Department (subject to the recommendation by the Internal Audit Committee), Head of Shariah Department (subject to the recommendation and evaluation by the Shariah Committee), and Co-opbank Secretary in determining rewards and remuneration.
- (xviii) Reviewing and recommending any proposals for human capital development, especially in terms of training for Board Members, Internal Audit Committee, Shariah Committee, Senior Management, Head of Internal Audit, Head of Shariah, and Co-opbank Secretary.
- (xix) Having access to information related to nomination activities.
- (xx) Directing management reviews or recommending audit reviews or investigations if the meeting finds reasons requiring reviews or investigations.
- (xxi) Monitoring the status and reports of disciplinary cases and actions decided by the Disciplinary Committee at the Management level against CBP staff (Department Heads and below) without altering the decisions made

(unless an appeal is made). Therefore, the Disciplinary Management Committee must present the Disciplinary Cases Report to the Nomination and Remuneration Committee.

- (xxii) Recommending disciplinary actions that can be taken against disciplinary offenses committed by Board Members, Internal Audit Committee, Shariah Committee, and Senior Management.
- (xxiii) Reviewing, evaluating, and recommending improvements/amendments to CBP's existing Disciplinary Management Committee policies.
- (xxiv) Performing other duties directed by the Board Members to this committee from time to time.

4. INVESTMENT AND PRODUCT COMMITTEE (JKPP)

Membership and Composition

The Investment and Product Committee (JKPP) appointed by the Board Members consists of non-executive Board Members and must consist of no less than three (3) members selected from among the Board Members. The following is a list of JKPP Members and attendance records for the 2025 session:

Investment and Product Committee		
No	Name	Meeting Attendance
1.	Prof. Madya Dr. Azharudin bin Ali - Chairman (January 2025 - present)	7/7
2.	Hajah Nor Hidayah binti Omar - (January 2025 - June 2025)	3/4
3.	*Yunus bin Kasim - (July 2025 - November 2025)	3/3
4.	Mohd. Shapie bin Idris - (January 2025 - September 2025)	6/6
5.	Dr. Hajah Jamilah binti Din - (January 2025 - June 2025)	4/4
6.	Dato' Shaharudin bin Mohd Sa'ad	6/7
7.	**Dato' Zaini bin Sa'ad - (July 2025 - present)	3/3
8.	Dr. Mohd Azlan bin Yahya - (January 2025 - June 2025)	3/4

Note: Attendance period for Board Members is from 1st January 2025 to 31st December 2025.

* *Appointed as a Member of the Investment and Product Committee starting July 2025.*

** *Appointed as a Member of the Investment and Product Committee starting July 2025.*

CORPORATE GOVERNANCE STATEMENT

Meeting Quorum

The quorum for JKPP meeting is at least two-thirds (2/3) of the members, including the Chairman of JKPP.

Frequency of Meeting

JKPP shall meet at least six (6) times a year or as needed.

Functions and Terms of Reference

- (i) Advising the Board Members of CBP in evaluating and supporting viable banking, investment and financial operation proposals for CBP.
- (ii) Responsible for reviewing, planning and evaluating banking, investment, and financial operations to ensure they are at an acceptable risk level and suitable with CBP's financial position.
- (iii) Reviewing the performance portfolio of investments and related fund units.
- (iv) Monitoring the performance development of CBP branch operations.
- (v) Monitoring and evaluating CBP's funding and liability management.
- (vi) Recommending and ensuring compliance with CBP's internal investment guidelines and policies.
- (vii) Ensuring CBP's investment activities always comply with:
 - (a) Section 54 and 54A(1) of the Co-operative Societies Act 1993;
 - (b) GP16: Guidelines for Cooperative Fund Investments;
 - (c) GP24: Guidelines for Real Estate Investments; and
 - (d) The Code of Conduct for Malaysia Wholesale Financial Markets.
- (viii) Considering policies for investments, asset distribution, direction, risk control and other relevant investments.
- (ix) Considering and recommending to the Full Board Meeting any proposals by the CBP Management Committee regarding new products or services to be implemented and marketed.
- (x) Evaluation of any proposed new product or service implementation must be based on:
 - (a) Market needs and demands.
 - (b) Product characteristics.
 - (c) Competitiveness and market expectations.
 - (d) Risk assessment and mitigation covering market, operational, credit, Shariah and other risks.
 - (e) Existing and required systems and infrastructure.
 - (f) Methods of implementing and marketing new products or services.
- (xi) Ensuring the implementation and development of new products or services are according to the banking standards set by SKM and Bank Negara Malaysia.
- (xii) Outlining expectations for new products or services to ensure they meet the targets set by the CBP's Board Members.
- (xiii) Monitoring and evaluating the performance of any new products or services launched for six (6) months and assessing improvement proposals (if necessary).
- (xiv) Evaluating and recommending alternative strategies for marketing any new products or services launched.
- (xv) Discussing and recommending new product or service proposals to the Full Board Meeting.
- (xvi) Having access to information related to investment and operational activities.
- (xvii) Directing management reviews or recommending audit reviews or investigations if the meeting finds reasons requiring reviews or investigations.
- (xviii) Performing other duties directed by the Board Members to this committee.

CORPORATE GOVERNANCE STATEMENT

5. CREDIT COMMITTEE (JKK)

Membership and Composition

The Credit Committee (JKK), appointed by the Board Members, shall comprise non-executive members of the Board and consist of no fewer than three (3) members selected from among the Board Members. Below is the list of JKK members and their attendance record for the 2025 session:

Credit Committee (JKK)		
No	Name	Meeting Attendance
1.	Hajah Nor Hidayah binti Omar - Chairman (January 2025 - present)	10/11
2.	Datuk Baharom bin Embi	11/11
3.	*Yunus bin Kasim (January 2025 - November 2025)	10/10
4.	**Mohd. Shapie bin Idris (January 2025 - September 2025)	8/8
5.	***Dr. Hajah Jamilah binti Din (July 2025 - present)	6/6
6.	Dr. Mohd Azlan bin Yahya	10/11

Note: Attendance period for Board Members is from 1st January 2025 to 31st December 2025.

* Resigned with effect from 30th November 2025.

** Passed away on 30th September 2025.

*** Appointed as a Member of the Credit Committee starting July 2025.

Meeting Quorum

The quorum for JKK meeting is at least two-thirds (2/3) of the members, including the Chairman of JKK.

Frequency of Meeting

JKK shall meet at least six (6) times a year or as needed.

Functions and Terms of Reference

- (i) Monitoring and reviewing financing approved by the Credit Financing Committee (CRECO).
- (ii) Approving, rejecting, and amending the terms of financing facilities, based on the approval limits set by CBP.

- (iii) Recommending and evaluating financing that exceeds the approval limits to the Full Board Meeting.
- (iv) Recommending, evaluating, or approving new financing, additional financing, and conducting credit reviews.
- (v) Recommending, evaluating, and approving any restructuring and rescheduling (R&R).
- (vi) Confirming or approving other matters as stipulated within the approval limits set by CBP.
- (vii) Having access to information related to CBP's credit management activities.
- (viii) Directing management reviews or recommending audit reviews or investigations if the meeting finds reasons requiring reviews or investigations.
- (ix) Performing other duties directed by the Board Members to this committee.

INTERNAL AUDIT COMMITTEE REPORT

1.0 FOREWORD

This Internal Audit Committee Report is prepared in accordance with the requirements of By-Law 51(2)(i)(ii) to be tabled at the Annual General Meeting of Co-opbank Pertama (CBP).

2.0 BACKGROUND

The roles and powers of the Internal Audit Committee (IAC) Members in discharging their responsibilities fall under SKM Guidelines (GP4) and By-Law 59(1). The appointment of IAC Members is under the authority of the Board of Directors, as stated in By-Law 48(h). As of 31 December 2025, the IAC Members are as follows:

Chairman : Nik Muhamad Fauzi bin Nik Sulaiman C.A. (M)
 Member : Dr. Zaharuddin Bin Zainal Abidin CPA (M), C.A. (M)
 Member : Mohd Anuar Bin Md Noh C.A. (M)

3.0 OVERVIEW

Throughout 2025, the Internal Audit Committee (IAC) reviewed and discussed the audit findings presented by CBP's Internal Audit Department. All audit plans were implemented in accordance with the regulations outlined by the regulatory authorities, namely Bank Negara Malaysia (BNM) and the Malaysia Co-operative Societies Commission (SKM). The audit plans implemented were approved by the IAC and endorsed by the Co-operative Board Members (ALK). The IAC also held meetings with the External Auditors to review the audit planning prepared by the External Auditors for the audit of CBP's Financial Statements for the Year Ended 31 December 2025.

4.0 IAC ACTIVITIES THROUGHOUT 2025

In 2025, the IAC meetings for Sessions 2024/2025 and 2025/2026 were held eight (8) times covering 65 agenda items. The IAC also conducted several informal discussions or meetings via the WhatsApp application. All attendances for the IAC meetings fulfilled the two-thirds (2/3) quorum requirement as stipulated under the Operational Guidelines for the Internal Audit Committee. The IAC also held four (4) meetings with the ALK, whereby a total of fourteen (14) IAC reports were presented during those meetings.

5.0 PRESENTATION OF AUDIT REPORTS

All issues raised in the audit observations were presented to both the ALK and Management. Management positively received the issues raised by the Internal Audit Department and undertook corrective and improvement actions on all matters highlighted. Among the presentation papers tabled and discussed by the IAC were audits relating to Savings Accounts, Personal Financing, Home Financing, Treasury Management, Procurement Management, Cash Management and Branch Operations, Account Management, Ar-Rahnu Documentation, Asset & Facilities Management and ICT Data & Information Management.

The IAC's primary focus is to ensure that all issues raised by the Internal Audit Department are addressed with corrective actions and to ensure that such issues do not recur. This is to ensure that all CBP activities and operations comply with all applicable laws, regulations and internal controls so that CBP's objectives are achieved and the interests of stakeholders are protected.

INTERNAL AUDIT COMMITTEE REPORT

6.0 CONCLUSION

The review of the feedback received and evidence presented to the IAC demonstrates that Management has taken seriously all comments and observations raised by the Internal Audit Department by taking the necessary actions and appropriately addressing all issues highlighted. Numerous improvements and recommendations proposed by the Internal Audit Department have been implemented by Management, which have directly enhanced CBP's operational and financial management controls.

7.0. ACKNOWLEDGEMENT

The IAC wishes to express its highest appreciation to all parties who have provided excellent cooperation in assisting the IAC in carrying out its entrusted responsibilities towards the success and excellence of CBP.

Prepared by:



(Nik Muhamad Fauzi Bin Nik Sulaiman C.A. (M))

Internal Audit Committee Chairman



(Dr. Zaharuddin Bin Zainal Abidin CPA (M), C.A. (M))

Internal Audit Committee Member



(Mohd Anuar Bin Md Noh C.A. (M))

Internal Audit Committee Member

INDEPENDENT AUDITORS' REPORT

TO THE EXECUTIVE CHAIRMAN OF THE MALAYSIA CO-OPERATIVE SOCIETIES COMMISSION AND
THE CO-OPERATIVE MEMBERS OF CO-OPBANK PERTAMA MALAYSIA BERHAD

Opinion

We have audited the financial statements of KOPERASI CO-OPBANK PERTAMA MALAYSIA BERHAD (Co-opbank), which comprise of the Statement of Financial Position as at 31 December 2025 for the Group and Co-opbank, and the Statement of Profit Distribution, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Shareholder Fund, and Statement of Cash Flows for the Group and Co-opbank for the year ended on that date, and notes to the financial statements including a summary of significant accounting policies as set out on pages 94 to 155.

In our opinion, the financial statements present a true and fair view of the financial position of the Group and Co-opbank as of 31 December 2025, and of its financial performance and cash flows for the year then ended in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), the requirements of the Co-operative Societies Act 1993 in Malaysia, the guidelines and directives of the Malaysia Cooperative Commissions and the Central Bank of Malaysia.

Basis for Opinion

We conducted our audit in accordance with the approved auditing standards in Malaysia and the International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the section of Auditors' Responsibilities for the Audit of the Financial Statements in our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Information Other than the Financial Statements and Auditors' Report Thereon

The Board Members of Co-opbank are responsible for the other information. The other information comprises the Report of the Board Members of Co-opbank and information included in the Annual Report, but does not include the financial statements of the Group and Co-opbank and our auditors' report thereon. The Report of the Board Members of Co-opbank was obtained prior to the date of this auditors' report, whilst the Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of Co-opbank does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and Co-opbank, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and Co-opbank or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard in respect of the Report of the Board Members of Co-opbank.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board Members of Co-opbank and take appropriate action accordingly.

INDEPENDENT AUDITORS' REPORT

TO THE EXECUTIVE CHAIRMAN OF THE MALAYSIA CO-OPERATIVE SOCIETIES COMMISSION AND
THE CO-OPERATIVE MEMBERS OF CO-OPBANK PERTAMA MALAYSIA BERHAD

Board Members' Responsibilities for the Audit of the Financial Statements

The Co-opbank Board Members are responsible for the preparation of the financial statements that give a true and fair view in accordance with MFRSs and the requirements of the Co-operative Societies Act 1993 in Malaysia. The Co-opbank Board Members are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Co-opbank Board Members are responsible for assessing the Group and Co-opbank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Co-opbank Board Members either intend to liquidate the Group and Co-opbank or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and Co-opbank, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Co-opbank's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members of Co-opbank.
- Conclude on the appropriateness of using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and Co-opbank to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and Co-opbank or, if such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and Co-opbank to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

TO THE EXECUTIVE CHAIRMAN OF THE MALAYSIA CO-OPERATIVE SOCIETIES COMMISSION AND
THE CO-OPERATIVE MEMBERS OF CO-OPBANK PERTAMA MALAYSIA BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the overall presentation, structure, and content of the financial statements of the Group and Co-opbank, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient audit evidence about the financial information of the entities or the business activities of the Group to express our opinion on the financial statements of the Group. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board Members of Co-opbank, among other matters, regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Co-operative Societies Act 1993 in Malaysia, we also report that:

- In our opinion, the accounting and other records and the registers required by the Act to be kept by the Group and Co-opbank have been properly kept in accordance with the provisions of the Act.
- The receipt, expenditure, and investment of money, as well as the acquisition and disposal of assets by the Cooperative observed during the year's audit, are in accordance with the Co-operative Societies Act 1993, Co-operative Rules and Regulations 1995 in Malaysia, and co-operative regulations and bylaws.
- The assets and liabilities are stated fairly in all material respects in accordance with accounting policies.

Other Matters

This report is prepared solely for the Executive Chairman of the Malaysia Cooperative Societies Commission and the members of the Cooperative, in accordance with Section 63 of the Cooperative Societies Act 1993, and approved Auditing Standards in Malaysia, and is not for any other purpose. We do not assume responsibility to any other party for the contents of this report.



AL JAFREE SALIHIN KUZAIMI PLT
(No. 201506002872)
(LLP0006652-LCA) (AF 1522)
Chartered Accountants

Kuala Lumpur

Date: 25 February 2026



AHMAD SYHAZAN BIN YAACOB
SKM(B)0597
Chartered Accountant

CO-OPBANK BOARD MEMBERS' REPORT

The Board Members of KOPERASI CO-OPBANK PERTAMA MALAYSIA BERHAD (Co-opbank) are pleased to present their report together with the financial statements of the Group and Co-opbank for the financial year ended 31 December 2025

PRINCIPAL ACTIVITIES

The principal activity of Co-opbank is as a cooperative conducting Islamic Banking activities based on Shariah principles through the acceptance of Islamic deposits, provision of financing, and permissible financial services.

The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

There have been no significant changes in the nature of principal activities of Co-opbank and its subsidiaries during the current financial year.

RESULTS

The operating results of the Group and Co-opbank for the financial year ended are:

	GROUP RM'000	CO-OP BANK RM'000
Profit before tax and zakat	131,260	131,154
Tax	(23)	-
Zakat	(4,000)	(4,000)
Profit After Tax and Zakat	127,237	127,154
Statutory distribution	(19,673)	(19,673)
Other distributions	(650)	(650)
Non-operating adjustments	(524)	(524)
Profit for the year	106,390	106,307
Other comprehensive income	10,759	10,759
Total comprehensive income for the year	117,149	117,066

DIVIDENDS

For the financial year ended 31 December 2025, Co-opbank paid a cash dividend of 6.5% on members' share capital amounting to RM88.13 million for the financial year ended 31 December 2024.

For the current financial year, the Board Members of Co-opbank have proposed a cash dividend of up to 6.5%, amounting to RM104.79 million. The proposed dividend will be recognised in the next financial period upon approval by the relevant authority.

CO-OPBANK BOARD MEMBERS' REPORT

STATUTORY INFORMATION

The Board Members of Co-opbank are of the opinion that the financial statements prepared on pages 94 to 155 have been compiled to give a true and fair view of the affairs of the Group and Co-opbank as of 31 December 2025 and of their operations and cash flows for the financial year ended on that date. The Board Members of Co-opbank are satisfied that before preparations of the Statements of Financial Position, Statements of Profit or Loss and Other Comprehensive Income and Profit Distribution, Statements of Changes in Shareholders' Funds, and Statements of Cash Flows of the Group and Co-opbank are made, reasonable measures have been taken concerning the following:

- i. All known bad debts have been written off and adequate provision has been made for doubtful debts; and
- ii. The book value of current assets, which are unlikely to show the true value in the ordinary course of business, has been adjusted to reflect the estimated realisable value.

Within the knowledge of the Board Members of Co-opbank, they are not aware of any circumstances that would cause the following:

- i. The amount of bad debts written off or the provision for doubtful debts being materially inadequate in the financial statements of the Group and Co-opbank;
- ii. The values of current assets in the financial statements of the Group and Co-opbank being misleading;
- iii. Any amount stated in the financial statements of the Group and Co-opbank being misleading; and
- iv. Any existing method of valuing the assets or liabilities of the Group and Co-opbank being misleading and inappropriate.

There are no contingent liabilities or capital commitments to be borne by the Group and Co-opbank that remain unsettled, except as disclosed in Note 24 to the financial statements. The Board Members of Co-opbank are of the opinion that within the next 12 months, the Group and Co-opbank will be able to meet their obligations as and when they fall due for the capital commitments that has become enforceable or likely to be enforceable upon them.

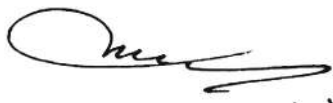
As at the date of this report, there were no:

- i. Charges on the assets of the Group and Co-opbank to secure the liabilities of any other party subsequent to the end of the financial year; and
- ii. Contingent liabilities for the Group and Co-opbank subsequent to the end of the financial year.

There were no material transfers to or from reserves or provisions during the financial year, except as disclosed in the financial statements.

The Board Members of Co-opbank solemnly and sincerely declare that there are no other matters within their knowledge that have not been disclosed in accordance with Section 59(3) of the Co-operative Societies Act 1993.

Signed on behalf of the Board Members of Co-opbank in accordance with the resolution passed by the Board.



Datuk Baharom Bin Embi
Chairman

Kuala Lumpur

Date: 25 February 2026



Hajah Nor Hidayah Binti Omar
Deputy Chairman

DECLARATION BY THE PRINCIPAL OFFICER

RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF
KOPERASI CO-OPBANK PERTAMA MALAYSIA BERHAD

I, Khairil Anuar Bin Mohammad Anuar, the principal officer responsible for the financial management and accounting records of KOPERASI CO-OPBANK PERTAMA MALAYSIA BERHAD (Co-opbank), sincerely acknowledge that the Statement of Financial Position, Statement of Profit or Loss and Profit Distribution and Other Comprehensive Income, Statement of Changes in Shareholders' Fund, and Statement of Cash Flows, together with the accompanying notes, have been prepared to present a true and fair view of the financial position of the Group and Co-opbank as at 31 December 2025 and of the financial performance and cash flows of the Group and Co-opbank for the financial year then ended, in compliance with the requirements of the Malaysian Financial Reporting Standards (MFRSs) and the provisions of the Co-operative Societies Act 1993 in Malaysia, and have been prepared in accordance with Shariah principles.



Khairil Anuar bin Mohammad Anuar

Chief Executive Officer

Kuala Lumpur

Date: 25 February 2026

STATEMENT BY THE CHAIRMAN AND DEPUTY CHAIRMAN

We, Datuk Baharom Bin Embi, Chairman, and Hajah Nor Hidayah Binti Omar, Deputy Chairman, state that in our opinion, the Statement of Financial Position, Statement of Profit or Loss and Profit Distribution and Other Comprehensive Income, Statement of Changes in Shareholders' Fund, and Statement of Cash Flows as set out in these financial statements, together with the accompanying notes, have been prepared to present a true and fair view of the financial position of the Group and Co-opbank as at 31 December 2025 and of the financial performance and cash flows of the Group and Co-opbank for the financial year then ended, and are in compliance with the requirements of the Malaysian Financial Reporting Standards (MFRSs) and the provisions of the Co-operative Societies Act 1993 in Malaysia, and have been prepared in accordance with Shariah principles.



Datuk Baharom bin Embi

Chairman

Kuala Lumpur

Date: 25 February 2026



Hajah Nor Hidayah binti Omar

Deputy Chairman

SHARIAH COMMITTEE REPORT



1. In discharging the responsibilities of the Shariah Committee (SC) of Co-opbank Pertama (CBP), based on our knowledge and expertise in the field of Islamic finance and Shariah principles, through the review of the disclosures presented to the SC, we hereby certify that the SC has reviewed, assessed and considered the Shariah compliance aspects of CBP's products, activities, transactions, businesses, financial assets, liabilities, operating income, other income, as well as banking operations for the financial year ended 31 December 2025.
2. The SC has been informed that the research and review activities conducted by the internal Shariah functions to ensure that CBP complies with Shariah principles, Shariah rulings and resolutions issued by the regulators and the highest authoritative body, namely the national-level Shariah Advisory Council, where relevant, have been appropriately adopted and enforced through the resolutions of the SC and related policies binding upon CBP for continuous implementation.
3. The SC has also reviewed reports from the Shariah control functions under a sound Shariah Governance framework by the Shariah Secretariat, Shariah Advisory, Shariah Review, Shariah Risk Management and Shariah Audit functions, and is therefore satisfied to provide confirmation and an independent opinion based on the SC's observations and review of the Shariah Governance framework in confirming the following matters:-
 - 3.1 The SC has been informed of the independent assessment carried out by the third line of defence, namely the Internal Audit Committee, including the functions of the Internal Audit Department and External Auditors, aimed at fulfilling the objective of reasonable Shariah assurance. This assessment involved sample and random examinations of transactions, relevant documents and procedures adopted by CBP, as well as the conclusions of the audit findings. Potential Shariah non-compliance risks identified together with the corrective and improvement processes that have been, are being and will continue to be implemented on an ongoing basis were also considered.
 - 3.2 The SC has reviewed reports prepared by the internal Shariah functions from the second line of defence to obtain the necessary information and explanations to enable the SC to assess and obtain sufficient evidence. This is to provide reasonable assurance that CBP has not breached or neglected the Shariah principles.
4. Having conducted the appropriate Shariah assessment on the reports presented by all lines of defence, we unanimously agree to confirm with an independent opinion, subject to the opinion of the external Shariah auditors, that for the financial year ended:-
 - 4.1 In terms of capital sourcing and funding through the adoption of the share model based on the *Musyarakah* principle, long-term liability deposit taking, and transactions through treasury instruments, products and Islamic financial instruments for deposit taking from the Islamic money market, corporate, retail and public segments based on the principles of *Murabahah* (through the application of the *Tawarruq* concept), *Bai' Salam* and *Qard* were found to be satisfactory and confirmed to be in compliance with the Shariah principles.

SHARIAH COMMITTEE REPORT

- 4.2 In terms of Islamic financing activities, the contracts, dealings, transactions and financing programmes undertaken by CBP for retail, commercial, co-operative and corporate transactions based on the principles of *Murabahah* (through the application of the *Tawarruq* concept) and/or *Murabahah* (MPO) and/or *Wakalah* convertible to *Tawarruq* as well as other Shariah concepts were found to comply with the Shariah principles and remain subject to continuous improvement processes. Accordingly, it is appropriate to confirm that the income and profits received by CBP from these products were found to be satisfactory and confirmed to comply with the Shariah principles.
- 4.3 In terms of Ar-Rahnu financing, all Ar-Rahnu financing product offerings are based on the principles of *Murabahah* (through the application of the *Tawarruq* concept) and *Ar-Rahn*, and are in compliance with the Shariah principles. The SC also confirms that the latest developments through the offering of *Ar-Rahnu* Flexi-i based on the principles of *Murabahah* (through the application of the *Tawarruq* concept), *Ar-Rahn* and *Ijarah al-khidmat* are in compliance with the Shariah principles. Accordingly, the income and profits received by CBP from these products were found to be satisfactory and confirmed to comply with the Shariah principles.
- 4.4 In terms of fee-based income and other income, the profit allocation relating to financial accounts derived from fee-based income from Takaful marketing activities, Muslim Will Products, *Ta'widh* (compensation) charges, *Wakalah fees*, *Ju'alah*, financing restructuring fees, remittance service fees, as well as other absorbed profits were found to be satisfactory and confirmed to comply with the Shariah principles.
- 4.5 In terms of income from subsidiaries and subsidiary companies, the core activities undertaken are neutral activities that support CBP's principal business and do not contain any elements contrary to the qualitative assessment of Shariah, and were found to be satisfactory and confirmed to comply with the Shariah principles.
- 4.6 In terms of the financial implications arising from income not eligible to be recognised, the SC confirms that income not eligible to be recognised amounting to RM69,499.81, arising from personal financing and home financing, was identified. Following corrective action, a total of RM67,862.87 was reversed and no longer created any financial implication. Accordingly, the finalised net amount payable for the purpose of "*wujud al-khayr*" after adjustments permitted for income purification amounted only to RM1,636.94 arising from the following transactions:-
- 4.6.1 Identified from the Incidental Data Management (IDM) report by the Shariah risk function (RMD), whereby the disbursement amount did not correspond with the commodity sale and purchase amount (in home financing transactions).
- 4.6.2 The amount of Shariah non-compliant income involved has been derecognised from CBP's income and properly recorded as a liability. The records were reviewed and the relevant amount was accurately reflected under CBP's financial liabilities in item 18(ii) of the statement of account. This process was found to be proper and satisfactory in accordance with the Policy on the Management of Non-Recognisable Income and Assets (PHTBD) as the guideline in managing income and assets not eligible to be recognised.
- 4.7 In order to attract blessings upon the assets and growth of CBP's wealth, in accordance with the mandate provided under the By-Laws (UUK), the assessment of business zakat for the stated financial *haul* period, in line with zakat obligations, pillars and compulsory zakat conditions, is as follows:-
- 4.7.1 CBP assesses business zakat on behalf of Muslim members based on the "*urfiyyah*" method using the "Adjusted Growth Capital" formula, comprising Muslim equity and share capital as well as any growth of assets including profits subject to reasonable adjustments. Accordingly, the dividend returns enjoyed by Muslim shareholder members constitute a net amount after zakat. Therefore, CBP members no longer bear zakat obligations on *Musyarakah* share capital and dividends as the zakat obligation is sufficiently discharged once through the fulfilment made by CBP.

SHARIAH COMMITTEE REPORT

- 4.7.2 As the acceptance of deposit funds by CBP through *Tawarruq* Term Deposit-i accounts, Salam Savings-i accounts, *Qard* Savings-i accounts and Salam Biz-i accounts constitutes funds deemed not to be owned by CBP, whereby depositors of these accounts are not regarded as shareholders or owners of CBP's assets, such deposit funds are therefore not assessed for business zakat by CBP. Accordingly, depositors of these accounts continue to bear zakat obligations on their own deposits and savings, subject to the *nisab* and *haul* applicable to each individual depositor, and not under the responsibility of CBP.
 - 4.7.3 Subject to the accounting principles and basis audited by the auditors, the business zakat assessment is hereby permitted by the SC to be recorded in the audited statement of accounts for the stated financial period under the statement of profit or loss item, as a provision amount representing expenditure commitment or estimated liabilities based on the best reasonable estimates according to the views of the Chief Financial Officer and external auditors, based on appropriate calculation principles and expected allowable adjustment deductions.
 - 4.7.4 In the view of the SC, it is obligatory for CBP to undertake the actual assessment of business zakat once the audited statement of accounts has been finalised and verified by the Malaysia Co-operative Societies Commission and/or once the audited statement of accounts is ready for final printing so that a fair assessment is conducted based on duly finalised financial data. It is the obligation of CBP, where the provision for business zakat in the audited statement of accounts is insufficient, to make the necessary additions and payments based on the actual assessment and to make appropriate adjustments according to the required accounting principles in the current year cash flow statement.
 - 4.7.5 The payment of zakat *haul* for 2024, which was required to be made in the 2025 financial year as stated in the cash flow statement, has been fully paid whereby the adjusted actual assessment exceeded the amount initially provided, and payment was made based on the actual assessed amount of RM3,847,772.00. The commitment for payment of zakat *haul* for 2025, which is required to be made in the 2026 financial year, will be undertaken upon obtaining final verification from the zakat authorities. The estimated zakat assessment based on reasonable provision as reflected in the statement of accounts amounts to RM4,000,000.00. The principal zakat payment centre for CBP's business zakat for the current period is the Zakat Collection Centre, Federal Territories Islamic Religious Council.
 - 4.7.6 CBP also acts as a *wakalah* zakat distribution agent for baitulmal funds from the Federal Territories Islamic Religious Council and the Penang State Islamic Religious Council. All *wakalah* zakat funds amounting to RM1.82 million have been fully distributed to eligible *asnaf* in accordance with the *wakalah* zakat guidelines and directives of the respective Islamic Religious Councils.
5. Based on GP-28 of the Malaysia Co-operative Societies Commission (SKM) and CBP's Shariah Governance Policy, it is the responsibility of CBP's Management to ensure that the business is conducted in accordance with the Shariah principles. The SC has received confirmation from CBP's Management that the Shariah resolutions and rulings decided throughout the stated financial period have been implemented with full honesty and integrity.

SHARIAH COMMITTEE REPORT

6. We, the Shariah Committee of CBP, hereby certify that the above Shariah reporting is true, transparent and made independently without any influence or conflict of interest. We are satisfied to confirm that, during the current period, CBP is an institution that conducts its business activities and operations in compliance with the Shariah principles without doubt.

Verified by,

FOR AND ON BEHALF OF THE SHARIAH COMMITTEE



Prof. Dr. Mushaddad bin Hasbullah
Chairman, Shariah Committee

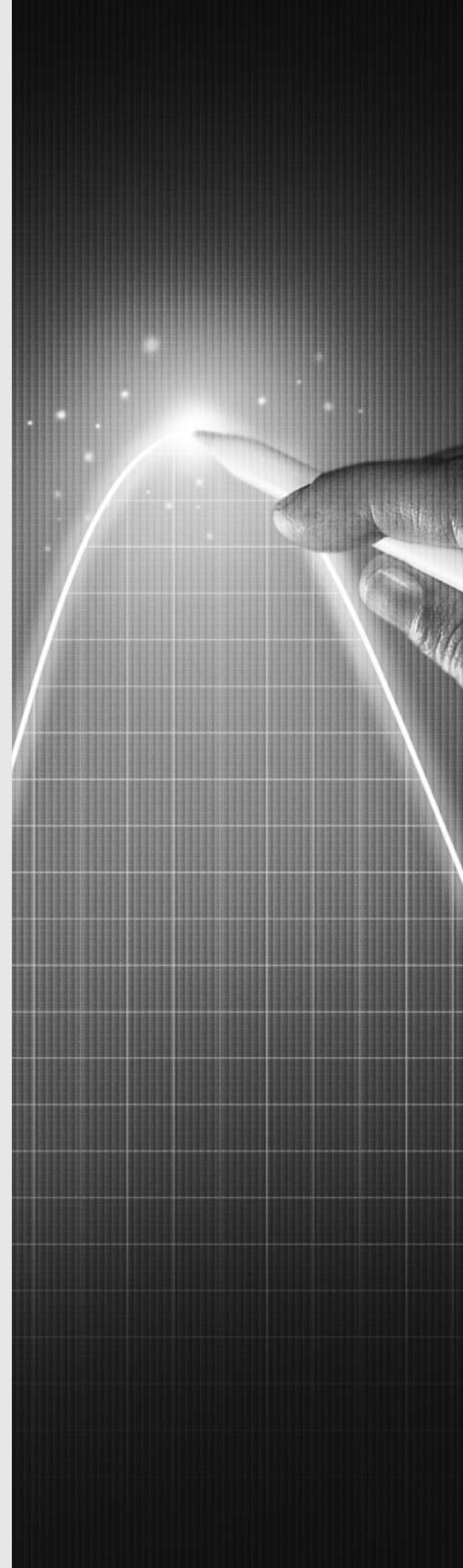


Prof. Dr. Romzie bin Rosman
Member, Shariah Committee

Kuala Lumpur
Date: 20 February 2026

FINANCIAL STATEMENTS

94	Statement of Financial Position
96	Statement of Profit or Loss And Other Comprehensive Income and Appropriations Profit
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100	Statement of Cash Flows
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STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	NOTE	2025 RM'000	GROUP 2024 RM'000
ASSETS			
Cash and short-term funds	4	1,337,279	1,883,340
Deposit and placements in financial institutions	5	720,309	547,779
Financial investments at fair value			
through other comprehensive income	6	1,243,098	899,773
Financial investments at amortised cost	7	1,821,663	1,271,119
Financing and advances	8	8,637,254	7,627,120
Other assets	9	431,485	358,966
Right-of-use assets	10	6,503	5,474
Land for development	11	850	489
Assets held for sale	13	6,300	6,300
Property and equipments	14	202,755	181,511
Intangible asset	15	70,184	57,527
Total Assets		14,477,680	12,839,398
LIABILITIES AND SHAREHOLDERS' FUNDS			
Customer savings and deposits	16	10,776,232	9,581,080
Obligations on securities transactions under			
secured murabahah commodity instruments	17	1,534,700	1,082,546
Other liabilities	18	165,685	189,306
Deferred Tax Liability	19	4,380	4,380
Financing from financial institutions	20	58,000	58,000
Total Liabilities		12,538,997	10,915,312
Members' Share Capital	21	1,604,326	1,634,590
Statutory reserves	22	136,610	120,872
Other reserves	23	50,169	33,328
Retained profits		147,578	135,296
Total Shareholders' Funds		1,938,683	1,924,086
Total Liabilities and Shareholders' Funds		14,477,680	12,839,398
Capital Commitments	24	242,055	58,641

(The accompanying notes form an integral part of the financial statements)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	NOTE	CO-OPBANK	
		2025 RM'000	2024 RM'000
ASSETS			
Cash and short-term funds	4	1,336,699	1,882,951
Deposits and placement in financial institutions	5	719,893	547,473
Financial investments at fair value through other comprehensive income	6	1,243,098	899,773
Financial investments at amortised cost	7	1,821,663	1,271,119
Financing and advances	8	8,637,254	7,627,120
Other assets	9	431,633	358,872
Right-of-use asset	10	6,503	5,474
Land for development	11	850	489
Assets held for sale	13	6,300	6,300
Property and equipment	14	202,740	181,491
Intangible asset	15	70,184	57,527
Total Assets		14,476,817	12,838,589
LIABILITIES AND SHAREHOLDERS' FUNDS			
Customer savings and deposits	16	10,776,232	9,581,080
Obligations on securities transactions under secured murabahah commodity instruments	17	1,534,700	1,082,546
Other liabilities	18	165,398	188,990
Deferred Tax Liability	19	4,380	4,380
Financing from financial institutions	20	58,000	58,000
Total Liabilities		12,538,710	10,914,996
Members' Share Capital	21	1,604,326	1,634,590
Statutory reserves	22	136,610	120,872
Other reserves	23	50,169	33,328
Retained profits		147,002	134,803
Total Shareholders' Funds		1,938,107	1,923,593
Total Liabilities and Shareholders' Funds		14,476,817	12,838,589
Capital Commitments	24	242,055	58,641

(The accompanying notes form an integral part of the financial statements)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AND PROFIT APPROPRIATIONS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		GROUP		CO-OPBANK	
	NOTE	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Income	25	751,520	678,728	751,212	678,515
Expenditure	26	(400,315)	(373,540)	(400,300)	(373,522)
Net Income		351,205	305,188	350,912	304,993
Allowance for impairment	27	(76,361)	(62,735)	(76,361)	(62,735)
Other income	28	66,627	80,596	66,616	80,586
Operating expenses	29	(210,211)	(198,754)	(210,013)	(198,652)
Profit Before Taxation and Zakat		131,260	124,295	131,154	124,192
Taxation	31	(23)	5,882	-	5,896
Zakat		(4,000)	(3,300)	(4,000)	(3,300)
Profit After Taxation and Zakat		127,237	126,877	127,154	126,788
Statutory Appropriations					
Statutory Reserve Funds:					
12% (2024: 10%)		(15,738)	(12,419)	(15,738)	(12,419)
Trust-Fund Cooperative					
Education: 2% (2024: 2%)		(2,623)	(2,484)	(2,623)	(2,484)
Trust-Fund Cooperative					
Development: 1% (2024: 1%)		(1,312)	(1,242)	(1,312)	(1,242)
		(19,673)	(16,145)	(19,673)	(16,145)
Other Appropriations					
Board Members' Honorarium		(650)	(620)	(650)	(620)
Non-operating Adjustments	32	(524)	-	(524)	-
Profit For The Year		106,390	110,112	106,307	110,023

(The accompanying notes form an integral part of the financial statements)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AND PROFIT APPROPRIATIONS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	GROUP		CO-OPBANK	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit for the Year	106,390	110,112	106,307	110,023
Other Comprehensive Income				
Items that may be reclassified subsequently to profit or loss:				
Debt instruments at fair value through other comprehensive income				
- Net change in fair value for the financial year	10,801	1,495	10,801	1,495
- Change in allowance for expected credit losses	(42)	(10)	(42)	(10)
Total Other Comprehensive Income	10,759	1,485	10,759	1,485
Total Comprehensive Income for the Year	117,149	111,597	117,066	111,508

(The accompanying notes form an integral part of the financial statements)

STATEMENT OF CHANGES IN SHAREHOLDERS' FUNDS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

GROUP

	Non-distributable					Distributable
	Members' Share Capital RM'000	Preference Shares RM'000	Statutory Reserve RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000
As at 1 January 2024	1,262,089	161	108,453	13,424	31,793	1,415,920
Profit Before Tax and Zakat	-	-	-	-	124,295	124,295
Profit Distribution	-	-	12,419	6,609	62,460	81,488
Dividends (Note 33)	-	-	-	-	(76,643)	(76,643)
Received during the year	402,768	-	-	(2,266)	-	400,502
Payments during the year	(30,267)	(161)	-	979	-	(29,449)
Distributions during the year	-	-	-	(771)	(6,609)	(7,380)
Other comprehensive income for the financial year	-	-	-	1,485	-	1,485
Gain arising from revaluation of property assets	-	-	-	13,868	-	13,868
As at 31 December 2024	1,634,590	-	120,872	33,328	135,296	1,924,086
Profit Before Tax and Zakat	-	-	-	-	131,260	131,260
Profit Distribution	-	-	15,738	5,973	(24,870)	(3,159)
Dividends (Note 33)	-	-	-	-	(88,135)	(88,135)
Received during the year	10,949	-	-	(229)	-	10,720
Payments during the year	(41,213)	-	-	1,004	-	(40,209)
Distribution during the year	-	-	-	(666)	(5,973)	(6,639)
Other comprehensive income for the financial year	-	-	-	10,759	-	10,759
As at 31 December 2025	1,604,326	-	136,610	50,169	147,578	1,938,683

(The accompanying notes form an integral part of the financial statements)

STATEMENT OF CHANGES IN SHAREHOLDERS' FUNDS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

CO-OPBANK

	← Non-distributable		→ Distributable			
	Members' Share Capital RM'000	Preference Shares RM'000	Statutory Reserve RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000
As at 1 January 2024	1,262,089	161	108,453	13,424	31,389	1,415,516
Profit Before Tax and Zakat	-	-	-	-	124,192	124,192
Profit Distribution	-	-	12,419	6,609	62,474	81,502
Dividends (Note 33)	-	-	-	-	(76,643)	(76,643)
Received during the year	402,768	-	-	(2,266)	-	400,502
Payment during the year	(30,267)	(161)	-	979	-	(29,449)
Distribution during the year	-	-	-	(771)	(6,609)	(7,380)
Other comprehensive income for the financial year	-	-	-	1,485	-	1,485
Gain arising from revaluation of property assets	-	-	-	13,868	-	13,868
As at 31 December 2024	1,634,590	-	120,872	33,328	134,803	1,923,593
Profit Before Tax and Zakat	-	-	-	-	131,154	131,154
Profit Distribution	-	-	15,738	5,973	(24,847)	(3,136)
Dividends (Note 33)	-	-	-	-	(88,135)	(88,135)
Received during the year	10,949	-	-	(229)	-	10,720
Payments during the year	(41,213)	-	-	1,004	-	(40,209)
Distribution during the year	-	-	-	(666)	(5,973)	(6,639)
Other comprehensive income for the financial year	-	-	-	10,759	-	10,759
As at 31 December 2025	1,604,326	-	136,610	50,169	147,002	1,938,107

(The accompanying notes form an integral part of the financial statements)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	GROUP		CO-OPBANK	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASHFLOW FROM OPERATING ACTIVITIES				
Profit Before Taxation and Zakat	131,260	124,295	131,154	124,192
Adjustments for:				
Recovered impairments	(63,135)	(76,052)	(63,135)	(76,052)
Financing impairments	75,319	62,047	75,319	62,047
Impairment of financial investment assets	226	151	226	151
Loss on financing write-off	816	537	816	537
Depreciation of right-of-use asset	4,548	2,915	4,548	2,915
Depreciation on properties, plant and equipment	7,562	6,894	7,557	6,889
Depreciation on intangible asset	5,797	7,697	5,797	7,697
Finance costs	233	189	233	189
Operating Profit Before Working Capital Changes	162,626	128,673	162,515	128,565
CHANGES IN WORKING CAPITAL				
Decrease/(Increase) in operating assets				
Financing and advances	(1,023,134)	(1,063,440)	(1,023,134)	(1,063,440)
Other assets	(59,556)	(181,332)	(59,616)	(181,263)
Land for development	(361)	330	(361)	330
Increase/(Decrease) in operating liabilities				
Customer deposits and savings	1,195,152	826,313	1,195,152	826,313
Other liabilities	(28,080)	80,546	(28,234)	80,422
Cash generated from/(used in) operations	246,647	(208,910)	246,322	(209,073)
Finance costs paid	(233)	(189)	(233)	(189)
Honorarium paid	(620)	(600)	(620)	(600)
Tax paid	(750)	(1,870)	(726)	(1,859)
Zakat paid	(3,847)	(3,970)	(3,847)	(3,970)
Net cash generated from/(used in) operating activities	241,197	(215,539)	240,896	(215,691)

(The accompanying notes form an integral part of the financial statements)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	GROUP		CO-OPBANK	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASHFLOW FROM STATUTORY AND DISTRIBUTION ACTIVITIES				
Other funds	(13,085)	(12,818)	(13,085)	(12,818)
Net cash used for statutory payments and distribution activities	(13,085)	(12,818)	(13,085)	(12,818)
CASHFLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(47,260)	(85,435)	(47,260)	(85,435)
Additional financial assets	(883,336)	(575,201)	(883,336)	(575,201)
Net cash used in investing activities	(930,596)	(660,636)	(930,596)	(660,636)
CASHFLOW FROM FINANCING ACTIVITIES				
(Redemption)/Issuance of shares	(29,489)	371,052	(29,489)	371,052
Dividend payments	(88,135)	(76,643)	(88,135)	(76,643)
Repayment of lease liabilities	(5,577)	(4,814)	(5,577)	(4,814)
Additional financing from financial institutions	452,154	633,002	452,154	633,002
Net cash generated from financing activities	328,953	922,597	328,953	922,597
NET CASHFLOW AND CASH EQUIVALENTS	(373,531)	33,604	(373,832)	33,452
At beginning of year	2,431,119	2,397,515	2,430,424	2,396,972
At end of year	2,057,588	2,431,119	2,056,592	2,430,424
CASH AND CASH EQUIVALENTS REPRESENTED BY:				
Cash and Short-Term Funds	1,337,279	1,883,340	1,336,699	1,882,951
Deposits and Placements with Financial Institutions	720,309	547,779	719,893	547,473
	2,057,588	2,431,119	2,056,592	2,430,424

(The accompanying notes form an integral part of the financial statements)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

The principal activities of Co-opbank are Islamic Banking, Islamic pawn broking (Ar-Rahnu) and investments.

The principal activities of its subsidiaries are disclosed in Note 12.

There was no significant change in the principal activities of the Group and Co-opbank during the current financial year. Co-opbank was established under the Co-operative Societies Act 1993.

The principal and registered office of Co-opbank is located at Wisma Co-opbank Pertama, No. 115, Jalan Raja Muda Abdul Aziz, Kampung Bharu, 50300 Kuala Lumpur.

The financial statements were authorised for issue by the Board Members of Co-opbank on 25 February 2026.

1. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

a) Statement of compliance

The financial statements of Co-opbank have been prepared in accordance with the Co-operative Societies Act 1993 and the Malaysian Financial Reporting Standards ("MFRSs"), with adjustments made to the requirements of the Co-operative Societies Commissions of Malaysia (SKM) and Bank Negara Malaysia (BNM). The financial statement for its subsidiary had been prepared in accordance with MFRSs and provisions under the Companies Act 2016 in Malaysia.

(i) Adoption of New and Amended Accounting Standards

MFRSs, Interpretations and amendments effective for annual period beginning on or after 1 January 2025

* Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange - Lack of Exchangeability*

The adoption of the above standards and amendments did not have any material financial impact on the financial statements of the Group and Co-opbank.

(ii) MFRSs and Amendments to MFRSs Issued but not yet effective

The following accounting standards, amendments and interpretations of the MFRSs have been issued by the Malaysian Accounting Standards Board ("MASB") but have not yet been adopted by the Group and Co-opbank.

MFRSs, Interpretations and amendments effective for annual period beginning on or after 1 January 2026

* Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*, MFRS 10 *Consolidated Financial Statements*, MFRS 107 *Statement of Cash Flows*, *Improvements to MFRS Accounting Standards*.

* Amendments to MFRS 7 *Financial Instruments - Disclosures* and MFRS 9 *Financial Instruments - Classification and Measurement of Financial Instruments*, *Improvements to MFRS Accounting Standards*, *Contracts Referencing Nature-dependent Electricity*.

MFRSs, Interpretations and amendments effective for annual period beginning on or after 1 January 2027

* Amendments to MFRS 18 *Presentation and Disclosures in Financial Statements* and MFRS 19 *Subsidiaries without Public Accountability - Disclosures - Classification and Measurement of Financial Instruments*, *Contracts Referencing Nature-dependent Electricity*.

MFRSs, Interpretations and amendments effective for annual period beginning on or after a date yet to be confirmed

* Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

1. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS (CONT'D.)

a) Statement of compliance (Cont'd.)

(ii) MFRSs and Amendments to MFRSs Issued but not yet effective (Cont'd.)

The Group and Co-opbank intend to adopt the above standards and amendments when they become effective. The adoption thereof is not expected to have a material impact on the financial statements of the Group and Co-opbank, except as disclosed below:

MFRS 18: Presentation and Disclosures in Financial Statements

MFRS 18 introduces new categories and subtotals in the statement of profit or loss. The standard also requires the disclosure of management-defined performance measures and introduces new requirements relating to the location, aggregation and disaggregation of financial information.

Statement of Profit or Loss

MFRS 18 requires Co-opbank to classify all income and expenses in the statement of profit or loss into one of the following five categories: operating; investing; financing; income taxes; and discontinued operations. MFRS 18 also requires Co-opbank to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

Management-defined performance measures

MFRS 18 introduces the concept of management-defined performance measures ("MPM"), which are defined as subtotals of income and expenses used by Co-opbank in public communications outside the financial statements to communicate management's view of Co-opbank's financial performance to users. MFRS 18 also requires the disclosure of information regarding all Co-opbank MPMs in a single note to the financial statements together with several disclosures relating to each MPM, including the method of calculation of the measure and a reconciliation to the most directly comparable subtotal specified by MFRS 18 or other MFRS accounting standards.

Location of information, aggregation and disaggregation

MFRS 18 distinguishes between the presentation of information in the primary financial statements and the disclosure of such information in the notes, and introduces principles for determining the location of information based on the identified roles of the primary financial statements and notes. MFRS 18 also requires aggregation and disaggregation of information to be performed by reference to similar and dissimilar characteristics.

Co-opbank is assessing the potential financial impact that may arise from the adoption of MFRS 18.

At present, the adoption of this standard is not expected to have a material impact on Co-opbank's financial statements.

The amendments to MFRS 9 and MFRS 7 provide clarification on:

- a) Financial liabilities are derecognised on the 'settlement date', being the date when the related obligation is settled, cancelled, expires or otherwise qualifies for derecognition. The amendments also introduce an accounting policy option to derecognise financial liabilities settled through a payment system.
- b) The method of assessing contractual cash flows for financial asset features involving environmental, social and governance (ESG) features and other similar contingent features.
- c) The treatment of non-recourse assets and contractually linked instruments.

The Group and Co-opbank are assessing the potential financial impact that may arise from the adoption of the amendments to MFRS 9 and MFRS 7.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

1. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS (CONT'D.)

a) Statement of compliance (Cont'd.)

- (ii) MFRSs and Amendments to MFRSs Issued but not yet effective (Cont'd.)

Early adoption of the accounting standards, amendments or interpretations is not expected to have any significant financial impact on the current and prior financial statements of the Group and Co-opbank.

b) Basis of preparation

The financial statements have been prepared based on a historical cost basis, except as disclosed in Note 2.

c) Functional and presented currencies

The financial statements are set out in Ringgit Malaysia (RM), the currency used by the Group and Co-opbank and has been rounded to the nearest thousand unless otherwise specified.

d) Use of estimates and considerations

The preparation of the financial statements of the Group and Co-opbank is in accordance to the MFRSs which require the management to use certain judgments, estimates and assumptions that influence the usage of the accounting policies and values reported for assets, liabilities, income and expenses. The actual result may differ from the estimates.

The estimates and assumptions used are reviewed on a continuous basis. The review on the accounting estimates is recognized as well as the duration in which the estimates were reviewed and any future duration thereof.

Information related to the sections of the estimates, uncertainties and critical judgments that are significant in the usage of the accounting policies which pose the most substantial impact on the recognized amount in the financial statements are presented in Note 3.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Co-opbank and all its subsidiaries as at the balance sheet date.

Where necessary, proceeds from the acquisition or sale of subsidiaries during the current year are included in the consolidated financial statements from the effective date of acquisition and until the date of sale applications.

If necessary, adjustments will be made to the subsidiary's financial statements with a view to standardizing its accounting methods within the Group. Transactions between the Co-opbank and its related subsidiaries are written off upon consolidation and the consolidated financial statements reflect only external transactions.

b) Investments in subsidiary

A subsidiary is where Co-opbank dominates the composition of the Board of Directors or has more than half the voting power, or holds more than half of the ordinary shares issued by the subsidiary.

Investment in a subsidiary is stated at cost, and at a decreased value when the Co-opbank Board Members are of the opinion that there is a decrease in value in the said investments.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

c) Business Combinations

The acquisition of the subsidiaries is accounted as ("acquisition method"). The cost of acquisition is measured at fair value at the given date of the asset exchange, liabilities that are assumed and the equity instrument issued by the Group for the exchange of ownership by the owner plus any direct costs that exist from the business combination. Identifiable owner's assets, liabilities and contingent liabilities that comply with the requirements for recognition are recognized at fair value at the date of the acquisition, except for non-current assets (or disposal group) which are classified as holdings for sale. Non-Current Assets Held for Sale and Non-Connected Operations are recognized and measured at fair value less cost for sale.

Goodwill arising from the acquisition is recognised as asset and measured at cost, namely the excess of the cost. Business combination against Group interest is in the identified net asset fair value, recognized liabilities and contingent liabilities.

If after revaluation, the Group's interest in the identified fair value of the net asset ownership, liabilities and contingent liabilities exceed the cost of business combination, the excess will be recognised as profit or loss.

d) Receivables

Receivables are carried at expected realisable value. Estimates are made for doubtful debts based on the review on all outstanding amounts at the end of the financial year. Bad debts are written-off in the financial year it was identified.

Receivables including financing are stated at the expected realisable value. All known bad debts are disposed off and special allocation is made for receivables and financing of which yield is doubtful after 3 months.

The Group and Co-opbank examine doubtful loans, advances and financings at every date of report to assess whether the impairment should be stated in the income statement. This is especially so where decisions need to be made to identify doubtful debts and the estimated amount obtainable from the doubtful debts when the allocation level needs to be determined.

e) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment of accumulated loss assets.

Freehold land and work in progress is not charged for depreciation.

Properties under construction for rental production, administration or unspecified use are listed at cost less identified value losses. It covers professional fees. For eligible assets, the cost of financing is capitalized using the Group's accounting methods. Depreciation on this asset uses the same basis as other real estate assets and starts when the asset is ready and ready to be used.

The costs involved in the asset are accounted for in the carrying amount of the asset or are recognised as separate assets, if the future interest and the asset is acquired by the Group and the costs incurred are reliable. The carrying amount of the tool or share of the asset is not recognized.

All repair and maintenance costs are charged to earnings over the period in which they are incurred.

NOTES TO THE
FINANCIAL STATEMENTS
31 DECEMBER 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

e) Property and equipment (Cont'd.)

Property and other equipment are depreciated at a rate calculated on a straight-line basis to write off the cost of these assets over the estimated useful life. The main annual depreciation rates used are as follows:

Freehold Buildings	2%
Office Equipments	20%
Motor Vehicles	20%
Computer Equipments	20%
Renovation	5% - 10%

At each date of the financial position statement, the residual value and life expectancy of the property, plant and equipment will be revised. Any impact on change will be recognised in perspective. Profit or loss on sale is determined by comparison between the turnover and the carrying amount of the asset in which the difference will be accounted for as profit or loss from operations.

If the equipment or parts of the property items, plant and equipment have different service life, the cost or valuation of such items is allocated on a reasonable basis between the equipment and each part of the depreciated equipment separately.

f) Intangible assets

In addition to goodwill on consolidation, intangible assets also include computer software and software under development.

Intangible assets acquired separately are measured initially at cost at the date of acquisition. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, except for software under development which is not subject to amortisation until the development is complete and the asset is available for use.

Amortisation of intangible assets is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives as follows:

Computer software	10% - 20%
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g) Financial Assets

Recognition date

All financial assets are initially recognised at the date of the transaction, i.e. on the date the Group and Co-opbank become related parties to the contractual provisions of certain instruments. This includes the usual way of trading, buying or selling financial assets that require the delivery of assets within the time frame set by regulations or conventions in the market.

Initial recognition and subsequent measurements

All financial assets are measured initially at their fair value as well as directly related transaction costs, except in the case of financial assets recorded at fair value through gains or losses.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

g) Financial Assets (Cont'd.)

Initial recognition and subsequent measurements (Cont'd)

The Group and Co-opbank classify all its financial assets based on a business model for managing assets and the characteristics of asset contractual cash flow, measured either:

- Amortised cost
- Fair value through other comprehensive income ("FVOCI")

Financial assets include the following:

(i) Financial assets at amortised cost

The Group and Co-opbank measure financial assets at amortized costs if the following two conditions are met:

- Financial assets are held in a business model with the aim of holding financial assets to accumulate contractual cash flow;
- The contractual terms of the financial asset give rise to a certain date to the cash flow of the principal and profit payment ("SPPP") on the outstanding principal amount.

Details of these conditions are attained below:

1) Business Model Assessment

The Group and Co-opbank define its business model at a level that best reflects how the group of financial assets is managed to achieve its business objectives.

The Group's and Co-opbank's business models are not valued based on instruments by instrument, but rather a higher level of aggregate portfolio and are based on observable factors such as:

- How the performance of the business model and financial assets held in the business model is evaluated and reported to key management personnel
- Risks affecting the performance of the business model (and the financial assets held in that business model) and, in particular, how those risks are managed
- How business managers are compensated (for example, whether compensation is based on the fair value of assets managed or contractual cash flows collected)
- The expected frequency, value and timing of sales are also key aspects of the Group and Coopbank's valuation

The business model assessment is based on the reasonably expected scenario regardless of the worst case or stress scenario. If cash flows after initial recognition are realised in a manner different from the Group's and Co-op bank's original expectations, the Group and Co-op bank do not change the classification of the balance of financial assets held in that business model, but include such information when evaluating new or newly purchased financial assets in the future.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

g) Financial Assets (Cont'd.)

Initial recognition and subsequent measurements (Cont'd)

(i) Financial assets at amortised cost (Cont'd.)

2) The SPPP Test

As the second step in the classification process, the Group and Co-opbank assess the contractual terms of the financial asset contract to identify whether they meet the SPPP test.

“Principal” for the purpose of this test is defined as their fair value of the financial asset at initial recognition and may change over the life of the financial asset (e.g., if there is repayment of the principal or settlement of the premium/discount).

The most important profit element in a financing arrangement is the consideration for currency value and credit risk. To carry out the SPPP test, the Group and Co-opbank will judge and consider the relevant factors such as the currency by which the financial asset is denominated, and the period in which the profit rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows which are not related to the basic financing arrangement does not result in a contractual cash flow that is solely for the payment of the principal and deferred profit. In such case, the financial asset must be measured at FVTPL.

Group and Co-opbank had been measuring financing and advance at amortised cost.

(ii) Fair value through other comprehensive income (“FVOCI”)

The Group and Co-opbank use the new category under MFRS 9 debt instruments measured in FVOCI when the following two conditions are met:

- The instrument is held in the business model, the objective of which is achieved by accumulating contractual cash flows and selling financial assets; and
- The term of the financial asset contract meets the SPPP test.

Financial assets in FVOCI are then measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income (“OCI”). Foreign exchange gains and losses are recognised in profit or loss in the same way as financial assets measured at amortized cost. At recognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

Equity instruments are usually measured on FVTPL. However, for unquoted equity instruments, with irrevocable options at the outset, the Group and Co-opbank measure changes through FVOCI (without recycling profits or losses during de-recognition).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

h) Impairment of financial assets

The MFRS 9 impairment requirement is based on the Expected Credit Loss ("ECL") model. The ECL model applies to financial assets measured at amortization costs or on FVOCI, irrevocable financing commitments and financial guarantee contracts; which includes financing and advances, as well as financial instruments held by the Group and Coopbank. The ECL model also applies to contract assets under MFRS 15, Income from Contracts with Customers and leases receivable under MFRS 16, Leases.

The measurement of expected credit losses involves increased complexity and judgment, including:

- (i) Determining a significant increase in credit risk since the initial recognition.

Assessment of significant impairment since initial recognition is key to determining the transfer point between measuring allocation based on 12-month ECL, or allocation based on ECL life expectancy. A number of qualitative and quantitative assessments are used in determining whether there is a significant increase in credit risk at the reporting date when compared with the initial recognition date.

The Group and Co-opbank adopted a three-tier approach based on changes in credit quality since the initial recognition:

	Level 1	Level 2	Level 3
3-level approach	Performing	Low Performing	Non Performing
Description	No significant increase in credit risk	Credit risk increases significantly	Credit impaired
ECL Approach	12-months ECL	Lifetime ECL	Lifetime ECL
Recognition of profit income	On gross carrying amount	On gross carrying amount	On net carrying amount

- (ii) ECL Measurement

There are three main components for measuring ECL which are probability of default ("PD") model, loss given default ("LGD") model, and the exposure at default ("EAD") model.

MFRS 9 does not distinguish between individual assessment and collective evaluation. As such, the Group and Co-opbank continue to measure impairments based on the individual assessment for financial assets that are considered individually significant. All other financial assets will be collectively assessed in accordance with the Group's and Co-opbank's policies.

- (iii) Financial investments at FVOCI

ECL financial investments measured at FVOCI do not reduce the total carrying amount of these financial assets, which remain at fair value. On the other hand, an amount equal to the provision that would arise if an asset measured at amortized cost is recognised in OCI as the amount of accumulated impairment, with the same charge to profit or loss. Accumulated losses recognised in OCI are recycled to gains and losses upon de-recognition of the asset.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

h) Impairment of financial assets (Cont'd.)

(iv) Expected life

Expected credit losses over a lifetime must be measured over the expected life. This is defined as a maximum life contract, including any prepayment, extension, call and similar options.

(v) Forward-looking Information

The expected credit loss is an unbiased probability credit loss, determined by assessing various possible outcomes and considering future economic conditions. Reasonable and reliable forward-looking information is based on the Co-opbank Economic Research Division.

Where applicable, the Group and Co-opbank combine forward-looking adjustments in PD and LGD credit risk factors used in the ECL calculations, taking into account the impact of multiple probability-weighted future forecast economic scenarios. Included in the ECL are various forward-looking information as economic inputs, such as:

- Gross Domestic Product ("GDP")
- House Price Index ("HPI")
- Consumer Price Index ("CPI")
- Overnight Price Rate ("OPR")

The Group and Co-opbank use the following three macro-economic scenario alternatives to reflect the various probabilities of non-bias of possible future outcomes in estimating ECL:

Basic scenario: This scenario reflects the current macro-economic situation continuing to occur.

Best and Worst Scenarios: This scenario is set as opposed to the basic scenario; reflect the best and worst macro-economic conditions based on expert assessments of the best things from the current economic situation.

(vi) ECL Level 3 Assessment

Co-opbank's accounting policy for collateral granted to it through its financing arrangements under MFRS 9 is the same as under MFRS 139.

i) Leasing

All leases, except for short term assets and low value assets are recognised as benefits of the use of assets with the same lease liabilities as at the date the lease assets may be utilised by the Group and Co-opbank. The Group and Co-opbank have chosen to recognise payments for short-term leases and leases of low value assets on a straight-line basis as expenses in the income statement.

Each lease payment is divided between financial costs and a reduction in the balance of liabilities. Profit expense is charged to the income statement during the lease period. The benefits of using assets are depreciated over a shorter period of time between life and lease terms on a straight-line basis. The lease portfolio for the Group and Co-opbank consists of building rentals.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

i) Leasing (Cont'd.)

(i) Right-of-Use ("ROU") Asset

At the beginning of the contract, the Group and Co-opbank assess whether the contract is, or contains, a lease agreement whereby if the contract entitles the consumer ("lessee") to control the use of the identified asset for a period of time in exchange for consideration. If the contract contains more than one lease component, or a combination of lease and service transactions, consideration is given to each component of this lease and non-lease with the conclusion and at each subsequent re-measurement of the contract based on its own selling price. The Group and Co-opbank combine lease and non-lease components, in cases where separation of non-lease components is not possible.

The Group and Co-opbank recognise the benefits of the use of assets at the date of commencement of the lease (the date the backup asset is ready for use). Asset utilisation benefits are measured at cost, less accumulated depreciation and impairment losses, and adjusted by any re-measurement of lease liabilities. The cost of the benefit of using the asset includes the amount of lease liabilities adjusted to any lease payments made on or before the commencement date, plus the initial direct costs incurred and the estimated costs for the reshuffle and write-off of the backup assets or to restore the backup assets or the site where they are located, less the rental incentives received. The lease period includes a period with an option to extend if the Group and Co-opbank are confident enough to exercise such options. Unless the Group and Co-opbank are confident enough to acquire ownership of the leased assets at the end of the lease term, the benefits of the use of recognised assets are depreciated on a straight-line basis between the life expectancy and the lease period whichever is shorter. Benefits of use of assets are subject to impairment assessment.

(ii) Lease liability

At the date of commencement of the lease, the Group and Co-opbank recognised the lease liability measured at the present value of the lease payments to be made over the lease period. Leasing payments include fixed payments (including fixed payment policies) less lease incentives received, variable lease payments that depend on the index or rate, and amounts expected to be paid below the guaranteed residual value. Lease payments also include the exercise price of the purchase option which may be certain to be exercised by the Group and Co-opbank and the payment of penalties for terminating the lease, if the lease term reflects the Group and the Co-opbank exercised the option to terminate. Variable lease payments that do not depend on the index or rate are recognised as expenses in the period in which the event or condition that triggered the payment occurred.

In calculating the value of current lease payments, the Group and Co-opbank use the financing increase rate at the date of commencement of the lease as the profit rate implied in the lease cannot be easily determined. After the commencement date, the amount of rental liabilities is increased to reflect the increase in profit and is reduced for the lease payments made. In addition, the carrying amount of the lease liability is re-measured in the event of modifications, changes in the lease term, changes in the fixed rental payments of substances or changes in valuation to purchase backup assets.

(iii) Important considerations in determining contract period with renewal option

The Group and Co-opbank determine the leasing period as irrevocable, along with any period that entails the option to continue the leasing period if reasonable, or a period that entails the option to end the lease, if it is confirmed to no longer be implementable.

The Group and the Co-opbank have options under some of their leases to lease assets for an additional period of three to five years. The Group and the Co-operative use their discretion of whether it is reasonable to implement the contract renewal option. This means that they consider all relevant factors that trigger economic incentives in renewing the lease agreement.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

i) Leasing (Cont'd.)

(iii) Important considerations in determining contract period with renewal option (Cont'd.)

After the initial date, the Group and the Co-opbank re-evaluate the leasing period if there are events or situational changes under their control which influence their ability to implement (or not implement) the renewal option (such as changes in business strategies).

The Group and Co-opbank used the following practical benefits approved by the standards for leasing:

(a) Leasing with a lease period of 12 months or shorter; and

The Group and Co-opbank adopted the exemption of short-term lease recognition to its short term lease of 12 months or less from the initial date which does not have the option of renewable lease clause and purchase option.

(b) Lease for low value assets less than RM20,000

The Group and Co-opbank also adopted the exemption of recognising low value assets for leased assets deemed as having a low value and recognised as expenses in the income statement based on the straight line basis throughout the lease period.

The Group and Co-opbank recognise lease payments, when they fall due, in the income statement for leases that do not meet the ROU assessment and of which had resorted to the exemption approved by the standards.

j) Non-current assets held-for-sale

Non-current assets and sales of the Group are classified as held-for-sale if the carrying amount will be restored through sales transaction as opposed to continuous usage. This condition is assumed to be complied with if the sales have been fully determined and the asset (or sales of the Group) for the purpose of immediate sales are in current condition.

The management must be committed to the sales expected to be qualified to be recognised as sales completed within a year from the classification date. Non-current assets (and sales of the Group) classified as held-for-sale are measured at the lowest carrying amount in the previous year and fair value less cost for sale.

Allocation is recognised when the Group has legal obligations whether current or constructive, due to past results where possible outflows of resources are needed to explain the obligation and estimates to convince that the obligation amount is achievable.

k) Asset impairment

The carrying amount for property, plant and equipment, property development and investment in subsidiaries will be reviewed for the purpose of value impairment when there exists indication that the value of the asset may be impaired. Value impairment is determined by comparing the carrying amount of the asset and its recoverable amount. Loss from value impairment will be charged immediately in the income statement, except for assets carried at valued amount, which in this case, loss from the value impairment will be considered as reduction in valuation.

Recovered amount is the fair value exceeding the cost of sales and value used. In determining the value used, the cash flow forward estimates are discounted to the current value using the previous tax discount rate which shows the current market value for time value of money and risk to the asset which has not been adjusted for cash flow forward estimates.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

k) Asset impairment (Cont'd.)

The subsequent increase on the recoverable amount of the asset will be accounted for as reversal against the previous impaired value and is recognised to the extent where the carrying value of the asset has been determined (net and amortised and depreciated) before any value impairment is recognised. This reversal will be recognised immediately in the income statement, except for assets carried at revalued amount in this case, reversal of impairment loss will be considered as increase in valuation.

If the amount of the recovered asset is estimated to be less than the carrying amount, the carrying amount for the asset will be reduced to the recovered amount. Impairment loss will be recognised in the financial statement.

l) Investments

Investments in any unquoted shares at cost less allocation for any permanent decrease in value. Quoted share investment is stated at cost and market value determined based on aggregate, based on whichever is lower.

m) Cash and cash equivalent

The Group and Co-opbank have adopted an indirect method in the preparation of the statement of cash flows. Cash and cash equivalent include cash and bank balances, bank overdrafts, deposits and short term investments with liquidity that is readily convertible to cash with a small risk of change in value.

n) Financing sales

In the normal course of operations for Islamic Banking, Islamic debt sales are treated as sale and purchase transactions from the Shariah perspective. Such financing transactions less assets sold in the statement of financial position and the obligation for financing buy-back are shown as assets sold with the balance classified as commitment and contingent liability.

o) Hire purchase payables

Assets bought by way of hire purchase are stated at amount equivalent to fair value dan current value of the minimum hire purchase payment, whichever is lower less accumulated depreciation and impairment loss. Related obligations are stated in the financial statement as loans.

Hire purchase payments are divided between financial cost and reduction in outstanding liabilities. Financial cost, which represents the difference between total hire purchase involvement and fair value of the bought asset, is identified as expenditure in the income statement throughout the hire purchase term in producing a fixed charge rate term on the outstanding balance in every accounting period.

p) Zakat

The assessment of zakat is made by Co-opbank as business zakat in accordance with the pillars and conditions set based on the sharia principles for *haul* 1 January 2025 to 31 December 2025 according to the adjusted growing capital method assessed on Muslim equity from income, investment proceeds and from capital and property traded.

Therefore, members are no longer required to pay zakat on dividends. The assessment of zakat is limited to the activities of Islamic financial services by Co-opbank only and not the assessment of zakat for the Group which needs to be assessed separately by other subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

q) Tax

Income tax expense comprises the amount of current payable tax and deferred tax. Current payable tax is based on the taxable profit for the year which is calculated based on the tax rate determined by law or determined at the date of the statement of financial position. Current tax for the current and previous periods are recognised as liability (or asset) until the extent in which it becomes non-performing (or recovered).

Deferred tax is provided using the liability method on the temporary differences at the date of the statement of financial position between the tax bases and carrying value of assets and liabilities in the financial statement. Principally, deferred tax liabilities are recognised for all temporary differences while deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent where taxable profit is projected to be able to absorb the deductible temporary differences, unused tax losses and unused tax credits.

Deferred tax will not be recognised if the temporary differences arise from goodwill or negative goodwill or from the start of the asset or liability takeover in a transaction that is not a business combination and at the time of that transaction, not affecting the accounting profit and taxable income.

The carrying amount of deferred tax assets is reviewed at each date of statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be restored.

Deferred tax is measured using tax rates that are expected to be applied in the year when the asset is realised or the liabilities are settled. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, where the deferred tax is also recognised in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the enforceable income tax by a taxation authority whereby the Group intends to settle the current tax assets and current tax liabilities on a net basis.

r) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to ascertain whether there are signs of impairment. If there is such a sign, or when an annual impairment test of the asset is required, the Group and Co-opbank estimate the recoverable amount. The amount of recoverable assets is fair value less the cost of sale or the value of its use whichever is higher for an asset or unit of cash generator ("CGU"). If the amount of assets or CGU exceeds the recoverable amount, the asset is treated as impairment and is devalued to a recoverable amount.

For value-use assessments, the estimated future cash flows are discounted to current value using a pre-tax discount rate that reflects the current market valuation of the value of money and risks specific to the asset. In determining the fair value less the cost of sale, the current market transaction is taken into account. If no such transaction can be identified, an appropriate valuation model is used. This calculation is supported by a double valuation, a quotation of shares of a public company or an indication of the fair value that can be obtained.

For assets other than goodwill, an assessment is made at each reporting date whether there is any sign that the previous recognised impairment loss no longer exists or may decrease. If there is such a mark, the Group and Co-opbank estimate the recoverable amount of the asset or the CGU. The previously recognised impairment loss is reversed only when there is a change in the assumptions used to determine the amount of recoverable assets since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not also exceed the recoverable amount, and does not exceed the carrying amount determined after depreciation or amortization, in the event that no impairment loss is recognised for the asset in the previous year. The reversal is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

s) Income recognition

Income from Co-opbank transactions in accordance with sharia principles is recognised on an accrual basis. The method of recognition of profits from the financing of customers is based on the reduced balance method. When an account becomes unpaid, its profits are suspended until the payment is paid in cash. Customer accounts are considered non-performing when there is arrears on repayments exceeding three months for financing, advance and hire purchase.

Income from development projects is recognised based on the percentage of completion method on all building units sold. Provision for possible losses is made in the income statement when a loss is identified.

t) Employee benefits

(i) Short-term employee benefits

Salary, paid annual leave and sick leave, bonuses and other non-cash benefits are accrued based on the length of service of the employee.

(ii) Defined contribution plan

The Group is required by law to make monthly contributions to the Employees Provident Fund (EPF), a statutory body that determines the contribution plan for eligible employees based on to the rate of salary of employees. The Group's contributions to the EPF are stated separately while the contributions of employees to the EPF are included in the salary of employees.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical considerations in practicing the accounting policies of the Group

In the process of practicing the accounting policies of the Group, as explained in Note 2, the management believes that any circumstances resulting from the use of judgement do not have a significant impact on the amount recognised in the financial statements.

Main sources for the uncertainties in estimates

There were no main assumptions related to the future and main sources of estimation uncertainty as of the financial position statement date that are considered to have significant risk, which could result in material adjustments to the carrying values of assets and liabilities for the subsequent financial year, except for:

(a) Impaired financing and advances

The Group and Co-opbank review the financing and advances portfolio to determine whether impairment should be recorded in profit or loss.

Financing is impaired when there is objective evidence of impairment due to losses which affect the financing's projected cash flow following initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

Critical considerations in practicing the accounting policies of the Group (Cont'd.)

(a) Impaired financing and advances (Cont'd.)

Expected Credit Loss

The calculation of ECL (Expected Credit Loss) for Group and Co-op bank under MFRS 9, are outputs of a complex models with several fundamental assumptions regarding the changing input options and their dependencies. Elements considered in the ECL model as accounting considerations and estimation include:

- Criteria for assessing significant increases in credit risk, including qualitative assessment, to determine whether steps should be undertaken for financial assets based on a lifetime ECL rather than a 12-month ECL
- Segmentation of financial assets when ECL is assessed collectively
- Development of the ECL model, including various formulas and input options
- Determination of the relationship between macroeconomic scenarios and economic inputs, such as unemployment rates and overnight rates, and their impact on PD (Probability of Default), EAD (Exposure at Default), and LGD (Loss Given Default)
- Selection of forward-looking macro-economic scenarios and their probabilities, to derive the economic input into the ECL model

(b) Impairment of financial asset portfolio

The Group and Co-op bank review their financial investments in FVOCI (Fair Value through Other Comprehensive Income) and financial investments at amortized cost under MFRS 9 to recognize Expected Credit Losses (ECL) at each reporting date to reflect changes in the credit risk of financial investments not measured through FVTPL (Fair Value through Profit or Loss). MFRS 9 incorporates forward-looking and historical, current, and forecast information into the ECL estimation.

In conducting impairment reviews, the following management assessments are required:

- (i) Determining whether investments are impaired based on specific indicators, including, among others, issuer or guarantor difficulties, deterioration in the credit quality of the issuer or guarantor; and
- (ii) Determining the ECL that reflects:
 - (a) An unbiased amount and a probability determined by assessing various possible outcomes;
 - (b) The time value of money; and
 - (c) Reasonable and supportable information, available without undue cost or effort, such as at the reporting date regarding past events, current conditions, and forecasted future economic conditions.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

Critical considerations in practicing the accounting policies of the Group (Cont'd.)

(c) Estimation of Fair Value for financial investments at FVOCI

When the fair value of financial assets recorded in the financial statements cannot be measured based on quoted prices in an active market, their fair value is measured using valuation techniques. Valuation techniques include discounted cash flow methods, preferred pricing models, and other relevant valuation models.

Inputs to these models are taken from observable markets whenever possible, but if that is not feasible, a level of estimation is required to establish the fair value.

(d) Deferred tax assets

Deferred tax assets are recognized for all deductible temporary differences, unutilized tax losses, and unused tax credits to the extent that it is probable for taxable profits to absorb the deductions on the temporary differences, unutilized tax losses and unutilized tax credits. Significant judgments have been made by management to identify the amount of deferred tax assets that can be recognized based on the timing and extent of future taxable profits and future tax planning strategies.

4. CASH AND SHORT-TERM FUNDS

	GROUP		CO-OPBANK	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash in hand	14,666	21,506	14,666	21,506
Cash at bank	399,540	792,529	398,960	792,140
Deposits and placements with licensed banks maturing within one month	923,073	1,069,305	923,073	1,069,305
	1,337,279	1,883,340	1,336,699	1,882,951

5. DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS

	GROUP		CO-OPBANK	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Licensed Banks	720,309	547,779	719,893	547,473
Included in this item are deposits representing: Statutory Reserve Fund (Note 22)	67,113	63,794	67,113	63,794

Deposits and placements with licensed banks earn profit at a rate of 3.04% per annum (2024: 3.6%) and will mature within one year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

6. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	GROUP/CO-OPBANK	
	2025	2024
	RM'000	RM'000
Debt instruments at fair value through other comprehensive income		
Islamic debt securities	529,646	369,199
Government investment issuances	527,644	250,042
Malaysian Government Sukuk Fund	185,052	279,777
	1,242,342	899,018
Equity instruments at fair value through other comprehensive income		
Unquoted shares	756	755
Total financial investments at fair value through other comprehensive income	1,243,098	899,773

The movements in the allowance for expected credit losses (ECL) provision are as follows:

	12-month ECL Level 1 RM'000
As at 1 January 2024	89
Changes in credit risk	10
As at 31 December 2024 / 1 January 2025	99
Changes in credit risk	42
As at 31 December 2025	141

Included in this item are liabilities related to transactions of securities under the Commodity Murabahah Revolving Financing (Note 17):

	GROUP/CO-OPBANK	
	2025	2024
	RM'000	RM'000
Government investment issuances	-	215,366

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

7. FINANCIAL INVESTMENTS AT AMORTISED COST

	GROUP/CO-OPBANK	
	2025	2024
	RM'000	RM'000
At an amortised cost		
Islamic debt securities	131,595	40,792
Government investment issuances	1,381,519	971,286
Malaysian Government Sukuk Fund	308,906	289,214
	1,822,020	1,301,292
Less: accumulated impairment losses		
Islamic debt securities	(357)	(30,173)
	1,821,663	1,271,119

Movements of the accumulated impairment loss are as follows:

	12-month ECL Level 1 RM'000	Lifetime ECL Impaired credits Level 3 RM'000	Total RM'000
As at 1 January 2024	32	30,000	30,032
Change in credit risk	141	-	141
As at 1 December 2024 / 1 January 2025	173	30,000	30,173
Change in credit risk	184	(30,000)	(29,816)
As at 31 December 2025	357	-	357

Included in this item is the obligation arising from securities transactions under the Commodity Murabahah instrument (Note 17):

	GROUP/CO-OPBANK	
	2025	2024
	RM'000	RM'000
Government investment issuances	522,025	879,814

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

8. FINANCING AND ADVANCES

	GROUP/CO-OPBANK	
	2025	2024
	RM'000	RM'000
At amortised cost		
Term Financing:		
Personal Financing	6,895,969	6,308,322
Ar-Rahnu Financing	618,066	557,503
Property Financing	747,333	432,396
Corporate Financing	296,473	284,027
Cooperative Financing	125,829	125,631
Business Financing	52,668	31,277
Staff Financing	35,495	26,694
Auto Financing	12,882	-
	8,784,715	7,765,850
Less: Provision for impairment on financing and advances	(147,461)	(138,730)
Net financing and advances	8,637,254	7,627,120

i) The movements in provisions for expected credit losses and allowances for financing and advances are as follows:

	12-month ECL Level 1 RM'000	Lifetime ECL Not credit impaired Level 2 RM'000	Lifetime ECL Credit impaired Level 3 RM'000	Total RM'000
As at 1 January 2024	46,124	40,439	49,233	135,796
Changes due to movement of financing and advances	20,811	(13,594)	(5,091)	2,126
Current year net provisions	25,272	12,491	24,284	62,047
Provisions restored	(42,483)	(11,009)	(5,621)	(59,113)
Provisions written off	-	-	(2,126)	(2,126)
As at 31 December 2024 / 1 January 2025	49,724	28,327	60,679	138,730
Changes due to movement of financing and advances	13,709	(9,450)	14,386	18,645
Current year net provisions	31,580	18,912	24,827	75,319
Provisions restored	(42,317)	(11,750)	(12,521)	(66,588)
Provisions written off	-	-	(18,645)	(18,645)
As at 31 December 2025	52,696	26,039	68,726	147,461
Gross balance of financing and advances	8,428,700	208,703	147,312	8,784,715

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

8. FINANCING AND ADVANCES (CONT'D.)

	GROUP/CO-OPBANK	
	2025	2024
	RM'000	RM'000
ii) The movement for gross impairment of financing and advance is as follows:		
As at January 1	131,387	105,594
Classified as affected within the year	63,588	45,298
Amount recalculated from recovery	(29,018)	(17,379)
Amount written off within the year	(18,645)	(2,126)
As at 31 December	147,312	131,387
Gross financing and advances affected as a percentage of gross financing and advances	1.68%	1.69%
iii) Financing and advances by geographic location:		
Head Office	468,405	438,017
Northern Zone	2,620,610	2,416,664
Central and Southern Zone	3,191,441	2,623,399
Eastern Zone	1,503,970	1,524,438
Sabah Zone	640,345	503,903
Sarawak Zone	359,944	259,429
	8,784,715	7,765,850
iv) Financing and advances by concept:		
Tawarruq	7,968,439	6,962,010
Bai' Al-Inah Hijrah	198,210	246,337
Ar-Rahnu	618,066	557,503
	8,784,715	7,765,850

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

9. OTHER ASSETS

	GROUP		CO-OPBANK	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Income tax	10,988	9,837	10,988	9,837
Deposits paid	2,350	2,243	2,350	2,243
Accrued profit	39,167	30,375	39,167	30,375
Central Liquidity Fund	100,169	70,031	100,169	70,031
Statutory Reserve Fund (Note 22)	69,497	57,078	69,497	57,078
Advances	16,842	19,351	16,842	19,351
Other receivables	192,472	170,051	192,620	169,957
	431,485	358,966	431,633	358,872

Other receivables

The aging structure for other receivables is as follows:

One to six months	13,262	27,033	13,262	27,033
Six months to one year	107,890	123,803	107,890	123,803
More than one year	71,320	19,215	71,468	19,121
	192,472	170,051	192,620	169,957

10. RIGHT-OF-USE ASSETS

	GROUP/CO-OPBANK	
	2025	2024
	RM'000	RM'000
As at 1 January	5,474	6,375
Additions	5,577	2,014
Accumulated Depreciation	(4,548)	(2,915)
As at 31 December	6,503	5,474

11. LAND FOR DEVELOPMENT

	GROUP/CO-OPBANK	
	2025	2024
	RM'000	RM'000
Development and Land Costs		
As at 1 January	489	819
Revaluation of development land	361	-
Recognised in statement of income	-	(330)
As at 31 December	850	489

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

12. INVESTMENT IN SUBSIDIARIES

	CO-OPBANK	
	2025 RM'000	2024 RM'000
Unquoted Shares		
At cost	1,000	1,000
Less: Provision	(1,000)	(1,000)
	-	-

Subsidiary is incorporated in Malaysia and wholly owned by Co-opbank. The shares are valued at RM1.00 each and Co-opbank holds a 100% stake in the subsidiary. Co-opbank has obtained approval from the Executive Chairman of SKM to invest in the subsidiary. Details of subsidiaries established in Malaysia are as follows:

Name	Ownership interest		Principal Activity
	2025 %	2024 %	
Held directly			
River Leaf Sdn. Bhd.	100	100	Manages assets and facilities and acts as a collection and property agent
Himayah Sukuk Berhad	100	-	Issuance of Sukuk in accordance with Shariah principles
Iltizam Aset Berhad ^{1,2}	100	-	Issuance of Sukuk in accordance with Shariah principles

^{1.} The financial statements of this subsidiary were not audited by Al Jafree Salihin Kuzaimi PLT.

^{2.} Co-opbank is holding the Share in its capacity as the Share Trustee. Iltizam Aset Berhad ("IAB") is a Special Purpose Vehicle (SPV) established for the specific purposes of (a) undertaking the issuance of the SPV Sukuk Murabahah pursuant to the SPV Sukuk Murabahah Programme and (b) acquiring an identified portfolio of Financing Receivables from Co-opbank and to provide a Covered Sukuk Guarantee for the Issuer's obligations under the Structured Covered Sukuk.

13. ASSETS HELD FOR SALE

On 14 October 2024, a land sale and purchase agreement was entered into between Co-opbank and Emas Anuar Land Property Sdn. Bhd. for a parcel of land located at Mukim 01, Seberang Perai Utara, Penang, for a total sale consideration of RM6.5 million

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

14. PROPERTY AND EQUIPMENT

GROUP 2025 COST

	As at 01/01/2025 RM'000	Revaluation / Additions RM'000	Disposals RM'000	As at 31/12/2025 RM'000
Freehold buildings	88,920	1,630	-	90,550
Furnishings and equipment	16,482	1,739	-	18,221
Motor vehicles	1,255	554	-	1,809
Computer equipment	16,149	2,644	-	18,793
Office renovations	94,547	22,239	-	116,786
	217,353	28,806	-	246,159

ACCUMULATED DEPRECIATION

	As at 01/01/2025 RM'000	Additions RM'000	Disposals RM'000	As at 31/12/2025 RM'000
Freehold buildings	2,414	2,550	-	4,964
Furnishings and equipment	8,892	1,928	-	10,820
Motor vehicles	1,205	87	-	1,292
Computer equipment	11,895	1,418	-	13,313
Office renovations	11,436	1,579	-	13,015
	35,842	7,562	-	43,404

2024 COST

	As at 01/01/2024 RM'000	Additions RM'000	Reclassification Adjustments RM'000	As at 31/12/2024 RM'000
Freehold land	6,300	-	(6,300)	-
Freehold buildings	77,796	11,124	-	88,920
Furnishings and equipment	10,947	5,535	-	16,482
Motor vehicles	1,255	-	-	1,255
Computer equipment	14,517	1,632	-	16,149
Office renovations	38,462	56,085	-	94,547
	149,277	74,376	(6,300)	217,353

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

14. PROPERTY AND EQUIPMENT (CONT'D.)

GROUP

2024

ACCUMULATED DEPRECIATION

	As at 01/01/2024 RM'000	Additions RM'000	Increase in Value RM'000	As at 31/12/2024 RM'000
Freehold buildings	7,979	1,550	(7,115)	2,414
Furnishings and equipment	7,207	1,685	-	8,892
Motor vehicles	1,067	138	-	1,205
Computer equipment	10,155	1,740	-	11,895
Office renovations	9,655	1,781	-	11,436
	36,063	6,894	(7,115)	35,842

NET BOOK VALUE

	GROUP	
	2025 RM'000	2024 RM'000
Freehold buildings	85,586	86,506
Furnishings and equipment	7,401	7,590
Motor vehicles	517	50
Computer equipment	5,480	4,254
Office renovations	103,771	83,111
	202,755	181,511

CO-OPBANK

2025

COST

	As at 01/01/2025 RM'000	Revaluation / Additions RM'000	Disposals RM'000	As at 31/12/2025 RM'000
Freehold buildings	88,920	1,630	-	90,550
Furnishings and equipment	16,391	1,739	-	18,130
Motor vehicles	1,230	554	-	1,784
Computer equipment	15,998	2,644	-	18,642
Office renovations	94,547	22,239	-	116,786
	217,086	28,806	-	245,892

NOTES TO THE FINANCIAL STATEMENTS

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14. PROPERTY AND EQUIPMENT (CONT'D.)

CO-OPBANK

2025

ACCUMULATED DEPRECIATION

	As at 01/01/2025 RM'000	Additions RM'000	Disposals RM'000	As at 31/12/2025 RM'000
Freehold buildings	2,414	2,550	-	4,964
Furnishings and equipment	8,801	1,928	-	10,729
Motor vehicles	1,200	82	-	1,282
Computer equipment	11,744	1,418	-	13,162
Office renovations	11,436	1,579	-	13,015
	35,595	7,557	-	43,152

2024

COST

	As at 01/01/2024 RM'000	Additions RM'000	Reclassification Adjustments RM'000	As at 31/12/2024 RM'000
Freehold land	6,300	-	(6,300)	-
Freehold buildings	77,796	11,124	-	88,920
Furnishings and equipment	10,856	5,535	-	16,391
Motor vehicles	1,230	-	-	1,230
Computer equipment	14,366	1,632	-	15,998
Office renovations	38,462	56,085	-	94,547
	149,010	74,376	(6,300)	217,086

ACCUMULATED DEPRECIATION

	As at 01/01/2024 RM'000	Additions RM'000	Increase in Value RM'000	As at 31/12/2024 RM'000
Freehold buildings	7,979	1,550	(7,115)	2,414
Furnishings and equipment	7,116	1,685	-	8,801
Motor vehicles	1,067	133	-	1,200
Computer equipment	10,004	1,740	-	11,744
Office renovations	9,655	1,781	-	11,436
	35,821	6,889	(7,115)	35,595

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

14. PROPERTY AND EQUIPMENT (CONT'D.)

NET BOOK VALUE	CO-OPBANK	
	2025 RM'000	2024 RM'000
Freehold buildings	85,586	86,506
Furnishings and equipment	7,401	7,590
Motor vehicles	502	30
Computer equipment	5,480	4,254
Office renovations	103,771	83,111
	202,740	181,491

15. INTANGIBLE ASSETS

GROUP/CO-OPBANK 2025

	As at 01/01/2025 RM'000	Additions RM'000	Disposals RM'000	As at 31/12/2025 RM'000
COST				
Computer software	94,963	18,454	-	113,417
	94,963	18,454	-	113,417
ACCUMULATED AMORTISATION				
Computer software	37,436	5,797	-	43,233
	37,436	5,797	-	43,233

2024

	As at 01/01/2024 RM'000	Additions RM'000	Disposals RM'000	As at 31/12/2024 RM'000
COST				
Computer software	73,071	21,892	-	94,963
	73,071	21,892	-	94,963
ACCUMULATED AMORTISATION				
Computer software	29,739	7,697	-	37,436
	29,739	7,697	-	37,436

NOTES TO THE FINANCIAL STATEMENTS

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15. INTANGIBLE ASSETS (Cont'd.)

NET BOOK VALUE	GROUP/CO-OPBANK	
	2025 RM'000	2024 RM'000
Computer software	70,184	57,527
	70,184	57,527

16. DEPOSITS AND CUSTOMER SAVINGS

	GROUP/CO-OPBANK	
	2025 RM'000	2024 RM'000
Current Account-i Qard	13,817	3,904
Savings Account-i Qard	158,038	80,592
Savings Account-i Salam	181,896	154,120
Deposit Account-i Term Tawarruq	9,886,480	8,982,270
Deposit Account-i Cooperative – Statutory Reserve Fund	536,001	360,194
	10,776,232	9,581,080

i) Maturity structure for deposits as follow:

One to six months	4,411,992	3,117,628
Six months to one year	2,813,947	2,198,190
Over one year	3,550,293	4,265,262
	10,776,232	9,581,080

ii) Deposits received from the following depositor categories:

Government	8,168,067	7,354,457
Corporate	1,490,166	1,392,388
Cooperative	711,681	547,295
Individual	362,902	253,856
Others	43,416	33,084
	10,776,232	9,581,080

NOTES TO THE FINANCIAL STATEMENTS

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17. OBLIGATION ON SECURITIES TRANSACTIONS UNDER SECURED COMMODITY MURABAHAH INSTRUMENT

	GROUP/CO-OPBANK	
	2025	2024
	RM'000	RM'000
At Amortised Cost		
Financial investments at:		
- Fair Value Through Other Comprehensive Income	335,425	213,962
- Amortised Cost	1,199,275	868,584
	1,534,700	1,082,546

18. OTHER LIABILITIES

	GROUP		CO-OPBANK	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Accruals	56,307	56,165	56,307	56,165
Takaful contributions	24,300	28,185	24,300	28,185
Deposits received	1,602	2,197	1,602	2,197
Revolving Capital Fund	596	1,993	596	1,993
Bumiputera Housing Fund	17,925	9,616	17,925	9,616
Lease liabilities (i)	3,003	3,336	3,003	3,336
Other payables (ii)	61,952	87,814	61,665	87,498
	165,685	189,306	165,398	188,990
(i) <u>Lease Liabilities</u>				
As at 1 January	3,336	5,942	3,336	5,942
Additions	5,577	2,014	5,577	2,014
Finance costs	233	194	233	194
Lease payments	(6,143)	(4,814)	(6,143)	(4,814)
As at 31 December	3,003	3,336	3,003	3,336
(ii) <u>Various Creditors</u>				
The ageing structure of other payables is as follows:				
One to six months	17,900	45,223	17,731	45,220
Six months to one year	37,728	25,072	37,451	25,072
More than one year	6,324	17,519	6,483	17,206
	61,952	87,814	61,665	87,498

Included within other payables is a total of RM1,636.94 in funds that are not entitled to be recognised as income based on Shariah principles.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

19. DEFERRED TAX LIABILITY

	GROUP/CO-OPBANK	
	2025	2024
	RM'000	RM'000
Capital Reserve		
As at 1 January	4,380	-
Recognised during the year	-	4,380
As at 31 December	4,380	4,380

The components of deferred tax liability are as follows:

	GROUP/CO-OPBANK	
	2025	2024
	RM'000	RM'000
Deferred tax liability		
Gain from revaluation of property	4,380	4,380

20. FINANCING FROM FINANCIAL INSTITUTIONS

	GROUP/CO-OPBANK	
	2025	2024
	RM'000	RM'000
At Amortised Cost		
Revolving credit financing	58,000	58,000

The profit rates charged on Muamalat Revolving Financing and Revolving Credit-i range between 3.80% and 4.30% per annum. Both financing facilities are secured against term Deposit-i pledges under the Tawarruq concept.

21. MEMBERS' SHARE CAPITAL

	GROUP/CO-OPBANK	
	2025	2024
	RM'000	RM'000
As at 1 January	1,634,590	1,262,089
Issued during the year	1,239	98,087
Additions during the year	9,710	304,681
Redemptions during the year	(41,213)	(30,267)
As at 31 December	1,604,326	1,634,590
Membership as at 31 December is as follows:		
Individual	91,968	96,082
Cooperative	970	954

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

22. STATUTORY RESERVES

The Statutori Reserve Fund (KWRS) intends to enhance the Co-opbank's financial condition by retaining some of the Coopbank's income and not distributing them to Co-opbank members. According to the Co-Operative Societies Act 1993, Co-opbank is mandated to send a set amount of profit before zakat into KWRS each year.

	GROUP/CO-OPBANK	
	2025 RM'000	2024 RM'000
KWRS is represented by:		
Deposit Berjangka-i (Note 5)	67,113	63,794
Other assets (Note 9)	69,497	57,078
	136,610	120,872

23. OTHER RESERVES

GROUP/CO-OPBANK

	Share Redemption Fund RM'000	Redeemed Share Capital RM'000	Capital Reserve RM'000	Member's Fund RM'000	Non- Member's Fund RM'000	Fair Value Reserve at FVOCI RM'000	Total RM'000
As at 1 January 2024	2,592	27,220	2,321	802	512	(20,023)	13,424
Transfer from retained earnings	6,209	-	-	300	100	-	6,609
Receipts during the year	(402,768)	400,502	-	-	-	-	(2,266)
Payments during the year	401,481	(400,502)	-	-	-	-	979
Transfer to/(from) other reserve	25,900	(25,900)	-	-	-	-	-
Appropriations during the year	-	-	-	(522)	(249)	-	(771)
Other comprehensive income for the financial year	-	-	-	-	-	1,485	1,485
Gain arising from revaluation of property, machinery and equipment	-	-	13,868	-	-	-	13,868
As at 31 December 2024	33,414	1,320	16,189	580	363	(18,538)	33,328
Transfer from retained earnings	5,573	-	-	300	100	-	5,973
Receipts during the year	10,949	(11,178)	-	-	-	-	(229)
Payments during the year	(40,209)	41,213	-	-	-	-	1,004
Transfer to/(from) other reserve	29,260	(29,260)	-	-	-	-	-
Appropriations during the year	-	-	-	(464)	(202)	-	(666)
Other comprehensive income for the financial year	-	-	-	-	-	10,759	10,759
As at 31 December 2025	38,987	2,095	16,189	416	261	(7,779)	50,169

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

24. CAPITAL COMMITMENTS

	GROUP/CO-OPBANK	
	2025	2024
	RM'000	RM'000
Approved and contracted capital commitments	242,055	58,641

25. INCOME

	GROUP		CO-OPBANK	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Financing Income	447,387	417,265	447,387	417,265
Treasury Activities Income	178,532	156,629	178,532	156,629
Ar-Rahnu Financing Income	35,290	53,633	35,290	53,633
Service Charges	58,230	22,348	57,922	22,135
Commissions Received	18,875	17,195	18,875	17,195
Returns on Current Accounts	13,206	11,658	13,206	11,658
	751,520	678,728	751,212	678,515
Timing of Revenue Recognition				
Products delivered at a point in time	90,311	51,201	90,003	50,988
Products and services rendered over time	661,209	627,527	661,209	627,527
	751,520	678,728	751,212	678,515

26. EXPENDITURE

	GROUP		CO-OPBANK	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Tawarruq Term Deposit-i	355,823	345,235	355,823	345,235
Profit expense on facilities	44,062	27,185	44,062	27,185
Salam-i Savings Account	415	1,102	415	1,102
Cost of Sales	15	18	-	-
	400,315	373,540	400,300	373,522

NOTES TO THE FINANCIAL STATEMENTS

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27. ALLOWANCE FOR IMPAIRMENT

	GROUP		CO-OPBANK	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Provision for impairment on financing and advances	75,319	62,047	75,319	62,047
Provision for impairment on financial investments (i)	226	151	226	151
Loss on financing write-off	816	537	816	537
	76,361	62,735	76,361	62,735
(i) Provision for impairment on financial investments				
Financial Investments on Fair Value				
Through Other Comprehensive Income	42	10	42	10
At Amortised Cost	184	141	184	141
	226	151	226	151

28. OTHER INCOME

	GROUP		CO-OPBANK	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Recovery of impairment	63,135	76,052	63,135	76,052
Miscellaneous receipts	3,414	4,480	3,403	4,470
Dividend income	78	64	78	64
	66,627	80,596	66,616	80,586

29. OPERATING EXPENSES

	GROUP		CO-OPBANK	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Personnel expenses (i)	120,036	112,212	120,011	112,187
Other expenses (ii)	90,175	86,542	90,002	86,465
	210,211	198,754	210,013	198,652

NOTES TO THE FINANCIAL STATEMENTS

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29. OPERATING EXPENSES (CONT'D.)

	GROUP		CO-OPBANK	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<u>Personnel Expenses</u>				
Salaries and compensation	77,291	71,606	77,269	71,584
Allowances and bonuses	15,711	14,656	15,711	14,656
Defined contribution plan	14,434	11,800	14,431	11,797
Social security contributions	1,200	1,065	1,200	1,065
Other related costs	11,400	13,085	11,400	13,085
	120,036	112,212	120,011	112,187

The total number of employees (excluding members of the Board of Co-opbank) for the Group is 1,138 persons (2024: 1,149).

	GROUP		CO-OPBANK	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<u>Other expenses</u>				
Included in this item are:				
Statutory Audit Fees	169	147	160	147
Allowances for Co-opbank Board Members (Note 30)	607	626	607	626
Allowances for Shariah Committee Members	92	91	92	91
Allowances for Internal Audit Committee Members	62	63	62	63
Financial Costs	233	189	233	189
Rental of Premises	573	488	573	488
Depreciation of right-of-use assets	4,548	2,915	4,548	2,915
Depreciation of Property and Equipment (Note 14)	7,562	6,894	7,557	6,889
Amortisation of Intangible Assets (Note 15)	5,797	7,697	5,797	7,697

30. CO-OPBANK BOARD MEMBER'S ALLOWANCE AND CEO REMUNERATION

CO-OPBANK 2025	Fixed Allowance RM'000	Meeting Allowance RM'000	Total RM'000
Datuk Baharom Bin Embi	71	16	87
Hajah Nor Hidayah Binti Omar	63	15	78
Yunus Bin Kasim	47	13	60
Mohd Shapie Bin Idris	38	11	49
Dr. Hajah Jamilah Binti Din	52	14	66
Dato' Shahrudin Bin Mohd Saad	52	15	67
Dato' Zaini Bin Sa'ad	52	14	66
Dr. Mohd Azlan Bin Yahya	52	15	67
Dr. Azharudin bin Ali	52	15	67
	479	128	607

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

30. CO-OPBANK BOARD MEMBER'S ALLOWANCE AND CEO REMUNERATION (CONT'D.)

CO-OPBANK 2025

	Salary RM'000	Allowance RM'000	Defined Contribution Plan RM'000	Bonus RM'000	Total RM'000
CHIEF EXECUTIVE OFFICER					
Khairil Anuar Bin Mohammad Anuar	780	6	173	293	1,252

CO-OPBANK 2024

	Fixed Allowance RM'000	Meeting Allowance RM'000	Total RM'000
Datuk Baharom Bin Embi	69	16	85
Hajah Nor Hidayah Binti Omar	64	16	80
Yunus Bin Kasim	52	16	68
Mohd Shapie Bin Idris	52	15	67
Dr. Hajah Jamilah Binti Din	52	16	68
Dato' Shahrudin Bin Mohd Saad	52	15	67
Dato' Zaini Bin Sa'ad	52	15	67
Dr. Mohd Azlan Bin Yahya	52	13	65
Dr. Azharudin bin Ali	46	13	59
	491	135	626

	Salary RM'000	Allowance RM'000	Defined Contribution Plan RM'000	Bonus RM'000	Total RM'000
CHIEF EXECUTIVE OFFICER					
Khairil Anuar Bin Mohammad Anuar	780	6	204	487	1,477

31. TAXATION

	GROUP		CO-OPBANK	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysian Income Tax				
Current Year Tax	17	14	-	-
Under/(Over) provision in prior year	6	(5,896)	-	(5,896)
	23	(5,882)	-	(5,896)

NOTES TO THE FINANCIAL STATEMENTS

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31. TAXATION (CONT'D.)

Income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

The reconciliation of income tax expense based on the statutory income tax rate to the effective income tax expense of the Group and Co-opbank is as follows:

	GROUP		CO-OPBANK	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before taxation and <i>Zakat</i>	131,260	124,295	131,154	124,192
Tax at statutory rate	31,494	29,820	31,477	29,806
Tax effects of:				
Non-taxable income	(77,164)	(67,781)	(77,164)	(67,781)
Non-deductible expenses	5,771	4,891	5,771	4,891
Deductions under paragraph 65A (a) and (b) and other deductions	39,916	33,084	39,916	33,084
Under/(Over) provision in prior year	6	(5,896)	-	(5,896)
	23	(5,882)	-	(5,896)

32. NON-OPERATING ADJUSTMENTS

	GROUP		CO-OPBANK	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Under Provision of Other Appropriations	(524)	-	(524)	-

33. DIVIDENDS

	GROUP/CO-OPBANK	
	2025 RM'000	2024 RM'000
Cash Dividend on Members' Share Capital at 6.50% for the year ended 31 December 2025 (2024: 6.50%)	88,134	63,957
Cash Dividend on Preference Shares at 6.98% for the year ended 31 December 2025 (2024: 6.78%)	1	12,686
	88,135	76,643

NOTES TO THE FINANCIAL STATEMENTS

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33. DIVIDENDS (CONT'D.)

For the financial year ended 31 December 2025, Co-opbank paid cash dividends on members' share capital at 6.50% amounting to RM88.135 million for the financial year ended 31 December 2024.

For the financial year ended 31 December 2024, Co-opbank paid a cash dividend on Members' Share Capital of 6.50% amounting to RM63.957 million and a cash dividend on Preference Shares of 6.78% amounting to RM12.686 million in respect of the financial year ended 31 December 2023.

For the current financial year, the Board of Co-opbank has proposed cash dividends of up to 6.5% amounting to RM104.79 million. The proposed dividend will be recognised in the subsequent financial year upon obtaining approval from the relevant authority.

34. CAPITAL ADEQUACY

	CO-OPBANK	
	2025 RM'000	2024 RM'000
The capital adequacy ratio of Co-opbank is as follows:		
Tier 1 Capital		
Members' share capital	1,604,326	1,634,590
Other reserves	186,518	153,837
Retained earnings	147,002	134,803
Total Tier 1 Capital	1,937,846	1,923,230
Tier 2 Capital		
Collective impairment – Stage 1 and Stage 2	78,735	78,051
Total Tier 2 Capital	78,735	78,051
Total Capital Base	2,016,581	2,001,281
Analysis of risk-weighted assets by risk-weighting categories:		
Assets with 20% risk weighting	407,434	367,530
Assets with 50% risk weighting	720,277	487,382
Assets with 100% risk weighting	8,014,364	7,326,924
Off-balance sheet exposures with 50% risk weighting	40,405	29,321
Operational Risk Capital Charge	282,343	253,830
	9,464,823	8,464,987
<u>Before Proposed Dividends</u>		
Core capital ratio	20.47%	22.72%
Risk-weighted capital ratio	21.31%	23.64%
<u>After Proposed Dividends</u>		
Core capital ratio	19.37%	21.68%
Risk-weighted capital ratio	20.20%	22.60%

NOTES TO THE FINANCIAL STATEMENTS

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35. FINANCIAL INSTRUMENTS

a) Objectives and policies of financial risk management

The objectives and policies of the Group's and Co-opbank's financial risk management are to ensure adequate financial resources for the development of the Group's and Co-opbank's operations while managing its financial risks, rate of return, market risk, credit risk, liquidity risk and cash flow.

The main objective of financial risk management is to ensure that financial losses and risks are addressed promptly so that losses are capped at an acceptable level. Such risks are controlled and monitored regularly and in line with the strategy set by the Assets and Liability Committee ("ALCO").

b) Financial Assets

The principal financial assets of the Group and Co-opbank are cash and short-term funds, deposits and settlements with financial institutions, business securities, investment securities, other investments, financing and advances, business receivables and other receivables. Co-opbank's principal financial assets also include amounts due by subsidiaries. Accounting policies relating to major financial assets are set out in Note 2(h).

c) Financial liabilities and equity instruments

The instruments of liability and equity are classified either as equity or liabilities in accordance with the essence of the drafting of the contract. The Group's principal financial liabilities are deposits and savings of customers, business creditors, and other liabilities expressed at nominal value. Co-opbank's financial liabilities also include amounts due to subsidiaries. Equity instruments are recorded on the proceeds received net of the direct cost of issuance.

d) Fair Values

The carrying amount of cash and cash equivalents, trade receivables and other receivables, trading outstanding accounts and other payables is approaching fair value given the short-term characteristics of these financial instruments.

The aggregate fair values for other financial assets and liabilities reflected in the statement of financial position are as follows:

<u>2025</u>	GROUP		CO-OPBANK	
	Carrying Value RM'000	Fair Value RM'000	Carrying Value RM'000	Fair Value RM'000
Assets				
Financial investments at fair value				
through other comprehensive incomes	845,553	1,243,098	845,553	1,243,098
Financial investments at amortised cost	1,821,663	746,022	1,821,663	746,022
Financing and advances	8,637,254	8,637,254	8,637,254	8,637,254
Cash and short term funds	1,337,279	1,337,279	1,336,699	1,336,699
Deposits and placements in financial institutions	720,309	720,309	719,893	719,893
Liabilities				
Customer deposits and savings	10,776,232	10,776,232	10,776,232	10,776,232

NOTES TO THE FINANCIAL STATEMENTS

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35. FINANCIAL INSTRUMENTS (CONT'D.)

d) Fair values (Cont'd.)

<u>2024</u>	GROUP		CO-OPBANK	
	Carrying Value RM'000	Fair Value RM'000	Carrying Value RM'000	Fair Value RM'000
Assets				
Financial investments at fair value				
through other comprehensive incomes	845,553	826,481	845,553	899,773
Financial investments at amortised cost	1,271,119	746,022	1,271,119	746,022
Financing and advances	7,624,186	6,550,211	7,624,186	7,624,186
Cash and short term funds	322,320	322,320	1,882,951	1,882,951
Deposits and placements in financial institutions	547,473	547,473	547,473	547,473
Liabilities				
Customer deposits and savings	9,581,080	9,581,080	9,581,080	9,581,080

The following are the methods and assumptions used to estimate the fair value of each classes of financial instruments:

i) Cash and short-term funds

The carrying amounts for cash and short-term funds as well as deposits and placements with financial institutions are close to fair value due to the relatively short maturity period of these instruments.

ii) Investments

The estimated fair value for the publicly traded instrument is based on the issued market price. For other unissued instruments, a reasonable estimate for the fair value was made based on the expected cash flow or net asset base for each investment.

iii) Accounts receivable and accounts payable

The historical cost of the carrying amount for receivables and payables, subject to the terms of normal trade credits approximate the fair value. The carrying amounts for other receivables and payables are reasonable estimate for the fair values, considering the short maturity term.

NOTES TO THE FINANCIAL STATEMENTS

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36. FINANCIAL RISK MANAGEMENT

36.1 Introduction

Co-opbank's business activities involve the use of financial instruments that expose Co-opbank to the following financial risks:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk
- (iv) Operational risk

36.2 Risk management framework

The risk management framework includes the objectives, principles and governance structure for the risk management process in Co-opbank. This enables the identification, assesment, control, measurement and continuous monitoring of all material risks within Co-opbank.

The Co-opbank risk management is based on the following principles:

- Coordination between the risk taking activities and the risk appetite of Co-opbank.
- Making decisions by taking into account the existing level of risk and understanding the impact on the profitability and resilience of the Co-opbank.
- Accountability through the ownership of risks, controls and profits in the Co-opbank business as well as the support functions.
- Integration of risk management, compliance and ethical business practices into the Co-opbank culture.

"The business strategies and risk-taking activities should always be within the capacity of Co-opbank's. It is achieved by solidifying the six dimensions of Risk Governance as follows; Capital Adequacy and Shareholder Value; Reputation as an Islamic Co-operative Bank; asset quality; Operational Liquidity and Resilience."

Risk Governance

Co-opbank manages its risk in accordance to the "Three Lines of Defense", which puts accountability and ownership as close as possible where risk exists while ensuring an independent and adequate level of monitoring.

The "Three Line of Defense Model" consists of the following components:

i. First Line of Defense - Notification of risk decision by the business unit

The Business units are responsible for identifying, managing and reporting their own risks. At this stage, risk awareness is applied starting from the risk-taking unit so that Risk Management is included in each work process carried out.

ii. Second Line of Defense - Monitoring by the Risk Management and Compliance

Risk Management and Compliance, including the Shariah Governance framework, supports the business units, as well as reviewing and reporting key risks to the Management and Board of Directors. In doing so, Risk Management and Compliance provide support to the Chairman and the Board in fulfilling their supervisory functions.

iii. Third Line of Defense - Independent review by Internal Audit

Internal Audit conducts quality assurance of studies, to ensure that risk-taking activities are in line with established standards. Internal Audit provides recommendations for improvements when necessary. It serves to complement the support provided to the Management and Internal Audit Committee in the risk monitoring function.

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36. FINANCIAL RISK MANAGEMENT (CONT'D.)

36.3 Credit Risk (Cont'd.)

Credit risk is the risk of financial or non-financial loss if any customer, client or business partner fails to fulfill their contractual obligations through financing, hedging, Co-opbank trading and investment activities.

Co-opbank's retail, cooperative and corporate credit exposures in Co-opbank is governed by strict credit policies and underwriting criteria. The Co-opbank credit process is in line with industry best practices that emphasise the accountability of individuals with clear responsibilities where the administration of credit, early monitoring and recovery is independent of the Business Unit.

In order to improve the quality of credit risk management, the Co-opbank Risk Management Department is involved in verifying the implementation of impairment provisions for financing and investment activities that will fail to meet its obligations by counterparties. This is a control measure so that appropriate action are taken on impaired financing.

36.3.1 Credit Risk Management

Included in the Co-opbank credit risk management is the preparation of a comprehensive credit risk policy, guidelines and procedures documenting the standards for financing, credit risk rating, acceptable assessment and collateral as well as compliance with legal requirements and statutory requirements. Policies are reviewed regularly to ensure they remain relevant.

Risk Management is responsible for formulating and reviewing credit risk policies, guidelines and procedures as well as credit portfolio monitoring. Risk Management also conducts independent credit assessments to assess the quality of credit proposals by the Business Unit for cooperative and corporate clients.

Risk Management also provides reports and analyses to be presented to the Board and Senior Management. The report contains information on the identified credit risk factors. With this information, the Board and Senior Management are able to identify negative credit risk trends, take corrective action and formulate appropriate business strategies.

36.3.2 Financing for retail customers and small and medium-sized industries

Financing to retail customers is evaluated individually based on the customer's track record of payments and current payment capacity. This process is governed by the Retail Credit Risk Policy, Product Policy and evaluated using a credit scoring system.

The authority and personnel approving the credit are responsible for ensuring that the credit risk is properly assessed and that all important information relating to the customer's credit is taken into account during the financing application.

36.3.3 Financing to Cooperative and Corporate Customers

Credit granted to cooperative and corporate customers is assessed individually based on fundamental principles and the customer's risk tolerance, and evaluated using a credit scoring system to determine the profit rate offered based on the customer's risk profile. The Risk Management department performs an independent review of all proposed financing to cooperative and corporate customers prior to approval.

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36. FINANCIAL RISK MANAGEMENT (CONT'D.)

36.3 Credit Risk (Cont'd.)

36.3.4 Housing Financing

Risk Management has reviewed and enhanced the credit scoring system for housing financing using the JURIS system since October 2021. This enhancement is intended to ensure Co-opbank continuously improves the quality of approved housing financing. Reviews of approvals under JURIS have been conducted, including the use of the credit scoring system, to ensure the assigned credit grades are accurate and consistent with manual calculations.

36.3.5 Purchase of investment securities

The credit quality of financial instruments is assessed based on the credit rating of external agencies. Portfolio reviews and monitoring are often carried out to ensure that exposures are managed effectively and convergence risks are observed at all times.

36.3.6 Collateral on financing and advances

To mitigate credit risk on financing and advances granted to customers, the collateral taken into consideration is as follows:

- i) Home financing - collateral on residential real estate
- ii) Financing of commercial land - collateral on financed real estate
- iii) Other financing and advances - collateral on business assets such as premises, properties, fixed deposits and others.

36.3.7 Maximum exposure to credit risk

For assets in the statement of financial position, exposure to credit risk is equivalent to the carrying amount. For credit commitments, the maximum exposure to credit risk is the total amount of financing that is not issued to the customer.

The following table shows the maximum exposure to credit risk by Co-opbank of financial instruments in balance sheet and off-balance sheet.

	GROUP		CO-OPBANK	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets				
Cash and short-term funds	1,337,279	1,883,340	1,336,699	1,882,951
Deposits and placements in financial institutions	720,309	547,779	719,893	547,473
Investments				
FVOCI	1,243,098	899,773	1,243,098	899,773
At amortised cost	1,821,663	1,271,119	1,821,663	1,271,119
Financing and advance	8,637,254	7,627,120	8,637,254	7,627,120
Other assets	431,485	358,966	431,633	358,872
	14,191,088	12,588,097	14,190,240	12,587,308

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36. FINANCIAL RISK MANAGEMENT (CONT'D.)

36.3 Credit Risk (Cont'd.)

36.3.7 Maximum exposure to credit risk (Cont'd.)

	GROUP		CO-OPBANK	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Commitment				
Undisbursed financing	242,055	58,641	242,055	58,641
Total credit risk exposure	14,433,143	12,646,739	14,432,295	12,645,950

36.3.8 Credit risk exposure on financing and advances

	GROUP/CO-OPBANK	
	2025 RM'000	2024 RM'000
At amortised cost		
<u>Neither overdue nor impaired</u>		
0 month	8,541,112	7,578,947
<u>Overdue but not impaired</u>		
1 month	78,039	37,652
2 months	18,252	17,864
	96,291	55,516
<u>Overdue and impaired</u>	147,312	131,387
Gross financing and advances	8,784,715	7,765,850
<u>Less:</u>		
Level 1 - ECL 12 months	52,696	49,724
Level 2 - ECL non-impaired credit for life	26,039	28,327
Level 3 - ECL impaired credit for life	68,726	60,679
	147,461	138,730
	8,637,254	7,627,120

NOTES TO THE FINANCIAL STATEMENTS

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36. FINANCIAL RISK MANAGEMENT (CONT'D.)

36.3 Credit Risk (Cont'd.)

36.3.9 Credit risk exposure on investment securities

GROUP/CO-OPBANK

	Financial investment at fair value through other comprehensive income RM'000	Financial investment at amortised costs RM'000	Total RM'000
2025			
Rated Securities			
<u>Islamic debt securities</u>			
Grade AAA	302,955	20,882	323,837
Grade AA	221,647	-	221,647
Grade A	5,044	-	5,044
	529,646	20,882	550,528
Unrated Securities			
Islamic debt securities	-	110,356	110,356
Issuance of Government investment	527,644	1,381,519	1,909,163
Government Sukuk	185,052	308,906	493,958
	712,696	1,800,781	2,513,477
Shares			
Unquoted shares	756	-	756
	1,243,098	1,821,663	3,064,761
2024			
Rated Securities			
<u>Islamic debt securities</u>			
Grade AAA	287,480	20,998	308,478
Grade AA	81,100	-	81,100
	368,580	20,998	389,578
Unrated Securities			
Islamic debt securities	-	10,000	10,000
Issuance of Government investment	250,042	971,286	1,221,328
Government Sukuk	279,777	289,214	568,991
	529,819	1,270,500	1,800,319
Shares			
Unquoted shares	755	-	755
	899,154	1,291,498	2,190,652

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (CONT'D.)

36.4 Liquidity Risk

Liquidity risk refers to the risk of Co-opbank's ability to provide funds in a timely manner to meet financing requirements or to settle obligations as they fall due during the course of daily operations. Liquidity risk can be managed by maintaining a diversified funding base and matching the maturity profile of Co-opbank's obligations.

Co-opbank uses liquidity measurement tools such as the Liquid Asset Ratio (LAR) as required by regulators, in addition to other liquidity ratios like the Liquidity Coverage Ratio (LCR) for liquidity risk control and monitoring.

36.4.1 Liquidity Risk Management

The primary measure used by Co-opbank in managing liquidity risk is the ratio of liquid net assets to customer deposits, known as the Liquid Asset Ratio (LAR).

Compliance with this ratio is a statutory requirement to ensure that Co-opbank maintains an adequate level of liquid net assets. These net liquid assets include all assets that can be converted into cash, including placements with other financial institutions and investments in securities rated GG and above.

Co-opbank is required to comply with a minimum monthly LAR of 25% as stipulated by BNM. In addition, liquidity management has been enhanced through the adoption of the Liquidity Coverage Ratio (LCR) as an additional liquidity risk measure alongside the LAR. The LCR is used to ensure that Co-opbank maintains a sufficient level of high-quality liquid assets.

Co-opbank applies the Liquidity Coverage Ratio (LCR) internally in accordance with the LCR policy issued by BNM and the liquidity policy approved by ALCO. The LCR is used to assess Co-opbank's ability to manage liquidity under a severe stress scenario over a 30-day period.

The specific ratio reported as the net liquid asset to customer deposits at the end of the reporting period and for the year is as follows:

	GROUP/CO-OPBANK	
	2025	2024
	RM'000	RM'000
Average for the year	4,087	3,368
Maximum for the year	4,612	4,189
Minimum for the year	3,804	2,854

36.4.2 Liquidity Risk of Assets and Liabilities

The core of Co-opbank's liquidity management is ensuring adequate liquidity across short-, medium-, and long-term horizons. Projections of up to one year are made on the maturity profiles of assets, liabilities, and off-balance sheet commitments to assess liquidity across these timeframes.

In addition, liquidity management also ensures that Co-opbank maintains sufficient liquidity for a 30-day period under severe liquidity stress scenarios.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (CONT'D.)

36.4 Liquidity Risk (Cont'd.)

36.4.2 Liquidity Risk of Assets and Liabilities (Cont'd.)

Liquidity "Stress Testing" is conducted monthly on the LCR to assess Co-opbank's liquidity in the event of pressure on high-quality liquid assets such as sukuk and cash reserves. Stress scenarios take into account current economic conditions and potential large-scale withdrawals by corporate and cooperative depositors, who form a major portion of the deposit base.

Liquidity "Stress Testing" also ensures that Co-opbank maintains adequate liquidity for 30 days and can mitigate severe liquidity stress scenarios through earlier preparation.

36.4.3 Liquidity Risk of Assets and Liabilities Based on Contractual Maturity Profile

GROUP	Not exceeding 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 months to 1 year RM'000	Exceeding 1 year RM'000	Total RM'000
2025						
Assets						
Cash and short-term funds	1,337,279	-	-	-	-	1,337,279
Placements with financial institutions	279,672	311,206	20,496	108,935	-	720,309
Financial Investments at Fair Value Through Other Comprehensive Income	-	5,008	-	10,192	1,227,898	1,243,098
Amortised Cost	-	-	-	-	1,821,663	1,821,663
Financing and advances	95,094	305,458	309,231	614,366	7,313,105	8,637,254
Other assets	-	-	-	-	431,485	431,485
	1,712,045	621,672	329,727	733,493	10,794,151	14,191,088
Liabilities						
Deposits from customers	2,219,678	1,941,689	2,242,668	3,580,816	791,381	10,776,232
Obligation on securities transactions under Secured Murabahah	-	500,000	954,700	80,000	-	1,534,700
Commodity instrument	-	-	-	-	165,685	165,685
Other liabilities	-	-	-	-	-	-
	2,219,678	2,441,689	3,197,368	3,660,816	957,066	12,476,617

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (CONT'D.)

36.4 Liquidity Risk (Cont'd.)

36.4.3 Liquidity Risk of Assets and Liabilities Based on Contractual Maturity Profile (Cont'd.)

GROUP	Not exceeding 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 months to 1 year RM'000	Exceeding 1 year RM'000	Total RM'000
2024						
Assets						
Cash and short-term funds	1,883,340	-	-	-	-	1,883,340
Placements with financial institutions	-	295,264	10,127	242,388	-	547,779
Financial Investments at Fair Value Through Other Comprehensive Income	5,113	-	79,380	-	815,280	899,773
Amortised Cost	-	-	-	-	1,271,119	1,271,119
Financing and advances	87,491	280,876	287,429	572,006	6,399,318	7,627,120
Other assets	-	-	-	-	358,966	358,966
	1,975,944	576,140	376,936	814,394	8,844,683	12,588,097
Liabilities						
Deposits from customers	1,979,346	1,926,947	2,065,546	3,343,761	265,480	9,581,080
Obligation on securities transactions under Secured Murabahah	-	675,124	304,132	103,290	-	1,082,546
Commodity instrument	-	-	-	-	189,306	189,306
Other liabilities	-	-	-	-	-	-
	1,979,346	2,602,071	2,369,678	3,447,051	454,786	10,852,932

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (CONT'D.)

36.4 Liquidity Risk (Cont'd.)

36.4.3 Liquidity Risk of Assets and Liabilities Based on Contractual Maturity Profile (Cont'd.)

CO-OPBANK	Not exceeding 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 months to 1 year RM'000	Exceeding 1 year RM'000	Total RM'000
2025						
Assets						
Cash and short-term funds	1,336,699	-	-	-	-	1,336,699
Placements with financial institutions	279,672	310,790	20,496	108,935	-	719,893
Financial Investments at Fair Value Through Other Comprehensive Income	-	5,008	-	10,192	1,227,898	1,243,098
Amortised Cost	-	-	-	-	1,821,663	1,821,663
Financing and advances	95,094	305,458	309,231	614,366	7,313,105	8,637,254
Other assets	-	-	-	-	431,633	431,633
	1,711,465	621,256	329,727	733,493	10,794,299	14,190,240
Liabilities						
Deposits from customers	2,219,678	1,941,689	2,242,668	3,580,816	791,381	10,776,232
Obligation on securities transactions under Secured Murabahah	-	500,000	954,700	80,000	-	1,534,700
Commodity instrument	-	-	-	-	-	-
Other liabilities	-	-	-	-	165,398	165,398
	2,219,678	2,441,689	3,197,368	3,660,816	956,779	12,476,330

NOTES TO THE FINANCIAL STATEMENTS

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36. FINANCIAL RISK MANAGEMENT (CONT'D.)

36.4 Liquidity Risk (Cont'd.)

36.4.3 Liquidity Risk of Assets and Liabilities Based on Contractual Maturity Profile (Cont'd.)

CO-OPBANK	Not exceeding 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 months to 1 year RM'000	Exceeding 1 year RM'000	Total RM'000
2024						
Assets						
Cash and short-term funds	1,882,951	-	-	-	-	1,882,951
Placements with financial institutions	-	295,264	10,127	242,082	-	547,473
Financial Investments at Fair Value Through Other Comprehensive Income	5,113	-	79,380	-	815,280	899,773
Amortised Cost	-	-	-	-	1,271,119	1,271,119
Financing and advances	87,491	280,876	287,429	572,006	6,399,318	7,627,120
Other assets	-	-	-	-	358,872	358,872
	1,975,555	576,140	376,936	814,088	8,844,589	12,587,308
Liabilities						
Deposits from customers	1,979,346	1,926,947	2,065,546	3,343,761	265,480	9,581,080
Obligation on securities transactions under Secured Murabahah	-	675,124	304,132	103,290	-	1,082,546
Commodity instrument	-	-	-	-	188,990	188,990
Other liabilities	-	-	-	-	-	-
	1,979,346	2,602,071	2,369,678	3,447,051	454,470	10,852,616

36.5.1 Market Risk Management

Co-opbank manages its market risk exposure by reporting on “Spread” and “Net Profit Margin” (NIM). It also regularly conducts scenario testing to ensure Co-opbank’s net profit rates remain stable, especially for proposed new financing products.

Several risk measurement techniques are used to assess and quantify changes in market value and market risk exposure, including Value at Risk (VaR), Modified Duration and Present Value on One Basis Point (PV01).

Overall market risk management falls under the purview of the Governance and Risk Oversight Committee (GROC).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (CONT'D.)

36.5 Market Risk (Cont'd.)

36.5.2 "Stress Test" on Profit Rates

Among the controls implemented to ensure that market risk exposure remains within acceptable tolerance levels is the use of stress testing on sukuk investments that are sensitive to changes in the OPR (Overnight Policy Rate), the limits set within the sukuk investment policy and the listing of instruments eligible for trading.

Stress test results are reported monthly to assess the impact of sukuk price movements on profit rate fluctuations.

Stress testing of profit rate margins through several identified scenarios is also carried out to assess the financial impact of overall market risk exposure on Co-opbank.

36.5.3 Exposure to Profit Rate Risk

GROUP

	Not exceeding 1 month RM'000	Exceeding 1 month - 1 year RM'000	Exceeding 1 year RM'000	Non - profit rate sensitive RM'000	Total RM'000
2025					
Assets					
Short-term funds	-	-	-	1,337,279	1,337,279
Deposits and placements	279,672	440,637	-	-	720,309
Financial investments at fair value through other comprehensive income	-	15,200	1,227,898	-	1,243,098
Financial investments at amortised cost	-	-	1,821,663	-	1,821,663
Financing and advances	95,094	1,229,055	7,313,105	-	8,637,254
Right-of-use assets	-	-	6,503	-	6,503
Land for development	-	-	-	850	850
Other assets	-	-	-	431,485	431,485
Assets held for sale	-	-	-	6,300	6,300
Property, plant and equipment	-	-	-	202,755	202,755
Intangible assets	-	-	-	70,184	70,184
Total assets	374,766	1,684,892	10,369,169	2,048,853	14,477,680
Liabilities					
Deposits from customers	2,219,678	7,765,173	791,381	-	10,776,232
Obligation on securities transactions under Secured Murabahah Commodity instrument	-	1,534,700	-	-	1,534,700
Other liabilities	-	-	-	165,685	165,685
Financing from financial institutions	-	58,000	-	-	58,000
Deferred tax liabilities	-	-	-	4,380	4,380
	2,219,678	9,357,873	791,381	170,065	12,538,997
Shareholders' Equity and Other Reserves	-	-	-	1,938,683	1,938,683
Total liabilities and shareholders' equity	2,219,678	9,357,873	791,382	2,108,748	14,477,680
Profit rate difference on the statement of financial position	(1,844,912)	(7,672,981)	9,577,788	(59,895)	-

The effective profit rate ranges from 2% to 10% for assets while for liabilities it ranges from 0% to 3%.

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36. FINANCIAL RISK MANAGEMENT (CONT'D.)

36.5 Market Risk (Cont'd.)

36.5.3 Exposure to Profit Rate Risk (Cont'd.)

GROUP					
	Not exceeding 1 month RM'000	Exceeding 1 month - 1 year RM'000	Exceeding 1 year RM'000	Non - profit rate sensitive RM'000	Total RM'000
2024					
Assets					
Short-term funds	-	-	-	1,883,340	1,883,340
Deposits and placements	-	547,779	-	-	547,779
Financial investments at fair value through other comprehensive income	5,113	79,380	815,280	-	899,773
Financial investments at amortised cost	-	-	1,271,119	-	1,271,119
Financing and advances	87,491	1,140,311	6,399,318	-	7,627,120
Right-of-use assets	-	-	5,474	-	5,474
Land for development	-	-	-	489	489
Other assets	-	-	-	358,966	358,966
Assets held for sale	-	-	-	6,300	6,300
Property, plant and equipment	-	-	-	181,511	181,511
Intangible assets	-	-	-	57,527	57,527
Total assets	92,604	1,767,470	8,491,191	2,488,133	12,839,398
Liabilities					
Deposits from customers	1,979,346	7,336,254	265,480	-	9,581,080
Obligation on securities transactions under Secured Murabahah Commodity instrument	-	1,082,546	-	-	1,082,546
Other liabilities	-	-	-	189,306	189,306
Financing from financial institutions	-	58,000	-	-	58,000
Deferred tax liabilities	-	-	-	4,380	4,380
	1,979,346	8,476,800	265,480	193,686	10,915,312
Shareholders' Equity and Other Reserves	-	-	-	1,924,086	1,924,086
Total liabilities and shareholders' equity	1,979,346	8,476,800	265,480	2,117,772	12,839,398
Profit rate difference on the statement of financial position	(1,886,742)	(6,709,330)	8,225,711	370,361	-

The effective profit rate ranges from 2% to 10% for assets while for liabilities it ranges from 0% to 3%.

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36. FINANCIAL RISK MANAGEMENT (CONT'D.)

36.5 Market Risk (Cont'd.)

36.5.3 Exposure to Profit Rate Risk (Cont'd.)

CO-OPBANK					
	Not exceeding 1 month RM'000	Exceeding 1 month - 1 year RM'000	Exceeding 1 year RM'000	Non - profit rate sensitive RM'000	Total RM'000
2025					
Assets					
Short-term funds	-	-	-	1,336,699	1,336,699
Deposits and placements	279,672	440,221	-	-	719,893
Financial investments at fair value through other comprehensive income	-	15,200	1,227,898	-	1,243,098
Financial investments at amortised cost	-	-	1,821,663	-	1,821,663
Financing and advances	95,094	1,229,055	7,313,105	-	8,637,254
Right-of-use assets	-	-	6,503	-	6,503
Land for development	-	-	-	850	850
Other assets	-	-	-	431,633	431,633
Assets held for sale	-	-	-	6,300	6,300
Property, plant and equipment	-	-	-	202,740	202,740
Intangible assets	-	-	-	70,184	70,184
Total assets	374,766	1,684,476	10,369,169	2,048,406	14,476,817
Liabilities					
Deposits from customers	2,219,678	7,765,173	791,381	-	10,776,232
Obligation on securities transactions under Secured Murabahah Commodity instrument	-	1,534,700	-	-	1,534,700
Other liabilities	-	-	-	165,398	165,398
Financing from financial institutions	-	58,000	-	-	58,000
Deferred tax liabilities	-	-	-	4,380	4,380
	2,219,678	9,357,873	791,381	169,778	12,538,710
Shareholders' Equity and Other Reserves	-	-	-	1,938,107	1,938,107
Total liabilities and shareholders' equity	2,219,678	9,357,873	791,382	2,107,885	14,476,817
Profit rate difference on the statement of financial position	(1,844,912)	(7,673,397)	9,577,788	(59,479)	-

The effective profit rate ranges from 2% to 10% for assets while for liabilities it ranges from 0% to 3%.

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36. FINANCIAL RISK MANAGEMENT (CONT'D.)

36.5 Market Risk (Cont'd.)

36.5.3 Exposure to Profit Rate Risk (Cont'd.)

CO-OPBANK					
	Not exceeding 1 month RM'000	Exceeding 1 month - 1 year RM'000	Exceeding 1 year RM'000	Non - profit rate sensitive RM'000	Total RM'000
2024					
Assets					
Short-term funds	-	-	-	1,882,951	1,882,951
Deposits and placements	-	547,473	-	-	547,473
Financial investments at fair value through other comprehensive income	5,113	79,380	815,280	-	899,773
Financial investments at amortised cost	-	-	1,271,119	-	1,271,119
Financing and advances	87,491	1,140,311	6,399,318	-	7,627,120
Right-of-use assets	-	-	5,474	-	5,474
Land for development	-	-	-	489	489
Other assets	-	-	-	358,872	358,872
Assets held for sale	-	-	-	6,300	6,300
Property, plant and equipment	-	-	-	181,491	181,491
Intangible assets	-	-	-	57,527	57,527
Total assets	92,604	1,767,164	8,491,191	2,487,630	12,838,589
Liabilities					
Deposits from customers	1,979,346	7,336,254	265,480	-	9,581,080
Obligation on securities transactions under Secured Murabahah Commodity instrument	-	1,082,546	-	-	1,082,546
Other liabilities	-	-	-	188,990	188,990
Financing from financial institutions	-	58,000	-	-	58,000
Deferred tax liabilities	-	-	-	4,380	4,380
	1,979,346	8,476,800	265,480	193,370	10,914,996
Shareholders' Equity and Other Reserves	-	-	-	1,923,593	1,923,593
Total liabilities and shareholders' equity	1,979,346	8,476,800	265,480	2,116,963	12,838,589
Profit rate difference on the statement of financial position	(1,886,742)	(6,709,636)	8,225,711	370,667	-

The effective profit rate ranges from 2% to 10% for assets while for liabilities it ranges from 0% to 3%.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (CONT'D.)

36.6 Operational Risk

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people, systems, or external events that may disrupt business operations. Under the Basel II framework, operational risk does not include strategic and reputational risk. However, it includes risks related to non-compliance with laws and regulations. Losses may be incurred directly or indirectly and are not always in financial form.

Based on the definition of operational risk, the Operational Risk Unit of the Risk Management Department collects incident data covering risks related to Shariah non-compliance, legal/litigation, information technology, building security and other related risks reported by departments and branches through the Incident Data Management (IDM) system. Recommendations and follow-up improvements are raised at the management and board levels for consideration.

Operational risk management exposure is managed through the development and maintenance of comprehensive internal controls over procedures based on segregation of duties, independent checks, segregation of system access controls and multi-level approval processes. The importance of Operational Risk Management is to mitigate risks of losses other than Credit Risk and Market Risk. Several initiatives have been undertaken to strengthen operational risk management in Co-opbank. Co-opbank has enhanced its Business Continuity Management Policy to ensure that all requirements in the document are properly updated. The amendments made to this Policy document place greater focus at a high-level and generic basis on policies, governance, scope and responsibilities as the foundation of internal governance for process owners involved in carrying out operational recovery activities within their respective functions. The implementation of the Business Impact Analysis ("BIA") has also been carried out to identify the impact and criticality level of each business function in Co-opbank. This will also indirectly assist Co-opbank in formulating recovery strategies and ensuring, at a minimum, the continuity of critical business functions during disruptions or disasters.

In addition, the Operational Risk Unit is actively and deeply involved in related projects such as the Credit Value Chain (CVC), the Co-opbank Core Banking System Upgrade Project (FIRST) and other procurement-related tender projects within Co-opbank, particularly in identifying operational risks and providing improvement recommendations for the projects involved.

36.7 Capital Management

The objectives of Co-opbank in capital management, are a broader concept than equities on the statement of financial position, among them:

- i) To comply with the capital requirements set by the banking market regulators which the entities within the Co-opbank operate;
- ii) To safeguard the capability of Co-opbank's to continuously deliver returns to shareholders and profits for stakeholders;
- iii) To maintain a robust capital base in supporting business development.

The adequacy of capital and the use of regulatory capital are monitored on a daily basis by the management of Co-opbank, using techniques based on the guidelines set out under the New Liquidity Framework developed by BNM. The required information is filed with BNM on a monthly basis.

Co-opbank maintains the ratio of total regulatory capital againsts risk-weighted assets above the minimum level agreed with BNM taking into account the risk profile of Co-opbank. Regulatory capital requirements are strictly adhered to for economic capital management.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT (CONT'D.)

36.7 Capital Management (Cont'd.)

Co-opbank's regulatory capital consists of two tiers:

- i) Tier 1 capital: member share capital, statutory reserves, capital reserves and retained profits;
- ii) Tier 2 capital: preference shares, collective impairment provisions for non-impaired financing and regulatory reserves.

Banking operation are categorised as either trade books or banking books, and risk-weighted assets are determined to specific requirements intended to reflect the various levels of risk associated with assets and unrecognised exposures in the statement of financial position.

Co-opbank's objective is to retain solid underlying capital to ensure the confidence of investors, creditors, and the market, while also allowing for future company development. The impact of capital levels on shareholder returns is also acknowledged, and Co-opbank realises the need to strike a balance between higher returns that may be acquired with high rates of indebtedness and the benefits and guarantees that can be obtained from a good capital position.

Capital Adequacy Ratio

Co-opbank is required to comply with the core capital ratio and risk-weighted capital adequacy ratio set by the regulator. Co-opbank has complied with most of the established capital ratios throughout this period.

	CO-OPBANK	
	2025	2024
Liquid Asset Ratio	30.8%	32.6%
Financing-to-Deposit Ratio	81.5%	81.1%
Financing Loss Coverage Ratio	100.1%	105.6%

36.8 Compliance

The Compliance Department is committed to improving the environment for overall control and compliance culture by implementing comprehensive compliance policies, conducting periodic compliance assessments and reviews, conducting regular engagement sessions with business units, and implementing training programmes within the Co-opbank to ensure that all employees are kept up to date with regulatory requirements.

The Compliance Department independently monitors and reviews the requirements for regulatory compliance and acts on recommendations from regulators, who in turn formulate rules and processes. The Compliance Department also conducts regular compliance checks on the operations of branches and business units and provides views and suggestions for improvements if necessary on the operating process to avoid non-compliance with the regulator's regulations. Co-opbank continues to strive to achieve high performance and standards of work ethic, as well as compliance with legal, regulatory and professional standards. Co-opbank is committed to developing and implementing programmes related to the prevention of money laundering aimed at providing knowledge and fostering awareness of the importance of combating money laundering activities.

Furthermore, it also involves the importance and awareness of, for example, financial regulations, compliance procedures and reports to regulators. Compliance Report to Senior Management and Full Board Members as a method of control and oversight that supports the independence of the functions of the Compliance Department.

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