KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

Pillar 3 Disclosures Contents **Page**

Overview	1
Scope of application	1
Capital management	2 - 4
Risk management	5 - 6
Credit risk	7 - 24
Market risk	25
Interest rate risk in banking book	26
Liquidity risk	27
Operational risk	27
Equity exposures in banking book	28
Shariah Governance Disclosures	29 - 32
Attestation by the Group Managing Director	33

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PILLAR 3 DISCLOSURES
AS AT 30 JUNE 2025

1. Overview

With the introduction of Bank Negara Malaysia (“BNM”)’s Risk-Weighted Capital Adequacy Framework (“RWCAF”) and Risk-Weighted Capital Adequacy Framework for Islamic Banks ("CAFIB") - Disclosure Requirements ("Pillar 3"), Pillar 3 Disclosures for financial reporting beginning 1 January 2010 are required. The 3 Pillars of Basel II are as below:

i) Pillar 1 sets out the minimum capital requirements for credit, market and operational risk assumed by banking institutions.

ii) Pillar 2 supervisory review process recognises the responsibility of bank management in developing an internal capital adequacy assessment process and setting capital targets that commensurate with the bank’s risk profile and control environment. The management is responsible to ensure that the bank has adequate capital to support its risks beyond the core minimum requirements.

iii) Pillar 3 encourages market discipline by developing a set of disclosure requirements which will allow market participants to assess key pieces of information on the scope of application, capital, risk exposures, risk assessment processes, and hence the capital adequacy of banking institution.

Kenanga Investment Bank Berhad (“KIBB” or “the Group”)'s Pillar 3 Disclosures are governed by the Group’s Disclosure Requirement Policy Basel II - Pillar 3, whereby the Group’s internal auditors would verify the information before being certified by the Group Managing Director of KIBB.

The Pillar 3 Disclosures will be published on the website, www.kenanga.com.my

Any discrepancies between the totals and sum of the components in the tables contained in this disclosure document are due to actual summation method and then rounded up to the nearest thousand.

2. Scope Of Application

The Pillar 3 Disclosures are prepared on a consolidated basis and comprise information on KIBB including Skim Perbankan Islam (KIBB's SPI/Islamic Banking Window) and its subsidiaries, associated companies and joint venture companies.

Note 3.4 (a) to the audited financial statements for the financial year ended 31 December 2024 describes the basis of consolidation for financial accounting purposes, which differs from that used for regulatory capital purposes. All subsidiaries of the Group are fully consolidated from the date the Group obtains control until the date such control ceases.

There are no significant restrictions or impediments on the transfer of funds or regulatory capital within the Group. The transfer of funds or regulatory capital is subject to the shareholders' and regulatory approval.

3. Capital Management

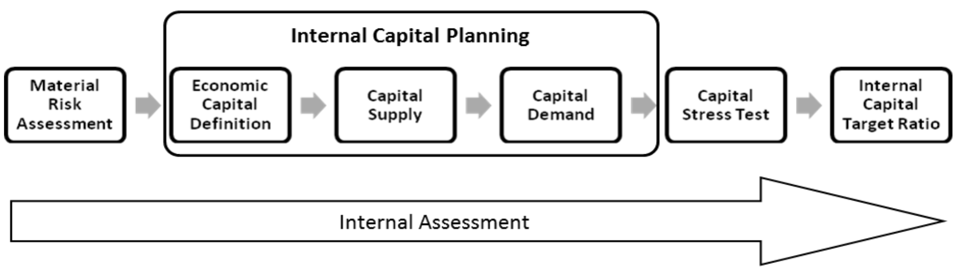
The Group's capital management is administered by the Group Risk Committee ("GRC"), Group Board Risk Committee ("GBRC") and the Board of Directors ("the Board"). The Group's capital management is guided by the BNM RWCAF and CAFIB, which are to maintain risk-weighted capital ratios above the minimum regulatory capital requirements. GRC reviews the Group's capital performance regularly to address any deviation from capital targets.

Internal Capital Adequacy Assessment Process

The Group has put in place an Internal Capital Adequacy Assessment Process ("ICAAP") to achieve this objective and to support business operations beyond minimum regulatory capital requirements, which is proportionate to its size and complexity of business, to ensure its viability in times of economic stress.

As defined by BNM's ICAAP, the Group's ICAAP states the minimum internal capital requirement for its current and future business strategies and financial plans for the next 3 years via a comprehensive risk assessment process which involves assessing the materiality of the risk, risk management process, risk measurement methodology and risk mitigation plan on its portfolio risk exposures, its risk management practices toward its material risks, the required capital for the identified material risks and potential capital planning buffer in the event of stress. An independent review will be conducted to ensure the integrity, objectivity and consistent application.

Overall ICAAP flow is summarised as follows:-



Stress Testing

As per the Group's Stress Testing Framework, the capital requirements are forecasted under exceptional, but plausible, stress events to assess the ability of the capital to withstand market shocks. If the stress test result reveals that the capital will be adversely affected under such events, action plans will be formulated to respond to the capital deficiency. The stress test result and action plan are then tabled to the GRC, GBRC and the Board for deliberations.

The Group has adopted the BNM's Capital Adequacy Framework (Capital Components and Basel II - Risk-weighted Assets) and the BNM's Capital Adequacy Framework for Islamic Banks (Capital Components and Basel II - Risk-weighted Assets) (collectively referred as "the Framework").

This Framework outlines the general requirements on regulatory capital adequacy ratios, the components of eligible regulatory capital as well as the levels of those ratios at which banking institutions are required to operate. The Framework has been developed based on internationally-agreed standards on capital adequacy promulgated by the Basel Committee on Banking Supervision.

3. Capital Management (Cont'd)

The total capital and capital adequacy ratios of the Group and the Bank are computed in accordance with BNM's revised Capital Adequacy Framework (Basel II – Risk-Weighted Assets) dated 18 December 2023, BNM's revised Capital Adequacy Framework (Capital Components) dated 14 June 2024, Capital Adequacy Framework (Operational Risk) and Capital Adequacy Framework (Exposures to Central Counterparties) issued on 15 December 2023.

BNM's Capital Adequacy Framework on Operational Risk and Exposures to Central Counterparties Policy Documents came into effect on 1 January 2025. The revised Capital Adequacy Framework on Operational Risk introduces a single, risk-sensitive Standardised Approach for determining capital requirements, replacing the previously used Basic Indicator Approach. Meanwhile, the Capital Adequacy Framework on Exposures to Central Counterparties outlines the capital requirements necessary to address risks associated with exposures to central counterparties.

The Group apply the following approaches to compute total risk-weighted assets:

- **Credit Risk:** Standardised Approach
- **Market Risk:** Standardised Approach
- **Operational Risk:** Standardised Approach (previously Basic Indicator Approach in 2024)

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

The capital adequacy ratios of the Group are as follows:

	Group	
	30 June 2025	31 December 2024
CET 1 capital ratio	14.432%	16.671%
Tier 1 capital ratio	14.432%	16.671%
Total capital ratio	18.840%	22.967%

Breakdown of risk weighted assets in the various categories of risks are as follows:

	Group			
	30 June 2025		31 December 2024	
	Risk Weighted Asset	Min Capital Requirement at 8%	Risk Weighted Asset	Min Capital Requirement at 8%
	RM'000	RM'000	RM'000	RM'000
Credit Risk RWA	1,816,167	145,293	1,911,823	152,946
Exposures to Central Counterparties RWA	183,949	14,716	-	-
Market Risk	323,479	25,878	284,753	22,780
Operational risk	1,032,051	82,564	927,031	74,162
Large Exposure Risk	86,524	6,922	86,524	6,922
Total	3,442,170	275,373	3,210,131	256,810

3. Capital Management (Cont'd)

(i) Components of Common Equity Tier 1 (CET 1) Capital ratio, Tier 1 Total capital

	Group	
	30 June 2025	31 December 2024
	RM'000	RM'000
CET 1 capital		
Paid-up share capital	253,834	253,834
Retained profits	671,938	730,701
Other reserves	141,950	140,748
Less: Regulatory adjustments:		
Goodwill	(241,027)	(241,027)
55% of cumulative gains of financial investments at FVOCI	(9,340)	(5,254)
Deferred tax assets	(25,663)	(32,949)
Other intangibles	(99,893)	(100,013)
Regulatory reserve	(17,553)	(16,748)
Treasury shares	(7,701)	(7,441)
Other CET 1 regulatory adjustments specified by BNM	-	-
Investment in ordinary shares of unconsolidated financial entities	(169,766)	(186,706)
Total CET 1 / Tier 1 capital	496,779	535,145
Tier 2 capital		
Subordinated obligations capital	130,500	180,500
General provisions^	21,209	21,628
Total Tier 2 capital	151,709	202,128
Total capital	648,488	737,273

As at the reporting date, the Group has established Additional Tier 1 Capital Securities under an AT1CS Programme of up to RM500 million in nominal value.

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

4. Risk Management

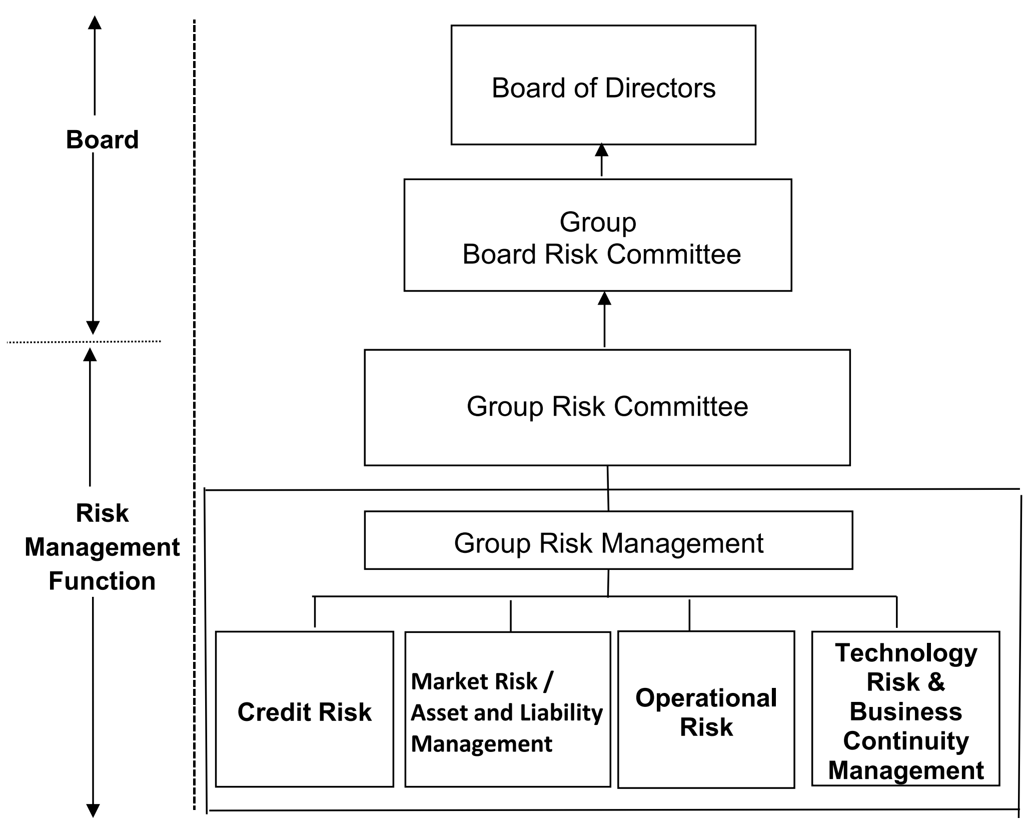
The Group establishes a strong risk management governance with an enterprise risk management framework as a pillar for other risk guidelines and sound practices. The risk governance structure in the framework defines the roles and responsibilities throughout the organization to ensure accountability and ownership.

The risk management philosophy adopted by the Group is based on the three (3) lines of defence approach. The line management is the first line of defence and is primarily responsible for the day-to-day risk management by identifying the risks, assessing impact and taking appropriate action to manage and mitigate risks.

The second (2) line of defence is the oversight functions which are Group Risk Management and Group Compliance. They perform independent monitoring of business units, reporting to management to ensure that the Group is conducting business and operations within internal guidelines and is regulatory compliant.

The third (3) line of defence is Group Internal Audit which provides independent assurance to the Board on adequacy and effectiveness of system of internal controls, risk management and governance process.

The risk management and risk reporting structure are as follows:-



4. Risk Management (Cont'd)

The Board is responsible to ensure that KIBB has in place effective and comprehensive risk management policies, procedures and infrastructure to identify, measure, control and monitor the various types of risks undertaken by the Group. The Board approves and periodically reviews the risk management capabilities to ensure their ability to support business strategic objectives, plans and activities. It is important to emphasize that the ultimate responsibility for a sound risk management and effectiveness of the internal control system lies with the Board.

The GBRC is a delegated authority to support the Board in meeting the expectations on risk management for the Group. The GBRC is entrusted to ensure the risk management framework, policy and procedure is consistently adopted throughout the Group and is within the parameters established by the Board. In discharging the duties, the GBRC reviews risk management reports vis-a-vis the risk exposure, risk portfolio composition and risk management activities.

The GRC assists and supports the GBRC to oversee the assets and liabilities management, market risk, credit risk, operational risk, liquidity risk, technology risk and business risk management. They undertake the oversight function for capital management, monitoring of risk profiles and ensure the risk limits are complied, as guided by the risk policies approved by the Board.

The independent Group Risk Management ("GRM") provides support to the dedicated risk management committees. It is responsible for ensuring the risk policies are implemented and complied with. It is also actively involved in the risk management process via the identification, measurement, mitigating, controlling, monitoring and reporting of risk.

The Group reviews its risk management policies regularly to ensure it remains relevant by taking into consideration of the emerging risks arising from the ever-changing market environment and regulatory requirements.

5. Credit Risk

Credit risk is the potential loss as a result of failure by the customers or counterparties to meet their contractual financial obligations.

The minimum regulatory capital requirement on credit risk of the Group is as follows:

Exposure Class As at 30 June 2025	Gross Exposure Class before credit risk mitigation RM'000	Net Exposure Class after credit risk mitigation RM'000	Risk Weighted Assets RM'000	Minimum Capital Requirements at 8% RM'000
1. Credit Risk - Standardised Approach				
On-Balance Sheet Exposures				
Performing Exposures				
Sovereigns/Central Banks	939,846	939,846	-	-
Banks, Development Financial Institutions & MDBs	2,139,948	2,125,669	427,990	34,239
Corporates	1,195,870	828,769	641,779	51,342
Regulatory Retail	293	293	293	23
Higher Risk Assets	1,196	1,196	1,793	143
Other Assets	1,937,800	912,181	312,917	25,034
Defaulted Exposures				
Corporates	11,349	6,810	10,215	817
Other Assets	163,631	97,236	139,508	11,161
Total for On-Balance Sheet Exposures	6,389,933	4,912,000	1,534,495	122,759
Off-Balance Sheet Exposures				
Direct Credit Substitutes	6,000	6,000	6,000	480
Other commitments with an original maturity of:-				
- up to 1 year	16,633	16,633	16,633	1,331
- over 1 year	13,500	13,500	13,500	1,080
Commitments to extend credit with maturity of :-				
Up to 1 year				
- foreign exchange related contract	632	632	146	12
- equity related contracts	1,799	1,799	890	71
Forward Assets Purchases	10,973	10,973	10,973	877
Securities borrowing and lending	16,747	14,942	133	11
Monies Held in Trust	1,166,985	1,166,985	233,397	18,672
Total for Off-Balance Sheet Exposures	1,233,269	1,231,464	281,672	22,534
Total for On and Off-Balance Sheet Exposures	7,623,202	6,143,464	1,816,167	145,293
2. Exposures to Central Counterparties RWA			183,949	14,716
Total Credit RWA			2,000,116	160,009

5. Credit Risk (Cont'd)

Exposure Class As at 31 December 2024	Gross Exposure Class before credit risk mitigation RM'000	Net Exposure Class after credit risk mitigation RM'000	Risk Weighted Assets RM'000	Minimum Capital Requirements at 8% RM'000
On-Balance Sheet Exposures				
Performing Exposures				
Sovereigns/Central Banks	1,914,271	1,914,271	-	-
Banks, Development Financial Institutions & MDBs	1,337,788	1,337,788	267,558	21,405
Corporates	1,207,156	851,392	678,639	54,291
Regulatory Retail	334	334	334	27
Higher Risk Assets	1,421	1,421	2,132	171
Other Assets	2,160,092	1,079,489	356,199	28,495
Equity Exposure				
Defaulted Exposures				
Corporates	-	-	-	-
Other Assets	174,492	105,127	149,680	11,974
Total for On-Balance Sheet Exposures	6,795,555	5,289,823	1,454,542	116,363
Off-Balance Sheet Exposures				
Direct Credit Substitutes	-	-	-	-
Other commitments with an original maturity of:-				
- up to 1 year	14,963	14,963	14,963	1,197
- over 1 year	37,125	37,125	37,125	2,970
Commitments to extend credit with maturity of :-				
Up to 1 year				
- foreign exchange related contract	2,348	2,348	537	43
- equity related contracts	47,876	47,876	45,360	3,629
Forward Assets Purchases	7,148	7,148	7,148	572
Securities borrowing and lending	27,893	26,102	5,220	418
Monies Held in Trust	1,734,642	1,734,642	346,928	27,754
Total for Off-Balance Sheet Exposures	1,871,995	1,870,204	457,281	36,583
Total for On and Off-Balance Sheet Exposures	8,667,549	7,160,027	1,911,823	152,946

As per the Group’s credit approval process, the credit approval function is segregated from credit origination in order to maintain independence and integrity of the process. Discretionary powers are assigned to credit approving authorities based on their experience, seniority and track record. For large credit exposure exceeding certain threshold, an independent assessment is required from the Group Risk Management ("GRM"), before submission of the proposal to the respective Approving Authority. Post-Approval, Independent Credit Reviews ("ICR") function reviews and ensures credit process/decisions align with risk management policies & regulatory requirements.

5. Credit Risk (Cont'd)

The Group Credit Committee ("GCC") approves major credit decisions and introduces guidelines and procedures to control and monitor credit risk. In addition to the above, GCC receives updates of the credit performance or profile of the credit exposures to ensure that appropriate actions are taken to prevent deterioration of the Group’s assets quality.

Both GCC and GRC support the GBRC in credit risk management as an oversight function. The internal risk management reports which include the Group's credit profile and credit risk exposure, are presented to the GRC and the GBRC on a regular basis. The GCC also reviews the Group’s credit profile of the credit portfolios and recommends necessary actions to ensure that the credit risk remains within the established risk tolerance level. The Credit Risk section in GRM is responsible to formulate and review risk policies, guidelines and procedures for compliance by the business units.

Past due loans, advances and financing are loans where the customer has failed to make a principal or interest payment when contractually due.

Impaired loans, advances and financing are loans whereby payments of principal and/or interest are past due for three months or more, or loans which are past due for less than three months but exhibit indications of credit weaknesses.

Please refer to note 3.4(k)(i) in the financial statements of approaches for the Expected Credit Loss provisions.

5. Credit risk (cont'd)

(a) Industry analysis as at 30 June 2025

Group	Primary agriculture	Manufacturing (incl. agri-based)	Electricity, gas & water supply	Wholesale & retail trade, and hotel & restaurant	Real estate	Transport, storage and communications	Finance and insurance	Household	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets										
Cash and bank balances	-	-	-	-	-	-	2,140,261	-	-	2,140,261
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	36,770	-	-	36,770
Balances due from clients and brokers	605	751	-	5,724	11,386	-	196,880	184,904	14,683	414,933
Financial assets at FVTPL										
Unquoted shares and unit trust funds in Malaysia	-	-	26,662	-	-	-	129,118	-	97,926	253,706
Derivative financial assets	-	4	-	-	-	-	265	7,524	23	7,816
Net loans, advances and financing										
Term loans	-	-	-	30,130	28,710	-	-	213,749	289,926	562,515
Islamic term loans	-	-	-	-	26,071	-	-	7,834	38,881	72,786
Share margin financing	4,037	4,906	-	25,902	57,429	-	1,370	747,889	236,941	1,078,474
Islamic share margin financing	-	-	-	-	-	-	-	147	-	147
Others	9,500	-	-	-	-	-	6,525	16,832	-	32,857
Financial investments at FVOCI										
Malaysian Government Securities	-	-	-	-	-	-	190,186	-	-	190,186
Malaysian Government Investment Certificates	-	-	-	-	-	-	326,921	-	-	326,921
Corporate Bonds	-	-	15,558	-	-	-	5,010	-	15,133	35,701
Islamic Corporate Sukuk	-	-	-	-	25,256	10,139	128,396	-	15,325	179,116
Unquoted equities	-	-	-	-	-	-	-	-	1,196	1,196
Financial investments at AC										
Malaysian Government Securities	-	-	-	-	-	-	125,411	-	-	125,411
Malaysian Government Investment Certificates	-	-	-	-	-	-	260,293	-	-	260,293
Islamic Corporate Sukuk	-	-	-	-	-	-	110,288	-	-	110,288
Other assets	-	-	-	-	-	-	-	-	336,287	336,287
	14,142	5,661	42,220	61,756	148,852	10,139	3,657,694	1,178,879	1,046,321	6,165,664
Non-Financial Assets										229,527
Trading Book										(7,506)
Expected Credit Loss (Stage 1 and 2)										2,248
Total On-Balance Sheet Exposure under the Standardised Approach for credit risk										6,389,933

KENANGA INVESTMENT BANK BERHAD
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5. Credit risk (cont'd)

(a) Industry analysis as at 31 December 2024

Group	Primary agriculture	Manufacturing (incl. agri-based)	Electricity, gas & water supply	Wholesale & retail trade, and hotel & restaurant	Real estate	Transport, storage and communications	Finance and insurance	Household	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets										
Cash and bank balances	-	-	-	-	-	-	2,098,059	-	-	2,098,059
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	73,768	-	-	73,768
Balances due from clients and brokers	1,112	-	-	2,535	5,301	15	210,206	226,682	9,096	454,947
Financial assets at FVTPL										
Unquoted shares and unit trust funds in Malaysia	-	-	26,662	-	-	-	130,558	-	97,797	255,017
										-
Derivative financial assets	-	59	-	2	-	-	142	7,943	41,551	49,697
Net loans, advances and financing										-
Term loans	-	-	-	30,136	45,021	-	-	141,743	310,624	527,524
Islamic term loans	-	-	-	-	26,076	-	-	48,986	47,014	122,076
Share margin financing	3,562	1,826	4,146	27,025	27,064	-	999	916,116	161,725	1,142,463
Islamic share margin financing	-	-	-	-	-	-	-	416	-	416
Others	12,506	-	-	-	-	-	2,012	16,855	-	31,373
Financial investments at FVOCI										-
Malaysian Government Securities	-	-	-	-	-	-	291,869	-	-	291,869
Malaysian Government Investment Certificates	-	-	-	-	-	-	402,651	-	-	402,651
Islamic Negotiable Instruments of Deposits	-	-	-	-	-	-	-	-	-	-
Corporate Bonds	-	-	15,532	-	-	-	5,036	-	14,826	35,394
Islamic Corporate Sukuk	-	-	34,775	-	51,824	15,209	35,430	-	-	137,238
Unquoted equities	-	-	-	-	-	-	-	-	1,421	1,421
Financial investments at AC										
Malaysian Government Securities	-	-	-	-	-	-	125,560	-	-	125,560
Malaysian Government Investment Certificates	-	-	-	-	-	-	260,201	-	-	260,201
Islamic Corporate Sukuk	-	-	5,000	-	14,996	9,300	67,115	-	38,846	135,257
Other assets	-	-	-	-	-	-	17,948	-	401,765	419,713
	17,180	1,885	86,115	59,698	170,282	24,524	3,721,554	1,358,741	1,124,665	6,564,644
Non-Financial Assets										234,627
Trading Book										(8,077)
Expected Credit Loss (Stage 1 and 2)										4,361
Total On-Balance Sheet Exposure under the Standardised Approach for credit risk										6,795,555

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

5. Credit risk (cont'd)

(b) Analysis of Financial Assets By Remaining Contractual Maturities

The table below summarises the residual contractual maturity profile of the Group's financial assets as at 30 June 2025. The contractual maturity profile often may not reflect the actual behavioural patterns.

Group 30 June 2025	On Demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non Specific Maturity RM'000	Total RM'000
On-Balance Sheet Exposures								
Cash and bank balances	657,288	1,229,838	253,035	100	-	-	-	2,140,261
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	36,770	36,770
Financial assets at FVTPL	-	-	-	-	-	-	253,706	253,706
Derivative financial assets	-	322	563	1,953	4,978	-	-	7,816
Financial instruments at FVOCI	-	-	5,010	4,987	10,074	711,853	1,196	733,120
Financial instruments at AC	-	-	25,001	15,993	21,135	433,863	-	495,992
Loans, advances and financing	285,922	1,078,622	8,502	-	13,747	359,986	-	1,746,779
Balances due from clients and brokers	-	414,933	-	-	-	-	-	414,933
Other assets	2,802	222,430	3,843	3,158	5	-	104,049	336,287
Total On-Balance Sheet Exposures	946,012	2,946,145	295,954	26,191	49,939	1,505,702	395,721	6,165,664
			Non-Financial Assets					229,527
			Trading Book					(7,506)
			Expected Credit Loss (Stage 1 and 2)					2,248
			Total On-Balance Sheet Exposure under the Standardised Approach for credit risk					6,389,933

Group 31 December 2024	On Demand RM'000	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 year RM'000	Non Specific Maturity RM'000	Total RM'000
On-Balance Sheet Exposures								
Cash and bank balances	822,675	1,069,817	205,467	100	-	-	-	2,098,059
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	73,768	73,768
Financial assets at FVTPL	-	-	-	-	-	-	255,017	255,017
Derivative financial assets	-	41,768	962	3,095	3,872	-	-	49,697
Financial instruments at FVOCI	-	-	-	-	10,000	857,152	1,421	868,573
Financial instruments at AC	-	-	14,996	10,902	40,675	454,445	-	521,018
Loans, advances and financing	290,489	1,155,968	-	4,265	22,416	350,714	-	1,823,852
Balances due from clients and brokers	-	454,947	-	-	-	-	-	454,947
Other assets	6,682	294,555	3,769	5,749	-	-	108,958	419,713
Total On-Balance Sheet Exposures	1,119,846	3,017,055	225,194	24,111	76,963	1,662,311	439,164	6,564,644
			Non-Financial Assets					234,627
			Trading Book					(8,077)
			Expected Credit Loss (Stage 1 and 2)					4,361
			Total On-Balance Sheet Exposure under the Standardised Approach for credit risk					6,795,555

5. Credit risk (cont'd)

(c) Geographical Distribution of Major Credit Exposures as at 30 June 2025

Group	In Malaysia	Outside Malaysia	Total
	RM'000	RM'000	RM'000
Financial Assets			
Cash and bank balances	2,140,261	-	2,140,261
Statutory deposit with Bank Negara Malaysia	36,770	-	36,770
Financial assets at fair value through profit or loss			
Unquoted Shares and funds in Malaysia	253,706	-	253,706
Derivative financial assets	7,816	-	7,816
Net loans, advances and financing			
Term loans	562,515	-	562,515
Islamic Term loans	72,786	-	72,786
Share margin financing	1,076,388	2,086	1,078,474
Islamic margin financing	147	-	147
Others	32,857	-	32,857
Balances due from clients and brokers	357,924	57,009	414,933
Financial instruments at FVOCI			
Malaysian Government Securities	190,186	-	190,186
Malaysian Government Investment Certificates	326,921	-	326,921
Corporate bonds	35,701	-	35,701
Islamic Corporate Sukuk	179,116	-	179,116
Unquoted equities	1,196	-	1,196
Financial investments at amortised cost			
Corporate Bonds	125,411	-	125,411
Islamic Malaysian Government Investment Issues	260,293	-	260,293
Islamic Corporate Sukuk	110,288	-	110,288
Other assets	336,287	-	336,287
	6,106,569	59,095	6,165,664
Non-Financial Assets			229,527
Trading Book			(7,506)
Expected Credit Loss (Stage 1 and 2)			2,248
Total On-Balance Sheet Exposure under the Standardised Approach for credit risk			6,389,933

5. Credit risk (cont'd)

(c) Geographical Distribution of Major Credit Exposures as at 31 December 2024

Group	In Malaysia	Outside Malaysia	Total
	RM'000	RM'000	RM'000
Financial Assets			
Cash and bank balances	2,098,059	-	2,098,059
Statutory deposit with Bank Negara Malaysia	73,768	-	73,768
Financial assets at fair value through profit or loss			
Unquoted shares and unit trust funds in Malaysia	255,017	-	255,017
	-	-	
Derivative financial assets	49,697	-	49,697
Net loans, advances and financing			
Term loans	527,524	-	527,524
Islamic Term loans	122,076	-	122,076
Share margin financing	1,139,137	3,326	1,142,463
Islamic margin financing	416	-	416
Others	31,373	-	31,373
Balances due from clients and brokers	425,893	29,054	454,947
Financial instruments at FVOCI			
Malaysian Government Securities	291,869	-	291,869
Malaysian Government Investment Certificates	402,651	-	402,651
Islamic Negotiable Instruments of Deposits			-
Corporate bonds	35,394	-	35,394
Islamic Corporate Sukuk	137,238	-	137,238
Unquoted equities	1,421	-	1,421
Financial investments at amortised cost			
Corporate bonds	125,560	-	125,560
Islamic Malaysian Government Investment Issues	260,201	-	260,201
Islamic Corporate Sukuk	135,257	-	135,257
Other assets	419,713	-	419,713
	6,532,264	32,380	6,564,644
Non-Financial Assets			234,627
Trading Book			(8,077)
Expected Credit Loss (Stage 1 and 2)			4,361
Total On-Balance Sheet Exposure under the Standardised Approach for credit risk			6,795,555

5. Credit Risk (Cont'd)

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

Share margin financing:

An analysis of changes in the expected credit loss ("ECL") allowances in relation to share margin financing is as follows :

	30 June 2025			
	Stage 1	Stage 2	Stage 3	Total
Movement in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 June 2025	-	-	5,692	5,692
New assets originated or purchased	-	-	33	33
Assets derecognised or repaid (excluding write-offs)	-	-	487	487
Net remeasurement of allowance	-	-	9,576	9,576
As at 30 June 2025	-	-	15,788	15,788

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Movement in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2024	-	-	3,296	3,296
New assets originated or purchased	-	-	5,394	5,394
Transfers of stages	-	-	-	-
Assets derecognised or repaid (excluding write-offs)	-	-	(2,235)	(2,235)
Net remeasurement of allowance	-	-	(763)	(763)
As at 31 December 2024	-	-	5,692	5,692

Term loan and subordinated term loan:

An analysis of changes in the expected credit loss ("ECL") allowances in relation to term loan is as follows :

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

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Movement in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2024	537	2,741	-	3,278
New assets originated or purchased	98	-	-	98
Assets derecognised or repaid (excluding write-offs)	(53)	-	-	(53)
Net remeasurement of allowance	221	(1,991)	-	(1,770)
Changes in model assumption or methodology	-	-	-	-
As at 31 December 2024	803	750	-	1,553

5. Credit Risk (Cont'd)

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

Other lending and factoring receivables :

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

	30 June 2025			
	Stage 1	Stage 2	Stage 3	Total
Movement in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 June 2025	-	-	-	-
As at 30 June 2025	-	-	-	-

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Movement in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2024	-	-	-	-
As at 31 December 2024	-	-	-	-

(e) Undrawn commitment:

Prior year reclassification

In the current financial year, the provision for ECL on undrawn loans has been reclassified from "Loans, Advances, and Financing" to "Other Liabilities" as the provision is a commitment in nature and does not form part of the outstanding loans, advances and financing balance.

(e) Gross loans, advances and financing analysed by geographical distribution

	Group	
	30 June 2025	31 December 2024
	RM'000	RM'000
Malaysia	1,762,860	1,827,771
Outside Malaysia	2,086	3,326
	1,764,946	1,831,097

(f) Impaired loans, advances and financing analysed by economic purpose

	Group	
	30 June 2025	31 December 2024
	RM'000	RM'000
Purchase of securities	87,756	94,150
Others	26,854	4,265
Gross amount of impaired loans	114,610	98,415

5. Credit Risk (Cont'd)

(g) Impaired and past due loans, advances and financing and allowances by industry and geographical distribution

	30 June 2025					
	Impaired loans, advances and financing	Past due loans	ECL provisions under Stage 3	ECL provisions under Stage 1 and 2	Charges/ writeback	Write-Offs
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia						
Agriculture	9,500	-	-	-	-	-
Real Estate	28,055	3,340	9,350	-	5,716	-
Household	63,948	1,526	6,438	-	4,380	-
Others	13,107	3,328	1,759	618	825	-
	114,610	8,194	17,547	618	10,921	-

	31 December 2024					
	Impaired loans, advances and financing	Past due loans	ECL provisions under Stage 3	ECL provisions under Stage 1 and 2	Charges/ writeback	Write-Offs
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia						
Real Estate	30,673	-	3,634	-	3,634	-
Household	67,742	4,480	2,058	-	(1,420)	-
Others	-	17,253	-	1,553	(1,543)	-
	98,415	21,733	5,692	1,553	671	-

5. Credit Risk (Cont'd)

5.1 Assignment of Risk Weights for Portfolio Under the Standardised Approach

Under the Standardised Approach, the Group uses the External Credit Assessment Institutions ("ECAI") rating approved by BNM to determine the relevant credit risk weights exposed to Sovereigns and Central Banks, Banking Institutions and Corporates for the purpose of risk weighted assets computation.

The eligible ECAI ratings used by the Group, which are recognised by BNM in the RWCAF, are as follows:

(a) S&P Global Ratings ("S&P")
(b) Moody's Investors Service ("Moody's")
(c) Fitch Ratings ("Fitch")
(d) RAM Holdings Berhad ("RAM") (Formerly known as Rating Agency Malaysia Berhad)
(e) Malaysian Rating Corporation Berhad ("MARC")

The Group maps the rating categories of different ECAIs to the risk weights as per the guidelines provided by BNM as follows:

(i) Sovereigns and Central Banks

Rating Category	S&P	Moody's	Fitch	Risk Weight
1	AAA to AA-	Aaa to Aa3	AAA to AA-	0%
2	A+ to A-	A1 to A3	A+ to A-	20%
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	50%
4	BB+ to B-	Ba1 to B3	BB+ to B-	100%
5	CCC+ to D	Caa1 to C	CCC+ to D	150%
Unrated				100%

(ii) Banking Institutions

Rating Category	S&P	Moody's	Fitch	RAM	MARC	Risk Weight	Original Maturity <6 mths	Original Maturity <3 mths
1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA3	AAA to AA-	20%	20%	
2	A+ to A-	A1 to A3	A+ to A-	A1 to A3	A+ to A-	50%	20%	
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	BBB1 to BBB3	BBB+ to BBB-	50%	20%	20%
4	BB+ to B-	Ba1 to B3	BB+ to B-	BB1 to B3	BB+ to B-	100%	50%	
5	CCC+ to D	Caa1 to C	CCC+ to D	C1 to D	C+ to D	150%	150%	
Unrated						50%	20%	

5. Credit Risk (Cont'd)

5.1 Assignment of Risk Weights for Portfolio Under the Standardised Approach (Cont'd)

(iii) Corporate

Rating Category	S&P	Moody's	Fitch	RAM	MARC	Risk Weight
1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA3	AAA to AA-	20%
2	A+ to A-	A1 to A3	A+ to A-	A1 to A3	A+ to A-	50%
3	BBB+ to BB-	Baa1 to Ba3	BBB+ to BB-	BBB1 to BB3	BBB+ to BB-	100%
4	B+ to D	B1 to C	B+ to D	B1 to D	B+ to D	150%
Unrated						100%

(iv) Banking Institutions and Corporate (Short Term)

Rating Category	S&P	Moody's	Fitch	RAM	MARC	Risk Weight
1	A-1	P-1	F1+, F1	P-1	MARC-1	20%
2	A-2	P-2	F2	P-2	MARC-2	50%
3	A-3	P-3	F3	P-3	MARC-3	100%
4	Others	Others	B to D	NP	MARC-4	150%

As specified in the RWCAF, in instances where an exposure does not have an issuer or issue rating, the exposure shall be deemed unrated and the rating of another rated obligation of the same counterparty may be used if the exposure is ranked at least pari passu with the obligation that is rated. However, in the event where a counterparty or an exposure is rated by more than one ECAI, the second highest rating is used to determine the risk weight. For credit exposures which are secured by guarantees issued by eligible or rated guarantors, the risk weights similar to that of the guarantor are assigned.

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5. Credit risk (cont'd)

5.1 Assignment of Risk Weights for Portfolio Under the Standardised Approach (cont'd)

(b) Credit Risk Disclosure on Risk Weights as at 30 June 2025

Group

Risk Weights	Exposures after Netting and Credit Risk Mitigation: Sovereigns & Central Banks	Banks, MDBs and FDIs	Insurance Cos, Securities Firms & Fund	Corporates	Regulatory Retail	Higher Risk Assets	Other Assets	Equity Exposures	Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Performing Exposures										
0%	939,846	-	-	138,437	-	-	378,909	-	1,457,192	-
10%	-	-	-	-	-	-	-	-	-	-
20%	-	3,308,403	52	153,375	-	-	275,445	-	3,737,275	747,455
35%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	-	-	-	-
75%	-	-	-	-	-	-	-	-	-	-
90%	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	427,782	293	-	268,801	-	696,876	696,876
150%	-	-	-	146,879	-	1,196	-	-	148,075	222,112
Total	939,846	3,308,403	52	866,473	293	1,196	923,155	-	6,039,418	1,666,443
Defaulted Exposures										
0%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	1,872	-	1,872	936
100%	-	-	-	-	-	-	8,946	-	8,946	8,946
150%	-	-	-	6,810	-	-	86,418	-	93,228	139,842
Total	-	-	-	6,810	-	-	97,236	-	104,046	149,724
Grand Total	939,846	3,308,403	52	873,283	293	1,196	1,020,391	-	6,143,464	1,816,167

5. Credit risk (cont'd)

5.1 Assignment of Risk Weights for Portfolio Under the Standardised Approach (cont'd)

(a) Credit Risk Disclosure on Risk Weights as at 31 December 2024

Group

Risk Weights	Exposures after Netting and Credit Risk Mitigation								Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & Central Banks	Banks, MDBs and FDIs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Higher Risk Assets	Other Assets	Equity Exposures		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Performing Exposures										
0%	1,914,271	-	-	159,389	-	-	452,341	-	2,526,001	-
10%	-	-	-	-	-	-	-	-	-	-
20%	-	3,100,743	52	112,171	-	-	338,686	-	3,551,652	710,330
35%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	-	-	-	-
75%	-	-	-	-	-	-	-	-	-	-
90%	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	532,169	334	-	295,610	-	828,113	828,113
150%	-	-	-	147,712	-	1,421	-	-	149,133	223,700
Total	1,914,271	3,100,743	52	951,441	334	1,421	1,086,637	-	7,054,899	1,762,143
Defaulted Exposures										
0%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	4,524	-	4,524	2,262
100%	-	-	-	-	-	-	6,976	-	6,976	6,976
150%	-	-	-	-	-	-	93,628	-	93,628	140,442
Total	-	-	-	-	-	-	105,128	-	105,128	149,680
Grand Total	1,914,271	3,100,743	52	951,441	334	1,421	1,191,765	-	7,160,027	1,911,823

5. Credit Risk (Cont'd)

5.1 Assignment of Risk Weights for Portfolio Under the Standardised Approach (cont'd)

(c) Disclosure on related exposures according to ratings by ECAIs:

(i) Sovereigns and Central Banks

Exposure Class	Ratings of Corporate by Approved ECAI					
	1	2	3	4	5	Unrated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On and Off-Balance Sheet Exposures	939,846	-	-	-	-	-
Total	939,846	-	-	-	-	-

(ii) Banks, MDBs and FIs

Exposure Class	Ratings of Corporate by Approved ECAI					
	1	2	3	4	5	Unrated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On and Off-Balance Sheet Exposures	3,308,403	-	-	-	-	-
Total	3,308,403	-	-	-	-	-

(iii) Corporates

Exposure Class	Ratings of Corporate by Approved ECAI					
	1	2	3	4	5	Unrated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On and Off-Balance Sheet Exposures	316,030	47,818	227,664	-	-	281,770
Total	316,030	47,818	227,664	-	-	281,770

5.2 Credit Risk Mitigation Disclosure

As a fundamental credit principle, the Group’s credit facilities are granted based on the credit standing of the borrower, source of repayment and debt servicing ability. To mitigate the credit risk assumed, collateral is taken whenever possible. The main types of collateral accepted by the Group are cash, shares, land and properties as well as plant and machinery. The monitoring of collateral value is carried out periodically, depending on the type, liquidity and volatility of the collateral value.

The Group uses Credit Risk Mitigation ("CRM") method to reduce the credit risk exposure, under the Credit Risk Weighted Asset ("RWA") computation. The adoption of CRM is accordance with BNM's Guidelines and the Group's stringent internal requirement, focusing on the legal right to claim the collateral, liquidity of the collateral, and the significance of the correlation between the counterparty and the collateral. Currently, the eligible collaterals accepted as credit risk mitigation by the Group are mainly cash and listed shares under share margin financing and corporate loans/financing businesses.

The Group also manages the market or credit risk concentrations of the listed shares (accepted as eligible collateral) at inception during the credit proposal assessment / evaluation, annual reviews and during the assessment on the material correlation between the counterparty and the collateral. These concentrations are subject to the Group's Single Counterparty Exposure Limit ("SCEL") on counterparties' exposures and the Group's Management Action Trigger ("MAT") on the share counter concentrated exposures.

5. Credit risk (cont'd)

5.2 Credit Risk Mitigation

(a) Disclosure on Credit Risk Mitigation as at 30 June 2025

Group

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees / Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
	RM'000	RM'000	RM'000	RM'000
Credit Risk				
On Balance Sheet Exposures				
Sovereigns/Central Banks	939,846	-	-	-
Banks, Development Financial Institutions & MDBs	2,139,948	-	-	-
Corporates	1,195,870	-	367,101	-
Regulatory Retail	293	-	-	-
Higher Risk Assets	1,196	-	-	-
Other Assets	1,937,800	-	1,025,619	-
Defaulted Exposures	174,980	-	70,934	-
TOTAL for On Balance Sheet Exposures	6,389,933	-	1,463,654	-
Off Balance Sheet Exposures Other than OTC Derivatives or Credit Derivatives	1,233,269	-	16,084	-
TOTAL for Off Balance Sheet Exposures	1,233,269	-	16,084	-
TOTAL for On and Off Balance Sheet Exposures	7,623,202	-	1,479,738	-

(b) Disclosure on Credit Risk Mitigation as at 31 December 2024

Group

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees / Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
	RM'000	RM'000	RM'000	RM'000
Credit Risk				
On Balance Sheet Exposures				
Sovereigns/Central Banks	1,914,271	-	-	-
Banks, Development Financial Institutions & MDBs	1,337,788	-	-	-
Corporates	1,207,156	-	355,765	-
Regulatory Retail	334	-	-	-
Higher Risk Assets	1,421	-	-	-
Other Assets	2,160,092	-	1,080,603	-
Defaulted Exposures	174,492	-	69,364	-
TOTAL for On Balance Sheet Exposures	6,795,555	-	1,505,732	-
Off Balance Sheet Exposures Other than OTC Derivatives or Credit Derivatives	1,871,995	-	1,791	-
TOTAL for Off Balance Sheet Exposures	1,871,995	-	1,791	-
TOTAL for On and Off Balance Sheet Exposures	8,667,549	-	1,507,523	-

5. Credit risk (cont'd)

5.3 Composition of Off-Balance Sheet Exposures

Off-balance sheet exposures of the Group are mainly from the following:

1) Direct Credit Substitutes
2) Forward Asset Purchases
3) Obligations under an on-going underwriting agreement
4) Undrawn Credit Facility
5) Miscellaneous Commitments

The management of off-balance sheet exposures is in accordance to the credit risk management approach as set out in this Pillar 3 Disclosures.

The following tables present the breakdown of the off-balance sheet exposures of the Group:

30 June 2025	Principal Amount	Credit Conversion Factor	Credit Equivalent Amount	Risk Weighted Assets
	RM'000		RM'000	RM'000
Direct Credit Substitutes	6,000	100%	6,000	6,000
Forward Asset Purchases	10,973	100%	10,973	10,973
Other commitments with an original maturity of				
- up to 1 year	83,164	20%	16,633	16,633
- over 1 year	27,000	50%	13,500	13,500
Commitments to extend credit with maturity of :-				
Less than 1 year				
- foreign exchange related	72,736		632	146
- equity related contracts	28,085		1,799	890
Any commitments that are unconditionally cancelled at any time by the bank without prior notice	2,861,756	0%	-	-
Miscellaneous Commitments	1,183,732	100%	1,183,732	233,530
	4,273,446		1,233,269	281,672

31 December 2024	Principal Amount	Credit Conversion Factor	Credit Equivalent Amount	Risk Weighted Assets
	RM'000		RM'000	RM'000
Forward Asset Purchases	7,148	100%	7,148	7,148
Other commitments with an original maturity of				
- up to 1 year	74,817	20%	14,963	14,963
- over 1 year	74,250	50%	37,125	37,125
Commitments to extend credit with maturity of :-				
Less than 1 year				
- foreign exchange related	187,940		2,348	537
- equity related contracts	90,481		47,876	45,360
Any commitments that are unconditionally cancellable at any time by the bank without prior notice	2,953,117	0%	-	-
Miscellaneous Commitments	1,762,535	100%	1,762,535	352,148
	5,150,288		1,871,995	457,281

The credit limits for the counterparty credit exposures in regards to off-balance sheet items such as Over The Counter derivative transactions, repo-style transactions and credit derivative contracts, are established in accordance with the Group’s standard credit approval processes. The credit processes take into consideration of the counterparty’s credit profile, type of underlying instrument, valuation method, collateral quality and requirement, tenure, and concentration risk. No additional credit reserves are established with regard to off-balance sheet counterparty exposure.

6. Market Risk

Market risk is the risk of incurring financial losses in the Group's trading portfolios arising from movements in market parameters such as equity prices, foreign currency exchange rates and interest rates. The types of market risk that the Group is exposed to are interest rate risk, foreign currency risk, equity risk and option risk.

Interest rate risk refers to the risk of financial loss in the Group's fixed income trading portfolio due to adverse movements in interest rates.

Meanwhile, the Profit rate risk refers to the potential risk of financial loss on the Islamic window of the Group arising from the changes in the market rate returns.

The Group manages such risk via pre-approved risk limits which include among others portfolio size limits, cut-loss limits and Value-at-Risk ("VaR") limits as detailed in the Risk and Investment Management Policy for Fixed Income Portfolio.

Foreign currency exchange risk refers to the risk of financial loss from holding foreign currency positions due to adverse movements in foreign currency rates. Foreign currency positions of the Group originate from Treasury activities as well as from the Group’s investments and retained earnings that are not denominated in Ringgit Malaysia. The Group manages such risk through funding in the same functional currencies, where possible, and having pre-approved net open position limits as a Group as well as for individual currencies.

Equity risk refers to the risk of financial loss on the Group's equity and equity derivative trading positions arising from adverse movements in equity prices. The Group manages equity risk using pre-approved trading risk limits such as portfolio limits, sensitivity-base limits, stop-loss limits, etc. as per the respective relevant policies.

Option risks refers to the potential financial loss to the Group due to default in either premature repayment or not exercising the option.

The Group adopts the Standardised Approach for the calculation of regulatory market risk capital. The minimum regulatory capital requirement on market risk is as follows:

Exposure Class	Long Positions	Short Positions	Net Positions	Risk Weighted Assets	Minimum Capital Requirements at 8%
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 30 June 2025					
Interest rate risks	9,986	-	9,986	250	20
Equity position risks	246,483	(180,091)	66,392	119,008	9,521
Foreign exchange risks	13,016	(14,443)	(1,427)	14,443	1,155
Option risks	15,182	-	15,182	189,778	15,182
Profit Rate Risk	-	-	-	-	-
			90,133	323,479	25,878

Exposure Class	Long Positions	Short Positions	Net Positions	Risk Weighted Assets	Minimum Capital Requirements at 8%
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 December 2024					
Interest rate risks	26,791	-	26,791	670	54
Equity position risks	345,763	(308,813)	36,950	91,603	7,328
Foreign exchange risks	3,650	(12,978)	(9,328)	12,978	1,038
Option risks	14,360	-	14,360	179,502	14,360
Profit Rate Risk	-	-	-	-	-
			68,773	284,753	22,780

7. Interest Rate Risk in Banking Book

Interest rate risk in the banking book ("IRRBB") arises from the repricing mismatches of the Group's assets and liabilities. The primary objective in managing the IRRBB is to manage the volatility in the Group's net interest income ("NII") and economic value of equity ("EVE").

EVE is the change in the value of the Group's net assets in response to changes in interest rate. EVE is computed based on methodology spelled out under BNM's guideline on "Reporting Requirements for Interest Rate and Rate of Return Risk in the Banking Book" issued on 30th June 2020.

The treatments and assumptions applied are based on the contractual repricing maturity and remaining maturity of the products, whichever is earlier. Items with indefinite repricing maturity are treated based on the earliest possible repricing date. The actual dates may vary from the repricing profile allocated due to factors such as pre-mature withdrawals, prepayment and so forth.

	MYR	USD	SGD	Other Foreign Currency	Total
As at 30 June 2025	RM'000	RM'000	RM'000	RM'000	RM'000
Earnings at Risk ("NII")					
Parallel 150 bps up	(5,920)	77	(195)	(98)	(6,136)
Parallel 150 bps down	5,920	(77)	195	98	6,136
Economic Value Impact ("EV")*					
Parallel 150 bps up	(98,197)	(95)	22	33	(98,237)
Parallel 150 bps down	98,197	95	(22)	(33)	98,237
Steepener	(69,588)	115	(17)	(40)	(69,530)
Flattener	55,825	(144)	21	50	55,752
Short Rate Up	(59,208)	(182)	27	63	(59,300)
Short Rate Down	59,208	182	(27)	(63)	59,300

	MYR	USD	SGD	Other Foreign Currency	Total
As at 31 December 2024	RM'000	RM'000	RM'000	RM'000	RM'000
Earnings at Risk ("NII")					
Parallel 150 bps up	(9,348)	(120)	(95)	(406)	(9,969)
Parallel 150 bps down	9,348	120	95	406	9,969
Economic Value Impact ("EV")*					
Parallel 150 bps up	(115,853)	(93)	21	21	(115,905)
Parallel 150 bps down	115,853	93	(21)	(21)	115,905
Steepener	(81,342)	112	(16)	(24)	(81,270)
Flattener	65,847	(140)	20	30	65,757
Short Rate Up	(69,945)	(178)	25	39	(70,059)
Short Rate Down	69,945	178	(25)	(39)	70,059

* Exclude tax impact

8. Liquidity Risk

Liquidity risk is the risk that the Group is unable to meet its financial commitments and obligations as they come due without incurring unusual losses. The Group's liquidity risk management is aligned with the regulatory liquidity risk management framework. The Group manages its liquidity risk by adopting the two minimum standards for liquidity and funding, namely the Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR"). The LCR is aimed to promote short-term resilience of the Group's liquidity profile by ensuring that it has sufficient high quality liquid assets to fulfil its short-term obligations under severe stress period lasting 30 days. Whilst, the NSFR focuses to reduce funding risk by requiring the Group to fund its activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress.

Contingency funding plans are in place to identify early warning signals of a liquidity crunch. The contingency funding plans also set out the crisis escalation process as well as the various strategies to be employed to preserve liquidity including an orderly communication channel during a liquidity crunch. The liquidity positions and stress test results are reported to the GRC on a monthly basis.

9. Operational Risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, people and systems or from external events. The objective of the operational risk management of the Group is to manage its operational risk within an acceptable level.

The Group's operational risk management framework sets out the Group's approach to identifying, assessing, monitoring and mitigating operational risk. The Group Operational Risk Committee ("GORC") assists the GRC and GBRC in operational risk management oversight. The objective of this committee is to promote risk ownership and risk management by the business and functional departments. It is responsible to monitor and deliberate on Group's Operational risk related issues which include recommending risk mitigating actions.

The Group's business and support units are responsible to identify, manage and mitigate operational risks within their business lines other than ensuring their business activities are in compliance with the approved policies, guidelines, procedures and limits. There are 3 main operational risk management tools being developed in managing Operational risk which are Risk and Control Self-Assessment, which involves in identifying and assessing inherent risks, as well as assessment of the existing measure control effectiveness. Key risk indicators to collect data on an ongoing basis for early detection of operational control deficiencies. Operational risk loss data collection facilitates an enhanced analysis and timely reporting of operational risk events which helps to assess the Group's operational risk exposure and to strengthen the internal control environment.

The operational risk management reports are tabled to the GORC, GRC and the GBRC for deliberations, supported with required analysis, mitigating action plans in managing operational risk.

The Group adopts The Standardised Approach for Operational Risk Weighted Asset computation.

Operational Risk	30 June 2025		31 December 2024	
	Risk Weighted Assets	Minimum Capital Requirements at 8%	Risk Weighted Assets	Minimum Capital Requirements at 8%
	RM'000	RM'000	RM'000	RM'000
	1,032,051	82,564	927,031	74,162

10. Equity Exposures in Banking Book

The tables below present the equity exposures in the banking book.

	30 June 2025		31 December 2024	
	Risk Weighted Assets	Minimum Capital Requirements at 8%	Risk Weighted Assets	Minimum Capital Requirements at 8%
	RM'000	RM'000	RM'000	RM'000
Privately held				
For socio-economic purposes	1,793	143	2,132	171
For non socio-economic purposes	220,319	17,626	221,568	17,725
Total	222,112	17,769	223,700	17,896

(i) Privately held
The privately held equity investments are unquoted and stated at fair value after impairment.

(ii) Gains and losses on equity exposures in banking book
The table below present the gains and losses on equity exposures in the banking book.

	30 June 2025	31 December 2024
	RM'000	RM'000
Privately held		
Cumulative realised gains arising from sales and liquidations in the reporting period	-	-
Total unrealised gain	78,510	78,510

(iii) Publicly traded
The Group do not have publicly traded equity investments in the banking book as at 31 December 2024 and 30 June 2025.

11. Shariah Governance Disclosures

There is no Shariah non-compliant transaction nor events during the period under review. The Group does not use Profit Sharing Investment Account ("PSIA") as a risk absorbent mechanism.

Capital Adequacy Ratios - Islamic Banking

Capital Adequacy Ratios of the Islamic window are as follows:

	30 June 2025	31 December 2024
CET 1 capital ratio	68.825%	82.627%
Tier 1 capital ratio	68.825%	82.627%
Total capital ratio	69.407%	83.327%

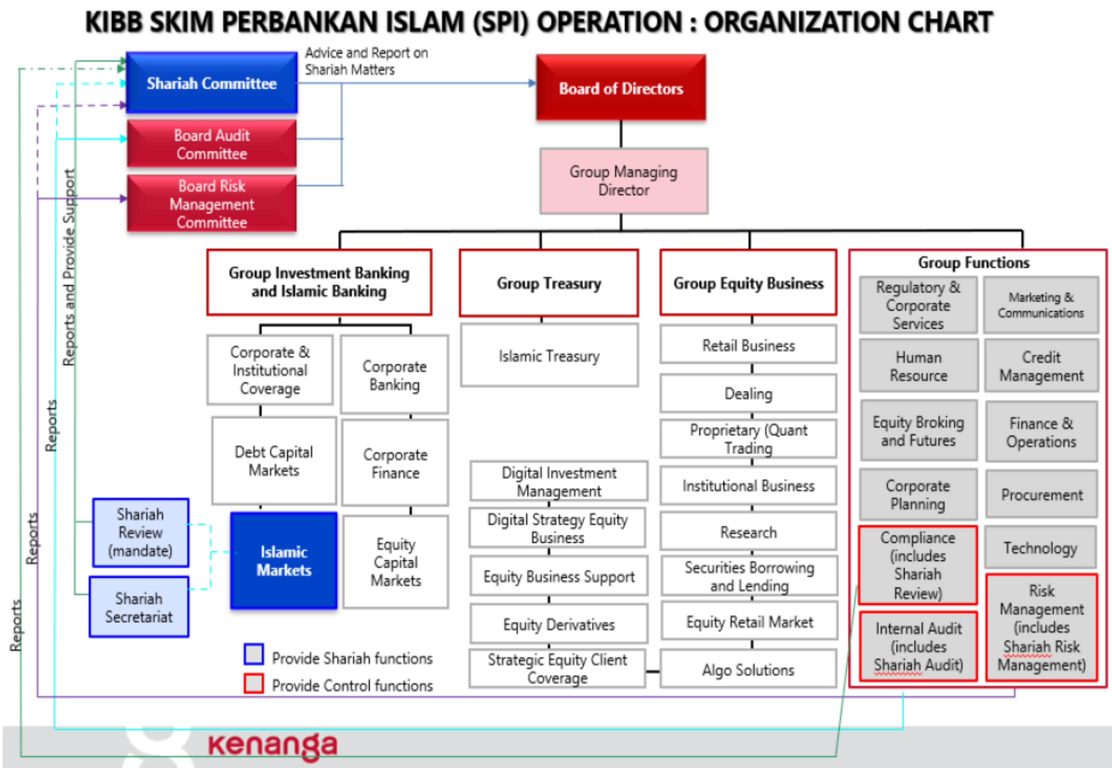
	30 June 2025 RM'000	31 December 2024 RM'000
CET 1 capital		
Islamic Banking Funds	120,000	120,000
Retained profits	94,309	94,126
Other reserves	9,465	7,353
Less:		
Intangible assets	(1)	(1)
55% of cumulative gains of financial investments at FVOCI	(1,554)	(291)
Regulatory Reserve	(1,390)	(1,573)
Total CET 1 / Tier 1 capital	220,829	219,614
Tier 2 capital		
General provision	1,868	1,860
Total Tier 2 capital	1,868	1,860
Total capital	222,697	221,474

As at date of reporting, the Group does not have capital instruments and debt instruments which qualify as additional Tier 1 capital.

Risk Weighted Assets and Capital Requirements of the Islamic window are as follows:

	30 June 2025		31 December 2024	
	Risk Weighted Asset	Minimum Capital Requirement at 8%	Risk Weighted Asset	Minimum Capital Requirement at 8%
	RM'000	RM'000	RM'000	RM'000
Credit Risk	285,236	22,819	228,046	18,244
Operational risk	35,620	2,850	37,743	3,019
Total	320,856	25,669	265,789	21,263

11. Shariah Governance Disclosures (Cont'd)



Governance and Reporting Structure

The Shariah Committee shall report to the Board and this reporting structure shall reflect the status of the Shariah Committee as an independent advisory body of KIBB. Meanwhile, as for day-to-day operations of KIBB, it shall be operated under the Islamic Banking Division.

The Head of Group Investment Banking and Islamic Banking Division shall report to the Group Managing Director of KIBB. The key functions of the division shall be undertaken by Islamic Markets which oversees administratively the Shariah Secretariat and Shariah Review based on mandate given (for Kenanga Investors Berhad and Kenanga Islamic Investors Berhad). Islamic Markets shall be in charge of origination of business deals as well as supporting the function of Head of Group Investment Banking and Islamic Banking Division. The division shall also receive support from the control functions i.e. Shariah Review (under Group Compliance), Shariah Audit (under Group Internal Audit) and Shariah Risk Management (under Group Risk Management) to strengthen the policy of Shariah Governance for KIBB SPI. The key notes on the structure of KIBB SPI are as follows: -

- Group Managing Director shall be assisted by Group Exco and Senior Management;
- Any communication to Shariah Committee shall be made through Shariah Secretariat; and
- Shariah Audit, Shariah Risk Management, Shariah Review and Islamic Markets shall escalate potential Shariah Non-Compliance event to Shariah Committee in accordance with Shariah Non-Compliance Reporting

11. Shariah Governance Disclosures (Cont'd)

Regulatory Capital Requirements

The minimum regulatory capital requirement on credit, market and operational risk of the Islamic window is as follows:

Exposure Class	**Gross Exposure**	**Net Exposure**	**Risk Weighted Assets**	**Minimum Capital Requirements at 8%**
	RM'000	**RM'000**	**RM'000**	**RM'000**
As at 30 June 2025				
On-Balance Sheet Exposures				
Performing Exposures				
Sovereigns/Central Banks	155,075	155,075	-	-
Banks, Development Financial Institutions & MDBs	621,994	621,994	124,399	9,952
Corporates	302,592	233,122	145,893	11,671
Other Assets	5,712	5,565	967	78
Defaulted Exposures				
Corporates	-	-	-	-
Other Assets	4,134	3,377	5,061	405
Total for On-Balance Sheet Exposures	1,089,507	1,019,133	276,320	22,106
Off-Balance Sheet Exposures				
Other commitments with an original maturity of:-				
- up to 1 year	8,916	8,916	8,916	713
- over 1 year	-	-	-	-
Total for Off-Balance Sheet Exposures	8,916	8,916	8,916	713
Total for On and Off-Balance Sheet Exposures	1,098,423	1,028,049	285,236	22,819

Islamic Banking	**Long Positions**	**Short Positions**			
Profit Rate Risk	-	-	-	-	-
			-	-	-
Operational Risk				35,620	2,850
Total RWA and Capital Requirements				320,856	25,669

11. Shariah Governance Disclosures (Cont'd)

Exposure Class	**Gross Exposure**	**Net Exposure**	**Risk Weighted Assets**	**Minimum Capital Requirements at 8%**
	RM'000	**RM'000**	**RM'000**	**RM'000**
As at 31 December 2024				
On-Balance Sheet Exposures				
Performing Exposures				
Sovereigns/Central Banks	373,466	373,466	-	-
Banks, Development Financial Institutions & MDBs	269,397	269,397	53,879	4,310
Corporates	321,055	236,319	143,384	11,471
Other Assets	5,465	5,049	842	68
Defaulted Exposures				
Other Assets	3,442	3,010	4,510	361
Total for On-Balance Sheet Exposures	972,825	887,241	202,615	16,210
Off-Balance Sheet Exposures				
Other commitments with an original maturity of:-				
- up to 1 year	8,306	8,306	8,306	664
- over 1 year	17,125	17,125	17,125	1,370
Total for Off-Balance Sheet Exposures	25,431	25,431	25,431	2,034
Total for On and Off-Balance Sheet Exposures	998,256	912,672	228,046	18,244

Islamic Banking	**Long Positions**	**Short Positions**			
Profit Rate Risk	-	-	-	-	-
			-	-	-
Operational Risk				37,743	3,019
Total RWA and Capital Requirements				265,789	21,262

Note: The Group does not use Profit-sharing Investment Account ("PSIA") as a risk absorbent mechanism.

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

ATTESTATION BY GROUP MANAGING DIRECTOR

I, Datuk Chay Wai Leong, the Group Managing Director of KENANGA INVESTMENT BANK BERHAD, do hereby attest that the disclosures on Risk-Weighted Capital Adequacy Framework ("RWCAF") and Risk-Weighted Capital Adequacy Framework for Islamic Banks ("CAFIB") - Disclosure Requirements ("Pillar 3") as at 30 June 2025 set out in pages 1 to 32 are to the best of my knowledge and belief, accurate, complete and not misleading in any particular manner.

DATUK CHAY WAI LEONG

Kuala Lumpur

Date: 21 Aug 25