

SHARIAH COMMITTEE'S REPORT

In the name of Allah, the Most Beneficent, the Most Merciful.

In compliance with the letter of appointment, we are required to submit the following report:

We have reviewed the principles and the contracts relating to the transactions and applications introduced by the Skim Perbankan Islam of Kenanga Investment Bank Berhad ("KIBB SPI") during the financial year ended 31 December 2025. We have also conducted our review to form an opinion as to whether KIBB SPI has complied with the Shariah principles and with the Shariah rulings issued by the Shariah Advisory Council of Bank Negara Malaysia, as well as Shariah decisions made by us.

The management of KIBB is responsible for ensuring that KIBB SPI conducts its business in accordance with Shariah principles. It is our responsibility to form an independent opinion, based on our review of the operations of KIBB SPI, and to report to you.

We have assessed the work carried out by Shariah review which included examining, on a sampling basis, each type of transaction, the relevant documentation adopted by KIBB SPI.

We planned and performed our review so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that KIBB SPI has not violated the Shariah principles.

In our opinion:

- (1). The contracts, transactions and dealings entered into by KIBB SPI during the financial year ended 31 December 2025 that we have reviewed are in compliance with the Shariah principles;
- (2). The allocation of profit and charging of losses relating to investment accounts conform to the basis that had been approved by us in accordance with Shariah principles;
- (3). Amount which derived from the gharamah (penalty) shall be channelled to the eligible beneficiaries;
- (4). For the financial year 2025, KIBB SPI has paid zakat on its business to two (2) states zakat authorities and the zakat is computed using the profit and loss method. The beneficiaries of the zakat fund are Pusat Pungutan Zakat Majlis Agama Islam Wilayah Persekutuan and Lembaga Zakat Selangor; and
- (5). Nothing has come to the Shariah committee's attention that causes the Shariah committee to believe that the operations, business, affairs and activities of KIBB SPI involve any material Shariah non-compliances.

We, the members of the Shariah Committee of KIBB, do hereby confirm that the operations of KIBB SPI for the financial year ended 31 December 2025 have been conducted in conformity with the Shariah principles.

Chairman of the Shariah Committee:

Dr. Ghazali Jaapar

Shariah Committee Member:

Dr. Mohammad Firdaus Mohammad Hatta

Dr. Fadillah Mansor

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

Group	Note	2025 RM'000	2024 RM'000
Assets			
Cash and bank balances	5	2,173,371	2,098,059
Financial assets at fair value through profit or loss	6	507,075	552,301
Debt instruments at fair value through other comprehensive income	7(a)	673,879	867,152
Equity instruments at fair value through other comprehensive income	7(a)	1,382	1,421
Debt instruments at amortised cost	7(b)	454,420	521,018
Derivative financial assets	8	11,164	49,697
Loans, advances and financing	9	1,750,160	1,823,852
Balances due from clients and brokers	10	480,688	454,947
Other assets	11	309,670	439,768
Statutory deposit with Bank Negara Malaysia	12	36,484	73,768
Tax recoverable		24,183	37,251
Investment in associates	14	124,390	158,996
Investment in joint venture	15	23,662	27,710
Property, plant and equipment	16	150,965	154,441
Intangible assets	17	339,678	341,040
Right-of-use assets	18	26,849	22,543
Deferred tax assets	19	22,150	32,949
Total assets		7,110,170	7,656,913
Liabilities			
Deposits from customers	20	3,395,519	3,762,594
Deposits and placements of banks and other financial institutions	21	803,996	729,835
Balances due to clients and brokers	22	935,516	1,012,438
Derivative financial liabilities	23	42,230	60,133
Other liabilities	24	443,205	659,717
Obligations on securities sold under repurchase agreements	25	226,631	69,514
Borrowings	26	138,500	189,500
Lease liabilities	27	27,426	23,274
Provision for taxation and zakat		5,630	32,018
Deferred tax liabilities	19	3,054	48
Total liabilities		6,021,707	6,539,071
Equity			
Share capital	28 (i)	253,834	253,834
Treasury shares	28 (ii)	(7,446)	(7,441)
Reserves	29	842,075	871,449
Total equity attributable to equity holders of the Bank		1,088,463	1,117,842
Total liabilities and shareholders' equity		7,110,170	7,656,913
Commitments and contingencies	43	4,506,794	6,442,908

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

Bank	Note	2025 RM'000	2024 RM'000
Assets			
Cash and bank balances	5	1,634,200	1,386,786
Financial assets at fair value through profit or loss	6	508,622	553,541
Debt instruments at fair value through other comprehensive income	7(a)	673,879	867,152
Equity instruments at fair value through other comprehensive income	7(a)	1,382	1,421
Debt instruments at amortised cost	7(b)	454,420	521,018
Derivative financial assets	8	11,164	49,697
Loans, advances and financing	9	1,765,426	1,849,731
Balances due from clients and brokers	10	480,505	454,837
Other assets	11	158,222	219,144
Statutory deposit with Bank Negara Malaysia	12	36,484	73,768
Tax recoverable		24,174	24,716
Investment in subsidiaries	13	82,610	77,812
Investment in associates	14	91,844	91,844
Investment in joint venture	15	41,094	45,706
Property, plant and equipment	16	142,975	145,048
Intangible assets	17	329,686	333,576
Right-of-use assets	18	21,441	16,645
Deferred tax assets	19	-	11,169
Total assets		6,458,128	6,723,611
Liabilities			
Deposits from customers	20	3,565,230	3,904,816
Deposits and placements of banks and other financial institutions	21	803,996	729,835
Balances due to clients and brokers	22	352,093	360,633
Derivative financial liabilities	23	42,230	60,133
Other liabilities	24	278,031	338,078
Obligations on securities sold under repurchase agreements	25	226,631	69,514
Borrowings	26	123,500	180,500
Lease liabilities	27	21,807	17,161
Provision for taxation and zakat		578	17,071
Deferred tax liabilities	19	3,014	-
Total liabilities		5,417,110	5,677,741
Equity			
Share capital	28 (i)	253,834	253,834
Treasury shares	28 (ii)	(7,446)	(7,441)
Reserves	29	794,630	799,477
Total equity		1,041,018	1,045,870
Total liabilities and shareholders' equity		6,458,128	6,723,611
Commitments and contingencies	43	4,589,806	6,538,731

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Operating revenue	30	865,324	1,003,797	573,154	695,591
Interest income	31	267,378	268,510	255,748	257,504
Interest expense	32	(186,517)	(199,581)	(191,590)	(204,462)
Net interest income		80,861	68,929	64,158	53,042
Net income from Islamic banking operations	53(b)	26,281	27,698	26,281	27,698
Other operating income	33	553,060	702,938	307,254	456,607
Net income		660,202	799,565	397,693	537,347
Other operating expenses	34	(591,095)	(644,021)	(346,918)	(427,725)
Operating profit		69,107	155,544	50,775	109,622
Credit loss reversal/(expense)	35	4,618	(54,277)	2,329	(29,754)
Bad debts recovered	36	1,562	5,333	1,562	5,344
Impairment loss on investment in joint venture	15	-	-	(4,612)	-
Net reversal of impairment loss on investment in subsidiaries	13	-	-	4,798	-
		75,287	106,600	54,852	85,212
Share of results of associates and joint ventures		(1,723)	10,649	-	-
Profit before taxation and zakat		73,564	117,249	54,852	85,212
Taxation and zakat	41	(23,599)	(21,494)	(8,228)	(13,224)
Profit for the financial year		49,965	95,755	46,624	71,988
Other comprehensive income/(loss):					
Items that will not be reclassified subsequently to profit or loss:					
Fair value (loss)/gain on equity instruments at fair value through other comprehensive income ("FVOCI")		(40)	79	(40)	79
Share of other comprehensive (loss)/income in associates		(16,442)	6,223	-	-
Income tax relating to fair value (loss)/gain on equity instruments	19	10	(19)	10	(19)
Items that will be reclassified subsequently to profit or loss:					
Foreign exchange differences on consolidation		(11,861)	(3,774)	-	-
Other comprehensive (loss)/income carried forward:		(28,333)	2,509	(30)	60