

President/Chief Executive Officer's Review

Dear Stakeholders,

ADVANCING THE MADANI VISION

At EXIM Bank Malaysia, our purpose has never been more clearly defined. For the better part of three (3) decades, this institution has served as a bridge between Malaysia and the global economy — financing ambitions, managing risk, and expanding the commercial horizons of Malaysian enterprises. That purpose finds its most compelling expression today in the MADANI economic framework, a national vision that asks us to do more than transact. It asks us to transform.

FY2025 was a year in which we took that call seriously. Every programme we designed, every partnership we forged, and every ringgit we deployed was guided by the conviction that development finance — when executed with discipline and clarity — can be a genuine force for national progress. We did not simply administer capital; we directed it with intent, toward exporters ready to scale, toward markets that have been underserved, and toward a future where Malaysia's presence on the global stage reflects the full weight of its economic potential.



THE GLOBAL MACROECONOMIC LANDSCAPE IN 2025

Let me be direct about the environment we navigated in 2025: it was not an easy one. The global economy continued to grapple with the aftershocks of a prolonged period of monetary tightening, with major central banks holding rates at elevated levels through much of the year before cautiously easing in select economies. Trade fragmentation — a trend that has been building for several years — accelerated meaningfully, as geopolitical fault lines reshaped supply chains and redrew the map of preferred trade corridors.

The US-China rivalry did not abate; if anything, it intensified, with technology, semiconductors, and critical minerals at its epicentre. This created genuine disruption but also real opportunity. Countries positioned to serve as alternative sourcing destinations, production hubs, or transit nodes found themselves in higher demand — and Malaysia, given its location, manufacturing base, and institutional credibility, was well placed to benefit.

Currency volatility added another layer of complexity. The strengthening of the Malaysian ringgit against the US dollar, while a reflection of improved domestic fundamentals, did exert pressure on translated foreign currency income across the export finance sector. The global commodity cycle was uneven, with energy and agricultural prices moving in divergent directions depending on weather patterns and geopolitical supply disruptions. Through all of this, the institutions that fared best were those with diversified mandates, disciplined risk frameworks, and the operational agility to redirect capital where it was most needed.

MALAYSIA'S ECONOMIC PERFORMANCE IN 2025

Domestically, Malaysia's macroeconomic story in 2025 was one of resilience with nuance. GDP growth held up reasonably well, anchored by robust domestic consumption, continued public investment under the Twelfth Malaysia Plan, and strong inflows from the technology and semiconductor sectors — the latter driven in no small part by the geopolitical realignment in global chip supply chains.

The government's fiscal consolidation agenda advanced steadily, and the rationalisation of fuel subsidies — while politically delicate — demonstrated a seriousness of purpose in reforming the public balance sheet for the long term. Inflation moderated compared to prior years, and Bank Negara Malaysia maintained a measured stance that supported credit conditions without compromising stability.

On the trade side, Malaysian exports showed commendable breadth, with electrical and electronic products, palm oil derivatives, and manufactured goods all contributing. Export growth to ASEAN markets was a particular bright spot, while new corridor opportunities — into the Middle East, Africa, and Central Asia — started gaining meaningful traction. It is in this context that our work at EXIM Bank found its clearest commercial and developmental justification: helping Malaysian businesses go further, with confidence and support, into markets that offer real but complex opportunities.

Key Highlights of the Year 2025

Revenue	Profit before Tax	Disbursement	Net Impaired Loans
RM265,778 million	(RM81,311 million)	RM5,358,262 million	3.47%
(2024: RM298,958 million)	(2024: RM113,495 million)	(2024: RM2,556,908 million)	(2024: 10.76%)

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FINANCIAL PERFORMANCE

I want to engage honestly with our financial results for FY2025, because they tell an important story — one that is more constructive than the headline numbers might initially suggest.

Group revenue for the year came in at RM265.78 million. Total disbursements grew dramatically, rising 110% from RM2.56 billion in FY2024 to RM5.36 billion in FY2025. That figure deserves emphasis: we more than doubled the volume of financing deployed into the economy in a single year. This was driven by significant utilisation of trade lines by key customers, including a RM2.23 billion draw by FGV, alongside RM1.49 billion in new lending extended to major clients. The scale of deployment reflects the confidence that Malaysian businesses place in EXIM Bank as a financing partner when they are ready to move.

The Group recorded a loss before tax of RM81.31 million in FY2025, compared to a profit of RM113.49 million in the prior year. This outcome requires context. The result was principally driven by a RM395 million write-off exercise undertaken as part of a deliberate harmonisation of the Group's write-off policy across its entities following the formation of BPMB Group. This was not a reflection of deteriorating asset quality in the ordinary course; it was a conscious, one-time accounting action designed to establish a cleaner, more transparent baseline for the Group going forward. Housekeeping of this nature, done early and done properly, sets the foundation for more consistent and credible reporting in the years ahead.

Perhaps the most encouraging signal in our FY2025 results is the sharp improvement in asset quality. Net impaired loans fell from 10.76% in FY2024 to 3.47% in FY2025 — a reduction of more than seven (7) percentage points. Impaired balances declined to RM277.91 million as at 31 December 2025. This is a material improvement that reflects better credit discipline, active portfolio management, and the benefits of the write-off rationalisation. We enter FY2026 with a portfolio that is measurably cleaner and a balance sheet better positioned to support growth.



A DEFINING STRUCTURAL MILESTONE: THE BPMB GROUP FORMATION

One of the most consequential developments of FY2025 — and indeed in EXIM Bank's institutional history — was the completion of our acquisition by Bank Pembangunan Malaysia Berhad on 1 May 2025. Alongside SME Bank, we became a subsidiary of BPMB Group, forming what is now Malaysia's unified development finance institution.

I want to be clear about what this means in practice. This is not a merger for the sake of organisational tidiness. It is a strategic realignment that creates genuine scale, eliminates redundancy, and enables the kind of coordinated, high-impact financing that no single institution could achieve alone. With a combined workforce of over 2,000 professionals and an aggregate deployment mandate of RM8.3 billion for 2025, BPMB Group can now address the full spectrum of Malaysia's developmental financing needs — from SME formation to infrastructure development to export facilitation — through a coherent and integrated platform.

For EXIM Bank specifically, the new structure amplifies our capacity to pursue our core mandate: supporting Malaysian exporters and facilitating outbound investment. We now have access to deeper institutional resources, greater balance sheet strength, and a collaborative framework with BPMB and SME Bank that allows us to offer more complete solutions to clients whose financing needs span multiple segments. The transaction was completed based on net tangible asset values as of 31 December 2023, and the integration process is now actively underway. Early coordination across the three (3) institutions has already begun to yield insights about where synergies can be harvested most effectively.

PROGRESS UNDER THE 2025–2026 STRATEGY ROADMAP

Beyond the structural changes, FY2025 was a year of meaningful operational delivery under our 2025–2026 Strategy Roadmap. I want to highlight several areas where the progress was most tangible.

Our Malaysia Global Connect (MGC) programmes became a genuine engine of market development, particularly across the Middle East and Africa. We anchored a series of advisory, training, and business-matching initiatives that produced concrete outcomes — including successful investment workshops with Saudi Arabia and South Africa, and trade missions to World Expo Osaka and MIHAS Shanghai. These were not ceremonial activities. They generated real pipeline, real relationships, and real business results for Malaysian exporters.

On the exporter development side, we nurtured 56 new exporters through structured, outcome-driven programmes in FY2025, deliberately shifting away from simple participation metrics toward a more rigorous assessment of actual business progress. We achieved upward migration for 52 clients — meaning measurable improvements in their financial profiles and commercial performance. These numbers matter because they reflect real change in the businesses we serve, not just activity on our part.

We deepened our strategic partnership network meaningfully, signing new Memoranda of Understanding with Export Finance Australia, NAICO, and SINOSURE, among others. The Memorandum of Understanding (MOU) with Export Finance Australia, formalised on the sidelines of the ASEAN Summit in October 2025 — and timed to coincide with the 70th anniversary of Malaysia-Australia diplomatic relations — is particularly noteworthy. It creates a framework for co-financing, risk-sharing, and knowledge exchange across infrastructure, energy transition, digital economy, healthcare, and education, with an eye on the Australian government's Invested: Southeast Asia Economic Strategy to 2040. Given EXIM Bank's existing exposure of over RM181 million to Australia, this partnership has a solid foundation on which to build.

GOVERNANCE AND OPERATIONAL EXCELLENCE

Sound governance is not a compliance exercise at EXIM Bank — it is a competitive advantage. In a world where institutional credibility matters to counterparties, credit agencies, and development finance peers, the quality of our governance frameworks directly affects our ability to do business.

In FY2025, we improved business turnaround times by 34%, consistent with our annual performance targets. That is a meaningful operational achievement that reduces friction for clients and sharpens our positioning as a responsive and reliable financing partner. Faster decisions, executed with the same level of rigour, translate directly into better client experiences and stronger business relationships.

We continued to invest in our compliance, risk management, and internal audit frameworks throughout the year, with sustained focus on ensuring that our operational standards keep pace with the growing complexity of our mandate and portfolio. Our governance structures were further calibrated in anticipation of the new BPMB Group architecture, ensuring that the integration process is supported by clear lines of accountability and transparent reporting at every level.

ENVIRONMENTAL SUSTAINABILITY

The transition to a lower-carbon economy is not a distant aspiration for EXIM Bank — it is a present operational priority. In FY2025, we approved RM906.62 million in sustainability-linked financing, representing 60% progress toward our three-year commitment to support up to RM1.5 billion in sustainable financing by 2027. At the current pace, we are well on track to exceed that target.

One initiative from this year deserves particular recognition. Through a partnership with Wild Asia, EXIM Bank powered Malaysia's first globally recognised certified Carbon Sink Credits, achieved under Carbon Standards International — the leading international standard for verified carbon removals. The project has the capacity to scale to 100 certified carbon credits annually. This is a pioneering achievement, and it positions EXIM Bank at the frontier of nature-based solutions in Malaysian finance.

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It also signals to our international counterparties that we take environmental integrity seriously, not just in what we finance, but in how we operate.

Looking ahead, our sustainability financing pipeline is expanding, with growing interest from clients across the energy, agribusiness, and infrastructure sectors. We are developing the frameworks and products to meet that demand — because the transition economy is not just an environmental imperative; it is becoming a major commercial opportunity for Malaysian enterprises globally.

HUMAN CAPITAL AND ORGANISATIONAL DEVELOPMENT

No institution achieves its mandate through strategy alone. The quality of our people — their expertise, their values, and their sense of purpose — is what ultimately determines whether our programmes and partnerships deliver real-world impact.

At EXIM Bank, we are deliberate about building an organisation that is both technically excellent and values-driven. Our internal capability development programmes are designed to cultivate deep expertise in export finance, trade risk, and development economics — making EXIM Bank not just a lender but a genuine centre of knowledge in these fields. We invest in knowledge sharing and industry engagement, both to raise the bar internally and to contribute meaningfully to the broader export finance ecosystem in Malaysia.

We also place great importance on collaboration with academic institutions, multilateral bodies, and government agencies, creating pathways for talent to develop at the intersection of finance and public policy. The result, we believe, is a workforce that understands not just the mechanics of the transactions it handles, but the national significance of the work.

As part of the BPMB Group, we will maintain the full depth of our workforce while creating new opportunities for professional development that span the broader Group. Human capital is central to our developmental mission — and as our mandate grows, so too will our investment in the people who carry it forward.

PROGRESSING EXIM BANK MALAYSIA'S MANDATE

Everything we do is ultimately in service of a clear mandate: to support Malaysian exporters and investors as they take on the world, while channelling development capital into high-impact sectors that advance national priorities. In FY2025, we made measurable progress on both dimensions.

The Budget 2026 announcements reinforced this direction with two (2) significant new programmes. The RM500 million Skim Eksport Lonjakan (EXL) will provide targeted financing to help Malaysian exporters scale internationally and build resilience amid evolving global trade dynamics — directly addressing the cost pressures and competitive challenges that exporters face in fragmented markets. The Malaysia Global Connect (MGC) Go Export Cover programme, supported by a RM5 million grant, extends takaful protection to Malaysian exporters entering non-traditional markets, including Africa, Central Asia, ASEAN, and OIC member countries. This programme, bolstered by a strategic partnership with the Islamic Corporation for the Insurance of Investment and Export Credit under the Islamic Development Bank, is a practical response to one of the most significant barriers to export growth: political and commercial risk in frontier markets.

These programmes, combined with our existing suite of financing and risk mitigation tools, give us a robust and differentiated offering for the Malaysian exporter community. The ambition is clear — to make EXIM Bank the institution of choice for any Malaysian enterprise serious about going global.

OUTLOOK FOR 2026

I would be misleading you if I described 2026 as a year of smooth sailing. The global environment will continue to test institutions that operate across borders — trade policy unpredictability, shifting alliance structures, and the ongoing reconfiguration of global supply chains will all demand vigilance and adaptability. Protectionist currents are running stronger in many of our key markets, and the pace of technological disruption continues to accelerate across industries.

Against that backdrop, EXIM Bank's strategic focus in 2026 will be firmly anchored on developmental impact. We will deploy the new Budget 2026 programmes with speed and discipline, targeting disbursements that create measurable improvements in exporter capability, market access, and financial sustainability. Our Middle East, Africa, and Central Asia corridors — developed over several years of patient relationship-building — are now at a stage where they can generate meaningful transaction flow, and we intend to lean into that momentum.

We will expand our sustainable and transition financing activities, building on the progress made in FY2025. The global demand for green and climate-aligned financing is accelerating, and Malaysian enterprises with credible sustainability credentials are increasingly attractive to international capital. EXIM Bank can play a catalytic role in connecting those enterprises with the financing and risk mitigation tools they need to compete.

Risk management, as always, will be an enabler rather than an obstacle. The improvement in our asset quality metrics in FY2025 gives us a more solid foundation from which to extend new credit thoughtfully. We will pursue growth with clear eyes about where risks lie, and we will invest in the data, analytics, and governance infrastructure needed to manage a growing and more complex portfolio.

The integration with BPMB Group will also continue to deepen in 2026. As the three (3) institutions align their systems, processes, and client coverage, the synergies will become more tangible — and our collective capacity to address Malaysia's developmental financing gap will strengthen accordingly.

ACKNOWLEDGEMENTS

A statement like this cannot close without acknowledging the people and institutions who made our work in FY2025 possible.

To our Board of Directors: your counsel and oversight have been invaluable throughout a year of significant structural change. The decisions made in 2025 — to complete the Group formation, to harmonise policies, to accelerate programme deployment — required steady judgement and clear strategic vision. I am grateful for the guidance you provided and the confidence you placed in the management team.

To our Shariah Committee: your diligence in ensuring that our Islamic finance products and operations meet the highest standards of compliance is deeply appreciated. Your work underpins the trust that our clients and partners place in our offerings.

To our shareholders and key stakeholders — most notably the Ministry of Finance and Bank Pembangunan Malaysia Berhad: the mandate entrusted to EXIM Bank is a weighty one, and we take the responsibility of delivering on it seriously. We are grateful for the support, the resources, and the confidence that have been extended to us.

To our customers and business partners, both domestic and international: you are the reason this institution exists. The exporters who took the step of going global with our support, the investors who trusted us with their overseas ambitions, the multilateral and bilateral partners who co-deployed capital alongside us — all of you made FY2025 meaningful. We look forward to building on what we have started together.

And finally, to every member of the EXIM Bank Malaysia team: in a year that brought structural change, strategic pressure, and elevated operational demands, your professionalism, adaptability, and sense of purpose were evident at every turn. The results we achieved — the disbursements deployed, the exporters nurtured, the partnerships forged, the sustainability milestones reached — reflect your work, not mine. I am proud to lead this institution, and I am proud to lead it alongside you.

Datuk Nurbayu Kasim Chang
President/Chief Executive Officer