

MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
OF THE GROUP AND OF THE COMPANY
FOR THE 1ST QUARTER ENDED 31 MARCH 2024

MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	Group		Company	
		31-Mar-24 RM'000	31-Dec-23 RM'000	31-Mar-24 RM'000	31-Dec-23 RM'000
Assets					
Cash and short-term funds	A7(a)	3,041,279	5,607,314	32,504	9,642
Deposits and placements with banks and other financial institutions	A7(b)	758,247	749,812	65,078	65,078
Financial assets at fair value through profit or loss	A8	747,206	283,054	-	-
Financial investments at fair value through other comprehensive income	A9	12,803,525	12,637,634	-	-
Financial investments at amortised cost	A10	4,630,316	4,608,470	-	-
Derivative financial assets	A11	15,395	40,080	-	-
Loans, financing and advances	A12	41,373,674	40,491,527	272,225	272,225
Other receivables	A13	429,994	344,217	60,785	37,194
Tax recoverable		216,819	259,283	99,116	149,468
Deferred tax assets		90,216	95,220	668	-
Statutory deposits with Bank Negara Malaysia		827,695	822,661	-	-
Investments in subsidiaries		-	-	7,530,795	7,530,795
Property and equipment		329,065	324,833	22,407	22,524
Right-of-use assets		35,587	29,885	-	-
Investment properties		3,070	3,092	-	-
Goodwill		148,031	148,031	-	-
Intangible assets		159,464	161,126	2	2
Non-current assets held for sale	A14	-	57,047	-	-
Total assets		65,609,583	66,663,286	8,083,580	8,086,928

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023.

MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024 (cont'd)

	Note	Group		Company	
		31-Mar-24 RM'000	31-Dec-23 RM'000	31-Mar-24 RM'000	31-Dec-23 RM'000
Liabilities and shareholders' equity					
Deposits from customers	A15	39,476,779	38,800,067	-	-
Deposits and placements of banks and other financial institutions	A16	8,427,115	8,823,566	-	-
Islamic repurchase agreement		607,443	2,005,199	-	-
Derivative financial liabilities	A11	4,972	5,158	-	-
Other payables	A17	722,326	680,544	5,519	5,951
Lease liabilities		35,634	29,964	-	-
Recourse obligation on financing sold		3,953,224	4,031,732	-	-
Provision for taxation and zakat		1,746	35,945	-	-
Deferred tax liabilities		11,388	11,571	-	174
Sukuk		2,226,052	2,197,432	-	-
Borrowings and government grant	A18	199,644	203,842	-	-
Total liabilities		55,666,323	56,825,020	5,519	6,125
Ordinary share capital		7,970,427	7,970,427	7,970,427	7,970,427
Regulatory reserve		107,190	106,644	-	-
Fair value reserves		(90,047)	(115,908)	-	-
Retained earnings		1,955,452	1,876,865	107,634	110,376
		9,943,022	9,838,028	8,078,061	8,080,803
Non-controlling interests		238	238	-	-
Total equity		9,943,260	9,838,266	8,078,061	8,080,803
Total liabilities and shareholders' equity		65,609,583	66,663,286	8,083,580	8,086,928
Commitments and contingencies	A25	8,288,241	7,316,685	-	-
Net assets per share attributable to ordinary equity of the Company (RM)		1.21	1.20	0.98	0.98

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023.

MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

	Note	Group		Company	
		1st Quarter Ended		1st Quarter Ended	
		31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
Revenue		893,447	665,492	649	445,567
Income derived from investment of deposits and Islamic capital funds	A19	824,970	671,005	-	-
Income attributable to depositors		(432,915)	(319,572)	-	-
Income attributable to securitisation		(38,085)	(41,201)	-	-
Income attributable to sukuk and other borrowings		(43,044)	(30,662)	-	-
Income attributable to wakalah unrestricted investment account		-	(17,407)	-	-
Net income from Islamic operations		310,926	262,163	-	-
Interest income	A20	28,572	1,759	593	3,877
Interest expense	A21	(15,301)	-	-	-
Net interest income		13,271	1,759	593	3,877
Expected credit losses on loans, financing and advances and other impairment	A22	(44,615)	(56,787)	(263)	(12,736)
Operating income		279,582	207,135	330	(8,859)
Net other income	A23	40,570	4,304	1,009	444,597
Net income		320,152	211,439	1,339	435,738
Operating expenses	A24	(214,209)	(127,005)	(4,696)	(3,405)
Profit/(loss) before taxation and zakat		105,943	84,434	(3,357)	432,333
Taxation		(27,244)	(10,307)	615	1,686
Zakat		(358)	-	-	-
Profit/(loss) for the financial period		78,341	74,127	(2,742)	434,019
Attributable to:					
Shareholders of the Company		78,341	74,127	(2,742)	434,019
Non-controlling interests		-	-	-	-
		78,341	74,127	(2,742)	434,019
Other comprehensive income for the financial period, net of tax		26,653	123,270	-	-
Total comprehensive income/(expense) for the financial period		104,994	197,397	(2,742)	434,019
Earnings per ordinary share (sen)					
Basic		0.95	1.03	(0.03)	6.05

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023.

MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2024

	Share capital RM'000	← Non-distributable →		Distributable Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
		Regulatory reserves RM'000	Fair Value reserves RM'000				
Group							
At 1 January 2024	7,970,427	106,644	(115,908)	1,876,865	9,838,028	238	9,838,266
Profit for the period	-	-	-	78,341	78,341	-	78,341
Other comprehensive income for the financial period	-	-	25,861	792	26,653	-	26,653
Transfer of retained earnings to regulatory reserves	-	546	-	(546)	-	-	-
At 31 March 2024	7,970,427	107,190	(90,047)	1,955,452	9,943,022	238	9,943,260
At 1 January 2023	7,198,068	-	(341,366)	2,102,491	8,959,193	-	8,959,193
Profit for the period	-	-	-	74,127	74,127	-	74,127
Other comprehensive income for the financial period	-	-	123,270	-	123,270	-	123,270
Dividends to owners of the Company	-	-	-	(609,576)	(609,576)	-	(609,576)
At 31 March 2023	7,198,068	-	(218,096)	1,567,042	8,547,014	-	8,547,014

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023.

MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2024

Company	Share capital RM'000	Distributable Retained earnings RM'000	Total RM'000
At 1 January 2024	7,970,427	110,376	8,080,803
Loss for the period	-	(2,742)	(2,742)
At 31 March 2024	<u>7,970,427</u>	<u>107,634</u>	<u>8,078,061</u>
At 1 January 2023	7,198,068	292,362	7,490,430
Profit for the period	-	434,019	434,019
Dividends to owners of the Company	-	(609,576)	(609,576)
At 31 March 2023	<u>7,198,068</u>	<u>116,805</u>	<u>7,314,873</u>

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023.

MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

	Group		Company	
	31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
Cash flows from operating activities				
Profit/(Loss) before taxation	105,943	84,434	(3,357)	432,333
Adjustments for non-cash items	320,635	47,430	380	12,852
Operating profit/(loss) before working capital changes	426,578	131,864	(2,977)	445,185
Working capital changes:				
Net changes in operating assets	(965,270)	(774,851)	(12,222)	(246,096)
Net changes in operating liabilities	331,538	207,445	(606)	402
Cash (used in)/generated from from operations	(207,154)	(435,542)	(15,805)	199,491
Income taxes and zakat (paid)/refunded	(15,957)	11,468	38,667	-
Net cash (used in)/generated from operating activities	(223,111)	(424,074)	22,862	199,491
Cash flows from investing activities				
Purchase of property and equipment	(15,184)	(15,788)	-	-
Purchase of intangible assets	(8,711)	(7,935)	-	-
Profit income from:				
- financial assets at FVTPL	7,059	5,233	-	-
- financial investments at FVOCI	141,160	106,628	-	-
- financial investments at amortised cost	60,631	21,016	-	-
Net (purchase)/sale of:				
- financial assets at FVTPL	(470,666)	(1,038,494)	-	-
- financial investments at FVOCI	(383,688)	1,179,318	-	-
- financial investments at amortised cost	(133,226)	(320,121)	-	-
Net cash used in investing activities	(802,625)	(70,143)	-	-

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023.

MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (cont'd.)**

	Group		Company	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Net repayment of recourse obligation on financing sold	(78,129)	(83,936)	-	-
Proceeds/(Repayment) of:				
- Sukuk	514	532	-	-
- Borrowings and government grant	(4,977)	-	-	-
- Islamic repurchase agreement	(1,393,443)	-	-	-
Profit expense paid on:				
- Islamic repurchase agreement	(19,251)	-	-	-
- Recourse obligation on financing sold	(38,463)	(41,516)	-	-
- Sukuk	-	(225)	-	-
Payment of lease liabilities	(6,550)	(6,537)	-	-
Net cash used in financing activities	<u>(1,540,299)</u>	<u>(131,682)</u>	<u>-</u>	<u>-</u>
Net (decrease)/ increase in cash and cash equivalents	(2,566,035)	(625,899)	22,862	199,491
Cash and cash equivalents at beginning of financial period	5,607,314	2,205,950	9,642	59,636
Cash and cash equivalents at end of financial period	3,041,279	1,580,051	32,504	259,127
Cash and cash equivalents is represented by:				
Cash and short-term funds (Note 7(a))	<u>3,041,279</u>	<u>1,580,051</u>	<u>32,504</u>	<u>259,127</u>

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2024
PART A - EXPLANATORY NOTES PURSUANT TO MFRS134**

A1. Basis of preparation

The unaudited condensed interim financial statements for the financial quarter ended 31 March 2024 have been prepared under the historical cost convention except for financial investments which are recognised at fair value and financial assets and financial liabilities which are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest/profit method.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad and Policy Documents on Financial Reporting issued by Bank Negara Malaysia ("BNM"). The unaudited interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2023. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2023.

The unaudited interim financial statements of the Group consolidated financial performance of MBSB Bank Group and Malaysian Industrial Finance Berhad Group. The material accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 December 2023.

The new accounting standards, amendments to published standards and interpretation that are effective and applicable to the Group and the Company for the financial year beginning 1 January 2024 are as follows:

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' and 'Non-current liabilities with covenants'
- Amendments to MFRS 16 'Lease Liability' in a Sale and Leaseback

The adoption of the above amendments to published standards did not have any impact on the current period or any period and is not likely to affect future periods.

The Group and the Company will apply these standards and amendments to published standards from 1 January 2025:

- Amendments to MFRS 121 'Lack of Exchangeability'

The adoption of the amendments to published standards are not expected to give rise to material financial impact to the Group and the Company.

A2. Auditors' report on preceding Annual Financial Statements

The auditors' report on the annual audited financial statements for the financial year ended 31 December 2023 was not qualified.

A3. Seasonality and cyclicity of operations

The business operations of the Group and the Company have not been materially affected by any seasonal or cyclical factors.

A4. Exceptional or unusual items

There were no exception or unusual items during the quarter.

A5. Changes in estimates

There were no material changes in estimates of amounts reported in prior financial period that have a material effect in the current financial year.

A5. Changes in debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter.

	31-Mar-24	31-Dec-23
Number of ordinary shares ('000)	8,222,312	8,222,312
Share Capital (RM'000)	7,970,427	7,970,427

A6. Dividend

No dividend was paid in the current quarter. On 18 April 2024, the Company announced a proposed single-tier final dividend of 3.5 sen per ordinary share in respect of the financial year ended 31 December 2023.

Based on the total number of ordinary shares issued of 8,222,312,432 as at 31 December 2023, the proposed dividend payable would be approximately RM287,780,935. The proposed dividend will be fully paid in cash. The approval for the proposed dividend will be sought at the upcoming Annual General Meeting.

A7. Cash and short-term funds and deposits and placements with financial institutions

	Group		Company	
	31-Mar-24 RM'000	31-Dec-23 RM'000	31-Mar-24 RM'000	31-Dec-23 RM'000
(a) Cash and short-term funds:				
Cash and balances with banks and other financial institutions	798,915	589,749	26,102	3,833
Money at call and deposit placements maturing within 1 month	2,242,364	5,017,565	6,402	5,809
	3,041,279	5,607,314	32,504	9,642
(b) Deposits and placements with banks and other financial institutions with original maturity of more than 1 month	758,247	749,812	65,078	65,078
	3,799,526	6,357,126	97,582	74,720

The ECL for cash and short-term funds and deposits and placements above is nil (2023: nil).

As at reporting date, the dealer's representatives' and clients' monies held in trust by the Group amounted to approximately RM22,217,000 (2023: RM16,994,000). These amounts are excluded from the cash and short-term funds of the Group.

A8. Financial assets at fair value through profit or loss ("FVTPL")

	Group	
	31-Mar-24 RM'000	31-Dec-23 RM'000
Money Market instruments		
Private mandate investments	130,193	240,357
Malaysian Government Investment Issues	559,267	10,368
	689,460	250,725
Equity instruments		
Shares	24,964	-
Unit trusts	32,782	32,329
	57,746	32,329
	747,206	283,054

A9. Financial investments at fair value through other comprehensive income ("FVOCI")

	Group	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Money Market Instruments		
Malaysian Government Investment Issues	8,428,126	8,326,803
Islamic Negotiable Instruments	199,954	-
	<u>8,628,080</u>	<u>8,326,803</u>
Debt securities		
<u>In Malaysia</u>		
Private and Islamic debt securities	1,731,603	2,597,651
Government Guaranteed debt securities	1,517,060	1,637,112
Corporate bonds/sukuk	925,375	74,661
	<u>4,174,038</u>	<u>4,309,424</u>
Equity instruments		
Shares	1,407	1,407
	<u>12,803,525</u>	<u>12,637,634</u>

The carrying amount of financial investments measured at FVOCI is its fair value. Accordingly, the recognition of an impairment loss does not affect the carrying amount of those assets, but is reflected as a debit to profit or loss or retained earnings, and credit to other comprehensive income.

Movement of allowance for credit loss recognised in FVOCI reserve:

	Group			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	577	-	20,960	21,537
Total charge to profit or loss:	100	-	-	100
New financial investments purchased during the period	149	-	-	149
Matured financial investments during the period	(19)	-	-	(19)
Change in credit risk	(30)	-	-	(30)
Others	(53)	-	-	(53)
At 31 March 2024	<u>624</u>	<u>-</u>	<u>20,960</u>	<u>21,584</u>

	Group			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	10	-	-	10
Acquisition of MIDF	358	-	20,960	21,318
Total reversal to profit or loss:	209	-	-	209
New financial investments purchased during the year	176	-	-	176
Matured financial investments during the year	(14)	-	-	(14)
Change in credit risk	47	-	-	47
At 31 December 2023	<u>577</u>	<u>-</u>	<u>20,960</u>	<u>21,537</u>

A10. Financial investments at amortised cost

	Group	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Money Market Instruments		
Malaysian Government Investment Issues	627,288	1,262,183
Negotiable Instruments of Deposit	658,105	-
Debt securities		
<u>In Malaysia</u>		
Private and Islamic debt securities	1,643,763	3,097,186
Government Guaranteed corporate sukuk	75,430	75,684
Corporate bond/sukuk	1,627,106	175,269
	<u>4,631,692</u>	<u>4,610,322</u>
Less: ECL		
- Stage 1	(1,249)	(1,705)
- Stage 2	(127)	(147)
	<u>4,630,316</u>	<u>4,608,470</u>

ECL movement for financial investments at amortised cost:

	Group			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	1,705	147	-	1,852
Total reversal to profit or loss:	(456)	(20)	-	(476)
Matured financial investments during the period	(43)	-	-	(43)
Changes in credit risk	(413)	(20)	-	(433)
At 31 March 2024	<u>1,249</u>	<u>127</u>	<u>-</u>	<u>1,376</u>

	Group			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	868	239	-	1,107
Acquisition of MIDF	1,011	-	-	1,011
Total reversal to profit or loss:	(174)	(92)	-	(266)
Matured financial investments during the year	(32)	-	-	(32)
Changes in credit risk	(226)	(92)	-	(318)
New financial investments purchased during the year	84	-	-	84
At 31 December 2023	<u>1,705</u>	<u>147</u>	<u>-</u>	<u>1,852</u>

A11. Derivative financial assets/(liabilities)

The following table summarises the contractual or underlying notional amounts of derivative financial instruments held at fair value through profit or loss. The notional or contractual amount of these instruments reflects the volume of transactions outstanding at financial position date and do not represent amounts at risk.

Derivative financial instruments are revalued on a gross position and the unrealised gains or losses are reflected as derivative financial assets and liabilities respectively.

	Group		
	Notional amount RM'000	Fair value Assets RM'000	Liabilities RM'000
At 31 March 2024			
<u>Derivatives</u>			
<u>Foreign exchange contracts:</u>			
Currency forward			
- Less than one year	3,936,884	8,786	(4,972)
<u>Interest rate related derivatives:</u>			
Interest rate swaps			
- Less than one year	300,000	6,609	-
	4,236,884	15,395	(4,972)
At 31 December 2023			
<u>Derivatives</u>			
<u>Foreign exchange contracts:</u>			
Currency forward			
- Less than one year	2,820,048	32,805	(5,158)
<u>Interest rate related derivatives:</u>			
Interest rate swaps			
- Less than one year	300,000	7,275	-
	3,120,048	40,080	(5,158)

A12. Loans, financing and advances

	Group		Company	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
(i) By type				
At amortised cost				
Term loans/financing				
- Personal financing	19,335,389	19,467,482	-	-
- Housing loans/financing	9,992,165	9,636,637	-	-
- Industrial hire purchase	766,647	764,085	-	-
- Bridging loans/financing	663,255	652,400	179,832	179,819
- Auto financing	18,986	22,667	-	-
- Other term loans/financing	5,179,256	5,505,197	352,564	352,342
- Syndicated term loans/financing	2,293,754	2,018,478	-	-
Revolving credit	211,533	113,356	-	-
Trade finance	3,170,911	2,637,621	-	-
Margin accounts	1,065,639	1,003,996	-	-
Cashline	217,281	193,585	-	-
Staff loans/financing	29,386	28,807	-	-
Gross loans, financing and advances	42,944,202	42,044,311	532,396	532,161
Less: ECL				
- Stage 1	(331,227)	(344,317)	-	-
- Stage 2	(83,325)	(80,059)	-	-
- Stage 3	(1,155,976)	(1,128,408)	(260,171)	(259,936)
Net loans, financing and advances	41,373,674	40,491,527	272,225	272,225
(ii) By residual contractual maturity				
	Group		Company	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Maturing within one year	6,613,634	5,938,507	296,100	295,922
One year to three years	1,991,710	1,978,062	-	-
Three years to five years	2,522,107	2,591,709	-	-
Over five years	31,816,751	31,536,033	236,296	236,239
	42,944,202	42,044,311	532,396	532,161

A12. Loans, financing and advances (cont'd.)

(iii) By type of customers

	Group		Company	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Individuals:				
- Malaysian nationals	30,162,006	29,902,325	-	-
Foreign nationals	707,688	774,843	-	-
Domestic business enterprises:				
- Small medium enterprises	4,931,824	4,552,390	437,288	437,066
- Non-bank financial institutions	780,204	718,567	-	-
- Others	6,362,480	6,096,186	95,108	95,095
	42,944,202	42,044,311	532,396	532,161

(iv) By sector

	Group		Company	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Household sectors	30,219,367	29,901,885	-	-
Construction	3,561,717	3,628,043	296,100	295,922
Finance, insurance, real estate and business services	2,955,065	3,104,470	-	-
Wholesale & retail trade and restaurants & hotels	2,024,673	1,584,976	-	-
Manufacturing	2,034,039	1,668,415	-	-
Education, health and others	990,707	1,134,669	236,296	236,239
Transport, storage and communications	644,782	505,549	-	-
Mining and quarrying	91,821	97,801	-	-
Electricity, gas and water	206,632	215,901	-	-
Agriculture	215,399	202,602	-	-
	42,944,202	42,044,311	532,396	532,161

A12. Loans, financing and advances (cont'd.)

(v) By profit rate sensitivity

	Group		Company	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
<u>Fixed rate:</u>				
Personal financing	13,934,054	13,109,750	-	-
Mortgage and property Islamic	337,846	345,749	-	-
Auto financing	24,880	24,427	-	-
Bridging, structured and term loans and financing	2,023,218	1,939,089	-	-
<u>Variable rate:</u>				
Personal financing	5,455,389	6,358,297	-	-
Mortgage and property Islamic	9,681,464	9,317,370	-	-
Bridging, structured and term loans and financing	11,487,351	10,949,629	532,396	532,161
	42,944,202	42,044,311	532,396	532,161

(vi) By geographical distribution

	Group		Company	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Malaysia	42,944,202	42,044,311	532,396	532,161

(vii) Movement of gross loans, financing and advances

	Group			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	37,244,052	1,744,545	3,055,714	42,044,311
Transfer to Stage 1	239,947	(236,343)	(3,604)	-
Transfer to Stage 2	(547,393)	630,208	(82,815)	-
Transfer to Stage 3	(73,390)	(117,797)	191,187	-
New financing/disbursement during the period	5,180,204	78,010	1,138	5,259,352
Repayment during the period	(4,168,063)	(128,080)	(120,885)	(4,417,028)
Other movements	54,350	6,601	30,989	91,940
Write-offs	-	-	(34,373)	(34,373)
At 31 March 2024	37,929,707	1,977,144	3,037,351	42,944,202

A12. Loans, financing and advances (cont'd.)

(vii) Movement of gross loans, financing and advances (cont'd)

	Group			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	33,407,228	2,545,236	2,607,227	38,559,691
Acquisition of MIDF	1,646,040	74,285	288,598	2,008,923
Transfer to Stage 1	1,108,840	(1,032,060)	(76,780)	-
Transfer to Stage 2	(541,739)	621,480	(79,741)	-
Transfer to Stage 3	(168,120)	(376,845)	544,965	-
New financing/disbursement during the year	10,122,453	535,537	406,125	11,064,115
Repayment during the year	(8,388,509)	(568,370)	(412,152)	(9,369,031)
Other movements	95,344	(45,829)	166,537	216,052
Derecognition of credit impaired financial asset	-	-	(44,200)	(44,200)
Reclassification from non-current assets held for sale	-	-	1,403	1,403
Write-offs	(791)	(903)	(328,633)	(330,327)
Derecognition due to debt sale	(36,694)	(7,986)	(17,635)	(62,315)
At 31 December 2023	37,244,052	1,744,545	3,055,714	42,044,311

	Company			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	-	-	532,161	532,161
Other movements	-	-	235	235
At 31 March 2024	-	-	532,396	532,396

	Company			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	36,972	54,471	537,623	629,066
Transfer to Stage 1	33	(33)	-	-
Repayment during the year	(269)	(46,452)	(49)	(46,770)
Other movements	-	-	12,722	12,722
Refinancing to MBSB Bank	(42)	-	(251)	(293)
Write-offs	-	-	(249)	(249)
Derecognition due to debt sale	(36,694)	(7,986)	(17,635)	(62,315)
At 31 December 2023	-	-	532,161	532,161

A12. Loans, financing and advances (cont'd.)

(viii) Movement of ECL for loans, financing and advances

	Group			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	344,317	80,059	1,128,408	1,552,784
(Reversal)/charged to profit or loss	(13,090)	3,266	62,137	52,313
Changes in the ECL due to transfer within stages:				
- Transfer to Stage 1	10,248	(9,085)	(1,163)	-
- Transfer to Stage 2	(3,948)	32,063	(28,115)	-
- Transfer to Stage 3	(204)	(8,206)	8,410	-
New financing/disbursement during the period	28,779	770	-	29,549
Repayment during the period	(62,535)	(41,567)	(9,747)	(113,849)
Changes in credit risk parameters #	14,570	29,291	92,752	136,613
Write-offs	-	-	(34,373)	(34,373)
Others	-	-	(196)	(196)
At 31 March 2024	331,227	83,325	1,155,976	1,570,528

The changes in credit risk parameters include impact of forward-looking on key macroeconomic variables ("MEV") and changes to loss rate for the ECL model.

A12. Loans, financing and advances (cont'd.)

(viii) Movement of ECL for loans, financing and advances (cont'd.)

	Group			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	293,979	337,893	994,161	1,626,033
Acquisition of MIDF	4,857	2,284	155,692	162,833
Charged/(reversal) to profit or loss	46,554	(258,530)	319,493	107,517
Changes in the ECL due to transfer within stages:				
- Transfer to Stage 1	145,683	(91,777)	(53,906)	-
- Transfer to Stage 2	(4,752)	34,332	(29,580)	-
- Transfer to Stage 3	(2,418)	(80,799)	83,217	-
New financing/disbursement during the year	107,226	10,519	10,536	128,281
Repayment during the year	(206,744)	(104,370)	(49,756)	(360,870)
Changes in credit risk parameters #	17,313	(26,310)	378,202	369,205
Change to model assumptions and methodologies ^	(9,754)	(125)	25	(9,854)
Derecognition of credit impaired financial asset	-	-	(19,245)	(19,245)
Reclassification from non-current assets held for sale	-	-	1,417	1,417
Write-offs	-	-	(326,371)	(326,371)
Derecognition due to debt sale	(1,073)	(1,588)	(15,701)	(18,362)
Others	-	-	(283)	(283)
At 31 December 2023	344,317	80,059	1,128,408	1,552,784

The changes in credit risk parameters include impact of forward-looking on key MEV and changes to loss rate for the ECL model.

^ The changes to model assumptions and methodologies were in relation to incorporation of MEV factors with more intuitive trends, revision to Probability of Default ("PD") and Loss Given Default ("LGD") modelling and revisions to management overlay assumptions.

A12. Loans, financing and advances (cont'd.)

(viii) Movement of ECL for loans, financing and advances (cont'd.)

	Company			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	-	-	259,936	259,936
Changes in credit risk parameters #	-	-	235	235
At 31 March 2024	-	-	260,171	260,171

	Company			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	1,222	3,493	255,900	260,615
Reversal to profit or loss	(149)	(1,905)	19,737	17,683
Changes in the ECL due to transfer within stages:				
- Transfer to Stage 1	2	(2)	-	-
Repayment during the year	(150)	(1,903)	(344)	(2,397)
Changes in credit risk parameters #	-	-	20,224	20,224
Refinancing to MBSB Bank	(1)	-	(143)	(144)
Derecognition due to debt sale	(1,073)	(1,588)	(15,701)	(18,362)
At 31 December 2023	-	-	259,936	259,936

The changes in credit risk parameters include impact of forward-looking on key MEV and changes to loss rate for the ECL model.

A12. Loans, financing and advances (cont'd.)

(ix) Movements of impaired loans, financing and advances

	Group		Company	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January	3,055,714	2,607,227	532,161	537,623
Acquisition of MIDF	-	288,598	-	-
Classified as impaired during the period/year	192,325	951,090	-	-
Reclassified as non-impaired	(86,419)	(156,521)	-	-
Amount recovered	(120,885)	(412,152)	-	(49)
Other movements	30,989	166,537	235	12,722
Derecognition of credit impaired financial asset	-	(44,200)	-	-
Refinancing to MBSB Bank	-	-	-	(251)
Reclassification from non-current assets held for sale	-	1,403	-	-
Amount written off	(34,373)	(328,633)	-	(249)
Derecognition due to debt sale	-	(17,635)	-	(17,635)
Balance as at end of financial period/year	3,037,351	3,055,714	532,396	532,161
Less: ECL stage 3	(1,155,976)	(1,128,408)	(260,171)	(259,936)
Net impaired loans, advances and financing	1,881,375	1,927,306	272,225	272,225
Net impaired as a percentage of net loans, financing and advances	4.55%	4.76%	100.00%	100.00%
Gross impaired as a percentage of gross loans, financing and advances	7.07%	7.27%	100.00%	100.00%

A12. Loans, financing and advances (cont'd.)

(x) Impaired loans, financing and advances by sector

	Group		Company	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Household sector	783,081	691,906	-	-
Construction	1,102,982	1,096,024	296,100	295,922
Education, health and others	236,580	380,141	236,296	236,239
Finance, insurance, real estate and business services	350,203	344,635	-	-
Manufacturing	185,373	183,692	-	-
Wholesale & retail trade and restaurants & hotels	326,711	306,563	-	-
Transport, storage and communication	3,921	4,253	-	-
Mining and quarrying	48,500	48,500	-	-
	3,037,351	3,055,714	532,396	532,161

(xi) Impaired loans, financing and advances by geographical distribution

	Group		Company	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Malaysia	3,037,351	3,055,714	532,396	532,161

MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)
(Incorporated in Malaysia)

A13. Other receivables

	Group		Company	
	31-Mar-24 RM'000	31-Dec-23 RM'000	31-Mar-24 RM'000	31-Dec-23 RM'000
Amount due from MBSB Bank	-	-	20,944	35,619
Amount due from other subsidiaries	-	-	37,583	-
Amount due from special-purpose vehicle ("SPV")	57,047	-	-	-
Foreclosed properties	36,580	36,580	309	309
Prepayments and deposits	37,255	32,530	-	-
Fee receivables	35,481	63,800	-	-
Sundry receivables	133,597	153,685	1,949	1,266
Deferred expenses	62,308	60,849	-	-
Amount due from brokers and clients	64,012	20,249	-	-
Trade receivable	7,887	-	-	-
	<u>434,167</u>	<u>367,693</u>	<u>60,785</u>	<u>37,194</u>
Less: ECL	(4,173)	(23,476)	-	-
	<u>429,994</u>	<u>344,217</u>	<u>60,785</u>	<u>37,194</u>

A14. Non-current assets held for sale

	Group	
	31-Mar-24 RM'000	31-Dec-23 RM'000
Non-current assets held for sale comprise:		
Other assets held for sale	-	57,047
	<u>-</u>	<u>57,047</u>
	Group	
	31-Mar-24 RM'000	31-Dec-23 RM'000
Lands and office units	-	56,846
Property and equipment	-	201
	<u>-</u>	<u>57,047</u>
<u>Lands and office units</u>		
Balance at beginning of period/year	56,846	-
Transfer from inventories	-	50,516
Writeback made during the financial period	-	6,330
Transfer to SPV	(56,846)	-
Balance at end of period/period	<u>-</u>	<u>56,846</u>
<u>Property and equipment:</u>		
Balance at beginning of period/year	201	260
Disposal during the period	-	(260)
Transfer from property and equipment	-	201
Transfer to SPV	(201)	-
Balance at end of period/year	<u>-</u>	<u>201</u>

A15. Deposits from customers

(i) By type of deposits:

	Group	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Term Deposits	36,066,091	36,025,662
Demand deposits	2,540,816	2,021,453
Savings deposits	869,872	752,952
	<u>39,476,779</u>	<u>38,800,067</u>

(ii) Maturity of term deposits:

	Group	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Due within six months	26,443,689	27,151,261
More than six months to one year	6,792,540	6,199,332
More than one year to three years	607,821	482,298
More than three years	2,222,041	2,192,771
	<u>36,066,091</u>	<u>36,025,662</u>

(iii) By type of customers:

	Group	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Government and statutory bodies	18,748,224	19,306,461
Business enterprises	15,105,281	14,186,512
Individuals	5,623,274	5,307,094
	<u>39,476,779</u>	<u>38,800,067</u>

A16. Deposits and placements of banks and other financial institutions

(i) By type of deposit:

	Group	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Other financial institutions:		
- Licensed investment banks	56,925	29,271
- Licensed commercial banks	3,182	921
- Licensed islamic banks	201,227	1,201,820
- Other financial institutions	8,165,781	7,591,554
	<u>8,427,115</u>	<u>8,823,566</u>

A17. Other payables

		Group		Company	
	Note	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
		RM'000	RM'000	RM'000	RM'000
Amount due to brokers and clients	(i)	67,211	20,156	-	-
Amount due to Government					
Scheme Funds ("GSF")		91,287	83,019	-	-
Sundry payables		263,053	267,056	4,376	5,432
Al-Mudharabah security funds		116,426	117,885	-	-
Expected credit losses for					
commitments and contingencies	(ii)	31,470	35,250	-	-
Employee benefits		14,260	13,970	-	-
Deferred income		5,118	5,243	-	-
Other provisions and accruals		133,501	137,965	1,143	519
		<u>722,326</u>	<u>680,544</u>	<u>5,519</u>	<u>5,951</u>

A17. Other payables (cont'd.)

(i) Amount due to brokers and clients

	Group	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Brokers	27,302	10,237
Clients	39,909	9,919
	<u>67,211</u>	<u>20,156</u>

(ii) Expected credit losses for commitments and contingencies

Movement of expected credit losses for commitments and contingencies are as follows:

	Group			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	28,221	5,179	1,850	35,250
Total reversal to profit or loss	(368)	(3,299)	(84)	(3,751)
Changes in ECL due to transfer within stages:				
- Transfer to Stage 1	220	(141)	(79)	-
- Transfer to Stage 2	(46)	116	(70)	-
- Transfer to Stage 3	-	(37)	37	-
New financing/disbursement during the period	3,516	43	-	3,559
Derecognised/converted to loans/financing during the period (other than write-offs)	(2,992)	(2,293)	(164)	(5,449)
Changes in credit risk parameters #	(1,066)	(987)	192	(1,861)
Write-offs	(29)	-	-	(29)
At 31 March 2024	<u>27,824</u>	<u>1,880</u>	<u>1,766</u>	<u>31,470</u>

The changes in credit risk parameters includes the impact of forward-looking on key MEV and changes to loss rate for the ECL model.

A17. Other payables (cont'd.)

(ii) Expected credit losses for commitments and contingencies (cont'd.)

Movement of expected credit losses for commitments and contingencies are as follows: (cont'd.)

	Group			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	15,277	32,440	5,055	52,772
Acquisition of MIDF	1,307	-	-	1,307
Total charged/(reversal) to profit or loss	11,709	(27,160)	(2,910)	(18,361)
Changes in ECL due to transfer within stages:				
- Transfer to Stage 1	1,948	(1,935)	(13)	-
- Transfer to Stage 2	(913)	950	(37)	-
- Transfer to Stage 3	(8)	(356)	364	-
New financing/disbursement during the year	12,223	255	68	12,546
Derecognised/converted to loans/financing during the year (other than write-offs)	(3,743)	(8,937)	(3,963)	(16,643)
Changes in credit risk parameters #	2,202	(17,137)	671	(14,264)
Derecognition due to debt sale	(72)	(101)	(283)	(456)
Write-offs	-	-	(12)	(12)
At 31 December 2023	28,221	5,179	1,850	35,250

The changes in credit risk parameters includes the impact of forward-looking on key MEV and changes to loss rate for the ECL model.

A17. Other payables (cont'd.)

(ii) Expected credit losses for commitments and contingencies (cont'd.)

Movement of expected credit losses for commitments and contingencies are as follows: (cont'd.)

	Company			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2024/31 March 2024	-	-	-	-
	Company			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	131	69	222	422
Total (reversal)/charged to profit or loss	(59)	32	61	34
Changes in ECL due to transfer within stages:				
- Transfer to Stage 1	2	(2)	-	-
- Transfer to Stage 2	(17)	31	(14)	-
- Transfer to Stage 3	-	(42)	42	-
Derecognised/drawdown to loans/financing during the year	(46)	-	-	(46)
Changes in credit risk parameters #	2	45	33	80
Derecognition due to debt sale	(72)	(101)	(283)	(456)
At 31 December 2023	-	-	-	-

The changes in credit risk parameters includes the impact of forward-looking key MEV and changes to loss rate for the ECL model.

A18. Borrowings and government grant

		Group	
		31-Mar-24	31-Dec-23
		RM'000	RM'000
	Note		
Borrowings			
Loan from JBIC-FSMI	(a)	104,894	109,092
Loan from MITI	(b)	78,130	77,191
		<u>183,024</u>	<u>186,283</u>
Government grant			
Loan from MITI	(b)	16,620	17,559
Total borrowing and government grant		<u>199,644</u>	<u>203,842</u>

- (a) Loan from Japan Bank of International Cooperation Fund for Small and Medium Industries ("JBIC-FSMI")

		Group	
		31-Mar-24	31-Dec-23
		RM'000	RM'000
At beginning of period/year		109,092	-
Addition from acquisition of MIDF		-	108,342
Interest expense		779	750
Repayment		(4,977)	-
At end of period/year		<u>104,894</u>	<u>109,092</u>

- (b) Loan from Soft Loan Scheme for Services Sector ("SLSSS") provided by Ministry of International Trade and Industry ("MITI")

		Group	
		31-Mar-24	31-Dec-23
		RM'000	RM'000
Borrowings			
At beginning of period/year		77,191	-
Addition from acquisition of MIDF		-	97,998
Repayment		-	(22,000)
Profit expense *		939	1,193
At end of period/year		<u>78,130</u>	<u>77,191</u>
Government grant			
At beginning of period/year		17,559	-
Addition from acquisition of MIDF		-	18,752
Amortisation		(939)	(1,193)
At end of period/year		<u>16,620</u>	<u>17,559</u>
		<u>94,750</u>	<u>94,750</u>

* Grant income is deducted against the profit expense in profit or loss.

A19. Income derived from investment of deposits and Islamic capital funds

	Group	
	1st Quarter Ended	
	31-Mar-24	31-Mar-23
	RM'000	RM'000
Income derived from:		
Financing and advances	633,587	543,298
Financial investments at FVOCI	109,425	90,907
Financial investments at amortised cost	49,343	20,898
Financial assets at FVTPL	2,873	4,974
Deposits and placements with banks and other financial institutions	29,742	10,928
	<u>824,970</u>	<u>671,005</u>

A20. Interest income

	Group		Company	
	1st Quarter Ended		1st Quarter Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM'000	RM'000	RM'000	RM'000
Interest income from:				
Loans and advances	22,844	1,759	-	2,627
Deposits and placements with banks and other financial institutions	2,269	-	593	1,250
Financial investments at FVOCI	1,555	-	-	-
Financial investments at amortised cost	1,904	-	-	-
	<u>28,572</u>	<u>1,759</u>	<u>593</u>	<u>3,877</u>

A21. Interest expense

	Group	
	1st Quarter Ended	
	31-Mar-24	31-Mar-23
	RM'000	RM'000
Deposits from customers	14,474	-
Deposits and placements with banks and other financial institutions	48	-
Borrowings	779	-
	<u>15,301</u>	<u>-</u>

A22. Expected credit losses on loans, financing and advances and other impairment

	Group		Company	
	1st Quarter Ended 31-Mar-24 RM'000	1st Quarter Ended 31-Mar-23 RM'000	1st Quarter Ended 31-Mar-24 RM'000	1st Quarter Ended 31-Mar-23 RM'000
<u>Expected credit losses on loans, financing and advances made/(written back)</u>				
Loans, financing and advances				
- Stage 1	(13,090)	(47,835)	-	(147)
- Stage 2	3,266	(85,075)	-	(1,905)
- Stage 3	62,137	200,520	235	3,336
Credit impaired loans, financing and advances:				
- Write-off	6,722	7,536	28	216
- Recovered	(10,232)	(10,411)	-	(9,177)
Loss on sale of loans, financing and advances	-	19,332	-	19,332
	48,803	84,067	263	11,655
<u>Expected credit losses on financial investments made/(written back):</u>				
Financial investments at FVOCI	100	22	-	-
Financial investments at amortised cost	(476)	(220)	-	-
	(376)	(198)	-	-
<u>Other expected credit losses and impairment allowances made/(written back):</u>				
Other receivables	(61)	-	-	-
Amount due from subsidiaries	-	-	-	1,046
Financing commitments and financial guarantees	(3,751)	(27,082)	-	35
	(3,812)	(27,082)	-	1,081
	44,615	56,787	263	12,736

MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)
(Incorporated in Malaysia)

A23. Net other income

	Group		Company	
	1st Quarter Ended		1st Quarter Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM'000	RM'000	RM'000	RM'000
<u>Rental</u>				
Rental income	86	44	953	956
	<u>86</u>	<u>44</u>	<u>953</u>	<u>956</u>
<u>Fee income</u>				
Net financing processing fees	243	1,352	-	-
Amortisation of facility fees	1,084	446	-	-
Other facility fees	403	1,291	56	860
Management fees	7,550	-	-	-
Corporate advisory fees	4,003	-	-	-
Income from Government Scheme Funds	12,927	-	-	-
Brokerage fees	2,986	-	-	-
Others	3,559	-	-	-
	<u>32,755</u>	<u>3,089</u>	<u>56</u>	<u>860</u>
<u>Insurance and commission</u>				
Insurance commission	7,879	5,955	-	2
	<u>7,879</u>	<u>5,955</u>	<u>-</u>	<u>2</u>
<u>Gross dividend income</u>				
Dividend income	-	-	-	440,828
	<u>-</u>	<u>-</u>	<u>-</u>	<u>440,828</u>
<u>Investment income</u>				
Net gain/(loss) on sale of:				
- financial assets at FVTPL	1,377	1,304	-	-
- financial investments at FVOCI	(377)	(14,291)	-	-
- financial investments at amortised cost	22	-	-	-
Net unrealised gain on revaluation of:				
- financial assets at FVTPL	2,041	1,036	-	-
- derivatives instruments	516	-	-	-
Loss on foreign exchange transactions				
	<u>(7,816)</u>	<u>(1,552)</u>	<u>-</u>	<u>-</u>
	<u>(4,237)</u>	<u>(13,503)</u>	<u>-</u>	<u>-</u>
<u>Other income</u>				
Ta'widh/penalty	2,403	5,089	-	2,411
Sundry income	1,631	2,303	-	(460)
Gain/(loss) from disposal of:				
- Property and equipment	53	(4)	-	-
- Non-current assets held for sale	-	1,331	-	-
	<u>4,087</u>	<u>8,719</u>	<u>-</u>	<u>1,951</u>
	<u>40,570</u>	<u>4,304</u>	<u>1,009</u>	<u>444,597</u>

MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)
(Incorporated in Malaysia)

A24. Operating expenses

	Group		Company	
	1st Quarter Ended		1st Quarter Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM'000	RM'000	RM'000	RM'000
Personnel expenses *	124,920	80,229	2,388	427
Establishment related expenses	51,265	40,374	326	330
Promotion and marketing related expenses	3,419	3,667	-	-
General administrative expenses	34,605	2,735	1,982	2,648
	214,209	127,005	4,696	3,405

Included in operating expenses are the following:

	Group		Company	
	1st Quarter Ended		1st Quarter Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM'000	RM'000	RM'000	RM'000
Depreciation:				
- property and equipment	11,005	9,306	116	116
- right-of-use asset	5,598	6,505	-	-
Amortisation of intangible assets	10,373	10,530	-	-

* Personnel expenses

	Group		Company	
	1st Quarter Ended		1st Quarter Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	95,325	58,283	1,092	-
Contributions to Employees Provident Fund and Social security costs	14,495	9,987	247	-
Directors fees	1,842	886	580	427
Employees' benefits	289	-	-	-
Shariah Committee remuneration	191	137	-	-
Other staff related expenses	12,778	10,936	469	-
	124,920	80,229	2,388	427

A25. Commitments and contingencies

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

Group

31-Mar-24

	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Direct credit substitutes	97,748	97,748	97,748
Trade-related contingencies	64,665	32,210	32,210
Short term self liquidating trade related contingencies	48,568	9,714	9,714
Irrevocable commitments to extend credit:			
- one year or less	2,024,148	404,800	404,800
- over one year to five years	1,512,925	754,847	673,167
- over five years	303,303	151,652	151,652
Foreign exchange related contracts #			
- one year or less	3,936,884	67,837	17,853
Profit/Interest rate related contracts with an original maturity of:			
- over one year to five years	300,000	9,609	1,922
	<u>8,288,241</u>	<u>1,528,417</u>	<u>1,389,066</u>

31-Dec-23

	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Direct credit substitutes	80,589	80,589	80,589
Trade-related contingencies	69,139	34,569	34,569
Short term self liquidating trade related contingencies	56,657	11,331	11,331
Irrevocable commitments to extend credit:			
- one year or less	1,789,696	357,929	357,929
- over one year to five years	1,839,478	917,899	826,677
- over five years	361,078	180,539	180,539
Foreign exchange related contracts #			
- one year or less	2,820,048	75,103	20,251
Profit/Interest rate related contracts with an original maturity of:			
- over one year to five years	300,000	10,275	2,055
	<u>7,316,685</u>	<u>1,668,234</u>	<u>1,513,940</u>

Foreign related contracts represents the notional amount of the derivative financial instruments recognised as derivative assets/liabilities.

A26. Capital commitments

	Group	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Property and equipment/intangible assets: Contracted but not provided for	43,775	58,673

A27. Contingent liability

Megah Berkat Sdn Bhd & 2 Ors ("Plaintiffs") vs MBSB Bank Berhad

The Plaintiffs commenced an action against MBSB Bank for breach of contract and fiduciary duty and negligence for failure to issue the Performance Guarantee as per their request. The Plaintiffs' claim, amongst others, is for a return of all money received from the 1st Plaintiff, special damages and other claims amounting to a total amount of approximately RM40.4 million.

MBSB Bank filed an application to strike out the Plaintiffs' Writ and Statement of Claim on 2 December 2021. The striking out application was allowed by the KL High Court on 13 June 2022.

The Plaintiffs filed an appeal against the Court's decision on 7 July 2022. On 5 May 2023, the Court of Appeal allowed the appeal. Accordingly, the matter is returned to the Court for full trial and the Court fixed the matter for full trial on 6 May 2024 to 10 May 2024. The trial dates have been adjourned to 14 January 2025 to 17 January 2025.

The solicitor is of the view that MBSB Bank has a good chance of success in its defence of the action.

MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)
(Incorporated in Malaysia)

A28. Segmental information on revenue and results

1st Quarter Ended	Consumer Banking		Corporate Banking		Global Markets		Investment		Others		Inter-segment elimination		Total	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>External:</u>														
Fund based income	452,118	395,539	178,764	155,241	138,459	117,803	78,663	-	4,945	4,180	-	-	852,949	672,763
Non-fund based income	7,015	4,941	2,495	3,679	(1,825)	(11,951)	27,023	-	168	436,888	5,622	(440,828)	40,498	(7,271)
<u>Inter-segment</u>														
Fund based income	-	27,347	-	-	593	1,250	-	-	-	-	(593)	(28,597)	-	-
Total revenue	459,133	427,827	181,259	158,920	137,227	107,102	105,686	-	5,113	441,068	5,029	(469,425)	893,447	665,492
Profit before zakat and tax	231,095	73,966	31,410	44,126	(138,816)	(27,901)	7,831	-	(25,577)	449,247	-	(455,004)	105,943	84,434
Taxation													(27,244)	(10,307)
Zakat													(358)	-
Net profit for the period													78,341	74,127
Segment assets	29,048,729	27,282,551	10,769,013	10,833,438	15,364,352	14,835,322	7,593,137	-	766,137	451,107	-	-	63,541,368	53,402,418
Tax recoverable													216,819	361,945
Deferred tax assets													90,216	65,439
Unallocated assets													1,761,180	1,439,034
Total assets													65,609,583	55,268,836
Segment liabilities	25,411,051	22,883,132	9,917,481	10,178,135	13,233,316	12,449,458	6,357,722	-	212,375	34,447	-	-	55,131,945	45,545,172
Provision for taxation													1,746	57,799
Deferred tax liabilities													11,388	11,856
Unallocated liabilities													521,244	1,106,995
Total liabilities													55,666,323	46,721,822

MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)

(Incorporated in Malaysia)

A29. Acquisition of property and equipment

	Group		Company	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Additions				
Building	-	-	-	-
Building renovation	12,162	21,036	-	-
Furniture & equipment	-	5,400	-	7
Data processing equipment	5,252	4,407	-	7
Work in progress	569	8,339	-	-
	17,983	39,182	-	14

MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)

(Incorporated in Malaysia)

A30. Significant related party transactions/balances

(a) Related party transactions

In addition to the related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related parties transactions. These transactions were carried out at terms not less favourable to other parties.

	Ultimate holding company i.e.			
	EPF		Other companies *	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
Related party transactions	RM'000	RM'000	RM'000	RM'000
Group				
Income earned				
Profit/interest on deposits and placements with banks and other financial institutions	-	-	-	1
Profit/interest on loans, financing and advances	-	-	-	197
Profit/interest on financial investment at:				
- FVOCI	-	-	780	3,615
- Amortised cost	-	-	1,479	1,008
Brokerage fee	1,126	492	96	219
Expenditure incurred				
Profit on sukuk	8,730	39,521	-	-
Profit on deposits from customers	26,053	52,808	7,762	17,771
Rental expenses	-	22	-	-
Other expenses ^	-	-	20,771	3,235

^ Other expenses include transactions for services provided by related entities such as takaful expenses.

* Other companies consists of associate companies of EPF, joint venture companies with EPF, companies in which directors of the Company and subsidiaries of the Company hold directorship.

MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)

(Incorporated in Malaysia)

A30. Significant related party transactions/balances (cont'd.)

(b) Related party balances

Related party balances	Ultimate holding company i.e.			
	EPF		Other companies *	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Group				
<u>Amount due from</u>				
Cash and short-term funds	-	-	112,404	24,477
Deposits and placements with banks and other financial institutions	-	-	32	32
Loans, financing and advances	-	-	10,939	7,449
Financial investments at:				
- FVOCI	-	-	77,738	103,494
- Amortised cost	-	-	85,550	30,912
<u>Amount due to</u>				
Sukuk	691,182	665,063	-	-
Deposits from customers	2,424,332	2,370,709	731,625	400,967
Deposits and placements of banks and other financial institutions	-	-	11,550	801,352

* Other companies consists of associate companies of EPF, joint venture companies with EPF, companies in which directors of the Company and subsidiaries of the Company hold directorship.

MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)

(Incorporated in Malaysia)

A31. Capital adequacy

The Group has complied and computed the capital adequacy ratios in accordance with Bank Negara Malaysia's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components).

The total risk-weighted assets are computed based on the following approaches in determining the capital requirements in accordance with Bank Negara Malaysia's Capital Adequacy Framework (Basel II - Risk Weighted Assets) and Capital Adequacy Framework for Islamic Banks (Basel II - Risk Weighted Assets):

- Credit Risk - Standardised Approach
- Market Risk - Standardised Approach
- Operational Risk - Basic Indicator Approach

	Group	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
<u>Common Equity Tier 1 ("CET1") Capital</u>		
Ordinary share capital	7,970,427	7,970,427
Retained earnings exclude merger reserve	1,877,109	1,876,865
Other reserves	17,144	(9,264)
	<u>9,864,680</u>	<u>9,838,028</u>
Less : Regulatory adjustments		
Goodwill	(148,031)	(148,031)
Deferred tax assets	(90,216)	(95,220)
Cumulative gains of financial investments at FVOCI	(24,531)	(22,274)
Intangible assets	(159,464)	(161,126)
Regulatory reserve attributable to financing	(107,190)	(106,644)
Total CET1 Capital	<u>9,335,248</u>	<u>9,304,733</u>
<u>Tier 1 Capital</u>		
Additional Tier 1 capital instruments	-	-
Less: Tier 1 regulatory adjustments	-	-
Total Tier 1 capital	<u>9,335,248</u>	<u>9,304,733</u>
<u>Tier 2 Capital</u>		
Stage 1 and Stage 2 ECL allowances	551,445	545,294
Tier 2 capital instruments	1,300,000	1,300,000
Total Tier 2 capital	<u>1,851,445</u>	<u>1,845,294</u>
Total capital base	<u>11,186,693</u>	<u>11,150,027</u>

MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)
(Incorporated in Malaysia)

A31. Capital adequacy (cont'd.)

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

	Group	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
<u>Total risk weighted assets ("RWA")</u>		
- Credit risk	44,594,139	43,623,502
- Market risk	552,338	323,809
- Operational risk	2,774,828	2,795,170
Total RWA	<u>47,921,305</u>	<u>46,742,481</u>
<u>Capital adequacy ratios</u>		
CET1 capital ratio	19.480%	19.906%
Tier 1 capital ratio	19.480%	19.906%
Total capital ratio	<u>23.344%</u>	<u>23.854%</u>

The capital ratios after a proposed single-tier final dividend of 3.5 sen per ordinary share in respect of financial year ended 31 December 2023 amounting to RM287,780,935 are as follows:

<u>Capital ratios (after single-tier interim dividend)</u>		
CET 1 capital ratio	18.880%	19.291%
Tier 1 capital ratio	18.880%	19.291%
Total capital ratio	<u>22.743%</u>	<u>23.238%</u>

PERFORMANCE REVIEW FOR THE FOURTH QUARTER ENDED 31 MARCH 2024

B1. Performance review of the Group

(a) Income statement

Current Year Quarter vs Preceding Year Corresponding Quarter

1st Quarter Ended

	Current Year Quarter 31-Mar-24 1Q24 RM'000	Preceding Year Corresponding Quarter 31-Mar-23 1Q23 RM'000	Changes	
			RM'000	%
Revenue	893,447	665,492	227,955	34.3%
Net income	364,767	268,226	96,541	36.0%
Operating expenses	(214,209)	(127,005)	(87,204)	68.7%
Expected credit losses on loans, financing and advances and other impairment	(44,615)	(56,787)	12,172	-21.4%
Profit before tax	<u>105,943</u>	<u>84,434</u>	21,509	25.5%
Profit after tax	<u>78,341</u>	<u>74,127</u>	4,214	5.7%
Profit attributable to ordinary equity holders of the Parent	<u>78,341</u>	<u>74,127</u>	4,214	5.7%

Current Year Quarter vs Immediate Preceding Quarter

	Current Year Quarter 31-Mar-24 1Q24 RM'000	Immediate Preceding Quarter 31-Dec-23 4Q23 RM'000	Changes	
			RM'000	%
Revenue	893,447	698,054	195,393	28.0%
Net income	364,767	559,908	(195,141)	-34.9%
Operating expenses	(214,209)	(232,677)	18,468	-7.9%
Expected credit losses on loans, financing and advances and other impairment	(44,615)	(29,967)	(14,648)	48.9%
Profit before tax	<u>105,943</u>	<u>297,264</u>	(191,321)	-64.4%
Profit after tax	<u>78,341</u>	<u>301,147</u>	(222,806)	-74.0%
Profit attributable to ordinary equity holders of the Parent	<u>78,341</u>	<u>301,147</u>	(222,806)	-74.0%

B1. Performance review of the Group (cont'd)

(a) Income statement (cont'd)

During the current quarter, the Group reported a profit before tax (“PBT”) of RM105.9 million with net income of RM364.8 million, an improvement as compared to 1Q23 which was partly contributed by higher net income from higher financing profit and also from the consolidation of income from MIDF Group. However as compared to 4Q23, the Group reported lower PBT as there was a one-off gain on acquisition of MIDF amounting to RM354.4 million in 4Q23.

The Group’s operating expenses (“OPEX”) for the current quarter was RM214.2 million mainly contributed by personnel expenses of RM124.9 million, establishment related expenses of RM51.3 million (the costs include software/hardware maintenance and depreciation/amortisation charges) and general administrative expenses of RM34.6 million (the costs include commission expenses, professional fees and utilities expenses).

MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)
(Incorporated in Malaysia)

B1. Performance review of the Group (cont'd)

(b) Contribution of major Group subsidiaries

	Group		MBSB Bank Group		MIDF Group	
	Current Year Quarter 31-Mar-24 1Q24 RM'000	Current Year Quarter 31-Mar-24 1Q24 RM'000	Contribution (without elimination)	Contribution (without elimination)	Current Year Quarter 31-Mar-24 1Q24 RM'000	Contribution (without elimination)
Total assets	65,609,583	57,730,130	88.0%		7,593,136	11.6%
Total equity	9,943,260	8,209,141	82.6%		1,235,414	12.4%
Profit before tax	105,943	95,917	90.5%		7,831	7.4%
Profit after tax	78,341	73,067	93.3%		4,024	5.1%
Gross return on equity	3.2%	3.6%			1.3%	
Gross return on assets	0.5%	0.5%			0.2%	

	Group		MBSB Bank Group		MIDF Group	
	Preceding Year Corresponding Quarter 31-Mar-23 1Q23 RM'000	Preceding Year Corresponding Quarter 31-Mar-23 1Q23 RM'000	Contribution (without elimination)	Contribution (without elimination)	Preceding Year Corresponding Quarter 31-Mar-23 1Q23 RM'000	Contribution (without elimination)
Total assets	55,268,836	54,467,095	98.5%		-	0.0%
Total equity	8,547,014	7,694,258	90.0%		-	0.0%
Profit before tax	84,434	107,103	> 100%		-	0.0%
Profit after tax	74,127	95,264	> 100%		-	0.0%
Gross return on equity	3.5%	4.9%			0.0%	
Gross return on assets	0.5%	0.7%			0.0%	

	Group		MBSB Bank Group		MIDF Group	
	Preceding Quarter 31-Dec-23 4Q23 RM'000	Preceding Quarter 31-Dec-23 4Q23 RM'000	Contribution (without elimination)	Contribution (without elimination)	Preceding Quarter 31-Dec-23 4Q23 RM'000	Contribution (without elimination)
Total assets	66,663,286	59,034,975	88.6%		7,272,411	10.9%
Total equity	9,838,266	8,113,626	82.5%		1,228,003	12.5%
Profit/(loss) before tax	297,264	(60,099)	-20.2%		20,284	6.8%
Profit/(loss) after tax	301,147	(27,093)	-9.0%		7,552	2.5%
Gross return on equity	12.2%	-1.3%			2.5%	
Gross return on assets	1.8%	-0.2%			0.4%	

MBSB Bank Group and MIDF Group are two major Group subsidiaries. MBSB Bank Group remain as a bigger contributor to the Group even after acquisition of MIDF on 2 October 2023.

B2. Prospects for the Group

Outlook for 2024

The global economy is projected to grow moderately in 2024 for both advanced and emerging economies. The latest International Monetary Fund forecasts in April 2024 sees global gross domestic product growth holding steady at 3.2% in 2024 and 2025, the same pace as in 2023 with inflation subsiding and labour markets showing resilience. According to the Ministry of Finance, Malaysia's economy is expected to grow by between 4.0%-5.0% in 2024, compared to 3.7% in 2023, driven by sustained domestic consumption and improved export activities. Meanwhile, Bank Negara Malaysia ("BNM") raised the Overnight Policy Rate ("OPR") once in 2023 by 25 basis points to 3.0%. At the current OPR level, the monetary policy stance is supportive of the economy and aligns with the current assessment of inflation and growth prospects.

MBSB Group's key strategy for 2024 is to continue raising Current Accounts and Savings Accounts ("CASA") level and improve its funding costs. Further, as MBSB completed the acquisition of Malaysian Industrial Development Finance Berhad ("MIDF") in October 2023, the Group aims to realise synergies between MBSB and MIDF to provide customers with better service, innovative products, and personalised solutions, especially for small medium enterprises ("SMEs") and retail customers in the mass affluent segment. This strategy will be anchored in our continuous improvement in digitalisation, making it easier for our customers to conduct banking and manage their operations.

B3. Profit forecast or profit guarantee

There was no profit forecast or profit guarantee issued by the Group and the Company.

MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)
(Incorporated in Malaysia)

B4. Taxation

	Group		Company	
	1st Quarter Ended		1st Quarter Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Current income tax	27,929	9,152	228	(25)
Under/(Over) provision in prior years	1,779	(11,723)	-	(1,661)
	<u>29,708</u>	<u>(2,571)</u>	<u>228</u>	<u>(1,686)</u>
Deferred tax	(2,464)	12,878	(843)	-
Total income tax expense	<u>27,244</u>	<u>10,307</u>	<u>(615)</u>	<u>(1,686)</u>

B5. Status of corporate proposals

There are no pending corporate proposals.

B6. Borrowings and debts

Borrowings of the Group were as follows:

	31-Mar-24		
	Short term	Long term	Total
	RM'000	RM'000	borrowings
			RM'000
<u>Secured</u>			
Recourse obligation on financing sold	2,687,818	1,265,406	3,953,224
Sukuk-MBSB Structured Covered ("SC") Murabahah	236,404	371,434	607,838
<u>Non secured</u>			
Sukuk Wakalah	25,083	1,593,132	1,618,215
Borrowings and government grant	29,861	169,783	199,644

MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)
(Incorporated in Malaysia)

B6. Borrowings and debts (cont'd)

Borrowings of the Group were as follows: (cont'd)

	31-Dec-23		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
<u>Secured</u>			
Recourse obligation on financing sold	1,952,478	2,079,254	4,031,732
Sukuk-MBSB Structured Covered ("SC") Murabahah	228,350	371,156	599,506
<u>Non secured</u>			
Sukuk Wakalah	-	1,597,926	1,597,926
Borrowings and government grant	29,038	174,804	203,842

B7. Off balance sheet financial instruments

The details of the off balance sheet financial instruments are as per note A25.

B8. Earnings per share

Basic

Basic earnings per share are calculated by dividing the net profit attributable to shareholders for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	Group		Company	
	1st Quarter Ended		1st Quarter Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to shareholders for the period (RM'000)	78,341	74,127	(2,742)	434,019
Weighted average number of ordinary shares in issue ('000)	8,222,312	7,171,484	8,222,312	7,171,484
Basic earnings per share (sen)	0.95	1.03	(0.03)	6.05

The Group has no dilution in their earnings per ordinary share in the current and previous financial years as there are no dilutive ordinary shares.

B9. The Operations of Islamic Banking

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	Islamic Banking	
		31-Mar-24 RM'000	31-Dec-23 RM'000
Assets			
Cash and short-term funds	(a)	2,760,890	5,148,136
Deposits and placements with banks and other financial institutions	(a)	755,247	749,812
Financial assets at fair value through profit or loss	(b)	714,425	250,725
Financial investments at fair value through other comprehensive income	(c)	12,606,629	12,460,030
Financial investments at amortised cost	(d)	4,443,410	4,412,893
Derivative financial assets		8,786	32,805
Financing and advances	(e)	39,966,875	39,145,649
Other receivables	(f)	770,266	735,986
Tax recoverable		98,705	90,297
Deferred tax assets		84,114	88,470
Statutory deposits with Bank Negara Malaysia		720,000	720,000
Property and equipment		92,222	96,635
Right-of-use assets		64,387	63,711
Investment properties		820	820
Intangible assets		88,131	88,167
Total assets		63,174,907	64,084,136

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

B9. The Operations of Islamic Banking (cont'd.)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024 (cont'd.)

	Note	Islamic Banking	
		31-Mar-24 RM'000	31-Dec-23 RM'000
Liabilities and shareholders' equity			
Deposits from customers	(g)	38,333,245	37,535,320
Deposits and placements of banks and other financial institutions	(h)	7,949,079	8,349,096
Islamic repurchase agreement		607,443	2,005,199
Derivative financial liabilities		4,972	5,158
Other payables	(i)	887,665	823,299
Lease liabilities		65,306	64,560
Recourse obligation on financing sold		3,953,224	4,031,732
Provision for taxation and zakat		1,713	35,935
Sukuk		2,226,052	2,197,432
Borrowings and government grant		94,574	94,573
Total liabilities		54,123,273	55,142,304
Ordinary share capital		7,129,572	7,129,572
Regulatory reserve		90,012	90,557
Fair value reserves		(102,574)	(128,207)
Retained earnings		1,934,624	1,849,910
Total equity		9,051,634	8,941,832
Total liabilities and shareholders' equity		63,174,907	64,084,136

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

B9. The Operations of Islamic Banking (cont'd.)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Islamic Banking	
	31-Mar-24	31-Mar-23
	RM'000	RM'000
Income derived from investment of depositors' funds	698,885	528,438
Income derived from investment of shareholders' funds	157,433	119,810
Income derived from investment of investment accounts' funds	-	28,693
Expected credit losses on financing and advances and other impairment	(44,491)	(35,559)
Total distributable income	811,827	641,382
Income attributable to depositors and others	(514,820)	(410,128)
Total net income	297,007	231,254
Personnel expenses	(98,238)	(79,802)
Other overhead expenses	(88,971)	(44,349)
Profit before taxation and zakat	109,798	107,103
Taxation	(25,004)	(11,839)
Zakat	(279)	-
Profit for the period	84,515	95,264
Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent periods:	22,448	123,270
Total comprehensive income/(expense) for the financial period	106,963	218,534

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

B9. The Operations of Islamic Banking (cont'd.)

(a) Cash and short-term funds and deposits and placements with banks and other financial institutions

	Islamic Banking	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
(i) Cash and balances with banks and other financial institutions	733,312	560,142
Money at call and deposit placements maturing within 1 month	<u>2,027,578</u>	<u>4,587,994</u>
	2,760,890	5,148,136
(ii) Deposits and placements with banks and other financial institutions with original maturity of more than 1 month	<u>755,247</u>	<u>749,812</u>
	<u>3,516,137</u>	<u>5,897,948</u>

(b) Financial assets at FVTPL

	Islamic Banking	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Money Market Instruments		
<u>In Malaysia</u>		
Private mandate investments	130,193	240,357
Malaysian Government Investment Issues	<u>559,268</u>	<u>10,368</u>
	689,461	250,725
Equity instruments		
Shares	24,964	-
	<u>714,425</u>	<u>250,725</u>

(c) Financial investments at FVOCI

	Islamic Banking	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Money Market Instruments		
Malaysian Government Investment Issues	8,306,683	8,225,267
Islamic Negotiable Instruments	199,954	-
	<u>8,506,637</u>	<u>8,225,267</u>
Debt securities		
<u>In Malaysia</u>		
Private and Islamic debt securities	1,731,603	2,597,651
Government Guaranteed debt securities	<u>1,517,060</u>	<u>1,637,112</u>
	3,248,663	4,234,763
Corporate Sukuk	851,329	-
	<u>12,606,629</u>	<u>12,460,030</u>

B9. The Operations of Islamic Banking (cont'd.)

(c) Financial investments at FVOCI (cont'd.)

Movement of allowance for credit losses recognised in FVOCI reserve:

	Islamic Banking			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	512	-	8,112	8,624
Total charged to profit or loss:	51	-	118	169
New financial investments purchased during the period	148	-	148	296
Matured financial investments during the period	(19)	-	(19)	(38)
Change in credit risk	(78)	-	(11)	(89)
At 31 March 2024	563	-	8,230	8,793

	Islamic Banking			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	10	-	-	10
Acquisition of MIDF	328	-	8,112	8,440
Total charged to profit or loss:	174	-	-	174
New financial investments purchased during the year	176	-	-	176
Matured financial investments during the year	(14)	-	-	(14)
Change in credit risk	12	-	-	12
At 31 December 2023	512	-	8,112	8,624

(d) Financial investments at amortised cost

	Islamic Banking	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
At amortised cost		
Money Market Instruments		
Malaysian Government Investment Issues	1,265,143	1,241,716
	<u>1,265,143</u>	<u>1,241,716</u>
In Malaysia		
Private and Islamic debt securities	1,643,763	3,097,186
Government Guaranteed corporate sukuk	75,430	75,684
Corporate Sukuk	1,460,357	-
	<u>4,444,693</u>	<u>4,414,586</u>
Less: ECL		
- Stage 1	(1,156)	(1,546)
- Stage 2	(127)	(147)
	<u>4,443,410</u>	<u>4,412,893</u>

B9. The Operations of Islamic Banking (cont'd.)

(d) Financial investments at amortised cost (cont'd.)

ECL movement for financial investments at amortised cost:

	Islamic Banking			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	1,546	147	-	1,693
Total reversal to profit or loss	(390)	(20)	-	(410)
Changes in credit risk	(390)	(20)	-	(410)
At 31 March 2024	1,156	127	-	1,283

	Islamic Banking			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	868	239	-	1,107
Acquisition of MIDF	871	-	-	871
Total reversal to profit or loss:	(193)	(92)	-	(285)
Changes in credit risk	(248)	(92)	-	(340)
Matured financial investments during the year	(31)	-	-	(31)
New financial investments purchased during the year	86	-	-	86
At 31 December 2023	1,546	147	-	1,693

B9. The Operations of Islamic Banking (cont'd.)

(e) Financing and advances

(i) By type and Shariah contract

	Islamic Banking				Total financing and advances RM'000
	Sale-based contract			Lease-based contract	
	Tawarruq RM'000	Bai' Bithaman Ajil RM'000	Commodity Murabahah RM'000	Al-Ijarah Thumma Al-Bai RM'000	
31-Mar-24					
At amortised cost					
Term financing	33,369,828	2,288,425	1,915,424	4,223	37,577,900
- Personal financing	19,335,300	89	-	-	19,335,389
- Property financing	7,754,397	2,237,768	-	-	9,992,165
- Islamic industrial hire purchase	-	-	762,424	-	762,424
- Bridging financing	483,422	-	-	-	483,422
- Auto financing	-	-	18,986	-	18,986
- Syndicated term financing	1,598,430	-	719,374	-	2,317,804
- Other term financing	4,198,279	50,568	414,640	4,223	4,667,710
Revolving credit	211,533	-	-	-	211,533
Trade finance	3,170,911	-	-	-	3,170,911
Cashline	217,281	-	-	-	217,281
Staff financing	27,146	-	1,698	-	28,844
Gross financing and advances	36,996,699	2,288,425	1,917,122	4,223	41,206,469
Less: ECL					
- Stage 1					(331,205)
- Stage 2					(83,324)
- Stage 3					(825,065)
Net financing and advances					<u>39,966,875</u>

B9. The Operations of Islamic Banking (cont'd.)

(e) Financing and advances (cont'd.)

(i) By type and Shariah contract (cont'd.)

	Islamic Banking				Total financing and advances RM'000
	Sale-based contract			Lease-based contract	
	Tawarruq RM'000	Bai' Bithaman Ajil RM'000	Commodity Murabahah RM'000	Al-Ijarah Thumma Al-Bai RM'000	
31-Dec-23					
At amortised cost					
Term financing	33,094,530	2,375,371	711,186	1,213,851	37,394,938
- Personal financing	19,467,390	92	-	-	19,467,482
- Property financing	7,396,217	2,240,420	-	-	9,636,637
- Islamic industrial hire purchase	-	-	-	763,196	763,196
- Bridging financing	472,581	-	-	-	472,581
- Auto financing	-	-	-	22,667	22,667
- Other term financing	1,515,761	-	711,186	-	2,226,947
- Syndicated term financing	4,242,581	134,859	-	427,988	4,805,428
Revolving credit	113,356	-	-	-	113,356
Trade finance	2,637,621	-	-	-	2,637,621
Cashline	193,585	-	-	-	193,585
Staff financing	26,481	-	30	1,760	28,271
Gross financing and advances	36,065,573	2,375,371	711,216	1,215,611	40,367,771
Less: ECL					
- Stage 1					(344,295)
- Stage 2					(80,058)
- Stage 3					(797,769)
Net financing and advances					<u>39,145,649</u>

B9. The Operations of Islamic Banking (cont'd.)

(e) Financing and advances (cont'd.)

(ii) By residual contractual maturity

	Islamic Banking	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Maturing within one year	5,119,299	4,508,722
One year to three years	1,992,834	1,973,807
Three years to five years	2,519,821	2,589,579
Over five years	31,574,515	31,295,663
	<u>41,206,469</u>	<u>40,367,771</u>

(iii) By type of customers

	Islamic Banking	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Individuals:		
- Malaysian nationals	29,320,302	29,098,648
Foreign nationals	707,688	774,843
Domestic business enterprises:		
- Small medium enterprises	4,152,714	3,848,169
- Non-bank financial institutions	816,679	756,747
- Others	6,209,086	5,889,364
	<u>41,206,469</u>	<u>40,367,771</u>

B9. The Operations of Islamic Banking (cont'd.)

(e) Financing and advances (cont'd.)

(iv) By sector

	Islamic Banking	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Household sectors	29,322,912	29,101,187
Construction	3,265,617	3,332,122
Finance, insurance, real estate and business services	2,709,496	2,794,199
Wholesale & retail trade and restaurants & hotels	1,985,227	1,570,564
Manufacturing	2,019,676	1,654,025
Education, health and others	746,403	895,315
Transport, storage and communications	643,286	504,055
Mining and quarrying	91,821	97,801
Electricity, gas and water	206,632	215,901
Agriculture	215,399	202,602
	41,206,469	40,367,771

(v) By profit rate sensitivity

	Islamic Banking	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Fixed rate:		
Personal financing	13,933,512	13,109,215
Property financing	337,846	349,683
Auto financing	20,657	24,427
Bridging, structured and term financing	878,830	847,520
Variable rate:		
Personal financing	5,401,905	6,358,297
Property financing	9,681,464	9,317,370
Bridging, structured and term financing	10,952,255	10,361,259
	41,206,469	40,367,771

B9. The Operations of Islamic Banking (cont'd.)

(e) Financing and advances (cont'd.)

(vii) Movement of gross financing and advances

	Islamic Banking			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2024	36,236,861	1,744,551	2,386,359	40,367,771
Transfer to Stage 1	237,444	(233,840)	(3,604)	-
Transfer to Stage 2	(544,687)	627,502	(82,815)	-
Transfer to Stage 3	(54,204)	(117,797)	172,001	-
New financing/disbursement during the period	4,861,716	78,010	1,138	4,940,864
Repayment during the period	(3,911,011)	(127,733)	(120,751)	(4,159,495)
Other movements	54,350	6,601	30,754	91,705
Write-offs	(3)	-	(34,373)	(34,376)
At 31 March 2024	36,880,466	1,977,294	2,348,709	41,206,469

	Islamic Banking			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2023	33,370,254	2,490,767	2,069,604	37,930,625
Acquisition of MIDF	609,081	74,710	144,940	828,731
Transfer to Stage 1	1,108,615	(1,031,835)	(76,780)	-
Transfer to Stage 2	(541,739)	621,480	(79,241)	500
Transfer to Stage 3	(168,120)	(382,004)	550,124	-
New financing/disbursement during the year	10,183,016	535,541	324,027	11,042,584
Repayment during the year	(8,418,841)	(517,377)	(331,701)	(9,267,919)
Other movements	95,343	(45,828)	153,814	203,329
Loss on modification of cash flows	-	-	(44,200)	(44,200)
Refinancing from MBSB	42	-	251	293
Reclassification from non-current asset held for sale	-	-	1,403	1,403
Write-offs	(790)	(903)	(325,882)	(327,575)
At 31 December 2023	36,236,861	1,744,551	2,386,359	40,367,771

B9. The Operations of Islamic Banking (cont'd.)

(e) Financing and advances (cont'd.)

(viii Movement of ECL for financing and advances

	Islamic Banking			Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
At 1 January 2024	344,295	80,058	797,769	1,222,122
Total (reversal)/charged to profit or loss	(13,090)	3,266	61,768	51,944
Changes in the ECL due to transfer within stages:				
- Transfer to Stage 1	10,076	(8,913)	(1,163)	-
- Transfer to Stage 2	(3,815)	31,930	(28,115)	-
- Transfer to Stage 3	(204)	(6,593)	6,797	-
New financing/disbursement during the period	28,779	770	-	29,549
Repayment during the period	(62,494)	(43,219)	(8,330)	(114,043)
Changes in credit risk parameters #	14,568	29,291	92,579	136,438
Changes to model assumptions and methodologies ^	-	-	-	-
Derecognition of credit impaired financial asset	-	-	-	-
Refinancing from MBSB	-	-	-	-
Reclassification from non-current assets held for sale	-	-	-	-
Write-offs	-	-	(34,373)	(34,373)
Others	-	-	(99)	(99)
At 31 March 2024	331,205	83,324	825,065	1,239,594

The changes in credit risk parameters include impact of forward-looking on key MEV and changes to loss rate for the ECL model.

^ The changes to model assumptions and methodologies were in relation to incorporation of MEV factors with more intuitive trends, revision to PD and LGD modelling and revisions to management overlay assumptions.

B9. The Operations of Islamic Banking (cont'd.)

(e) Financing and advances (cont'd.)

(viii Movement of ECL for financing and advances (cont'd.)

	Islamic Banking			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	292,757	334,400	738,261	1,365,418
Acquisition of MIDF	4,137	2,284	81,424	87,845
Total charged/(reversal) to profit or loss	47,401	(256,626)	300,990	91,765
Changes in the ECL due to transfer within stages:				
- Transfer to Stage 1	145,681	(91,775)	(53,906)	-
- Transfer to Stage 2	(4,752)	34,332	(29,580)	-
- Transfer to Stage 3	(2,418)	(80,799)	82,377	(840)
New financing/disbursement during the year	107,226	10,519	10,463	128,208
Repayment during the year	(206,340)	(102,467)	(48,373)	(357,180)
Changes in credit risk parameters #	17,757	(26,311)	359,086	350,532
Changes to model assumptions and methodologies ^	(9,754)	(125)	25	(9,854)
Derecognition of credit impaired financial asset	-	-	(19,245)	(19,245)
Refinancing from MBSB	1	-	143	144
Reclassification from non- current assets held for sale	-	-	1,417	1,417
Write-offs	-	-	(324,093)	(324,093)
Others	-	-	(230)	(230)
At 31 December 2023	344,295	80,058	797,769	1,222,122

The changes in credit risk parameters include impact of forward-looking on key MEV and changes to loss rate for the ECL model.

^ The changes to model assumptions and methodologies were in relation to incorporation of MEV factors with more intuitive trends, revision to PD and LGD modelling and revisions to management overlay assumptions.

B9. The Operations of Islamic Banking (cont'd.)

(e) Financing and advances (cont'd.)

(ix) Movement of impaired financing and advances

	Islamic Banking	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Balance at beginning of period/year	2,386,359	2,069,604
Acquisition of MIDF	-	144,940
Classified as impaired during the period/year	173,139	874,151
Reclassified as non-impaired	(86,419)	(156,021)
Amount recovered	(120,751)	(331,701)
Other movements	30,754	153,814
Derecognition of credit impaired financial asset	-	(44,200)
Refinancing from MBSB	-	251
Reclassification from non-current assets held for sale	-	1,403
Amount written off	(34,373)	(325,882)
Balance at end of period/year	<u>2,348,709</u>	<u>2,386,359</u>
Less: ECL stage 3	<u>(825,065)</u>	<u>(797,769)</u>
	<u>1,523,644</u>	<u>1,588,590</u>
Net impaired as a percentage of net financing and advances	<u>3.81%</u>	<u>4.06%</u>
Gross impaired as a percentage of gross financing and advances	<u>5.70%</u>	<u>5.91%</u>

B9. The Operations of Islamic Banking (cont'd.)

(f) Other receivables

	Islamic Banking	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Financing to related companies	408,513	403,211
Prepayments and deposits	69,183	28,804
Fee receivables	35,481	52,370
Foreclosed properties	36,271	36,271
Deferred expenses	62,308	60,849
Sundry receivables	131,644	144,277
Amount due from brokers and clients	26,308	10,911
Amount due from MIDF	5,344	12,412
Amount due from borrowing and government grant	-	12,003
	<u>775,052</u>	<u>761,108</u>
Less:		
ECL at stage 1	(4,100)	(5,191)
ECL at stage 3	(686)	(19,931)
	<u>770,266</u>	<u>735,986</u>

(g) Deposits from customers

(i) By type of deposit:

	Islamic Banking	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Commodity Murabahah Term Deposits	34,883,271	34,760,348
Demand deposits	2,580,103	2,022,020
Savings deposits	869,871	752,952
	<u>38,333,245</u>	<u>37,535,320</u>

(ii) Maturity structure of term deposits are as follows:

	Islamic Banking	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Due within six months	24,576,542	25,839,368
More than six months to one year	7,365,321	6,195,849
More than one year to three years	719,368	532,360
More than three years	2,222,040	2,192,771
	<u>34,883,271</u>	<u>34,760,348</u>

B9. The Operations of Islamic Banking (cont'd.)

(g) Deposits from customers (cont'd.)

(iii) By type of customers:

	Islamic Banking	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Government and statutory bodies	18,365,178	18,881,570
Business enterprises	14,347,715	13,349,550
Individuals	5,620,352	5,304,200
	<u>38,333,245</u>	<u>37,535,320</u>

(h) Deposits and placements of banks and other financial institutions

(i) By type of deposit:

	Islamic Banking	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
<u>Non-Mudharabah Funds:</u>		
Other financial institutions:		
- Licensed investment banks	56,925	29,271
- Licensed commercial banks	3,182	921
- Licensed islamic banks	201,227	1,201,820
- Other financial institutions	7,687,745	7,117,084
	<u>7,949,079</u>	<u>8,349,096</u>

B9. The Operations of Islamic Banking (cont'd.)

(i) Other payables

	Islamic Banking	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Amount due to related entities	246,317	234,709
Amount due to brokers and clients	26,225	10,854
Amount due to GSF	115,273	71,132
Sundry creditors	254,860	271,783
Al-Mudharabah security funds	116,426	117,885
ECL for commitments and contingencies (i)	31,418	35,213
Deferred income	5,117	5,243
Other provisions and accruals	92,029	76,480
	887,665	823,299

(i) ECL for commitments and contingencies

Movement of ECL for commitments and contingencies are as follows:

	Islamic Banking			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	28,183	5,177	1,853	35,213
Total reversal to profit or loss	(408)	(3,302)	(85)	(3,795)
Changes in ECL due to transfer within stages:				
- Transfer to Stage 1	220	(141)	(79)	-
- Transfer to Stage 2	(46)	116	(70)	-
- Transfer to Stage 3	-	(38)	38	-
New financing/disbursement during the period	3,701	43	-	3,744
Repayment/drawdown to financing during the period	(2,578)	(2,294)	(164)	(5,036)
Derecognised/converted to financing during the period (other than write-offs)	(333)	-	-	(333)
Changes in credit risk parameters #	(1,372)	(988)	190	(2,170)
Write-offs	-	-	-	-
At 31 March 2024	27,775	1,875	1,768	31,418

The changes in credit risk parameters includes the impact of forward-looking key MEV and changes to loss rate for the ECL model.

B9. The Operations of Islamic Banking (cont'd.)

(i) Other payables (cont'd.)

(i) ECL for commitments and contingencies (cont'd.)

	Islamic Banking			Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
At 1 January 2023	15,146	32,369	4,836	52,351
Acquisition of MIDF	1,211	-	-	1,211
Total charged/(reversal) to profit or loss	11,826	(27,192)	(2,971)	(18,337)
Changes in ECL due to transfer within stages:				
- Transfer to Stage 1	1,945	(1,933)	(12)	-
- Transfer to Stage 2	(895)	919	(24)	-
- Transfer to Stage 3	(8)	(314)	322	-
New financing/disbursement during the year	12,224	255	68	12,547
Derecognised/converted to financing during the year (other than write-offs)	(3,696)	(8,937)	(3,963)	(16,596)
Changes in credit risk parameters #	2,256	(17,182)	638	(14,288)
Write-offs	-	-	(12)	(12)
At 31 December 2023	28,183	5,177	1,853	35,213

The changes in credit risk parameters includes the impact of forward-looking key MEV and changes to loss rate for the ECL model.