

MBSB BERHAD (197001000172 / 9417-K)
(Formerly known as Malaysia Building Society Berhad)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
OF THE GROUP AND OF THE COMPANY
FOR THE 2ND QUARTER ENDED 30 JUNE 2024

MBSB BERHAD (197001000172 / 9417-K)
(Formerly known as Malaysia Building Society Berhad)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	Group		Company	
		30-Jun-24 RM'000	31-Dec-23 RM'000	30-Jun-24 RM'000	31-Dec-23 RM'000
Assets					
Cash and short-term funds	A7(a)	2,971,054	5,607,314	110,013	9,642
Deposits and placements with banks and other financial institutions	A7(b)	726,704	749,812	-	65,078
Financial assets at fair value through profit or loss	A8	572,237	283,054	-	-
Financial investments at fair value through other comprehensive income	A9	13,663,602	12,637,634	-	-
Financial investments at amortised cost	A10	4,444,987	4,608,470	-	-
Derivative financial assets	A11	10,407	40,080	-	-
Loans, financing and advances	A12	42,091,579	40,491,527	272,221	272,225
Other receivables	A13	389,100	344,217	264,264	37,194
Tax recoverable		207,374	259,283	105,343	149,468
Deferred tax assets		83,754	95,220	747	-
Statutory deposits with Bank Negara Malaysia		877,877	822,661	-	-
Investments in subsidiaries		-	-	7,530,795	7,530,795
Property and equipment		324,135	324,833	22,293	22,524
Right-of-use assets		35,598	29,885	-	-
Investment properties		3,047	3,092	-	-
Goodwill		148,031	148,031	-	-
Intangible assets		160,197	161,126	-	2
Non-current assets held for sale	A14	-	57,047	-	-
Total assets		66,709,683	66,663,286	8,305,676	8,086,928

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

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024 (cont'd)

	Note	Group		Company	
		30-Jun-24 RM'000	31-Dec-23 RM'000	30-Jun-24 RM'000	31-Dec-23 RM'000
Liabilities and shareholders' equity					
Deposits from customers	A15	39,920,464	38,800,067	-	-
Deposits and placements of banks and other financial institutions	A16	9,291,510	8,823,566	-	-
Islamic repurchase agreement		609,442	2,005,199	-	-
Derivative financial liabilities	A11	7,246	5,158	-	-
Other payables	A17	940,284	680,544	292,430	5,951
Lease liabilities		35,686	29,964	-	-
Recourse obligation on financing sold		3,875,757	4,031,732	-	-
Provision for taxation		128	35,945	-	-
Deferred tax liabilities		12,074	11,571	-	174
Sukuk		2,103,223	2,197,432	-	-
Borrowings and government grant	A18	200,323	203,842	-	-
Total liabilities		56,996,137	56,825,020	292,430	6,125
Ordinary share capital		7,970,427	7,970,427	7,970,427	7,970,427
Regulatory reserve		109,256	106,644	-	-
Fair value reserves		(86,803)	(115,908)	-	-
Retained earnings		1,720,434	1,876,865	42,819	110,376
		9,713,314	9,838,028	8,013,246	8,080,803
Non-controlling interests		232	238	-	-
Total equity		9,713,546	9,838,266	8,013,246	8,080,803
Total liabilities and shareholders' equity		66,709,683	66,663,286	8,305,676	8,086,928
Commitments and contingencies	A25	9,001,667	7,316,685	-	-
Net assets per share attributable to ordinary equity of the Company (RM)		1.18	1.20	0.97	0.98

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

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2024

	Note	Group			
		2nd Quarter Ended		Six Months Ended	
		30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
		RM'000	RM'000	RM'000	RM'000
Revenue		960,851	711,534	1,854,298	1,377,026
Income derived from investment of deposits and Islamic capital funds	A19	886,139	695,344	1,711,109	1,366,349
Income attributable to depositors		(439,150)	(353,048)	(872,065)	(672,620)
Income attributable to securitisation		(37,271)	(40,092)	(75,356)	(81,293)
Income attributable to sukuk and other borrowings		(36,409)	(30,836)	(79,453)	(61,498)
Income attributable to wakalah unrestricted investment account		-	(10,137)	-	(27,544)
Net income from Islamic operations		373,309	261,231	684,235	523,394
Interest income	A20	31,858	(68)	60,430	1,691
Interest expense	A21	(16,257)	-	(31,558)	-
Net interest income		15,601	(68)	28,872	1,691
Expected credit losses on loans, financing and advances and other impairment	A22	(98,509)	51,805	(143,124)	(4,982)
Operating income		290,401	312,968	569,983	520,103
Net other income	A23	47,009	23,411	87,579	27,715
Net income		337,410	336,379	657,562	547,818
Operating expenses	A24	(241,733)	(181,397)	(455,942)	(308,402)
Profit before taxation and zakat		95,677	154,982	201,620	239,416
Taxation	B4	(35,566)	(71,287)	(62,810)	(81,594)
Zakat		(5,287)	-	(5,645)	-
Profit for the financial period		54,824	83,695	133,165	157,822
Attributable to:					
Shareholders of the Company		54,830	83,695	133,171	157,822
Non-controlling interests		(6)	-	(6)	-
		54,824	83,695	133,165	157,822
Other comprehensive income for the financial period, net of tax		3,243	35,587	29,896	158,857
Total comprehensive income for the financial period		58,067	119,282	163,061	316,679
Earnings per ordinary share (sen)					
Basic		0.67	1.17	1.62	2.20

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2024 (cont'd)

	Note	Company			
		2nd Quarter Ended		Six Months Ended	
		30-Jun-24 RM'000	30-Jun-23 RM'000	30-Jun-24 RM'000	30-Jun-23 RM'000
Revenue		226,815	1,478	227,464	447,045
Interest income	A20	616	1,636	1,209	5,513
Expected credit losses on loans and advances and other impairment	A22	11	(4,634)	(252)	(17,370)
Operating income/(expense)		627	(2,998)	957	(11,857)
Net other income	A23	227,939	3,859	228,948	448,456
Net income		228,566	861	229,905	436,599
Operating expenses	A24	(5,906)	(5,710)	(10,602)	(9,115)
Profit/(Loss) before taxation		222,660	(4,849)	219,303	427,484
Taxation	B4	306	(16)	921	1,670
Profit/(Loss) for the financial period		222,966	(4,865)	220,224	429,154
Total comprehensive income/ (expense) for the financial period		222,966	(4,865)	220,224	429,154
Earnings per ordinary share (sen)					
Basic		2.71	(0.07)	2.68	5.98

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2024

Group	← Non-distributable →			Distributable	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Regulatory reserves RM'000	Fair Value reserves RM'000	Retained earnings RM'000			
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	-	-	-	133,171	133,171	(6)	133,165
Other comprehensive income for the financial period	-	-	29,896	-	29,896	-	29,896
Transfer of retained earnings to regulatory reserves	-	2,612	-	(2,612)	-	-	-
Remeasurement loss on defined benefit plans	-	-	(791)	791	-	-	-
Dividends to owners of the Company	-	-	-	(287,781)	(287,781)	-	(287,781)
At 30 June 2024	7,970,427	109,256	(86,803)	1,720,434	9,713,314	232	9,713,546
At 1 January 2023	7,198,068	-	(341,366)	2,102,491	8,959,193	-	8,959,193
Profit for the period	-	-	-	157,822	157,822	-	157,822
Other comprehensive income for the financial period	-	-	158,857	-	158,857	-	158,857
Transfer of retained earnings to regulatory reserve	-	69,320	-	(69,320)	-	-	-
Dividends to owners of the Company	-	-	-	(609,576)	(609,576)	-	(609,576)
At 30 June 2023	7,198,068	69,320	(182,509)	1,581,417	8,666,296	-	8,666,296

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 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
Profit for the period	-	220,224	220,224
Dividends to owners of the Company	-	(287,781)	(287,781)
At 30 June 2024	<u>7,970,427</u>	<u>42,819</u>	<u>8,013,246</u>
At 1 January 2023	7,198,068	292,362	7,490,430
Profit for the period	-	429,154	429,154
Dividends to owners of the Company	-	(609,576)	(609,576)
At 30 June 2023	<u>7,198,068</u>	<u>111,940</u>	<u>7,310,008</u>

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

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2024

	Group		Company	
	30-Jun-24 RM'000	30-Jun-23 RM'000	30-Jun-24 RM'000	30-Jun-23 RM'000
Cash flows from operating activities				
Profit before taxation	201,620	239,416	219,303	427,484
Adjustments for non-cash items	25,605	(30,122)	485	5,407
Operating profit before working capital changes	227,225	209,294	219,788	432,891
Working capital changes:				
Net changes in operating assets	(1,772,444)	(2,194,960)	(109,392)	183,364
Net changes in operating liabilities	1,571,813	1,582,599	(1,476)	(628,149)
Cash generated from/(used in) from operations	26,594	(403,067)	108,920	(11,894)
Income taxes and zakat (paid)/refunded	(34,491)	11,463	(8,549)	-
Net cash (used in)/generated from operating activities	(7,897)	(391,604)	100,371	(11,894)
Cash flows from investing activities				
Purchase of property and equipment	(21,489)	(21,522)	(2)	-
(Purchase)/disposal of intangible assets	(19,540)	(15,375)	2	-
Proceeds from disposal of foreclosed properties	-	45	-	45
Profit income from:				
- financial assets at FVTPL	14,918	13,114	-	-
- financial investments at FVOCI	224,638	209,154	-	-
- financial investments at amortised cost	54,128	44,279	-	-
Net (purchase)/sale of:				
- financial assets at FVTPL	(289,970)	(1,083,588)	-	-
- financial investments at FVOCI	(986,165)	992,066	-	-
- financial investments at amortised cost	210,069	(437,762)	-	-
Net cash used in investing activities	(813,411)	(299,589)	-	45

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

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2024 (cont'd)

	Group		Company	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Net repayment of recourse obligation on financing sold	(155,144)	(165,635)	-	-
Repayment of:				
- Sukuk	(100,666)	(93,929)	-	-
- Borrowings and government grant	(4,977)	-	-	-
- Islamic repurchase agreement	(1,391,444)	-	-	-
Profit expense paid on:				
- Islamic repurchase agreement	(27,987)	-	-	-
- Recourse obligation on financing sold	(76,188)	(82,240)	-	-
- Sukuk	(49,210)	(62,227)	-	-
Payment of lease liabilities	(9,336)	(12,792)	-	-
Net cash used in financing activities	<u>(1,814,952)</u>	<u>(416,823)</u>	<u>-</u>	<u>-</u>
Net (decrease)/ increase in cash and cash equivalents	(2,636,260)	(1,108,016)	100,371	(11,849)
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	<u>2,971,054</u>	<u>1,097,934</u>	<u>110,013</u>	<u>47,787</u>
Cash and cash equivalents is represented by:				
Cash and short-term funds (Note A7(a))	<u>2,971,054</u>	<u>1,097,934</u>	<u>110,013</u>	<u>47,787</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 SECOND QUARTER ENDED 30 JUNE 2024
PART A - EXPLANATORY NOTES PURSUANT TO MFRS134**

A1. Basis of preparation

The unaudited condensed interim financial statements for the financial period ended 30 June 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 give rise to material financial impact to the Group and the Company.

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 cyclical 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.

	30-Jun-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

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. The proposed dividend was approved during the Annual General Meeting held on 6 June 2024.

The total dividend amounted to RM287,780,900 and was paid on 4 July 2024.

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

	Group		Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
(a) Cash and short-term funds:				
Cash and balances with banks and other financial institutions	584,356	589,749	2,159	3,833
Money at call and deposit placements maturing within one month	2,386,698	5,017,565	107,854	5,809
	<u>2,971,054</u>	<u>5,607,314</u>	<u>110,013</u>	<u>9,642</u>
(b) Deposits and placements with banks and other financial institutions with original maturity of more than 1 month	726,704	749,812	-	65,078
	<u>3,697,758</u>	<u>6,357,126</u>	<u>110,013</u>	<u>74,720</u>

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 RM27,238,000 (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	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Money Market instruments		
Private mandate investments	130,187	240,357
Malaysian Government Investment Issues	385,047	10,368
	<u>515,234</u>	<u>250,725</u>
Equity instruments		
Shares	24,307	-
Unit trusts	32,696	32,329
	<u>57,003</u>	<u>32,329</u>
	<u>572,237</u>	<u>283,054</u>

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

	Group	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Money Market Instruments		
Malaysian Government Investment Issues	9,200,583	8,326,803
Islamic Negotiable Instruments	199,772	-
	<u>9,400,355</u>	<u>8,326,803</u>
Debt securities		
<u>In Malaysia</u>		
Private and Islamic debt securities	1,744,374	2,597,651
Government Guaranteed corporate sukuk	1,460,146	1,637,112
Corporate bonds/sukuk	1,057,320	74,661
	<u>4,261,840</u>	<u>4,309,424</u>
Equity instruments		
Shares	1,407	1,407
	<u>13,663,602</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:	166	-	-	166
New financial investments purchased during the period	264	-	-	264
Matured financial investments during the period	(132)	-	-	(132)
Change in credit risk	34	-	-	34
Written back	-	-	(38)	(38)
Others	(53)	-	-	(53)
At 30 June 2024	<u>690</u>	<u>-</u>	<u>20,922</u>	<u>21,612</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 charge 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>

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A10. Financial investments at amortised cost

	Group	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Money Market Instruments		
Malaysian Government Investment Issues	1,287,928	1,262,183
Debt securities		
<u>In Malaysia</u>		
Private and Islamic debt securities	1,556,683	3,097,186
Government Guaranteed corporate sukuk	75,724	75,684
Corporate bond/sukuk	1,526,033	175,269
	<u>4,446,368</u>	<u>4,610,322</u>
Less: ECL		
- Stage 1	(1,272)	(1,705)
- Stage 2	(109)	(147)
	<u>4,444,987</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:	(433)	(38)	-	(471)
Matured financial investments during the period	(502)	(147)	-	(649)
Changes in credit risk	(39)	-	-	(39)
New financial investments purchased during the period	108	109	-	217
At 30 June 2024	<u>1,272</u>	<u>109</u>	<u>-</u>	<u>1,381</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 30 June 2024			
<u>Derivatives</u>			
<u>Foreign exchange contracts:</u>			
Currency forward	3,672,075	4,863	(6,464)
Cross currency swaps	41,632	-	(782)
<u>Interest rate related derivatives:</u>			
Interest rate swaps	300,000	5,544	-
	<u>4,013,707</u>	<u>10,407</u>	<u>(7,246)</u>

	Group		
	Notional amount RM'000	Fair value Assets RM'000	Liabilities RM'000
At 31 December 2023			
<u>Derivatives</u>			
<u>Foreign exchange contracts:</u>			
Currency forward	2,820,048	32,805	(5,158)
<u>Interest rate related derivatives:</u>			
Interest rate swaps	300,000	7,275	-
	<u>3,120,048</u>	<u>40,080</u>	<u>(5,158)</u>

A12. Loans, financing and advances

	Group		Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
(i) By type				
At amortised cost				
Term loans/financing				
- Personal financing	19,073,016	19,467,482	-	-
- Housing loans/financing	10,246,670	9,636,637	-	-
- Industrial hire purchase	724,090	764,085	-	-
- Bridging loans/financing	710,679	652,400	179,832	179,819
- Auto financing	14,771	22,667	-	-
- Other term loans/financing	6,181,190	5,505,197	352,557	352,342
- Syndicated term loans/financing	1,841,752	2,018,478	-	-
Revolving credit	221,646	113,356	-	-
Trade finance	3,293,175	2,637,621	-	-
Margin accounts	1,070,477	1,003,996	-	-
Cashline	261,480	193,585	-	-
Staff loans/financing	29,299	28,807	-	-
Gross loans, financing and advances	43,668,245	42,044,311	532,389	532,161
Less: ECL				
- Stage 1	(308,657)	(344,317)	-	-
- Stage 2	(99,889)	(80,059)	-	-
- Stage 3	(1,168,120)	(1,128,408)	(260,168)	(259,936)
Net loans, financing and advances	42,091,579	40,491,527	272,221	272,225
(ii) By residual contractual maturity				
	Group		Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Maturing within one year	6,655,318	5,938,507	296,093	295,922
One year to three years	2,059,360	1,978,062	-	-
Three years to five years	3,128,663	2,591,709	-	-
Over five years	31,824,904	31,536,033	236,296	236,239
	43,668,245	42,044,311	532,389	532,161

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

(iii) By type of customers

	Group		Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Individuals:				
- Malaysian nationals	30,162,906	29,902,325	-	-
Foreign nationals	781,242	774,843	-	-
Domestic business enterprises:				
- Small medium enterprises	4,974,059	4,552,390	437,280	437,066
- Non-bank financial institutions	1,424,092	718,567	-	-
- Others	6,325,946	6,096,186	95,109	95,095
	43,668,245	42,044,311	532,389	532,161

(iv) By sector

	Group		Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Household sectors	30,229,164	29,901,885	-	-
Construction	3,546,531	3,628,043	296,093	295,922
Finance, insurance, real estate and business services	3,586,081	3,104,470	-	-
Wholesale & retail trade and restaurants & hotels	2,141,790	1,584,976	-	-
Manufacturing	1,900,184	1,668,415	-	-
Education, health and others	1,071,089	1,134,669	236,296	236,239
Transport, storage and communications	644,650	505,549	-	-
Mining and quarrying	87,166	97,801	-	-
Electricity, gas and water	230,526	215,901	-	-
Agriculture	231,064	202,602	-	-
	43,668,245	42,044,311	532,389	532,161

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

(v) By profit rate sensitivity

	Group		Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
<u>Fixed rate:</u>				
Personal financing	11,106,125	13,109,750	-	-
Mortgage and property Islamic	331,234	345,749	-	-
Auto financing	16,369	24,427	-	-
Bridging, structured and term loans and financing	2,011,277	1,939,089	-	-
<u>Variable rate:</u>				
Personal financing	8,020,722	6,358,297	-	-
Mortgage and property Islamic	9,942,669	9,317,370	-	-
Bridging, structured and term loans and financing	12,239,849	10,949,629	532,389	532,161
	43,668,245	42,044,311	532,389	532,161

(vi) By geographical distribution

	Group		Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Malaysia	42,860,989	42,044,311	532,389	532,161
Outside Malaysia	807,256	-	-	-
	43,668,245	42,044,311	532,389	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	455,158	(440,063)	(15,095)	-
Transfer to Stage 2	(813,317)	907,337	(94,020)	-
Transfer to Stage 3	(187,856)	(139,540)	327,396	-
New financing/disbursement during the period	7,768,643	362,154	3,577	8,134,374
Repayment during the period	(6,155,570)	(215,933)	(151,528)	(6,523,031)
Other movements	77,205	(5,357)	60,307	132,155
Write-offs	-	(94)	(119,470)	(119,564)
At 30 June 2024	38,388,315	2,213,049	3,066,881	43,668,245

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

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

	Group			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total 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 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2024	-	-	532,161	532,161
Repayment during the period	-	-	(3)	(3)
Other movements	-	-	231	231
At 30 June 2024	-	-	532,389	532,389

	Company			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total 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 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2024	344,317	80,059	1,128,408	1,552,784
(Reversal)/charged to profit or loss	(36,264)	20,443	159,607	143,786
Changes in the ECL due to transfer within stages:				
- Transfer to Stage 1	24,501	(20,476)	(4,025)	-
- Transfer to Stage 2	(6,912)	35,034	(28,122)	-
- Transfer to Stage 3	(2,043)	(9,470)	11,513	-
New financing/disbursement during the period	53,393	7,137	202	60,732
Repayment during the period	(112,241)	(20,258)	(10,560)	(143,059)
Changes in credit risk parameters #	7,038	28,476	190,599	226,113
Write-offs	-	(9)	(119,470)	(119,479)
Others	604	(604)	(425)	(425)
At 30 June 2024	308,657	99,889	1,168,120	1,576,666

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 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total 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 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2024	-	-	259,936	259,936
Changes in credit risk parameters #	-	-	232	232
At 30 June 2024	-	-	260,168	260,168

	Company			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2023	1,222	3,493	255,900	260,615
(Reversal)/charged 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	
	30-Jun-24	31-Dec-23	30-Jun-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	330,973	951,090	-	-
Reclassified as non-impaired	(109,115)	(156,521)	-	-
Amount recovered	(151,528)	(412,152)	(3)	(49)
Other movements	60,307	166,537	231	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	(119,470)	(328,633)	-	(249)
Derecognition due to				
debt sale	-	(17,635)	-	(17,635)
Balance as at end of				
financial period/year	3,066,881	3,055,714	532,389	532,161
Less: ECL stage 3	(1,168,120)	(1,128,408)	(260,168)	(259,936)
Net impaired loans, advances and financing	<u>1,898,761</u>	<u>1,927,306</u>	<u>272,221</u>	<u>272,225</u>
Net impaired as a				
percentage of net loans, financing and advances	<u>4.51%</u>	<u>4.76%</u>	<u>100.00%</u>	<u>100.00%</u>
Gross impaired as a				
percentage of gross loans, financing and advances	<u>7.02%</u>	<u>7.27%</u>	<u>100.00%</u>	<u>100.00%</u>

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

(x) Impaired loans, financing and advances by sector

	Group		Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Household sector	788,107	691,906	-	-
Construction	1,110,986	1,096,024	296,093	295,922
Education, health and others	236,587	380,141	236,296	236,239
Finance, insurance, real estate and business services	351,934	344,635	-	-
Manufacturing	189,159	183,692	-	-
Wholesale & retail trade and restaurants & hotels	337,971	306,563	-	-
Transport, storage and communication	3,637	4,253	-	-
Mining and quarrying	48,500	48,500	-	-
	3,066,881	3,055,714	532,389	532,161

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

	Group		Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Malaysia	2,907,282	3,055,714	532,389	532,161
Outside Malaysia	159,599	-	-	-
	3,066,881	3,055,714	532,389	532,161

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A13. Other receivables

	Group		Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Amount due from MBSB Bank	-	-	225,372	35,619
Amount due from other subsidiaries	-	-	37,583	-
Amount due from special-purpose vehicle ("SPV")	57,095	-	-	-
Foreclosed properties	36,580	36,580	309	309
Prepayments and deposits	58,583	32,530	-	-
Fee receivables	16,711	63,800	-	-
Sundry receivables	114,779	153,685	1,000	1,266
Deferred expenses	64,481	60,849	-	-
Amount due from brokers and clients	44,655	20,249	-	-
Trade receivable	280	-	-	-
	<u>393,164</u>	<u>367,693</u>	<u>264,264</u>	<u>37,194</u>
Less: ECL	(4,064)	(23,476)	-	-
	<u>389,100</u>	<u>344,217</u>	<u>264,264</u>	<u>37,194</u>

A14. Non-current assets held for sale

	Group	
	30-Jun-24	31-Dec-23
	RM'000	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/year	<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>

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A15. Deposits from customers

(i) By type of deposits:

	Group	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Term Deposits	36,607,914	36,025,662
Demand deposits	2,435,672	2,021,453
Savings deposits	876,878	752,952
	<u>39,920,464</u>	<u>38,800,067</u>

(ii) Maturity of term deposits:

	Group	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Due within six months	27,168,772	27,151,261
More than six months to one year	6,889,228	6,199,332
More than one year to three years	751,629	482,298
More than three years	1,798,285	2,192,771
	<u>36,607,914</u>	<u>36,025,662</u>

(iii) By type of customers:

	Group	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Government and statutory bodies	17,110,910	19,306,461
Business enterprises	15,455,286	14,186,512
Individuals	7,354,268	5,307,094
	<u>39,920,464</u>	<u>38,800,067</u>

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A16. Deposits and placements of banks and other financial institutions

	Group	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Licensed investment banks	100,663	29,271
Licensed commercial banks	2,944	921
Licensed islamic banks	850,296	1,201,820
Other financial institutions	8,337,607	7,591,554
	<u>9,291,510</u>	<u>8,823,566</u>

The maturity structure of deposits and placements of banks and other financial institutions is as follows:

	Group	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Due within six months	7,957,610	7,527,190
More than six months to one year	1,333,741	493,665
More than one year to three years	159	802,711
	<u>9,291,510</u>	<u>8,823,566</u>

A17. Other payables

	Note	Group		Company	
		30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
		RM'000	RM'000	RM'000	RM'000
Amount due to brokers and clients	(i)	45,300	20,156	-	-
Amount due to Government					
Scheme Funds ("GSF")		89,212	83,019	-	-
Dividend payable		287,781	-	287,781	-
Sundry payables		256,752	267,056	3,801	5,432
Al-Mudharabah security funds		111,824	117,885	-	-
Expected credit losses for					
commitments and contingencies	(ii)	39,256	35,250	-	-
Employee benefits		14,402	13,970	-	-
Deferred income		13,072	5,243	-	-
Provision for zakat		7,000	-	-	-
Other provisions and accruals		75,685	137,965	848	519
		<u>940,284</u>	<u>680,544</u>	<u>292,430</u>	<u>5,951</u>

A17. Other payables (cont'd.)

(i) Amount due to brokers and clients

	Group	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Brokers	2,929	10,237
Clients	42,371	9,919
	<u>45,300</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 charged/(reversal) to profit or loss	6,575	(2,518)	(51)	4,006
Changes in ECL due to transfer within stages:				
- Transfer to Stage 1	342	(293)	(49)	-
- Transfer to Stage 2	(109)	259	(150)	-
- Transfer to Stage 3	(1,396)	(43)	1,439	-
New financing/disbursement during the period	17,959	91	-	18,050
Derecognised/converted to loans/financing during the period (other than write-offs)	(5,997)	(2,385)	(164)	(8,546)
Changes in credit risk parameters #	(4,224)	(147)	(1,127)	(5,498)
At 30 June 2024	<u>34,796</u>	<u>2,661</u>	<u>1,799</u>	<u>39,256</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 2024/30 June 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	
		30-Jun-24	31-Dec-23
		RM'000	RM'000
	Note		
Borrowings			
Loan from JBIC-FSMI	(a)	105,573	109,092
Loan from MITI	(b)	79,079	77,191
		<u>184,652</u>	<u>186,283</u>
Government grant			
Loan from MITI	(b)	15,671	17,559
Total borrowing and government grant		<u>200,323</u>	<u>203,842</u>

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

		Group	
		30-Jun-24	31-Dec-23
		RM'000	RM'000
At beginning of period/year		109,092	-
Addition from acquisition of MIDF		-	108,342
Interest expense		1,458	750
Repayment		(4,977)	-
At end of period/year		<u>105,573</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	
		30-Jun-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 *		1,888	1,193
At end of period/year		<u>79,079</u>	<u>77,191</u>
Government grant			
At beginning of period/year		17,559	-
Addition from acquisition of MIDF		-	18,752
Amortisation		(1,888)	(1,193)
At end of period/year		<u>15,671</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.

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

	Group			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Financing and advances	694,340	564,934	1,327,927	1,108,232
Financial investments at FVOCI	114,950	87,417	224,375	178,324
Financial investments at amortised cost	48,966	23,135	98,309	44,033
Financial assets at FVTPL	5,786	7,478	8,659	12,452
Deposits and placements with banks and other financial institutions	22,097	12,380	51,839	23,308
	886,139	695,344	1,711,109	1,366,349

A20. Interest income

	Group			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Loans and advances	23,806	(68)	46,650	1,691
Deposits and placements with banks and other financial institutions	2,169	-	4,438	-
Financial investments at FVOCI	1,746	-	3,301	-
Financial investments at amortised cost	1,889	-	3,793	-
Derivative instruments	2,248	-	2,248	-
	31,858	(68)	60,430	1,691

	Company			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Loans and advances	-	846	-	3,473
Deposits and placements with banks and other financial institutions	616	790	1,209	2,040
	616	1,636	1,209	5,513

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A21. Interest expense

	Group			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	15,550	-	30,024	-
Deposits and placements with banks and other financial institutions	4	-	52	-
Borrowings	679	-	1,458	-
Derivative instruments	24	-	24	-
	<u>16,257</u>	<u>-</u>	<u>31,558</u>	<u>-</u>

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

	Group			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
<u>Expected credit losses on loans, financing and advances made/(written back)</u>				
Loans, financing and advances				
- Stage 1	(23,174)	2,045	(36,264)	(45,790)
- Stage 2	17,177	(69,179)	20,443	(154,254)
- Stage 3	97,470	21,175	159,607	221,695
Credit impaired loans, financing and advances:				
- Write-off	9,165	10,971	15,887	18,507
- Recovered	(9,738)	(19,098)	(19,970)	(29,509)
Loss on sale of loans, financing and advances	-	-	-	19,332
	<u>90,900</u>	<u>(54,086)</u>	<u>139,703</u>	<u>29,981</u>
<u>Expected credit losses on financial investments made/(written back):</u>				
Financial investments at FVOCI	66	27	166	49
Financial investments at amortised cost	5	(18)	(471)	(238)
	<u>71</u>	<u>9</u>	<u>(305)</u>	<u>(189)</u>
<u>Other expected credit losses and impairment allowances made/(written back):</u>				
Other receivables	(219)	(20)	(280)	(20)
Financing commitments and financial guarantees	7,757	2,292	4,006	(24,790)
	<u>7,538</u>	<u>2,272</u>	<u>3,726</u>	<u>(24,810)</u>
	<u>98,509</u>	<u>(51,805)</u>	<u>143,124</u>	<u>4,982</u>

A22. Expected credit losses on loans, financing and advances and other impairment (cont'd)

	Company			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
<u>Expected credit losses on loans, financing and advances made/(written back)</u>				
Loans, financing and advances				
- Stage 1	-	(2)	-	(149)
- Stage 2	-	-	-	(1,905)
- Stage 3	(3)	3,588	232	6,924
Credit impaired loans, financing and advances:				
- Write-off	(1)	427	27	643
- Recovered	(7)	(243)	(7)	(9,420)
Loss on sale of loans, financing and advances	-	-	-	19,332
	<u>(11)</u>	<u>3,770</u>	<u>252</u>	<u>15,425</u>
<u>Expected credit losses on financial investments made/(written back):</u>				
Amount due from subsidiaries	-	866	-	1,912
Financing commitments and financial guarantees	-	(2)	-	33
	<u>-</u>	<u>864</u>	<u>-</u>	<u>1,945</u>
	<u>(11)</u>	<u>4,634</u>	<u>252</u>	<u>17,370</u>

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A23. Net other income

	Group			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
<u>Rental</u>				
Rental income	101	18	187	62
	<u>101</u>	<u>18</u>	<u>187</u>	<u>62</u>
<u>Fee income</u>				
Net financing processing fees	234	165	477	326
Amortisation of facility fees	1,781	3,646	2,865	5,283
Other facility fees	575	362	978	1,653
Management fees	53	-	7,603	-
Corporate advisory fees	2,602	-	6,605	-
Income from Government Scheme Funds	13,317	-	26,244	-
Brokerage fees	5,186	-	8,172	-
Others	13,148	268	16,707	268
	<u>36,896</u>	<u>4,441</u>	<u>69,651</u>	<u>7,530</u>
<u>Insurance and commission</u>				
Insurance commission	6,795	6,061	14,674	12,016
	<u>6,795</u>	<u>6,061</u>	<u>14,674</u>	<u>12,016</u>
<u>Investment income</u>				
Net (loss)/gain on sale of:				
- financial assets at FVTPL	(270)	5,233	1,107	6,537
- financial investments at FVOCI	(2,028)	1,494	(2,405)	(12,797)
- financial investments at amortised cost	23	-	45	-
Net unrealised gain/(loss) on revaluation of:				
- financial assets at FVTPL	2,324	(365)	4,365	671
- derivatives instruments	(2,940)	-	(2,424)	-
Loss on foreign exchange transactions and revaluations	(2,805)	(463)	(10,621)	(2,015)
	<u>(5,696)</u>	<u>5,899</u>	<u>(9,933)</u>	<u>(7,604)</u>
<u>Other income</u>				
Ta'widh/penalty	3,706	5,486	6,109	10,575
Sundry income	5,023	1,490	6,654	3,793
Gain/(loss) from disposal of:				
- Property and equipment	2	-	55	(4)
- Non-current assets held for sale	182	-	182	1,331
- Foreclosed properties	-	16	-	16
	<u>8,913</u>	<u>6,992</u>	<u>13,000</u>	<u>15,711</u>
	<u>47,009</u>	<u>23,411</u>	<u>87,579</u>	<u>27,715</u>

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A23. Net other income (cont'd)

	Company			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
<u>Rental</u>				
Rental income	953	954	1,906	1,910
	<u>953</u>	<u>954</u>	<u>1,906</u>	<u>1,910</u>
<u>Fee income</u>				
Other facility fees	-	(159)	56	701
	<u>-</u>	<u>(159)</u>	<u>56</u>	<u>701</u>
<u>Insurance and commission</u>				
Insurance commission	-	2	-	4
	<u>-</u>	<u>2</u>	<u>-</u>	<u>4</u>
<u>Gross dividend income</u>				
Dividend income	226,199	-	226,199	440,828
	<u>226,199</u>	<u>-</u>	<u>226,199</u>	<u>440,828</u>
<u>Other income</u>				
Penalty	-	2,601	-	5,012
Sundry income	787	445	787	(15)
Gain from disposal of foreclosed properties	-	16	-	16
	<u>787</u>	<u>3,062</u>	<u>787</u>	<u>5,013</u>
	<u>227,939</u>	<u>3,859</u>	<u>228,948</u>	<u>448,456</u>

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A24. Operating expenses

	Group			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Personnel expenses *	130,058	98,093	254,978	178,322
Establishment related expenses	55,065	40,415	106,330	80,789
Promotion and marketing related expenses	2,587	5,381	6,006	9,048
General administrative expenses	54,023	37,508	88,628	40,243
	241,733	181,397	455,942	308,402

	Company			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Personnel expenses *	3,308	533	5,696	960
Establishment related expenses	138	190	464	520
Promotion and marketing related expenses	10	-	10	-
General administrative expenses	2,450	4,987	4,432	7,635
	5,906	5,710	10,602	9,115

Included in operating expenses are the following:

	Group			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Depreciation:				
- property and equipment	11,237	10,028	22,242	19,334
- right-of-use asset	4,481	5,813	10,079	12,318
Amortisation of intangible assets	10,096	10,236	20,469	20,766

	Company			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Depreciation of property and equipment	117	116	233	232

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A24. Operating expenses (cont'd)

* Personnel expenses

	Group			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	100,482	73,776	195,807	132,059
Contributions to Employees Provident Fund and Social security costs	14,506	11,431	29,001	21,418
Directors fees	1,637	1,025	3,479	1,911
Employees' benefits	305	-	594	-
Shariah Committee remuneration	184	223	375	360
Other staff related expenses	12,944	11,638	25,722	22,574
	130,058	98,093	254,978	178,322

	Company			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	2,316	-	3,408	-
Contributions to Employees Provident Fund and Social security costs	155	-	402	-
Directors fees	429	533	1,009	960
Other staff related expenses	408	-	877	-
	3,308	533	5,696	960

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	
	30-Jun-24	31-Dec-23
	Principal amount	
	RM'000	RM'000
Direct credit substitutes	140,541	80,589
Trade-related contingencies	55,278	69,139
Short term self liquidating trade related contingencies	44,253	56,657
Irrevocable commitments to extend credit:		
- one year or less	2,092,160	1,789,696
- over one year to five years	2,363,939	1,839,478
- over five years	291,789	361,078
Foreign exchange related contracts #		
- one year or less	3,713,707	2,820,048
Profit/Interest rate related contracts with an original maturity of:		
- over one year to five years	300,000	300,000
	<u>9,001,667</u>	<u>7,316,685</u>

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

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A26. Capital commitments

	Group	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Property and equipment/intangible assets: Contracted but not provided for	35,553	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.

A28. Segmental information on revenue and results

2nd Quarter Ended	Consumer Banking		Corporate Banking		Global Markets		Investment banking		Others		Inter-segment elimination		Total	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-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	512,434	405,177	178,480	168,737	138,815	119,080	83,036	-	5,825	16,794	-	(14,511)	918,590	695,277
Non-fund based income	5,503	5,296	3,545	5,096	(2,893)	6,365	36,602	-	226,259	(500)	(226,755)	-	42,261	16,257
<u>Inter-segment</u>														
Fund based income	-	(27,347)	-	-	616	(1,250)	-	-	-	54,818	(616)	(26,221)	-	-
Total revenue	<u>517,937</u>	<u>383,126</u>	<u>182,025</u>	<u>173,833</u>	<u>136,538</u>	<u>124,195</u>	<u>119,638</u>	<u>-</u>	<u>232,084</u>	<u>71,112</u>	<u>(227,371)</u>	<u>(40,732)</u>	<u>960,851</u>	<u>711,534</u>
Profit before zakat and tax	206,048	59,260	36,986	31,251	(127,573)	(3,349)	20,018	-	193,459	72,558	(233,261)	(4,738)	95,677	154,982
Taxation													(35,566)	(71,287)
Zakat													(5,287)	-
Net profit for the period													<u>54,824</u>	<u>83,695</u>
Segment assets	29,037,913	28,369,607	11,823,313	11,024,887	16,184,686	14,761,265	6,881,175	-	553,485	629,064	-	-	64,480,572	54,784,823
Tax recoverable													207,374	361,945
Deferred tax assets													83,754	65,439
Unallocated assets													<u>1,937,983</u>	<u>56,629</u>
Total assets													<u>66,709,683</u>	<u>55,268,836</u>
Segment liabilities	25,522,261	14,539,289	10,593,256	4,402,751	13,923,927	24,325,856	5,804,865	-	163,655	4,141,750	-	-	56,007,964	47,409,646
Provision for taxation													128	57,799
Deferred tax liabilities													12,074	11,856
Unallocated liabilities													<u>975,971</u>	<u>(757,479)</u>
Total liabilities													<u>56,996,137</u>	<u>46,721,822</u>

A28. Segmental information on revenue and results (cont'd.)

Six Months Ended	Consumer Banking		Corporate Banking		Global Markets		Investment banking		Others		Inter-segment elimination		Total	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-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
Revenue and expenses														
<u>External:</u>														
Fund based income	964,552	800,716	357,244	323,978	277,274	236,883	161,699	-	10,770	20,974	-	(14,511)	1,771,539	1,368,040
Non-fund based income	12,518	10,237	6,040	8,775	(4,718)	(5,586)	63,625	-	226,427	436,388	(221,133)	(440,828)	82,759	8,986
<u>Inter-segment</u>														
Fund based income	-	-	-	-	1,209	-	-	-	-	54,818	(1,209)	(54,818)	-	-
Total revenue	977,070	810,953	363,284	332,753	273,765	231,297	225,324	-	237,197	512,180	(222,342)	(510,157)	1,854,298	1,377,026
Profit before zakat and tax	437,143	133,226	68,396	75,377	(266,389)	(31,250)	27,849	-	167,884	521,805	(233,263)	(459,742)	201,620	239,416
Taxation													(62,810)	(81,594)
Zakat													(5,645)	-
Net profit for the period													133,165	157,822
Segment assets	29,037,913	28,369,607	11,823,313	11,024,887	16,184,686	14,761,265	6,881,175	-	553,485	629,064	-	-	64,480,572	54,784,823
Tax recoverable													207,374	259,283
Deferred tax assets													83,754	95,220
Unallocated assets													1,937,983	11,523,960
Total assets													66,709,683	66,663,286
Segment liabilities	25,522,261	14,539,289	10,593,256	4,402,751	13,923,927	24,325,856	5,804,865	-	163,655	4,141,750	-	-	56,007,964	47,409,646
Provision for taxation													128	35,945
Deferred tax liabilities													12,074	11,571
Unallocated liabilities													975,971	9,367,858
Total liabilities													56,996,137	56,825,020

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A29. 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.

Related party transactions	Ultimate holding company i.e.			
	EPF		Other companies *	
	30-Jun-24 RM'000	31-Dec-23 RM'000	30-Jun-24 RM'000	31-Dec-23 RM'000
Group				
<u>Income earned</u>				
Profit/interest on deposits and placements with banks and other financial institutions	-	-	-	1
Profit/interest on loans, financing and advances	-	-	132	197
Profit/interest on financial investment at:				
- FVOCI	-	-	2,473	3,615
- Amortised cost	-	-	1,250	1,008
Fee income	-	-	100	-
Brokerage fee	3,193	492	86	219
<u>Expenditure incurred</u>				
Profit on sukuk	17,155	39,521	-	-
Profit on deposits from customers	40,845	52,808	14,774	17,771
Rental expenses	-	22	-	-
Other expenses ^	-	-	21,922	3,235

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

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

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A29. Significant related party transactions/balances (cont'd.)

(b) Related party balances

Related party balances	Ultimate holding company i.e.			
	EPF		Other companies *	
	30-Jun-24 RM'000	31-Dec-23 RM'000	30-Jun-24 RM'000	31-Dec-23 RM'000
Group				
<u>Amount due from</u>				
Cash and short-term funds	-	-	122,951	24,477
Deposits and placements with banks and other financial institutions	-	-	32	32
Loans, financing and advances	-	-	11,887	7,449
Financial investments at:				
- FVOCI	-	-	138,768	103,494
- Amortised cost	-	-	61,107	30,912
Fee receivables	-	-	108	-
<u>Amount due to</u>				
Sukuk	604,006	665,063	-	-
Deposits from customers	2,073,149	2,370,709	893,607	400,967
Deposits and placements of banks and other financial institutions	-	-	15,108	801,352

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

A30. 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	
	30-Jun-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	1,587,263	1,876,865
Other reserves	22,456	(9,264)
	<u>9,580,146</u>	<u>9,838,028</u>
Less : Regulatory adjustments		
Goodwill	(148,031)	(148,031)
Deferred tax assets	(83,754)	(95,220)
Cumulative gains of financial investments at FVOCI	(23,150)	(22,274)
Intangible assets	(160,197)	(161,126)
Regulatory reserve attributable to financing	(109,256)	(106,644)
Total CET1 Capital	<u>9,055,758</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>9,055,758</u>	<u>9,304,733</u>
<u>Tier 2 Capital</u>		
Stage 1 and Stage 2 ECL allowances	552,641	545,294
Tier 2 capital instruments	1,300,000	1,300,000
Total Tier 2 capital	<u>1,852,641</u>	<u>1,845,294</u>
Total capital base	<u>10,908,399</u>	<u>11,150,027</u>

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A30. Capital adequacy (cont'd.)

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

	<u>Group</u>	
	<u>30-Jun-24</u>	<u>31-Dec-23</u>
	<u>RM'000</u>	<u>RM'000</u>
<u>Total risk weighted assets ("RWA")</u>		
- Credit risk	44,211,285	43,623,502
- Market risk	476,022	323,809
- Operational risk	<u>2,796,930</u>	<u>2,795,170</u>
Total RWA	<u>47,484,237</u>	<u>46,742,481</u>
<u>Capital adequacy ratios</u>		
CET1 capital ratio	19.071%	19.906%
Tier 1 capital ratio	19.071%	19.906%
Total capital ratio	<u>22.973%</u>	<u>23.854%</u>

PERFORMANCE REVIEW FOR THE SECOND QUARTER ENDED 30 JUNE 2024

B1. Performance review of the Group

Current Year Quarter vs Preceding Year Corresponding Quarter

	Current Year Quarter 30-Jun-24 2Q24 RM'000	Preceding Year Corresponding Quarter 30-Jun-23 2Q23 RM'000	Changes	
			RM'000	%
Revenue	960,851	711,534	249,317	35.0%
Net income (pre impairment)	435,919	284,574	151,345	53.2%
Expected credit losses on loans, financing and advances and other impairment	(98,509)	51,805	(150,314)	(>100%)
Operating expenses	<u>(241,733)</u>	<u>(181,397)</u>	(60,336)	33.3%
Profit before tax	<u>95,677</u>	<u>154,982</u>	(59,305)	(38.3%)
Profit after tax	<u>54,824</u>	<u>83,695</u>	(28,871)	(34.5%)
Profit attributable to:				
Shareholders of the Company	54,830	83,695	(28,865)	(34.5%)
Non-controlling interests	<u>(6)</u>	<u>-</u>	(6)	(>100%)
	<u>54,824</u>	<u>83,695</u>	(28,871)	(34.5%)

Current Year Quarter vs Immediate Preceding Quarter

	Current Year Quarter 30-Jun-24 2Q24 RM'000	Immediate Preceding Quarter 31-Mar-24 1Q24 RM'000	Changes	
			RM'000	%
Revenue	960,851	893,447	67,404	7.5%
Net income (pre impairment)	435,919	364,767	71,152	19.5%
Expected credit losses on loans, financing and advances and other impairment	(98,509)	(44,615)	(53,894)	>100%
Operating expenses	<u>(241,733)</u>	<u>(214,209)</u>	(27,524)	12.8%
Profit before tax	<u>95,677</u>	<u>105,943</u>	(10,266)	(9.7%)
Profit after tax	<u>54,824</u>	<u>78,341</u>	(23,517)	(30.0%)
Profit attributable to:				
Shareholders of the Company	54,830	78,341	(23,511)	(30.0%)
Non-controlling interests	<u>(6)</u>	<u>-</u>	(6)	(>100%)
	<u>54,824</u>	<u>78,341</u>	(23,517)	(30.0%)

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

In the current quarter, the Group reported revenue and net income (pre impairment) of RM960.9 million and RM435.9 million respectively, surpassing 2Q23 figures primarily due to increased financing income and contributions from MIDF integration. Both revenue and net income also exceeded 1Q24, driven by financing income.

However, the Group recorded operating expenses ("OPEX") of RM241.7 million and total impairment allowances of RM98.5 million in the current quarter, higher than both 2Q23 and 1Q24, leading to a profit before tax of RM95.7 million which was lower than both 2Q23 and 1Q24. The Group reported higher impairment allowances in the current quarter mainly due to higher write backs in 1Q24.

The current quarter OPEX was mainly contributed by personnel expenses of RM130.1 million, establishment related expenses of RM55.1 million (the costs include software/hardware maintenance and depreciation/amortisation charges) and general administrative expenses of RM54.0 million.

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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 July 2024 sees global gross domestic product growth holding steady at 3.2% in 2024 and slightly higher at 3.3% in 2025 with upside risks to inflation increased, raising the prospect of high interest rates around longer. 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") maintained the Overnight Policy Rate ("OPR") in the latest July 2024 meeting. 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.

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B4. Taxation

	Group			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Current income tax	29,433	39,606	57,362	48,758
(Over)/Under provision in prior years	(62)	47,672	1,717	35,949
	<u>29,371</u>	<u>87,278</u>	<u>59,079</u>	<u>84,707</u>
Deferred tax	6,195	(15,991)	3,731	(3,113)
Total income tax expense	<u>35,566</u>	<u>71,287</u>	<u>62,810</u>	<u>81,594</u>

	Company			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Current income tax	(228)	15	-	(10)
Under/(Over) provision in prior years	-	1	-	(1,660)
	<u>(228)</u>	<u>16</u>	<u>-</u>	<u>(1,670)</u>
Deferred tax	(78)	-	(921)	-
Total income tax expense	<u>(306)</u>	<u>16</u>	<u>(921)</u>	<u>(1,670)</u>

B5. Status of corporate proposals

There are no pending corporate proposals.

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B6. Borrowings and debts

Borrowings of the Group were as follows:

	30-Jun-24		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
<u>Secured</u>			
Recourse obligation on financing sold	2,624,113	1,251,644	3,875,757
Sukuk-MBSB Structured Covered ("SC") Murabahah	223,099	281,966	505,065
<u>Non secured</u>			
Sukuk Wakalah	4,856	1,593,302	1,598,158
Borrowings and government grant	184,180	16,143	200,323
	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			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to shareholders for the period (RM'000)	54,824	83,695	133,165	157,822
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)	<u>0.67</u>	<u>1.17</u>	<u>1.62</u>	<u>2.20</u>

	Company			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) attributable to shareholders for the period (RM'000)	222,966	(4,865)	220,224	429,154
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)	<u>2.71</u>	<u>(0.07)</u>	<u>2.68</u>	<u>5.98</u>

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.

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B9. The Operations of Islamic Banking

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	Islamic Banking	
		30-Jun-24 RM'000	31-Dec-23 RM'000
Assets			
Cash and short-term funds	(a)	2,665,553	5,148,136
Deposits and placements with banks and other financial institutions	(a)	726,704	749,812
Financial assets at fair value through profit or loss	(b)	539,542	250,725
Financial investments at fair value through other comprehensive income	(c)	13,466,322	12,460,030
Financial investments at amortised cost	(d)	4,257,345	4,412,893
Derivative financial assets		4,863	32,805
Financing and advances	(e)	40,681,345	39,145,649
Other receivables	(f)	694,984	735,986
Tax recoverable		79,560	90,297
Deferred tax assets		80,039	88,470
Statutory deposits with Bank Negara Malaysia		775,000	720,000
Property and equipment		88,597	96,635
Right-of-use assets		60,279	63,711
Investment properties		820	820
Intangible assets		91,258	88,167
Total assets		64,212,211	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 30 JUNE 2024 (cont'd.)

	Note	RM'000	
		30-Jun-24 RM'000	31-Dec-23 RM'000
Liabilities and shareholders' equity			
Deposits from customers	(g)	38,843,947	37,535,320
Deposits and placements of banks and other financial institutions	(h)	8,735,366	8,349,096
Islamic repurchase agreement		609,442	2,005,199
Derivative financial liabilities		7,246	5,158
Other payables	(i)	1,009,131	823,299
Lease liabilities		61,262	64,560
Recourse obligation on financing sold		3,875,757	4,031,732
Provision for taxation		-	35,935
Sukuk		2,103,223	2,197,432
Borrowings and government grant		94,575	94,573
Total liabilities		55,339,949	55,142,304
Ordinary share capital		7,129,572	7,129,572
Regulatory reserve		92,233	90,557
Fair value reserves		(99,483)	(128,207)
Retained earnings		1,749,940	1,849,910
Total equity		8,872,262	8,941,832
Total liabilities and shareholders' equity		64,212,211	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 30 JUNE 2024

	RM'000	
	30-Jun-24	30-Jun-23
	RM'000	RM'000
Income derived from investment of depositors' funds	1,449,104	1,100,849
Income derived from investment of shareholders' funds	329,660	253,906
Income derived from investment of investment accounts' funds	-	43,115
Expected credit losses on financing and advances and other impairment	(142,036)	18,740
Total distributable income	1,636,728	1,416,610
Income attributable to depositors and others	(1,028,461)	(845,044)
Total net income	608,267	571,566
Personnel expenses	(223,272)	(177,363)
Other overhead expenses	(178,786)	(122,532)
Profit before taxation and zakat	206,209	271,671
Taxation	(58,762)	(72,907)
Zakat	(5,566)	-
Profit for the period	141,881	198,764
Other comprehensive income to be reclassified to profit or loss in subsequent periods	24,006	158,857
Total comprehensive income for the financial period	165,887	357,621

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	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
(i) Cash and balances with banks and other financial institutions	526,180	560,142
Money at call and deposit placements maturing within one month	2,139,373	4,587,994
	<u>2,665,553</u>	<u>5,148,136</u>
(ii) Deposits and placements with banks and other financial institutions with original maturity of more than one month	726,704	749,812
	<u>3,392,257</u>	<u>5,897,948</u>

(b) Financial assets at FVTPL

	Islamic Banking	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Money Market Instruments		
<u>In Malaysia</u>		
Private mandate investments	130,187	240,357
Malaysian Government Investment Issues	385,048	10,368
	<u>515,235</u>	<u>250,725</u>
Equity instruments		
Shares	24,307	-
	<u>539,542</u>	<u>250,725</u>

(c) Financial investments at FVOCI

	Islamic Banking	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Money Market Instruments		
Malaysian Government Investment Issues	9,058,413	8,225,267
Islamic Negotiable Instruments	199,771	-
	<u>9,258,184</u>	<u>8,225,267</u>
Debt securities		
<u>In Malaysia</u>		
Private and Islamic debt securities	1,744,374	2,597,651
Government Guaranteed debt securities	1,460,146	1,637,112
	<u>3,204,520</u>	<u>4,234,763</u>
Corporate Sukuk	1,003,618	-
	<u>13,466,322</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:	114	-	-	114
New financial investments purchased during the period	265	-	-	265
Matured financial investments during the period	(121)	-	-	(121)
Change in credit risk	(30)	-	-	(30)
At 30 June 2024	626	-	8,112	8,738

	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	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Money Market Instruments		
Malaysian Government Investment Issues	1,267,523	1,241,716
	<u>1,267,523</u>	<u>1,241,716</u>
<u>In Malaysia</u>		
Private and Islamic debt securities	1,556,684	3,097,186
Government Guaranteed corporate sukuk	75,724	75,684
Corporate Sukuk	1,358,681	-
	<u>4,258,612</u>	<u>4,414,586</u>
Less: ECL		
- Stage 1	(1,158)	(1,546)
- Stage 2	(109)	(147)
	<u>4,257,345</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	(388)	(38)	-	(426)
Changes in credit risk	(37)	-	-	(37)
Matured financial investments during the period	(459)	(147)	-	(606)
purchased during the period	108	109	-	217
At 30 June 2024	1,158	109	-	1,267

	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	
30-Jun-24					
At amortised cost					
Term financing	34,010,946	2,276,205	697,119	1,136,664	38,120,934
- Personal financing	19,072,608	408	-	-	19,073,016
- Property financing	8,020,205	2,226,465	-	-	10,246,670
- Islamic industrial hire purchase	-	-	-	723,289	723,289
- Bridging financing	530,847	-	-	-	530,847
- Auto financing	-	-	-	14,771	14,771
- Syndicated term financing	1,458,457	-	697,119	-	2,155,576
- Other term financing	4,928,829	49,332	-	398,604	5,376,765
Revolving credit	221,646	-	-	-	221,646
Trade finance	3,293,175	-	-	-	3,293,175
Cashline	261,480	-	-	-	261,480
Staff financing	27,233	-	65	1,598	28,896
Gross financing and advances	37,814,480	2,276,205	697,184	1,138,262	41,926,131
Less: ECL					
- Stage 1					(308,619)
- Stage 2					(99,886)
- Stage 3					(836,281)
Net financing and advances					<u>40,681,345</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	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Maturing within one year	5,156,854	4,508,722
One year to three years	2,058,932	1,973,807
Three years to five years	3,126,591	2,589,579
Over five years	31,583,754	31,295,663
	<u>41,926,131</u>	<u>40,367,771</u>

(iii) By type of customers

	Islamic Banking	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Individuals:		
- Malaysian nationals	29,308,814	29,098,648
Foreign nationals	781,242	774,843
Domestic business enterprises:		
- Small medium enterprises	4,202,395	3,848,169
- Non-bank financial institutions	1,458,859	756,747
- Others	6,174,821	5,889,364
	<u>41,926,131</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	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Household sectors	29,311,159	29,101,187
Construction	3,250,438	3,332,122
Finance, insurance, real estate and business services	3,323,205	2,794,199
Wholesale & retail trade and restaurants & hotels	2,131,477	1,570,564
Manufacturing	1,885,875	1,654,025
Education, health and others	832,121	895,315
Transport, storage and communications	643,100	504,055
Mining and quarrying	87,166	97,801
Electricity, gas and water	230,526	215,901
Agriculture	231,064	202,602
	<u>41,926,131</u>	<u>40,367,771</u>

(v) By profit rate sensitivity

	Islamic Banking	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Fixed rate:		
Personal financing	11,105,722	13,109,215
Property financing	331,234	349,683
Auto financing	16,369	24,427
Bridging, structured and term financing	858,029	847,520
Variable rate:		
Personal financing	7,967,358	6,358,297
Property financing	9,942,669	9,317,370
Bridging, structured and term financing	11,704,750	10,361,259
	<u>41,926,131</u>	<u>40,367,771</u>

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	452,655	(437,560)	(15,095)	-
Transfer to Stage 2	(810,814)	904,834	(94,020)	-
Transfer to Stage 3	(176,021)	(139,540)	315,561	-
New financing/disbursement during the period	7,379,942	361,650	3,578	7,745,170
Repayment during the period	(5,832,155)	(215,418)	(151,596)	(6,199,169)
Other movements	77,205	(5,358)	60,076	131,923
Write-offs	-	(94)	(119,470)	(119,564)
At 30 June 2024	37,327,673	2,213,065	2,385,393	41,926,131

	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 Berhad	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			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2024	344,295	80,058	797,769	1,222,122
Total (reversal)/charged to profit or loss	(35,676)	19,837	158,125	142,286
Changes in the ECL due to transfer within stages:				
- Transfer to Stage 1	24,328	(20,303)	(4,025)	-
- Transfer to Stage 2	(6,175)	34,297	(28,122)	-
- Transfer to Stage 3	(2,043)	(7,857)	9,900	-
New financing/disbursement during the period	53,393	7,135	202	60,730
Repayment during the period	(111,549)	(21,910)	(9,032)	(142,491)
Changes in credit risk parameters #	6,370	28,475	189,202	224,047
Write-offs	-	(9)	(119,470)	(119,479)
Others	-	-	(143)	(143)
At 30 June 2024	308,619	99,886	836,281	1,244,786

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

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 Berhad	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	
	30-Jun-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	319,139	874,151
Reclassified as non-impaired	(109,115)	(156,021)
Amount recovered	(151,596)	(331,701)
Other movements	60,076	153,814
Derecognition of credit impaired financial asset	-	(44,200)
Refinancing from MBSB Berhad	-	251
Reclassification from non-current assets held for sale	-	1,403
Amount written off	(119,470)	(325,882)
Balance at end of period/year	<u>2,385,393</u>	<u>2,386,359</u>
Less: ECL stage 3	<u>(836,281)</u>	<u>(797,769)</u>
	<u>1,549,112</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>5.69%</u>	<u>5.91%</u>

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

(f) Other receivables

	Islamic Banking	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Financing to related companies	414,057	403,211
Prepayments and deposits	53,758	28,804
Fee receivables	-	52,370
Foreclosed properties	36,271	36,271
Deferred expenses	64,481	60,849
Sundry receivables	113,774	144,277
Amount due from brokers and clients	2,381	10,911
Amount due from MIDF	3,643	12,412
Amount due from borrowing and government grant	12,608	12,003
	<u>700,973</u>	<u>761,108</u>
Less: ECL	(5,989)	(25,122)
	<u>694,984</u>	<u>735,986</u>

(g) Deposits from customers

(i) By type of deposit:

	Islamic Banking	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Commodity Murabahah Term Deposits	35,473,268	34,760,348
Demand deposits	2,493,803	2,022,020
Savings deposits	876,876	752,952
	<u>38,843,947</u>	<u>37,535,320</u>

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

	Islamic Banking	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Due within six months	26,058,944	25,839,368
More than six months to one year	6,864,410	6,195,849
More than one year to three years	751,629	532,360
More than three years	1,798,285	2,192,771
	<u>35,473,268</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	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Government and statutory bodies	16,858,937	18,881,570
Business enterprises	14,633,693	13,349,550
Individuals	7,351,317	5,304,200
	<u>38,843,947</u>	<u>37,535,320</u>

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

	Islamic Banking	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Licensed investment banks	100,663	29,271
Licensed commercial banks	2,944	921
Licensed islamic banks	850,296	1,201,820
Other financial institutions	7,781,463	7,117,084
	<u>8,735,366</u>	<u>8,349,096</u>

The maturity structure of deposits and placements of banks and other financial institutions is as follows:

	Islamic Banking	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Due within six months	7,499,475	7,233,768
More than six months to one year	1,235,733	311,375
More than one year to three years	158	803,953
	<u>8,735,366</u>	<u>8,349,096</u>

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

(i) Other payables

	Islamic Banking	
	30-Jun-24	31-Dec-23
	RM'000	RM'000
Amount due to related entities	445,965	234,709
Amount due to brokers and clients	2,338	10,854
Amount due to GSF	70,894	71,132
Sundry creditors	262,069	271,783
Al-Mudharabah security funds	111,824	117,885
ECL for commitments and contingencies (i)	39,223	35,213
Provision for zakat	7,000	-
Deferred income	13,072	5,243
Other provisions and accruals	56,746	76,480
	1,009,131	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	6,581	(2,520)	(51)	4,010
Changes in ECL due to transfer within stages:				
- Transfer to Stage 1	342	(293)	(49)	-
- Transfer to Stage 2	(109)	259	(150)	-
- Transfer to Stage 3	(1,396)	(43)	1,439	-
New financing/disbursement during the period	17,958	89	-	18,047
Repayment/drawdown to financing during the period	(5,291)	(2,385)	(164)	(7,840)
Derecognised/converted to financing during the period (other than write-offs)	(706)	-	-	(706)
Changes in credit risk parameters #	(4,217)	(147)	(1,127)	(5,491)
Write-offs	-	-	-	-
At 30 June 2024	34,764	2,657	1,802	39,223

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			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total 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.

B10. Authorisation for issue

The unaudited interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors.

BY ORDER OF THE BOARD

Koh Ai Hoon (MAICSA 7006997)
Practising Certificate No.: 202308000225

Pauline Ng Peck Kun (MAICSA 7029550)
Practising Certificate No.: 201908002573

Company Secretaries
Petaling Jaya

27 August 2024