MBSB BERHAD
55th ANNUAL GENERAL MEETING

Presentation to Shareholders

Rafe Haneef
Group Chief Executive Officer

Thursday | 26 June 2025

BE BOLD. BANK SMART.

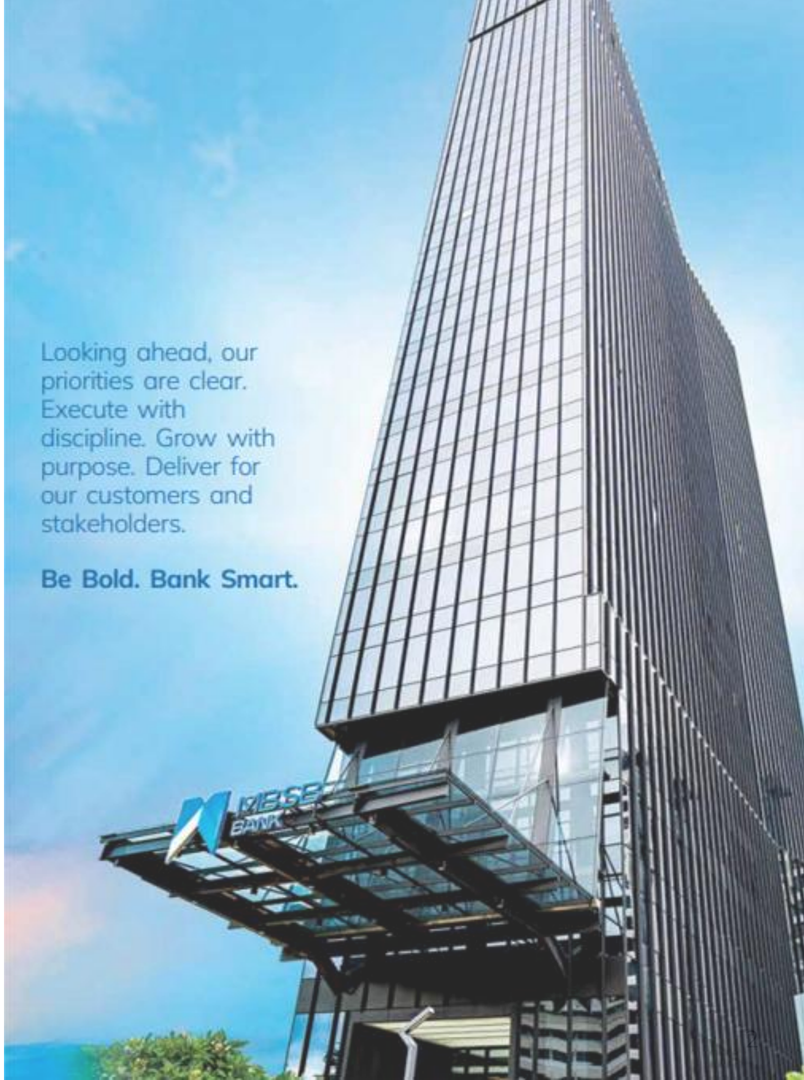
AGENDA

SECTION
01

- 2024 IN REVIEW
- OUR 2025 FOCUS

SECTION
02

- MSWG Q&A
- PNB Q&A
- PRE-AGM Q&A

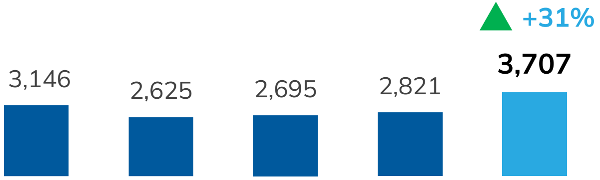


2024 IN REVIEW

2024 IN REVIEW: 5-YEAR FINANCIAL PERFORMANCE

Revenue grew by 31%, driven by increases in both funded and non-funded income. PBT rose by 5%, primarily supported by financing growth and continued balance sheet optimisation.

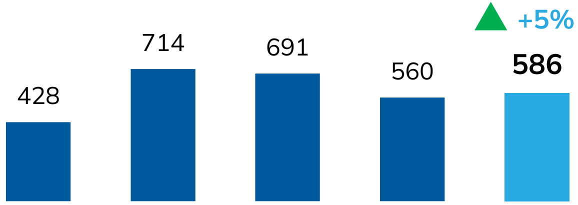
Revenue (RM million)



Revenue increased by 31% mainly driven by a 27% funded income growth and a 318%* increase in non-funded income, mainly attributed to MIDF's full year contribution.

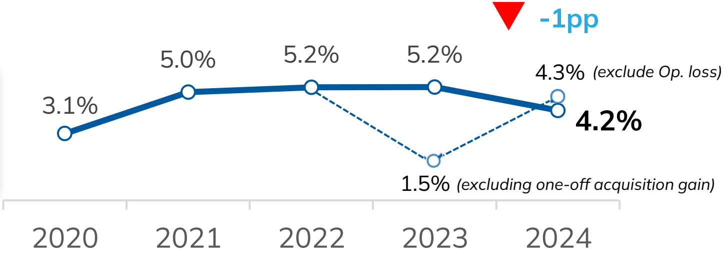
**excluding one-off acquisition gain on MIDF in 2023*

Profit before Tax (RM million)



PBT grew by 5% primarily due to the growth in financing and balance sheet optimisation.

Return on Equity

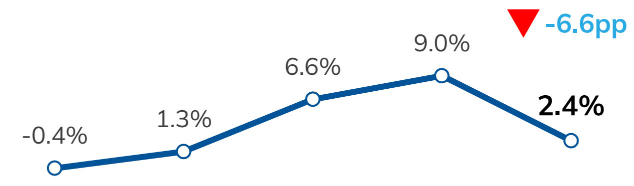


ROE reduced from 5.2% to 4.2%. The higher ROE in FY2023 was driven by a one-off acquisition gain on MIDF. Excluding this gain, ROE improved by 2.7% YoY.

2024 IN REVIEW: 5-YEAR FINANCIAL PERFORMANCE

Financing grew by 2.4% or 4.0% excluding write-offs—slightly below the industry growth of 5.5%. GIFR reduced to 5.3%. CASA ratio reached double digits for the first time at 11.1%, up from 6.2%.

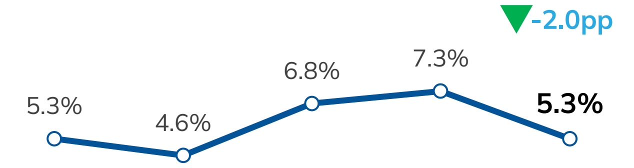
Financing Growth



Financing grew by 2.4% (Excluding write off, financing is higher at 4.0%).

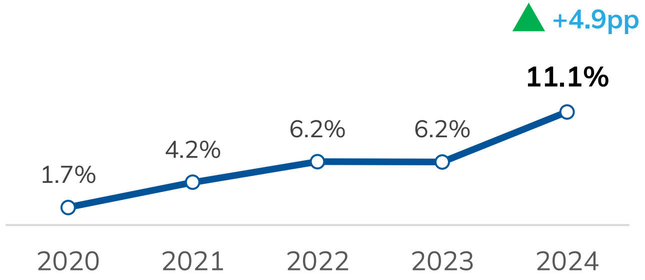
- New disbursement during the year stood at RM11.84 billion from RM11.1 billion.
- Higher repayment during the year stood at RM10.3 billion from RM9.4 billion.

Gross Impaired Financing Ratio



Significant GIFR reduction from 7.3% down to 5.3%, indicating better management of credit risks and improved asset quality.

CASA Ratio



CASA ratio reached double digits for the first time at 11.1%, up from 6.2%, indicating improved deposit stability and lower funding costs.

2024 IN REVIEW: FLIGHT26 PROGRESSING WELL

We have successfully completed 30 out of 38 TPs under FLIGHT26, with the remaining TPs in progress and continuing into 2025, demonstrating progress in our strategic transformation journey

KEY MISSIONS	1 20% CASA RATIO & 3% COF	2 RM50 BIL FINANCING	3 NON-FUNDED INCOME OF 15% OVER TOTAL NET INCOME	4 OPEX OPTIMISATION: 50% CIR

FY2024 HIGHLIGHTS

- Launched Term Investment Account-i (TIA-i), and Term Deposit-i (TD-i) campaigns, significantly enhanced consumer deposit.
- Launched multi-tiered rate CASA to attract new-to-bank customers.
- Introduced preferential pricing for home, and M-Property Financing Program, accelerating financing for SMEs.
- Introduced PrimeGold-i, an affordable digital gold investment, and MShield, a takaful product with guaranteed acceptance
- Established five new Commercial Business Centres (CBCs), supporting SME growth with tailored financial solutions and advisory services in key business hubs.
- Launched the Online Business Current Account (OBCA), allowing businesses to open accounts online with eKYC and retailer dashboard to improve clients' transaction monitoring.
- Increased exposure in agrofood industry by > 50% within one year
- 3 IPO Listings, 1 Main Board and 2 ACE market, strengthening MBSB's leadership in capital markets

FY2024 OUTCOMES

CASA ratio: **11%** ↑	Financing: **RM43 bil** ↑	NoFI over net revenue: **10%** ↑	CIR: **55%**
(2023: 6%)	(2023: RM42 bil)	(2023: 3%)	(Excl. Ops Loss: 53%)
CASA +RM2.4 bil	Financing +RM938 mil YoY	NoFI over net revenue +RM159 mil YoY (2023: RM38 mil)	Net Operating Income +18.7% YoY

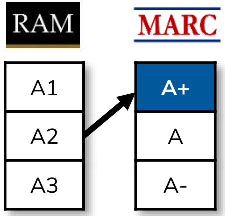
2024 IN REVIEW: MAJOR POST-MERGER INTEGRATION INITIATIVES COMPLETED

We have successfully completed 24 out of 27 post-merger integration Initiatives, with the remaining initiatives continuing under our rationalisation program

Key Building Blocks established:

- Harmonised financial reporting to regulators
- Employees of MBSB Bank and MIDF under one roof
- Robust governance framework and operating model to guide operational efficiencies
- Harmonised remuneration and benefits for employees
- Integration of functions between MBSB Bank and MIDF
- Aligning sustainability efforts and targets and adopt a common CSR framework
- Unified brand strategy and brand identity
- Improved credit rating (A+) by MARC, one notch higher than RAM's A2
- Improved internal communication with amongst others, a newly launched monthly digital magazine, MJOURNAL

MBSB midf → MBSB MIDF



2024 IN REVIEW: IMPROVED DIGITAL BANKING, EMPLOYEE ENGAGEMENT AND CUSTOMER EXPERIENCE

We continue to build capabilities to accelerate growth and increase value for our stakeholders

Innovative Digital Banking Solutions

Relaunched a superior M Journey

4.8 rating (2023: 3.0) in App Store

4.1 rating (2023: 2.3) in Google Play

208% growth in corporate CASA

1st bank in Malaysia to offer 100% digital onboarding for business accounts

Greater Employee Engagement

35% Female representation in leadership roles (2023: 29%)

> RM9 million invested for employee training and education (+28% compared to 2023)

Finalised a Collective Agreement with Kesatuan Eksekutif MBSB Bank (KESEK)

Enhanced Customer Service

Net Promoter Score*
63 (Industry: 61)

Customer Satisfaction Index
92% (Industry: 88%)

Reduction in Customer Complaints
11% (2023: 51%)

Invested in Cyber Security Enhancement
RM12 mil

**Source: Customer Satisfaction Survey Report by IPSOS Sdn Bhd*

Awards and Accolades

The Edge Billion Ringgit Club
Highest PAT Growth – Financial Institutions under RM10 bil market cap

Alpha Southeast Asia Awards
Best Domestic M&A Deal for MBSB's acquisition of MIDF

The Edge Malaysia ESG Awards 2024
for the MIDF ESG Fund

NACRA 2024
Excellence Awards (Silver) for Companies with RM2 billion to RM10 bil in Market Capitalisation

1st STP Award from Standard Chartered for 95.8% efficiency in Islamic USD NOSTRO transfers

MINDA Awards 2024
Excellence in Islamic Financial Services under the Industry Excellence Awards category

2024 IN REVIEW: DELIVERING ON OUR ESG PROMISES

We achieved our sustainability commitments targets in FY2024 by driving a positive impact and minimising harm

SUSTAINABILITY COMMITMENTS

Catalysing RM10 bil of Sustainable & Transition Finance by 2026	Achieving Carbon Neutrality for Scope 1 & Scope 2 Emission by 2030	Achieving Net Zero by 2050	Achieving 50,000 volunteer hours by 2030
RM4.73 bil mobilised (47% of 2026 target)	**12% reduction** in energy use at Menara MBSB Bank (target: 10% by 2024)	Reduced Financed Emissions from 1 million tCO2e to **800,000 tCO2e** with an emissions intensity of 24.13 tCO2e/RM mil	**10,527 hours** recorded (21% of 2030 target) 2023: 4,505 | 2024: 6,023

2024 HIGHLIGHTS

- Adopted VBI Sectoral Guides* in our financing to enable a structured evaluation of climate risks
- Facilitated SME Growth and ESG Integration through Blended and Targeted Financing Schemes
- Conducted a 2.5°C scenario analysis for high-emitting sectors based on BNM's CRMSA
- Developed and rolled out the Climate Risk Dashboard
- Impacted over 70k individuals nationwide through 63 focused community development initiatives (2023: 55k beneficiaries)
- Logged over 6k volunteer hours across employee-driven and community-led initiatives, a 33% increase from 2023

**Total of 10 Sectoral Guides adopted by MBSB*

OUR 2025 FOCUS

OUR STRATEGY CONTINUES TO BE SHAPED BY THE EIGHT KEY CHALLENGES THAT NEED ADDRESSING

1 Cost of Funds

Low CASA ratio leads to high COF

2 Asset Quality

High COF results in adverse selection

3 Fee-Based Income

Low fee-based income limits diversified revenue streams

4 CIR

Rising CIR requires focus on increasing net income & cost optimisation

5 Capital

Highest CET-1 & total capital ratio in the industry

6 Products and services

Limited product offerings to attract new customers

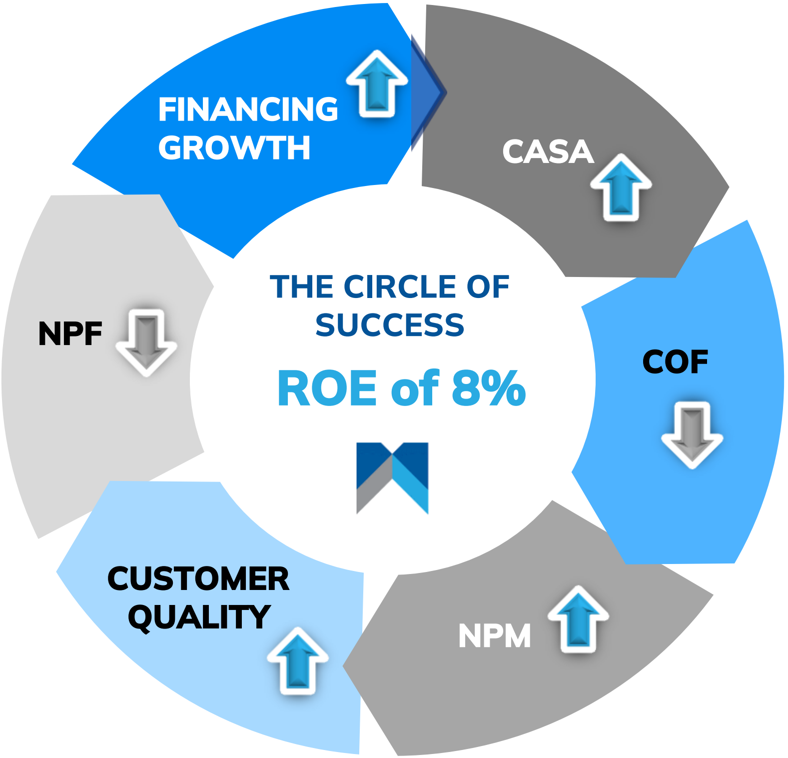
7 Diverse Channels

Enhance physical footprint & digital experiences

8 Customer Experience

Long TAT diminishes customer experience

FLIGHT26 RECAP: OUR CORE STRATEGY IS TO DRIVE CASA GROWTH TO IMPROVE NET PROFIT MARGIN, WHICH WILL FUEL FINANCING GROWTH AND IMPROVE ROE



FLIGHT26: HAVING STRENGTHEND THE BASE IN 2024, WE ARE FOCUSED ON EXPANDING MARKET REACH IN 2025 TOWARDS ACHIEVING OUR ULTIMATE 2026 TARGETS

MBSB strategies and key initiatives continue to be driven by the Chevron Flight Strategy

FLIGHT26 JOURNEY

1st Year: 2024 Strengthen the Base	2nd Year: 2025 Expand Market Reach	3rd Year: 2026 Maximise Returns
• Enhance product offerings & features • Introduce attractive campaigns • Establish attractive business tools e.g., digital platforms • Intensify internal collaborations	• Diversify product offerings • Strengthen brand positioning • Targeted marketing • Institutionalise cross-selling culture • Leverage on partnerships • Upskill frontliners / salespersons	• Increase product holding ratio • Improve customer loyalty • High quality asset growth • Enhance customer satisfaction

FLIGHT26: TURNING 2024 GAINS INTO 2025 BREAKTHROUGHS

Making 2025 a year of success, we must build on last year's progress and drive even greater achievements

	Consumer Banking	Commercial Banking	Wholesale Banking	Digital Banking
2024	☑ Term Deposits (TD) and multi-tiered CASA campaigns ☑ New products/programmes: • Term Investment-i • Property Financing Preferential Financing Programme • Green Property Financing • My 1st Home Scheme • PrimeGold-i (digital gold) • Mshield (takaful) ☑ Enhanced MJourney	☑ Five new Commercial Business Centres (CBCs) ☑ New products/programmes: • Prime Business Account – Tiered rate Current Account • M-Property • TERAJU Programme • Halal Accreditation and Technology Improvement (HATI) • M-WiSE – Women (independent) SME Entrepreneur • Aerospace and E&E Ecosystem Investment Fund	☑ Value chain financing ☑ Syndicate financing ☑ Multi-tiered CASA for Corporate clients ☑ Three IPO Listings, 1 Main Board and 2 ACE market ☑ Expanded Equity Market business into non-GLIC segment with four foreign broker partnerships ☑ Issued RM185mil ASEAN Sustainability SRI Sukuk Wakalah	☑ Liquidity Management System – automating cash flow and fund optimization for multi account management ☑ Virtual Account – streamline receivables reconciliation ☑ Retailer dashboard RICHIAMO COFFEE · 'Q' BISTRO Est. 1968 Enjoy your Time · KAPTEN BATIK ☑ Fintech accelerator program for fintech startups
2025	☑ worksforme - Employee Payroll Proposition ☑ Unit trust investment platform via iFAST ☑ Relaunch Auto Financing ➲ Remittance service via WISE	☑ Focused sectors – Halal and Aerospace ☑ Partner with Santander for global trade platform ➲ Greening Halal business for SME ➲ New trade offering – Express Bank Guarantee	☑ Solutions-based financing ☑ Advocate sustainable solutions for Investment Banking	☑ Bayo - Payroll wallet for foreign workers ➲ Receivable dashboard ➲ Digitalised ecosystem financing platform

FLIGHT26 TARGETS

	ACTUAL FY2024	TARGETS FY2025	TARGETS FY2026
Gross Fin. Growth	**2.4%** Excl. write-off 4.0%	8-9%	8-9%
Net Profit Margin	**2.4%**	2%	2%
Cost Income Ratio	**54.9%** Excl. Ops Loss 53.4%	≤55%	≤50%
Gross Impaired Ratio	**5.3%** Excl. Ihsan-i 4.3%	4-4.5%	4%
Return on Equity	**4.2%** Excl. Ops Loss 4.3%	5-6%	7-8%

MSWG Q&A

OPERATIONAL & FINANCIAL MATTERS

QUESTION 1

In FY2024, MBSB's financing growth was muted at 2.23% to RM42.982 billion from RM42.022 billion a year earlier. In contrast, the banking industry's overall loan growth grew at 5.5% y-o-y according to Bank Negara Malaysia.

Excluding the impact from the written-off of loans (RM883.84 million) in FY2024, the financing growth would still be behind the industry standard.

a) What was MBSB's strategy in growing the loan book in FY2024? In addition, what are the key macroeconomic and sectoral challenges MBSB anticipates in the near to medium term? Furthermore, how might these developments impact the Group's overall loan growth and asset quality, particularly considering the already slower loan growth in FY2024?

OPERATIONAL & FINANCIAL MATTERS

QUESTION 1 (Cont.)

b) To achieve the RM50 billion financing target by FY2026 under the FLIGHT26 three-year strategic plan, MBSB's loan book must grow at a compound annual growth rate (CAGR) of 7.86% over the next two years.

Is such target realistic and attainable in the current economic environment? What does it take for the Group to achieve such a target?

c) MBSB's CASA ratio grew to 11.1% from 6.2% in FY2023, primarily driven by the placement of demand and savings deposit by business enterprises and individuals (page 228, Note 19 (i) & (iii), AR2024).

However, deposits from the government and statutory bodies declined by RM2.67 billion or 13.85% y-o-y to RM16.63 billion in FY2024. Why did the group of depositors perform a significant withdrawal during the year?

OPERATIONAL & FINANCIAL MATTERS

ANSWER 1.a

A significant portion of MBSB's financing growth in 2024 was driven by the SME portfolio, which recorded a 17.3% year-on-year (YoY) increase (industry average: 8.1%). This was further supported by an 11.5% growth in retail property financing (industry average: 6.9%) and a 2.8% increase in the corporate portfolio (industry average: 2.1%).

Excluding write-offs, our overall growth of 4.0% was impacted by a 4.5% reduction in the personal financing portfolio (industry average: 3.6%), in line with the Group's aspiration to reduce reliance on personal financing, diversify its customer base, and achieve sustainable growth.

OPERATIONAL & FINANCIAL MATTERS

ANSWER 1.a

Anticipated Macroeconomic and Sectoral Challenges

1. Slower GDP Growth Outlook

Malaysia’s 2025 GDP is now projected at 4.0%, down from 4.6%, due to weaker global trade and export demand. This may impact business sentiment and investment, particularly in export-dependent sectors.

2. Resilient Domestic Spending

Despite external challenges, consumer spending is expected to stay strong, supported by job growth, wage increases, government aid, and higher tourist arrivals, providing stability to retail and SME segments.

OPERATIONAL & FINANCIAL MATTERS

ANSWER 1.a (Cont.)

3. Improving Business Activity

Business conditions are likely to improve with the ongoing national high priority infrastructure projects and stronger demand, creating opportunities for business financing.

4. Moderate Inflation Pressures

Inflation is forecast to rise to 2.5% in 2025 (from 1.8%), mainly due to cost-side factors and policy changes. However, it remains manageable and unlikely to disrupt economic activity.

5. Stable Interest Rate Outlook

BNM is expected to maintain the OPR at 3.00%, supporting loan affordability and financing growth, as demand-driven inflation remains contained.

Source: MIDF Research

OPERATIONAL & FINANCIAL MATTERS

ANSWER 1.a (Cont.)

The downward revision of GDP growth to 4.0% may dampen financing demand, particularly among export-driven businesses and SMEs affected by global trade uncertainties. These segments are likely to adopt a more cautious borrowing approach, potentially slowing business financing growth.

Conversely, resilient consumer spending, underpinned by stable employment, wage growth, and continued government support, is expected to sustain demand for personal, auto, and home financing, thereby helping to maintain momentum in MBSB's retail portfolio.

Ongoing infrastructure projects across both the public and private sectors present continuous opportunities for growth in both SME and non-SME financing.

OPERATIONAL & FINANCIAL MATTERS

ANSWER 1.a (Cont.)

Meanwhile, a stable Overnight Policy Rate (OPR) at 3.00% supports financing affordability across customer segments, enabling MBSB to sustain its financing momentum despite a softer economic environment.

With rigorous credit assessments, proactive asset monitoring, and continued diversification of our financing portfolio, we expect to preserve and further strengthen our asset quality, which has shown a positive trend over the past few years.

OPERATIONAL & FINANCIAL MATTERS

ANSWER 1.b

We acknowledge the evolving external environment, including developments in global trade tariffs and ongoing geopolitical tensions, which may impact overall trade volumes. Nevertheless, we remain optimistic that resilient domestic demand will continue to support growth.

Management is confident in achieving the RM50 billion financing target by FY2026 under the FLIGHT26 strategic plan. We have laid a strong foundation in 2025 through a healthy deal pipeline, ample financing stock, and strategic initiatives that will support sustainable growth into 2026.

OPERATIONAL & FINANCIAL MATTERS

ANSWER 1.b (Cont.)

Our growth strategy is primarily anchored in the SME segment, with a focus on high-growth, export-oriented sectors such as electrical & electronics, agriculture, electrical vehicles, renewable energy and healthcare. A key differentiator is our ability to structure attractive financing propositions, often referred to as 'club deals' or 'sweet & spicy' offerings, which combine Government Scheme Funds (disbursed by MIDF) with MBSB Bank’s proprietary lending products. These are further enhanced by our integrated business advisory services and the deployment of a reconciliation dashboard, giving us a distinct advantage in serving SMEs more effectively.

Additionally, our long-standing relationships with industry associations provide access to a wider market and strengthen our ability to support sector-specific growth.

OPERATIONAL & FINANCIAL MATTERS

ANSWER 1.b (Cont.)

On the corporate front, we will continue to align our financing with national development priorities as outlined in master plans, including the renewable energy, electrical and electronics (E&E), and transportation sectors.

We also expect our Consumer Banking segment to contribute meaningfully, particularly with the upcoming relaunch of our Auto Finance product, which will complement our existing home and personal financing portfolios.

OPERATIONAL & FINANCIAL MATTERS

ANSWER 1.c

The volatility in CASA from government and statutory bodies was driven by temporary outflows from project-linked depositors. The Group views this as a short-term fluctuation rather than a fundamental loss of customers.

It is actively monitored and reported to the Group Asset Liability Committee (GALCO), and business units regularly supply updated action plans.

The Group remains confident in the resilience of its CASA portfolio and in its strategic plan to grow sustainable CASA.

OPERATIONAL & FINANCIAL MATTERS

QUESTION 2

MBSB reported a further increase in the impairment of Ihsan-i financing to RM444 million in FY2024, up from RM298 million previously (page 12, Q4FY2024 Analyst briefing dated 28 February 2025). This amount now constitutes approximately 20% of the MBSB's total gross impaired financing of RM2.29 billion (page 211, Note 8 (ix), IAR2024).

a) Given that full recovery of Ihsan-i financing typically depends on borrowers reaching ages 50 to 55, how is the near-term recoverability for the impaired Ihsan-I portfolio?

b) Does the Management foresee the need for further provision specific to the Ihsan-i product in FY2025 or beyond?

c) On asset quality, MBSB disclosed two different loan loss coverage ratios -- 49% and 134.11% (page 13, Q4FY2024 Analyst briefing).

   Please explain the differences between the two. Which of the two ratios is more appropriate for shareholders to assess the Group's asset quality?

OPERATIONAL & FINANCIAL MATTERS

ANSWER 2.a

Although the Ihsan-i financing is structured for full settlement by the time borrowers reach the age of 50 to 55, MBSB recognises that some customers may face financial constraints before reaching this stage.

To support these customers, MBSB has implemented a Restructure & Reschedule (R&R) program to ease their repayment burden.

This initiative not only offers more manageable terms for borrowers in need but also helps safeguard the quality of the Ihsan-i portfolio and prevent further credit deterioration.

OPERATIONAL & FINANCIAL MATTERS

ANSWER 2.b

Management does not foresee the need for further provisions for Ihsan-i, as it is fully secured by the Employees Provident Fund (EPF) savings, which serve as collateral and results in a zero Loss Given Default (LGD).

Should a borrower default or fail to repay, MBSB can recover the outstanding balance through the EPF, thereby mitigating credit risk and eliminating the need for further provisions.

OPERATIONAL & FINANCIAL MATTERS

ANSWER 2.c

The 134.11% ratio excludes impaired exposures that are fully secured, as these require no impairment provision under MFRS 9. This is explained in the footnote of page 13, Q4FY2024 of our Analyst Briefing deck in February 2025.

In contrast, the 49% ratio includes all impaired financing, encompassing both secured and unsecured exposures.

Both ratios offer valuable insights and are suitable for assessing the Group's asset quality from different perspectives.

OPERATIONAL & FINANCIAL MATTERS

QUESTION 3

MBSB recorded a substantial write-off of RM883.84 million in LFA for FY2024, a sharp increase from RM326.37 million in FY2023 (pages 208 – 209, Note 8 (viii), IAR2024).

a) Based on Note 52 (e) (vii) on page 309 of IAR2024, MBSB Bank — the Group's Islamic banking arm—accounted for RM568.89 million of the total write-off in FY2024 (FY2023: RM327.575 million).

   I. Please confirm whether the remaining RM314.95 million in write-offs is attributable to the newly acquired Malaysian Industrial Development Finance Berhad (MIDF).

      If so, was this write-off a form of "kitchen-sinking", as in a clean-up of legacy or impaired accounts post-acquisition to reset the asset quality base and not expected to recur in the near term?

OPERATIONAL & FINANCIAL MATTERS

QUESTION 3 (Cont.)

II. For transparency and better shareholder understanding, please disclose MIDF's total impaired LFA for FY2023 and FY2024, as well as the gross impaired loan ratio for the same periods.

b) In addition, please provide the breakdown of loans written off in FY2024 by loan types, loan tenure, customer segments and economic sector involved.

c) Given the substantial write-off in FY2024, what is Management's outlook on the likelihood of further significant LFA write-offs in FY2025?

   Are there any remaining high-risk or impaired portfolios that may require further provision or write-offs?

OPERATIONAL & FINANCIAL MATTERS

ANSWER 3.a.i

The write-off amounting to RM883.84 million refers to the Expected Credit Loss (ECL) write-off. The financing write-off detailed on page 206, Note 8 (vii) amounting to RM890.43 million.

Of this amount, the remaining financing write-off of RM321.54 million (i.e. RM890.43 million less RM568.89 million) comprise RM260.37 million related to legacy conventional corporate loans under MBSB Berhad and RM61.17 million from corporate loans under MIDF.

This write-off exercise cleans up the legacy and impaired accounts from pre-acquisition to reset asset quality, enhance transparency, and reduce future credit risk.

These large-scale write-off is not expected to recur in the near term.

OPERATIONAL & FINANCIAL MATTERS

ANSWER 3.a.ii

The total gross impaired loans of MIDF entities were RM283.70 million in FY2023 and RM147.84 million in FY2024.

Correspondingly, the gross impaired-loan ratios for those years were 14.86% and 7.70%, respectively.

OPERATIONAL & FINANCIAL MATTERS

ANSWER 3.b

The breakdown of financing/loans written off in FY2024 is as follows:

Loan segment / type / sector	Financing Written Off Amount (RM'mil)	Average Financing Tenure (Years)
Consumer		
Personal financing - Household	182.56	17.0
Property financing - Household	99.08	31.3
Auto financing - Household	2.10	9.8
Total consumer	**283.74**	**22.0**
Corporate / Commercial		
Corporate - Education, Health & Others	222.83	20.2
Corporate - Construction	99.37	2.8
Corporate - Finance, Insurance, Real estate & Business services	81.75	1.3
Total Corporate	**403.95**	**12.1**

OPERATIONAL & FINANCIAL MATTERS

ANSWER 3.b (Cont.)

The breakdown of financing/loans written off in FY2024 is as follows:

Loan segment / type / sector	Financing Written Off Amount (RM'mil)	Average Financing Tenure (Years)
Commercial - Manufacturing	109.57	5.4
Commercial - Construction	64.57	4.1
Commercial - Wholesale & Retail Trade and Restaurants & Hotels	27.84	7.4
Commercial - Finance, Insurance, Real Estate & Business Services	0.76	5.0
Total Commercial	**202.74**	**5.2**
Total Corporate / Commercial	**606.69**	**9.8**
TOTAL ALL	**890.43**	**13.7**

OPERATIONAL & FINANCIAL MATTERS

ANSWER 3.c

The write-off exercise is ongoing as part of our continuous portfolio assessment. We do not anticipate any significant write-offs in FY2025.

The remaining high-risk LFAs are primarily legacy exposures at MBSB Berhad, where substantial write-offs were already carried out in FY2024.

Outstanding legacy loan balances continue to be closely monitored and assessed based on the recoverable value of the underlying collateral.

OPERATIONAL & FINANCIAL MATTERS

QUESTION 4

On the credit quality of MBSB's loans, financing and advances (LFA) as of FY2024 (pages 265 – 269, Note 47.1 (iv) (a), IAR2024), the Group reported a marginal increase in LFA with "Below Average" and "Poor" credit quality to RM776 million, or 1.8% of the total LFA, up from RM608.88 million in FY2023.

a) Which business segment or customer groups made up the most of the RM776 million loan? Does the Group have a defined internal threshold or cap for the proportion of LFA with elevated credit risk within its total portfolio?

b) Meanwhile, LFA of RM28.96 billion (FY2023: RM28.55 billion) was categorised as "Unrated" due to the absence of rating models.

   What are the main loan types or financing products classified under the "Unrated" category?

   Given the size and the scale of "Unrated" loans, how could MBSB's internal rating scale be enhanced to improve the granularity of credit risk classification for better credit risk visibility?

OPERATIONAL & FINANCIAL MATTERS

ANSWER 4.a

The RM776 million relates entirely to the corporate and commercial segments. To monitor exposures with elevated credit risk, the Group has established internal credit limits, including:

- Thresholds for the proportion of accounts with weaker credit grades;
- Monthly approval limits for lower-rated obligors; and
- Exposure caps for higher-risk sectors.

These controls help ensure the portfolio remains within the defined risk appetite and support proactive portfolio-quality management.

OPERATIONAL & FINANCIAL MATTERS

ANSWER 4.b

The "Unrated" LFAs, totalling RM28.96 billion, originate primarily from the consumer portfolio. This portfolio is classified as "unrated" for financial statement disclosure purposes.

Nonetheless, we employ an internal credit-scoring model to assess and manage credit risk within the consumer portfolio.

SUSTAINABILITY MATTERS

QUESTION 1

The Material and Utilities were the top two highest-emitting sectors with absolute financed emissions of 329,250 tCO_2e, representing approximately 40% of the Group's financed emissions (page 71 of Sustainability Report 2024). The disproportionately high carbon footprint stems from a mere 4% (or RM1.39 billion) of MBSB's total financed exposure of RM34.63 billion.

These sectors also carried high emissions intensity at 270.68 tCO_2e and 208.06 tCO_2e for every RM1 million financing extended, respectively.

a) With the high level of emissions emitted by the two sectors yet the low level of financing exposure they carried, how do the lending activities to these high carbon footprint industries align with MBSB's environmental objectives of minimising carbon footprint, enhancing resource efficiency and committing to sustainable practices?

SUSTAINABILITY MATTERS

QUESTION 1 (Cont.)

b) Given the outsized emissions contribution of these two sectors relative to their minimal share of financing, how does the continued lending to these carbon-intensive industries align with MBSB's environmental commitments—namely, to minimise carbon footprint, enhance resource efficiency, and promote sustainable financing practices? Besides, how does the Group justify the financing to these sectors from economic benefit perspective?

c) What steps is MBSB taking to decarbonise its lending portfolio, particularly in relation to these high-emitting sectors? Please explain the transition plan or sectoral decarbonisation pathway in place for these customers.

d) Considering financed emissions constitute a major component of the Group's overall carbon emissions, to what extent MBSB integrates climate risk considerations into its credit assessment and approval?

SUSTAINABILITY MATTERS

ANSWER 1.a

MBSB recognizes that sectors like Materials and Utilities, while crucial to Malaysia's economy, are also traditionally carbon-intensive. Our strategy is to nurture these clients through active engagement, providing transition finance solutions and utilizing in-house transition finance questionnaire to facilitate their shift towards sustainable operations and support the development of credible, long-term carbon footprint reduction plans.

This effort is continually reinforced by our refined Risk Posture and Risk Appetite Statement, which embed sustainability and climate considerations, requiring Environmental Impact Assessment (EIA) reports when necessary and ongoing enhancements to our ESG assessments. We're also actively reshaping our portfolio by onboarding lower-emitting clients, such as those involved in Renewable Energy.

Our overarching environmental objective seeks to contribute to the broader decarbonization of the economy, rather than solely focusing on reducing our own financed emissions, and we continuously strengthen our internal capabilities through various capacity-building initiatives and enhanced sector-specific playbooks to support this goal.

SUSTAINABILITY MATTERS

ANSWER 1.b

Despite the significant emissions from certain sectors like Utilities, MBSB adopts a nurturing and balanced approach to its lending, rather than simply divesting. We actively engage our top high-emitting clients, providing transition finance services and utilizing in-house transition finance questionnaires to facilitate their shift towards sustainable operations.

Concurrently, we're continuously reshaping our portfolio by onboarding lower-emitting clients, particularly those in the clean energy space, to reduce our overall financed emissions.

From an economic perspective, MBSB recognizes the critical role these sectors play in Malaysia's economic infrastructure. Our continued engagement supports their necessary transition, ensuring a just transition that balances environmental goals with economic stability.

SUSTAINABILITY MATTERS

ANSWER 1.c

MBSB is taking strategic steps to decarbonize our financing portfolio, particularly in high-emitting sectors via:

- Identifying top 10 highest-emitting clients within these sectors and actively working to support them by mobilizing in-house transition finance questionnaire to encourage clients to reduce their footprint.
- Strategically reshaping our portfolio by increasing exposure to clients in low-carbon alternatives like renewable energy and those who align with our decarbonisation approach.
- Continuously collaborate with policymakers, regulators and associations to drive alignment towards our Net Zero ambition. This includes our involvement in JC3 and working with the ecosystem supporter.
- Continuously enhancing our internal capabilities via various capacity building, building in-house tools such as Relationship Manager sector playbooks for selected sectors.

ANSWER 1.d

MBSB integrates climate risk into its credit assessment and approval processes as a core pillar of its financing.

Recognising that financed emissions form a significant part of the Group's overall carbon footprint, climate-related and ESG criteria have been embedded into credit risk evaluations, particularly for high-impact sectors. Credit proposals are reviewed by Business Units and independently assessed by the Credit Management Division to ensure alignment with MBSB's ESG Risk Framework and Exclusion List, which prohibits financing of activities with high environmental impact, such as coal-based projects. Beyond deal-level assessments, climate risk considerations are also reflected in the Group's Risk Posture, Risk Appetite Statement, and sustainability KPIs, guiding the organisation towards lower climate-risk exposures and more sustainable financing decisions.

This integrated approach ensures that MBSB's financing activities remain aligned with its climate objectives and are resilient to long-term environmental and regulatory shifts.

CORPORATE GOVERNANCE MATTERS

QUESTION 1

The high-profile Kota Kinabalu Sabah fraud case has resulted in RM24.2 million operating loss to MBSB, raising concerns around internal controls and reputational risk.

a) Has there been any action taken by regulators, including Bank Negara Malaysia, against MBSB for such an incident?

b) In response to this incident, what specific enhancements have been made to MBSB's internal controls, risk management frameworks and operational procedures to mitigate the risk and prevent similar occurrences in the future?

c) How many accounts were affected by the illegal withdrawals? What remediation steps have been taken?

CORPORATE GOVERNANCE MATTERS

QUESTION 1 (Cont.)

d) Has MBSB observed any significant deposit withdrawals or changes in customer behaviour following the widespread media coverage of the incident?

e) Can Management quantify or describe the extent of reputational damage, i.e., measurable impact on customer acquisition and retention?

CORPORATE GOVERNANCE MATTERS

ANSWER 1.a

No action was taken by the regulators against MBSB in relation to the Kota Kinabalu incident. We had reported the matter promptly and maintained ongoing engagement with the authorities throughout the investigation. Given that the case involved an external syndicate, no penalties were imposed on the Bank.

CORPORATE GOVERNANCE MATTERS

ANSWER 1.b

We immediately tightened internal controls at the branch level, particularly around cash handling and transaction approvals. Corrective and disciplinary actions were taken where necessary. A comprehensive review of our processes, systems, and personnel was conducted, and improvements have since been implemented.

To further strengthen risk awareness, we collaborated with external consultants to roll out training focused on building a more risk-conscious culture across all branches and functions supporting Consumer Banking.

CORPORATE GOVERNANCE MATTERS

ANSWER 1.c

A total of four customer accounts were affected, and all impacted customers were promptly and fully refunded.

CORPORATE GOVERNANCE MATTERS

ANSWER 1.d

There were no significant withdrawals or behavioural shifts observed. We actively monitored the situation across all customer touchpoints, and deposit levels remained stable. Notably, our CASA ratio improved from 6.2% in 2023 to 11.1% in 2024, reflecting stronger customer confidence and sustained support from both individual and business segments.

CORPORATE GOVERNANCE MATTERS

ANSWER 1.e

There was no measurable impact on customer acquisition or retention. We actively track public sentiment, customer activity, and key brand metrics. Following the incident, we did not observe any decline in new account openings or product take-up across our retail and SME segments. Customer trust in the Bank has remained intact.

PNB Q&A

STRATEGIC QUESTIONS

QUESTION 1

To disclose the Total Shareholders' Returns (TSR) of MBSB for the past 1, 3, and 5 years up to the end of the financial year ended 2024.

What would the Board attribute the performance to.

STRATEGIC QUESTIONS

ANSWER 1

MBSB delivered Total Shareholder Returns (TSR) as follows (based on financial year):

- 1-year TSR: 10.6% (FY2024)
- 3-year TSR: 69.3% (FY2022-2024)
- 5-year TSR: 15.1% (FY2020-2024)

The Board attributes this performance to these factors:

1. 1-year TSR: 10.6% (FY2024): Share Price: +4.2%, Dividend Yield: 6.4%
    - Share price generally reflected MBSB's Return on Equity (ROE) and market sentiment
    - Dividend payout ratio of 90% due to balance sheet optimisation
    - Dividend yield of 6.4%, the highest in the industry

STRATEGIC QUESTIONS

ANSWER 1 (Cont.)

2. 3-year TSR: 69.3% (FY2022-2024): Share Price: +38.3%, Dividend Yield: 31.0%

   - The market's positive reaction to MBSB's acquisition of MIDF was evident in a ~30% rise in the share price between April 2022 (when MBSB received regulatory approval to commence negotiations) and October 2023 (completion of acquisition)
   - The Shariah-compliant status accorded by the Securities Commission's Shariah Advisory Committee in November 2022 also attracted greater investor interest
   - MBSB declared a significantly higher dividend yield of 13.7% in FY2022, the highest in the industry

3. 5-year TSR: 15.1% (FY2020-2024): Share Price: -10.8%, Dividend Yield: 26.0%

   - Decrease of 62% in profit after tax to RM269 million in 2020 resulted in a 5-year low ROE of 3.08% due to the Covid-19 pandemic
   - Decline in share price by 19% in 2020 due to negative market sentiment that drove share price to RM0.47 (March 2020), the lowest in 11 years
   - Decline in share price performance partly offsetting the high dividend yield of 26.0%

STRATEGIC QUESTIONS

QUESTION 2

The Board's views on what are the one or two key critical drivers of TSR for the Company. Would this be return on equity, EPS growth or any other metric? If so, what was the performance of these metrics for the past 1, 3 and 5 years?

STRATEGIC QUESTIONS

ANSWER 2

TSR is driven by both share price appreciation and dividends. Return on Equity (ROE) is one of the key drivers, which supports earnings per share growth, investor and market sentiment, and dividend capacity.

Over the past 1, 3, and 5 years, our average ROE was 4.15%, 4.87%, and 4.54%, and our average dividend payout ratios were 90%, 145%, and 122%, reflecting our commitment to returning value to shareholders.

MBSB Average ROE, Dividend Ratio and Yield

	1-Year	3-Year	5-Year
ROE	4.15%	4.87%	4.54%
Div. Payout Ratio	90%	145%	121%
Div. Yield	6.4%	31.0%	26.0%

STRATEGIC QUESTIONS

ANSWER 2 (Cont.)

Going forward, we are focused on improving ROE/profitability through targeted growth strategies. In commercial and corporate banking, we are deepening our presence in high-growth, export-oriented sectors such as electrical & electronics, agriculture, electrical vehicles, renewable energy and healthcare. In consumer banking, we are leveraging fintech partnerships to deliver differentiated propositions to the affluent segment, driving CASA and fee income growth. Together, these initiatives aim to enhance profitability, market sentiment, and ultimately drive long-term TSR.

STRATEGIC QUESTIONS

QUESTION 3

What are the strategic initiatives that are being put in place by the Company to improve these key drivers and enhance TSR for the next three years.

STRATEGIC QUESTIONS

ANSWER 3

MBSB has established a comprehensive 3-year roadmap (2024-2026) called FLIGHT26 to improve ROE from 1.45% (excluding one-off gain from MIDF acquisition) in 2023 to 7-8% in 2026 and enhance TSR with the following 4 missions:

- Mission 1: Achieve CASA ratio of 20% and reduce COF to 3%
- Mission 2: Achieve financing of RM50 billion
- Mission 3: Achieve non-funded income ratio of 15% from total net revenue
- Mission 4: Lower CIR to 50%

In 2024, we successfully strengthened our foundation by enhancing our product offerings, introducing attractive campaigns, and establishing new business tools. Moving forward, we will focus on expanding our market reach and maximising returns.

OTHER QUESTIONS (CASA)

QUESTION 4

CASA is central to MBSB's Flight26 Strategy with a target of 20% by FY26. Despite significant improvement in FY24, CASA ratio is still substantially below the FY26 target. Moreover, CASA ratio had slightly declined QoQ from 11% to 9% as at Q1FY25.

a) In MBSB's view, what are the critical drivers to win and grow CASA?

b) What is causing the abovementioned decline in CASA ratio? In which segment is the decline coming from and is this a market-wide observation?

c) If MBSB is unable to achieve the CASA ratio target of 20%, what other avenues are being explored to bring down cost of funds further to still achieve its ROE target of 8% by FY26 (and how)?

OTHER QUESTIONS (CASA)

ANSWER 4.a

As a newly licensed commercial bank with limited customers and products, we must provide value to attract the right target market and offer compelling propositions for them to retain and grow CASA balances over time.

The critical drivers to win and grow CASA include:

1. Attractive Product Proposition & Pricing

   - Run targeted campaigns like “Simpan Berganda Menang Bergaya (SBMB)” to attract sizeable deposits from high quality customers.
   - Offer competitive offerings such as “Peak Saver” with attractive profit rates to draw in value-driven customers encouraging long-term engagement and account stickiness.

OTHER QUESTIONS (CASA)

ANSWER 4.a (Cont.)

2. Seamless Customer Experience & Convenience

    - Facilitate faster and more convenient account opening for companies through Online Business Current Account (OBCA), enabling businesses to open accounts online with eKYC integration for a smoother, branchless experience.
    - Offer innovative digital solutions for businesses, such as Liquidity Management System, virtual account and reconciliation dashboards, i.e. Retailer Dashboard and Receivables Dashboard.
    - Enhance MCORPORATE app with transaction approval workflows and real-time cash visibility to meet customer expectations for speed, convenience and security.

OTHER QUESTIONS (CASA)

ANSWER 4.a (Cont.)

3. Distribution Reach & Strategic Partnerships

    - Provide access to the largest ATM network in the country free of charge.
    - Cross-sell CASA to existing financing customers, ensuring every relationship includes an operating CASA.
    - Offer benefits for corporate employees to use MBSB Bank as their main operating current account through “WorksForMe”, an employee-led payroll solution.
    - Offer e-wallet access to foreign workers and underserved segments via “Bayo Pay”, a digital payroll solution.
    - Offer a remittance platform via WISE, which provides real-time transfer tracking, competitive rates, and seamless transfer via MJourney.

OTHER QUESTIONS (CASA)

ANSWER 4.b

The decline was mainly attributed to the consumer (retail) segment post-SBMB CASA campaign, where balances normalised after the announcement of grand prize winners. Separately, the volatility in CASA in the corporate segment was driven by temporary outflows from project-linked depositors. The Group views this as a short-term fluctuation rather than a fundamental loss of customers. It is actively monitored and reported to the Group Asset Liability Committee (GALCO), and business units regularly supply updated action plans. The Group remains confident in the resilience of its CASA portfolio and in its strategic plan to grow sustainable CASA. According to industry data, 4 out of 10 banks listed on Bursa Malaysia recorded a QoQ decline in their CASA ratio.

OTHER QUESTIONS (CASA)

ANSWER 4.c

While growing CASA remains a core priority, the Group recognises the need to concurrently pursue alternative and complementary levers to optimise its cost of funds and deliver sustainable returns. This is currently effected through active rebalancing / optimisation of our funding and liquidity position through the following:

- Reduction/removal of “excess” funding that is suboptimal with respect to funding and liquidity compliance; and
- Moving away from wholesale/money market deposits towards relationship-based customer deposits (in particular retail and SME deposits, but also more stable corporate deposits), with better management of pricing and term structure.

OTHER QUESTIONS (NFI)

QUESTION 5

MBSB is also focused on expanding its NFI with a target of 15 % NFI ratio (against net revenue) by FY26. The Company has achieved a 10% NFI ratio for FY24.

a) Notwithstanding the full contribution of MIDF to the improvement in MBSB's NFI ratio for FY24, which segment(s) drove this increase, and has there been synergistic opportunities leveraged within the Group?

b) Will NFI growth be driven by existing or new revenue streams, and what are the planned initiatives under each stream?

OTHER QUESTIONS (NFI)

ANSWER 5.a

The Group's non-funded income (NFI) surged following the full integration of MIDF in FY2024. This increase was primarily driven by the investment banking, advisory, and asset management segments, which contributed to a rise in total fee income by RM81.2 million, representing a growth of over 100%. Additionally, improved investment income served as another key contributor to the spike in NFI. Enhanced investment portfolio management supported stronger income from investment sales activities throughout the year, turning a loss of RM70.0 million in FY2023 into a gain of RM16.7 million.

The Group has also been actively leveraging synergies between MBSB Bank and MIDF, including the following:

- MBSB Bank and MIDF offering blended schemes (financing & grants), and advisory services to SMEs.
- MIDF Investment Banking providing expertise in structuring MBSB Bank's corporate customers' transactions.

These efforts reflect the Group's commitment to leveraging the strengths of its individual entities, resulting in a stronger market presence.

OTHER QUESTIONS (NFI)

ANSWER 5.b

NFI growth is expected to be supported by a combination of both existing and new revenue streams.

The Group will continue to leverage the strong performance of its investment banking, advisory, and wealth management segments, which have recorded significant growth in fee-based income following the full integration of MIDF in FY2024. The Group is also focused on enhancing its Financial Markets/Treasury business, especially in relation to its Sukuk and FX products and solutions.

The SME and commercial banking segments remain a key focus, where the Group is actively cross-selling blended financing solutions, grants, and advisory services to strengthen customer engagement and generate recurring NFI.

OTHER QUESTIONS (NFI)

ANSWER 5.b (Cont.)

The Group is also expanding into new NFI streams via various initiatives including:

- Prime Gold-i, a digital gold investment platform launched in November 2024.
- iFAST's unit trust products to make investing more accessible to more Malaysians as an expansion of our wealth management proposition, launched in June 2025.
- Bayo Pay, a digital payroll solution to empower foreign workers and underserved segments through e-wallet access and support Malaysia's national shift towards a cashless ecosystem.
- WISE remittance platform, which provides real time transfer tracking, competitive rates, and seamless transfer via MJourney.
- Partnership with Santander to provide a digital global trade platform for wider market access to MBSB customers.

OTHER QUESTIONS (CIR)

QUESTION 6

CIR remains elevated above industry average, and higher with the absorption of MIDF. What are the main levers in reducing the CIR downwards that would lead to structural cost reforms?

OTHER QUESTIONS (CIR)

ANSWER 6

The Group's Cost-to-Income Ratio (CIR) increased following the integration of MIDF, mainly due to one-off integration costs, ongoing investments in technology, and overlapping operational structures during this transition period. This is not unexpected following a major acquisition and several key initiatives are already being implemented to gradually bring the CIR to a more sustainable level.

Post-acquisition, we have developed a robust group operating model and reduced overlapping functions across entities within the Group. This includes the consolidation of support functions, systems harmonisation, and the optimisation of shared services. These efforts aim to eliminate redundancies and streamline operations for the enlarged organisation.

Furthermore, cost management is embedded across the organisation via a disciplined budgeting tracking framework and performance-linked expenditure controls to ensure that our cost structure remains aligned with business growth and productivity.

OTHER QUESTIONS (CIR)

ANSWER 6 (Cont.)

Nonetheless, the key focus in reducing CIR lies in the need to strengthen revenue generation across funded and non-funded income. Achieving the FLIGHT26 objectives will allow us to grow income sustainably while reducing our CIR.

OTHER QUESTIONS (GLOBAL UNCERTAINTIES)

QUESTION 7

The US has unveiled reciprocal tariffs with a baseline of 10% applicable to all countries. Malaysia faces higher tariffs of 24%, with some sectors exempted from the hike in tariffs. Notwithstanding the fluidity and possible changes to this policy in the coming days:

a) What is the potential impact to the banking industry in Malaysia?

b) Which of MBSB's segment(s) would likely be most affected and how is MBSB addressing the fluctuations and volatility that these global developments impart to its business operations?

OTHER QUESTIONS (GLOBAL UNCERTAINTIES)

ANSWER 7.a

The US tariffs will potentially reduce demand demand for business and working capital financing mainly in export-oriented sectors such as electronics & electrical, commodities (palm oil and rubber), logistics and shipping.

OTHER QUESTIONS (GLOBAL UNCERTAINTIES)

ANSWER 7.b

Based on the key sectors identified as potentially vulnerable to the US tariffs, our exposure is approximately RM907 million or 2.95% to our total financing portfolio, mainly in the oil and gas, and palm oil sectors. Hence, the impact is minimal.

MBSB continues to monitor developments closely and stand ready to adjust our approach as the trade policy landscape evolves. Currently we are addressing these challenges through:

1. Immediate Risk Mitigation

    - Implemented tighter credit standards for affected sectors
    - Established enhanced monthly monitoring of exposed borrowers

2. Financial Resilience

    - Conducted stress tests confirming capital ratios remain above requirements
    - Maintained conservative provisioning levels

OTHER QUESTIONS (GLOBAL UNCERTAINTIES)

ANSWER 7.b (Cont.)

3. Strategic Rebalancing

    - Gradually shifting portfolio weighting toward domestic-oriented sectors
    - Increasing focus on retail/SME segments with stable cash flows

PRE-AGM Q&A

STRATEGY & BUSINESS

QUESTION 1

MBSB often promotes attractive fixed deposit (FD) rates, sometimes as high as 4%, but unfortunately, customers are still required to walk into a branch to place these FDs.

In this digital era, many competitors already offer eFD placement via FPX and online banking.

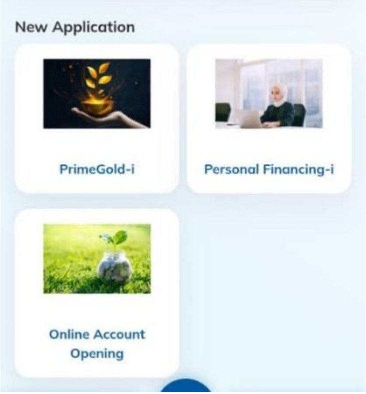
Why hasn’t MBSB implemented online FD placement, and are there any plans to enable this to improve customer convenience and competitiveness?

STRATEGY & BUSINESS

ANSWER 1

MBSB Bank has already enabled online Fixed Deposit (e-TD) placement since April 2019. Customers can conveniently place FDs through our internet banking platform as well as via our mobile app, M Journey.

This feature enhances customer convenience by allowing FD placements anywhere without the need to visit a branch.



The images above showcase screenshots from MBSB Bank's mobile banking app, M Journey

STRATEGY & BUSINESS

QUESTION 2

What is the status of the Selangor State Government's reported interest in acquiring MBSB shares?

Do you plan to merge and become the largest Islamic bank?

STRATEGY & BUSINESS

ANSWER 2

We have no official confirmation of any interest at this time. While there are currently no plans for a merger, we will continue to evaluate all strategic opportunities that could enhance long-term value for our shareholders.

STRATEGY & BUSINESS

QUESTION 3

What are MBSB's key priorities for 2025/2026 to strengthen its financial performance, particularly in addressing legacy loans, optimising funding costs, and realizing MIDF synergies?

Given the current valuation, what specific strategies are being implemented to enhance shareholder value and improve the share price?

STRATEGY & BUSINESS

ANSWER 3

MBSB has established a comprehensive 3-year roadmap (2024-2026) called FLIGHT26 to improve ROE from 1.45% (excluding one-off gain from MIDF acquisition) in 2023 to 7-8% in 2026 and enhance total shareholder returns (TSR) with the following 4 missions:

- Mission 1: Achieve CASA ratio of 20% and reduce COF to 3%
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- Mission 4: Lower CIR to 50%

In 2024, we successfully strengthened our foundation by enhancing our product offerings, introducing attractive campaigns, and establishing new business tools. Moving forward, we will focus on expanding our market reach and maximising returns.

STRATEGY & BUSINESS

ANSWER 3 (Cont.)

On MIDF synergy, we successfully leveraged on the integration to boost non-funded income by more than 100% in FY2024, particularly through investment banking and advisory services, while consolidating post-merger initiatives including unified financial reporting and brand strategy.

Among the challenges in 2025-2026 are reducing our funding costs to 3% and improving our asset quality from GIFR of 5.3% in FY2024. The outstanding legacy loan balances continue to be closely monitored and are assessed based on the recoverable value of the underlying collateral.

STRATEGY & BUSINESS

QUESTION 4

Brief us on the collection efforts of the legacy loans? How much will be written off?

STRATEGY & BUSINESS

ANSWER 4

Management expects minimal additional write-offs in FY2025 as most high-risk legacy loans were already addressed in FY2024.

The remaining exposures, primarily from MBSB Berhad, are about 95% collateralized and will be managed through ongoing collection efforts focused on recovering value from the underlying collateral.

STRATEGY & BUSINESS

QUESTION 5

Can shareholders expect dividends annually?

STRATEGY & BUSINESS

ANSWER 5

MBSB pays out annual dividends regularly and remains committed in rewarding our shareholders. In FY2024, MBSB delivered an attractive dividend yield of 6.4%, paid out twice during the year. Future dividend payouts will align with our annual profitability and capital requirements.

OTHERS

QUESTION 6

Is the company giving any door gifts to shareholders attending this AGM?

OTHERS

ANSWER 6

In keeping with our long-standing practice, we will not be handing out “door gifts” at the AGM.

However, because 2025 marks MBSB’s 75th anniversary, every shareholder who registers and attends in person will receive a special commemorative item created exclusively for this milestone year.

The gift is intended as a keepsake and a token of appreciation for your continued support, while still aligning with our commitment to responsible spending and sustainability.

THANK YOU