

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

INTERIM FINANCIAL STATEMENTS  
OF THE GROUP AND OF THE COMPANY  
FOR THE 1ST QUARTER ENDED 31 MARCH 2022

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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022**

	Note	Group		Company	
		31-Mar-22 RM'000	31-Dec-21 RM'000	31-Mar-22 RM'000	31-Dec-21 RM'000
<b>Assets</b>					
Cash and short-term funds	A7(a)	749,213	654,839	53,100	230,013
Deposits and placements with financial institutions	A7(b)	813,589	843,856	576,385	574,580
Derivative financial assets	A8	2,277	637	-	-
Financial investments at fair value through profit or loss	A9	953,025	240,209	-	-
Financial investments at fair value through other comprehensive income	A10	11,488,618	11,811,115	-	-
Financial investments at amortised cost	A11	971,247	630,334	-	-
Loans, financing and advances	A12	34,612,433	34,503,102	464,088	477,089
Trade and other receivables	A13	98,383	129,367	169,972	190,902
Statutory deposits with Bank Negara Malaysia		650,000	650,000	-	-
Investments in subsidiaries		-	-	5,558,435	5,558,435
Inventories		50,516	50,516	-	-
Property and equipment		350,565	347,286	23,322	23,439
Right-of-use assets		33,538	38,846	-	-
Intangible assets		150,957	150,760	-	-
Goodwill		148,031	148,031	-	-
Investment property		820	820	-	-
Deferred tax assets		71,996	24,176	3,420	3,458
Tax recoverable		474,771	454,794	450,746	452,746
Assets held for sale	A14	1,805	2,600	-	-
<b>Total assets</b>		<b>51,621,784</b>	<b>50,681,288</b>	<b>7,299,468</b>	<b>7,510,662</b>
<b>Liabilities</b>					
Deposits from customers	A15	26,871,444	24,601,750	-	-
Deposits and placements of banks and other financial institutions	A16	6,977,311	8,649,581	-	-
Investment accounts of customers	A17	1,710,773	2,094,914	-	-
Derivative financial liabilities	A8	914	2,363	-	-
Trade and other payables	A18	922,917	1,086,213	23,583	239,978
Lease liabilities		33,730	38,998	-	-
Recourse obligation on financing sold		4,100,939	3,141,309	-	-
Sukuk-MBSB Structured Covered Murabahah		1,087,002	1,072,972	-	-
Sukuk Wakalah		1,310,941	1,294,247	-	-
Deferred tax liabilities		15,694	15,481	-	-
Provision for taxation		-	4,135	-	-
<b>Total liabilities</b>		<b>43,031,665</b>	<b>42,001,963</b>	<b>23,583</b>	<b>239,978</b>
<b>Equity</b>					
Ordinary share capital		7,198,068	7,198,068	7,198,068	7,198,068
Reserves		(308,457)	(161,046)	-	-
Retained earnings		1,700,508	1,642,303	77,817	72,616
<b>Total equity</b>		<b>8,590,119</b>	<b>8,679,325</b>	<b>7,275,885</b>	<b>7,270,684</b>
<b>Total liabilities and equity</b>		<b>51,621,784</b>	<b>50,681,288</b>	<b>7,299,468</b>	<b>7,510,662</b>
<b>Total Islamic banking assets</b>		<b>50,068,104</b>	<b>45,984,780</b>	<b>-</b>	<b>-</b>
<b>Commitments and contingencies</b>	A24	<b>4,199,976</b>	<b>3,265,007</b>	<b>11,611</b>	<b>11,668</b>
<b>Net assets per share attributable to ordinary equity of the Company (RM)</b>		<b>1.20</b>	<b>1.21</b>	<b>1.01</b>	<b>1.01</b>

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021.

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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

	Note	Group		Company	
		1st Quarter Ended		1st Quarter Ended	
		31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
		RM'000	RM'000	RM'000	RM'000
Revenue		664,548	680,982	7,108	12,917
Income derived from investment of deposits and Islamic capital funds	A19	668,070	643,637	-	-
Income attributable to depositors		(197,202)	(205,147)	-	-
Income attributable to securitisation		(35,002)	(23,213)	-	-
Income attributable to sukuk		(30,189)	(33,640)	-	-
Income attributable to wakalah unrestricted investment account		(13,359)	(639)	-	-
Net income from Islamic operations		392,318	380,998	-	-
Interest income	A20	2,277	26,416	6,396	12,221
Expected credit losses on loans, financing and advances and other impairment	A21	(158,296)	(174,992)	4,193	6,479
Net loss on modification of cash flows		(8,961)	(36,462)	-	-
Operating income		227,338	195,960	10,589	18,700
Net other income	A22	1,866	17,423	1,337	5,578
Net income		229,204	213,383	11,926	24,278
Other operating expenses	A23	(149,998)	(102,100)	(4,688)	(5,766)
Profit before taxation and zakat		79,206	111,283	7,238	18,512
Taxation		(20,926)	(47,123)	(2,037)	(5,282)
Zakat		(75)	(675)	-	-
Profit from continuing operations		58,205	63,485	5,201	13,230
Loss from discontinued operation		-	(72)	-	-
Profit for the financial period		58,205	63,413	5,201	13,230
Earnings per share (sen)					
Basic		3.25	3.64	0.29	0.76
<b>Profit for the financial period</b>		58,205	63,413	5,201	13,230
<b>Other comprehensive loss, net of tax :</b>					
Movement in fair value reserve, which may be reclassified subsequently to profit or loss		(147,411)	(369,799)	-	-
		(147,411)	(369,799)	-	-
<b>Total comprehensive (loss)/income for the financial period</b>		(89,206)	(306,386)	5,201	13,230

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021.

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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

Group	← Non-distributable →		Distributable		Total RM'000
	Share Capital RM'000	Share Option Reserve RM'000	Fair Value Reserves RM'000	Retained Profits RM'000	
<b>At 1 January 2022</b>	7,198,068	-	(161,046)	1,642,303	8,679,325
Profit for the period	-	-	-	58,205	58,205
Other comprehensive loss for the financial period	-	-	(147,411)	-	(147,411)
<b>At 31 March 2022</b>	<b>7,198,068</b>	<b>-</b>	<b>(308,457)</b>	<b>1,700,508</b>	<b>8,590,119</b>
<b>At 1 January 2021</b>	7,088,255	-	234,666	1,558,251	8,881,172
Profit for the period	-	-	-	63,413	63,413
Other comprehensive loss for the financial period	-	-	(369,799)	-	(369,799)
<b>At 31 March 2021</b>	<b>7,088,255</b>	<b>-</b>	<b>(135,133)</b>	<b>1,621,664</b>	<b>8,574,786</b>

  

Company	← Non-distributable →		Distributable		Total RM'000
	Share Capital RM'000	Share Option Reserve RM'000	Fair Value Reserves RM'000	Retained Profits RM'000	
<b>At 1 January 2022</b>	7,198,068	-	-	72,616	7,270,684
Profit for the period	-	-	-	5,201	5,201
<b>At 31 March 2022</b>	<b>7,198,068</b>	<b>-</b>	<b>-</b>	<b>77,817</b>	<b>7,275,885</b>
<b>At 1 January 2021</b>	7,088,255	-	-	157,684	7,245,939
Profit for the period	-	-	-	13,230	13,230
<b>At 31 March 2021</b>	<b>7,088,255</b>	<b>-</b>	<b>-</b>	<b>170,914</b>	<b>7,259,169</b>

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021.

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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

	Group		Company	
	31-Mar-22 RM'000	31-Mar-21 RM'000	31-Mar-22 RM'000	31-Mar-21 RM'000
<b>Cash flows from operating activities</b>				
Profit before taxation	79,206	111,283	7,238	18,512
Adjustments for non-cash items	134,349	(447,932)	(4,077)	2,652
Operating profit/(loss) before working capital changes	213,555	(336,649)	3,161	21,164
Working capital changes:				
Net changes in operating assets	(236,839)	227,951	36,440	155,708
Net changes in operating liabilities	48,116	2,136,858	(216,514)	(937)
Cash generated from/(used in) operations	24,832	2,028,160	(176,913)	175,935
Income taxes and zakat paid	(12,561)	(11,754)	-	(2,958)
Net cash generated from/(used in) operating activities	12,271	2,016,406	(176,913)	172,977
<b>Cash flows from investing activities</b>				
Increase in investment in subsidiaries	-	-	-	(268,113)
Purchase of property and equipment	(7,794)	(16,760)	-	-
Purchase of intangible assets	(3,550)	-	-	-
Loss on disposal of foreclosed properties	-	(2,950)	-	(2,950)
Net purchase of financial investments	(825,808)	(1,140,127)	-	-
Net cash used in investing activities	(837,152)	(1,159,837)	-	(271,063)

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021.

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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2022 (CONTINUED)**

	Group		Company	
	31-Mar-22 RM'000	31-Mar-21 RM'000	31-Mar-22 RM'000	31-Mar-21 RM'000
<b>Cash flows from financing activities</b>				
Repayment/(proceeds) on recourse obligation on loans/financing sold	953,634	(393,507)	-	-
Profit expense paid - recourse obligation on financing sold	(29,006)	(24,218)	-	-
Proceeds of Sukuk - MBSB SC Murabahah	535	688	-	-
Profit expense paid - Sukuk Wakalah	(186)	(177)	-	-
Payment of lease liabilities	(5,722)	(2,282)	-	-
Net cash generated from/(used in) financing activities	919,255	(419,496)	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	94,374	437,073	(176,913)	(98,086)
<b>Cash and cash equivalents at beginning of financial period</b>	654,839	1,082,712	230,013	342,898
<b>Cash and cash equivalents at end of financial period (Note A7(a))</b>	749,213	1,519,785	53,100	244,812
<b>Cash and cash equivalents is represented by:</b>				
Cash and short-term funds	749,213	1,519,785	53,100	244,812
Cash and cash equivalents at end of financial period (Note A7(a))	749,213	1,519,785	53,100	244,812

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2022**  
**PART A - EXPLANATORY NOTES PURSUANT TO MFRS134**

**A1. Basis of preparation**

The unaudited condensed interim financial statements for the financial quarter ended 31 March 2022 have been prepared under the historical cost convention except for financial investments which are recognised at fair value and the following 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: loans, financing and advances, trade and other payables, bank borrowings and recourse obligations on financing sold.

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 Financial Reporting for Islamic Banking Institutions policy 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 2021. 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 2021.

The unaudited interim financial statements of the Group consolidated financial performance including Banking group which comprises of MBSB Bank Berhad ("the Bank") and the Bank's subsidiary, Jana Kapital Sdn Bhd ("JKSB"). The significant 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 2021.

On 1 January 2022, where applicable, the Group and the Company adopted the following MFRSs and Amendments to MFRSs mandatory for annual financial periods beginning on or after 1 January 2022:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

**MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)**  
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**A1. Basis of preparation (continued)**

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The initial application of the abovementioned accounting standards, amendments and interpretations is not expected to have material financial impact to the current period and prior period financial statements of the Group and the Company.

**A2. Audit report of preceding financial year ended 31 December 2021**

The audit report on the financial statements of the preceding year was not qualified.

**A3. Seasonality and cyclicity of operations**

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

**A4. Exceptional or unusual items**

There were no exception or unusual items during the quarter.

**A5. Issue of shares and debentures**

There were no other 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.

	<b>31-Mar-22</b>	<b>31-Dec-21</b>
Number of ordinary shares ('000)	7,171,484	7,171,484
Share Capital (RM'000)	7,198,068	7,198,068

**A6. Dividend**

No dividend was paid in the current quarter.



**MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)**  
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**A7. Cash and short-term funds and deposits and placements with financial institutions**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(a) Cash and short-term funds:				
Cash at banks and on hand	277,190	133,008	5,720	5,118
Money at call and deposit placements maturing within one month	472,023	521,831	47,380	224,895
	<b>749,213</b>	<b>654,839</b>	<b>53,100</b>	<b>230,013</b>
(b) Deposits and placements with financial institutions with original maturity of more than one month				
- Licensed Islamic banks	813,589	843,856	576,385	574,580
	<b>1,562,802</b>	<b>1,498,695</b>	<b>629,485</b>	<b>804,593</b>

The ECL for cash and short-term funds and deposits and placements above is nil (2021: nil).

**A8. Derivative financial assets/(liabilities)**

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

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

	<b>Group</b>		
	<b>Notional amount</b>	<b>Fair value</b>	
	<b>RM'000</b>	<b>Assets</b>	<b>Liabilities</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>At 31 March 2022</b>			
<b><u>Trading derivatives</u></b>			
<b><u>Foreign exchange contracts:</u></b>			
Currency forward			
- Less than one year	1,568,433	2,277	(914)
<b>At 31 December 2021</b>			
<b><u>Trading derivatives</u></b>			
<b><u>Foreign exchange contracts:</u></b>			
Currency forward			
- Less than one year	419,278	637	(2,363)

**MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)**  
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**A9. Financial investments at FVTPL**

	<b>Group</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
<u>In Malaysia</u>		
Investment with fund manager - Money Market Securities	240,357	240,209
Malaysian Government Investment Issues	712,668	-
	953,025	240,209

**A10. Financial investments at FVOCI**

	<b>Group</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
<b>Money Market Instruments</b>		
Malaysian Government Investment Issues	8,281,959	8,317,698
<b>Debt securities:</b>		
<u>In Malaysia</u>		
Private and Islamic debt securities	1,090,659	1,139,722
Government Guaranteed debt securities	2,116,000	2,353,695
	11,488,618	11,811,115

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.

ECL movement for financial investments at FVOCI:

	<b>Group</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2022	14	-	-	14
Total charge to profit or loss:	(5)	-	-	(5)
Change in credit risk	(5)	-	-	(5)
At 31 March 2022	9	-	-	9

	<b>Group</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2021	7	-	-	7
Total charge to profit or loss:	7	-	-	7
New financial investments purchased during the year	13	-	-	13
Matured financial investments during the year	(5)	-	-	(5)
Change in credit risk	(1)	-	-	(1)
At 31 December 2021	14	-	-	14

**MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)**  
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**A11. Financial investments at amortised cost**

	<b>Group</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost</b>		
<b>Money Market Instruments</b>		
Malaysian Government Investment Issues	259,303	20,666
<b>In Malaysia</b>		
Private and Islamic debt securities	692,763	610,880
Government Guaranteed corporate sukuk	20,192	-
	<u>972,258</u>	<u>631,546</u>
Less: ECL		
- Stage 1	(670)	(841)
- Stage 2	(341)	(371)
	<u>971,247</u>	<u>630,334</u>

ECL movement for financial investments at amortised cost:

	<b>Group</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
ECL at 1 January 2022	841	371	-	1,212
Charged to profit or loss	(171)	(30)	-	(201)
Change in credit risk	(203)	(30)	-	(233)
Matured financial investments during the period	(2)	-	-	(2)
New financial investments purchased during the period	34	-	-	34
ECL at 31 March 2022	<u>670</u>	<u>341</u>	<u>-</u>	<u>1,011</u>

	<b>Group</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
ECL at 1 January 2021	90	501	-	591
Charged to profit or loss	751	(130)	-	621
Change in credit risk	(3)	(130)	-	(133)
New financial investments purchased during the year	754	-	-	754
ECL at 31 December 2021	<u>841</u>	<u>371</u>	<u>-</u>	<u>1,212</u>

**MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)**  
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**A12. Loans, financing and advances**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(i) By type</b>				
<b>At amortised cost</b>				
<i>Islamic:</i>				
Term financing:				
Personal financing	19,745,946	19,613,340	-	-
Property financing	7,515,585	7,266,303	-	-
Hire purchase receivables	677,783	679,199	-	-
Bridging financing	418,720	411,617	-	-
Auto financing	69,609	75,121	-	-
Other term financing	5,346,010	5,584,420	-	-
Revolving Credit	164,436	175,464	-	-
Staff financing	41,335	42,371	-	-
Cash line	113,076	125,147	-	-
Trade finance	1,499,798	1,341,911	-	-
<i>Conventional:</i>				
End finance:				
Normal housing programme	78,689	79,895	78,689	79,895
Low cost housing programme	421	423	421	423
Other term financing	572,258	588,564	572,258	588,564
Bridging financing	195,015	196,835	195,015	196,835
Gross loans, financing and advances	36,438,681	36,180,610	846,383	865,717
Less: ECL				
- Stage 1	(364,704)	(347,004)	(1,606)	(1,527)
- Stage 2	(586,822)	(597,878)	(2,814)	(8,984)
- Stage 3	(874,722)	(732,626)	(377,875)	(378,117)
Net loans, financing and advances	34,612,433	34,503,102	464,088	477,089
<b>(ii) By maturity structure</b>				
	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Within one year	3,048,473	2,948,874	521,736	522,545
More than one year to three years	1,402,974	1,357,135	1,537	1,483
More than three years to five years	1,654,169	1,832,713	17,745	17,631
More than five years	30,333,065	30,041,888	305,365	324,058
	36,438,681	36,180,610	846,383	865,717

**MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)**  
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**A12. Loans, financing and advances (continued)**

**(iii) By economic purpose**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Personal Use	19,837,005	19,697,222	-	-
Construction	3,927,197	3,978,526	438,398	458,817
Purchase of landed property:				
- Residential	7,391,449	7,154,826	279,369	279,121
- Non-Residential	920,876	912,562	69,823	69,971
Working Capital	3,219,128	3,300,141	57,483	56,500
Purchase of other fixed assets	937,603	929,586	1,310	1,308
Purchase of transport vehicles	72,148	77,009	-	-
Purchase of other securities	423	432	-	-
Purchase of consumer durables	907	901	-	-
Others	131,945	129,405	-	-
	<b>36,438,681</b>	<b>36,180,610</b>	<b>846,383</b>	<b>865,717</b>

**(iv) By type of customers**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Individuals	27,345,352	26,969,997	52,257	53,182
Domestic business enterprises				
- Small medium enterprises	2,838,712	2,887,059	588,391	588,349
- Non-bank financial institutions	662,915	739,048	-	-
- Others	5,444,581	5,553,169	205,735	224,186
Foreign entities	147,121	31,337	-	-
	<b>36,438,681</b>	<b>36,180,610</b>	<b>846,383</b>	<b>865,717</b>

**(v) By sector**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Household sectors	27,345,352	26,969,997	52,257	53,182
Construction	3,497,699	3,870,020	492,919	513,189
Finance, insurance and business services	2,613,306	2,509,032	7,367	7,285
Wholesale & retail trade and restaurants & hotels	887,796	860,418	3,176	3,179
Manufacturing	1,103,162	968,893	62,426	61,422
Education, health and others	476,416	358,193	223,682	222,512
Transport, storage and communications	212,628	243,861	1,366	1,462
Mining and quarrying	84,000	185,408	-	-
Electricity, gas and water	174,849	174,723	-	-
Agriculture	43,473	40,065	3,190	3,486
	<b>36,438,681</b>	<b>36,180,610</b>	<b>846,383</b>	<b>865,717</b>

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**A12. Loans, financing and advances (continued)**

**(vi) By profit/interest rate sensitivity**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fixed rate:				
Personal financing	16,027,693	16,092,439	-	-
Bridging, structured and term financing	911,535	920,954	52,077	52,077
Mortgage and property Islamic	399,971	417,399	648	650
Auto finance	72,059	77,622	-	-
Variable rate:				
Personal financing	3,728,145	3,531,299	-	-
Bridging, structured and term financing	8,075,965	8,182,608	715,196	733,322
Mortgage and property Islamic	7,223,313	6,958,289	78,462	79,668
	<b>36,438,681</b>	<b>36,180,610</b>	<b>846,383</b>	<b>865,717</b>

**(vii) By geographical distribution**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysia	36,438,681	36,180,610	846,383	865,717
	<b>36,438,681</b>	<b>36,180,610</b>	<b>846,383</b>	<b>865,717</b>

**(viii) Movement of gross loans, advances and financing**

	<b>Group</b>				
	<b>31-Mar-22</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
				<b>Total</b>	
				<b>RM'000</b>	
Gross carrying amount as at 1 January 2022		29,172,078	5,342,428	1,666,104	36,180,610
Transfer to stage 1		593,555	(588,959)	(4,596)	-
Transfer to stage 2		(556,127)	595,867	(39,740)	-
Transfer to stage 3		(15,473)	(537,071)	552,544	-
New financing / disbursement during the period		1,753,125	529,176	4,168	2,286,469
Repayment during the period		(1,763,785)	(532,006)	(27,960)	(2,323,751)
Other movements		264,840	42,850	5,318	313,008
Loss on modification of cash flows		(7,302)	(1,659)	-	(8,961)
Write-offs		-	-	(8,694)	(8,694)
Gross carrying amount as at 31 March 2022		<b>29,440,911</b>	<b>4,850,626</b>	<b>2,147,144</b>	<b>36,438,681</b>

**MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)**  
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**A12. Loans, financing and advances (continued)**

**(viii) Movement of gross loans, advances and financing (continued)**

<b>31-Mar-22</b>	<b>Company</b>			
	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	<b>Total RM'000</b>
Gross carrying amount as at 1 January 2022	42,791	120,351	702,575	865,717
Transfer to stage 1	20,422	(20,422)	-	-
Transfer to stage 2	(839)	1,819	(980)	-
Transfer to stage 3	(206)	(26,728)	26,934	-
Repayment during the period	(19,209)	(863)	(1,412)	(21,484)
Other movements	240	1,052	858	2,150
Gross carrying amount as at 31 March 2022	<b>43,199</b>	<b>75,209</b>	<b>727,975</b>	<b>846,383</b>
<b>31-Dec-21</b>	<b>Group</b>			
	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	<b>Total RM'000</b>
Gross carrying amount as at 1 January 2021	28,856,494	4,976,739	1,894,985	35,728,218
Transfer to stage 1	1,639,149	(1,487,288)	(151,861)	-
Transfer to stage 2	(2,113,365)	2,202,567	(89,202)	-
Transfer to stage 3	(159,679)	(132,981)	292,660	-
New financing / disbursement during the year	4,314,854	1,282,980	31,537	5,629,371
Repayment during the year	(3,319,804)	(1,414,574)	(88,703)	(4,823,081)
Other movements	194,420	(12,382)	113,085	295,123
Loans, financing and advances sold	(179)	(759)	(89,575)	(90,513)
Loss on modification of cash flows	(239,812)	(71,874)	-	(311,686)
Reclassification to assets held for sale	-	-	(23,671)	(23,671)
Write-offs	-	-	(223,151)	(223,151)
Gross carrying amount as at 31 December 2021	<b>29,172,078</b>	<b>5,342,428</b>	<b>1,666,104</b>	<b>36,180,610</b>
<b>31-Dec-21</b>	<b>Company</b>			
	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	<b>Total RM'000</b>
Gross carrying amount as at 1 January 2021	145,352	432,831	907,754	1,485,937
Transfer to stage 1	35,229	(10,526)	(24,703)	-
Transfer to stage 2	(23,328)	25,066	(1,738)	-
Transfer to stage 3	(861)	(2,644)	3,505	-
Repayment during the year	(113,809)	(324,688)	(22,174)	(460,671)
Other movements	388	1,091	15,299	16,778
Loans, financing and advances sold	(179)	(759)	(89,575)	(90,513)
Loss on modification of cash flows	(1)	(20)	-	(21)
Write-offs	-	-	(85,793)	(85,793)
Gross carrying amount as at 31 December 2021	<b>42,791</b>	<b>120,351</b>	<b>702,575</b>	<b>865,717</b>

**MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)**  
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**A12. Loans, financing and advances (continued)**

**(ix) Movement of ECL for loans, advances and financing**

31-Mar-22	Group			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL as at 1 January 2022	347,004	597,878	732,626	1,677,508
Charged to profit or loss, of which:	17,700	(11,056)	150,869	157,513
Changes in ECL				
- Transfer to stage 1	75,694	(73,133)	(2,561)	-
- Transfer to stage 2	(8,616)	33,808	(25,192)	-
- Transfer to stage 3	(263)	(108,707)	108,970	-
New financing / disbursement during the period	21,289	12,600	4,168	38,057
Repayment during the period	(87,590)	(98,844)	(9,569)	(196,003)
Changes in credit risk parameters #	17,186	223,220	75,053	315,459
Write-offs	-	-	(8,773)	(8,773)
ECL as at 31 March 2022	364,704	586,822	874,722	1,826,248
31-Mar-22	Company			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL as at 1 January 2022	1,527	8,984	378,117	388,628
Charged to profit or loss, of which:	79	(6,170)	(242)	(6,333)
Changes in ECL				
- Transfer to stage 1	3,690	(3,690)	-	-
- Transfer to stage 2	(29)	889	(860)	-
- Transfer to stage 3	(7)	(2,915)	2,922	-
Repayment during the period	(3,642)	(1,300)	(2,721)	(7,663)
Changes in credit risk parameters #	67	846	417	1,330
ECL as at 31 March 2022	1,606	2,814	377,875	382,295

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



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**A12. Loans, financing and advances (continued)**

**(ix) Movement of ECL for loans, advances and financing**

31-Dec-21	Group			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL as at 1 January 2021	370,236	648,474	947,050	1,965,760
Charged to profit or loss, of which:	(23,226)	(50,486)	83,901	10,189
Changes in ECL				
- Transfer to stage 1	240,357	(192,086)	(48,271)	-
- Transfer to stage 2	(30,742)	80,071	(49,329)	-
- Transfer to stage 3	(2,799)	(30,337)	33,136	-
New financing / disbursement during the year	58,927	122,807	17,576	199,310
Repayment during the year	(315,249)	(268,006)	(263,176)	(846,431)
Changes in credit risk parameters #	26,280	237,065	393,965	657,310
Reclassification to assets held for sale	-	-	(21,549)	(21,549)
Other movements	(6)	(110)	(50,905)	(51,021)
Write-offs	-	-	(225,871)	(225,871)
ECL as at 31 December 2021	347,004	597,878	732,626	1,677,508
31-Dec-21	Company			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL as at 1 January 2021	4,698	60,822	521,463	586,983
Charged to profit or loss, of which:	(3,165)	(51,728)	(3,928)	(58,821)
Changes in ECL				
- Transfer to stage 1	8,870	(2,194)	(6,676)	-
- Transfer to stage 2	(512)	1,706	(1,194)	-
- Transfer to stage 3	(21)	(427)	448	-
Repayment during the year	(11,632)	(56,564)	(153,185)	(221,381)
Changes in credit risk parameters #	130	5,751	156,679	162,560
Other movements	(6)	(110)	(50,905)	(51,021)
Write-offs	-	-	(88,513)	(88,513)
ECL as at 31 December 2021	1,527	8,984	378,117	388,628

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

**MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)**  
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**A12. Loans, financing and advances (continued)**

**(x) Movements of impaired loans, financing and advances are as follows:**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 January	1,666,104	1,894,985	702,575	907,754
Classified as impaired during the period	556,712	324,197	26,934	3,505
Reclassified as non-impaired	(44,336)	(241,063)	(980)	(26,441)
Amount recovered	(27,960)	(88,703)	(1,412)	(22,174)
Other movements	5,318	113,085	858	15,299
Loans, financing and advances sold	-	(89,575)	-	(89,575)
Amount written off	(8,694)	(223,151)	-	(85,793)
Reclassification to assets held for sale	-	(23,671)	-	-
Balance as at end of financial period	<u>2,147,144</u>	<u>1,666,104</u>	<u>727,975</u>	<u>702,575</u>
Less: ECL stage 3	<u>(874,722)</u>	<u>(732,626)</u>	<u>(377,875)</u>	<u>(378,117)</u>
Net impaired financing and advances	<u>1,272,422</u>	<u>933,478</u>	<u>350,100</u>	<u>324,458</u>
Net impaired loans as a percentage of net financing and advances	<u>3.68%</u>	<u>2.71%</u>	<u>75.44%</u>	<u>68.01%</u>
Gross impaired loans as a percentage of gross financing and advances	<u>5.89%</u>	<u>4.60%</u>	<u>86.01%</u>	<u>81.16%</u>

**(xi) Impaired loans, financing and advances by economic purpose**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>	<b>31-Mar-22</b>	<b>31-Dec-21</b>
Personal use	156,918	75,824	-	-
Construction	1,294,734	939,584	438,399	416,040
Purchase of landed property:				
- Residential	374,749	346,694	236,932	233,740
- Non-Residential	203,099	198,536	52,046	52,197
Working capital	86,711	73,606	-	-
Purchase of other fixed assets	24,195	27,298	598	598
Purchase of transport vehicles	5,692	3,585	-	-
Purchase of other securities	-	-	-	-
Purchase of consumer durables	798	792	-	-
Others	248	185	-	-
	<u>2,147,144</u>	<u>1,666,104</u>	<u>727,975</u>	<u>702,575</u>

**MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)**  
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**A12. Loans, financing and advances (continued)**

**(xii) Impaired loans, financing and advances by sector**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Household sector	328,395	213,546	14,094	12,344
Construction	888,722	769,548	487,245	464,478
Education, health and others	309,819	310,262	223,277	222,100
Finance, insurance and business services	210,962	210,920	-	-
Manufacturing	103,179	101,637	168	167
Mining and quarrying	27,028	26,425	-	-
Wholesale & retail trade and restaurants & hotels	275,745	26,248	-	-
Transport, storage and communications	103	4,032	-	-
Agriculture	3,191	3,486	3,191	3,486
	<b>2,147,144</b>	<b>1,666,104</b>	<b>727,975</b>	<b>702,575</b>

**A13. Trade and other receivables**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Non trade:</u>				
Advances in respect of certain projects	596,628	596,628	-	-
Amount due from MBSB Bank	-	-	119,517	138,410
Amount due from other subsidiaries	-	-	50,964	50,172
Foreclosed properties	42,418	42,418	42,418	42,418
Prepayments and deposits	12,773	14,038	3,654	3,654
Sundry receivables	5,362	70,621	3,628	5,624
Public Low Cost Housing Programme ("PLCHP")	755	796	755	796
Deferred expenses	37,227	1,770	-	-
	<b>695,163</b>	<b>726,271</b>	<b>220,936</b>	<b>241,074</b>
<u>Trade:</u>				
Trade receivable	24,835	24,835	-	-
	<b>719,998</b>	<b>751,106</b>	<b>220,936</b>	<b>241,074</b>
Less: ECL at stage 3				
- Non trade	(596,781)	(596,905)	(50,964)	(50,172)
- Trade	(24,834)	(24,834)	-	-
	<b>98,383</b>	<b>129,367</b>	<b>169,972</b>	<b>190,902</b>

**MALAYSIA BUILDING SOCIETY BERHAD (197001000172 / 9417-K)**  
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**A14. Assets held for sale**

	<b>Group</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
Assets held for sale comprises of:		
Financing held for sale (a)	1,805	2,122
Other assets held for sale (b)	-	478
	<u>1,805</u>	<u>2,600</u>
(a) Financing held for sale		
	<b>Group</b>	<b>Company</b>
	<b>31-Mar-22</b>	<b>31-Mar-22</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 January	23,671	-
Reclassification from financing	-	23,671
Other movement	60	-
Gross financing held for sale	<u>23,731</u>	<u>23,671</u>
Less impairment allowance:		
Balance as at 1 January	(21,549)	-
Reclassification from financing	-	(21,549)
Charged to profit or loss (stage 3)	(377)	-
Total impairment allowance	<u>(21,926)</u>	<u>(21,549)</u>
Net financing held for sale	<u>1,805</u>	<u>2,122</u>
<b>By economic purpose:</b>		
Purchase of residential properties	22,541	22,481
Purchase of non-residential properties	960	960
Purchase of other fixed assets	138	138
Purchase of transport vehicles	47	47
Others	45	45
	<u>23,731</u>	<u>23,671</u>

In the 2nd quarter ended 30 June 2021, the banking subsidiary, MBSB Bank Berhad entered into an agreement to dispose identified retail financing to an external party. The sale is expected to complete in 2022.

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**A14. Assets held for sale (continued)**

(b) Other assets held for sale

	<b>Group</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
Property and equipment	-	478

**A15. Deposits from customers**

(i) By type of deposits:

	<b>Group</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
Commodity Murabahah Term Deposits	25,369,458	23,623,561
Demand deposits	1,034,362	592,593
Savings deposits	467,624	385,596
	<u>26,871,444</u>	<u>24,601,750</u>

(ii) Maturity of term deposits from customers:

	<b>Group</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
Within six months	15,529,448	15,402,982
More than six months to one year	8,233,435	6,347,608
More than one year to three years	1,384,222	1,638,915
More than three years	222,353	234,056
	<u>25,369,458</u>	<u>23,623,561</u>

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**A15. Deposits from customers (continued)**

**(iii) By type of customers:**

	<b>Group</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	13,126,961	12,283,703
Business enterprises	9,445,634	7,976,943
Individuals	4,298,849	4,341,104
	<u>26,871,444</u>	<u>24,601,750</u>

**(iv) By type of contract:**

	<b>Group</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
Tawarruq	26,871,444	24,601,750
	<u>26,871,444</u>	<u>24,601,750</u>

**A16. Deposits and placements of banks and other financial institutions**

**(i) By type of deposits:**

	<b>Group</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Non-Mudharabah Funds:</u>		
-Licensed Investment Banks	952	948
-Licensed Islamic Banks	524	534,051
-Other financial institutions	6,975,835	8,114,582
	<u>6,977,311</u>	<u>8,649,581</u>

**(ii) By type of contract:**

	<b>Group</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
Tawarruq	6,977,311	8,649,581
	<u>6,977,311</u>	<u>8,649,581</u>

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**A17. Investment accounts of customers**

	<b>Group</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
Wakalah unrestricted investment account	1,710,773	2,094,914

The investment account placements are used to fund personal financing.

**(i) By type of customers:**

	<b>Group</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	1,686,490	2,014,773
Other financial institutions	24,283	80,141
	<u>1,710,773</u>	<u>2,094,914</u>

**(ii) Movement of investment accounts of customers:**

	<b>Group</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of the financial period	2,094,914	-
New placement during the financial period	449,324	2,506,314
Redemption during the financial period	(830,340)	(426,328)
Finance expense	13,359	23,456
Profit distributed	(16,484)	(8,528)
At end of financial period	<u>1,710,773</u>	<u>2,094,914</u>

**(iii) By Maturity:**

	<b>Group</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
Due within six months	579,480	1,006,242
More than six months to one year	1,125,672	1,083,050
More than one year to three years	5,621	5,622
	<u>1,710,773</u>	<u>2,094,914</u>

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**A17. Investment accounts of customers (continued)**

**(iv) Rate of Return ("ROR") and Performance Incentive Fee based on residual maturity**

<b>31-March-22</b>	<b>Investment Account Holder Average ROR %</b>	<b>Group Performance incentive fee %</b>
Unrestricted investment accounts:		
Due within six months	2.68	5.32
More than six months to one year	2.76	5.14
More than one year to three years	2.95	4.95
<b>31-Dec-21</b>	<b>Investment Account Holder Average ROR %</b>	<b>Group Performance incentive fee %</b>
Unrestricted investment accounts:		
Due within six months	2.58	5.32
More than six months to one year	2.75	5.14
More than one year to three years	2.95	4.95

**A18. Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-22</b>	<b>31-Dec-21</b>	<b>31-Mar-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Non trade:				
Sundry creditors	563,368	745,597	22,265	238,522
Al-Mudharabah security fund	147,382	147,604	-	-
Expected credit loss ("ECL") for commitments and contingencies (i)	53,636	54,446	379	259
Deferred income	21,271	22,574	798	917
Other provisions and accruals	137,260	115,992	141	280
	<b>922,917</b>	<b>1,086,213</b>	<b>23,583</b>	<b>239,978</b>



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**A18. Trade and other payables (continued)**

**(i) ECL for commitments and contingencies**

Movement of ECL for commitments and contingencies are as follows:

31-Mar-22	Group			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL as at 1 January 2022	17,117	35,929	1,400	54,446
Charge to profit or loss	873	(2,377)	694	(810)
Changes in the impairment allowance				
- Transfer to stage 1	1,796	(1,796)	-	-
- Transfer to stage 2	(645)	654	(9)	-
- Transfer to stage 3	(6)	(213)	219	-
New financing /disbursement during the period	3,088	1,539	-	4,627
Derecognised to loans/financing during the period (other than write-offs)	(2,151)	(4,774)	(590)	(7,515)
Changes in credit risk parameters #	(1,209)	2,213	1,074	2,078
Write off	-	-	-	-
ECL as at 31 March 2022	17,990	33,552	2,094	53,636

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

31-Dec-21	Group			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL as at 1 January 2021	19,073	13,481	13,964	46,518
Charge to profit or loss	(1,956)	22,448	(11,946)	8,546
Changes in the impairment allowance				
- Transfer to stage 1	2,916	(1,054)	(1,862)	-
- Transfer to stage 2	(768)	806	(38)	-
- Transfer to stage 3	(4)	(45)	49	-
New financing /disbursement during the year	8,719	26,614	590	35,923
Derecognised to loans/financing during the period (other than write-offs)	(5,834)	(8,513)	(11,340)	(25,687)
Changes in credit risk parameters #	(6,985)	4,640	655	(1,690)
Write off	-	-	(618)	(618)
ECL as at 31 December 2021	17,117	35,929	1,400	54,446

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

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**A18. Trade and other payables (continued)**

**(i) ECL for commitments and contingencies (continued)**

Movement of ECL for commitments and contingencies are as follows: (continued)

<b>31-Mar-22</b>	<b>Company</b>			
	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	<b>Total RM'000</b>
ECL as at 1 January 2022	174	59	26	259
Charge to profit or loss	8	(15)	127	120
Changes in the impairment allowance				
- Transfer to stage 1	2	(2)	-	-
- Transfer to stage 2	-	3	(3)	-
- Transfer to stage 3	-	(27)	27	-
Derecognised/converted to loans/financing during the period (other than write-offs)	(1)	-	(7)	(8)
Changes in credit risk parameters #	7	11	110	128
Write off	-	-	-	-
<b>ECL as at 31 March 2022</b>	<b>182</b>	<b>44</b>	<b>153</b>	<b>379</b>

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

<b>31-Dec-21</b>	<b>Company</b>			
	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	<b>Total RM'000</b>
ECL as at 1 January 2021	195	207	1,673	2,075
Charge to profit or loss	(21)	(148)	(1,029)	(1,198)
Changes in the impairment allowance				
- Transfer to stage 1	55	(55)	-	-
- Transfer to stage 2	(4)	4	-	-
- Transfer to stage 3	(1)	(2)	3	-
Derecognised/converted to loans/financing during the year (other than write-offs)	(16)	(38)	(1,672)	(1,726)
Changes in credit risk parameters #	(55)	(57)	640	528
Write off	-	-	(618)	(618)
<b>ECL as at 31 December 2021</b>	<b>174</b>	<b>59</b>	<b>26</b>	<b>259</b>

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

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

	<b>Group</b>	
	<b>1st Quarter Ended</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>RM'000</b>	<b>RM'000</b>
Financing	546,851	532,856
Income from financial investments at FVOCI	102,849	98,274
Income from financial investments at amortised cost	8,413	6,256
Income from financial investments at FVTPL	2,370	127
Deposits with financial institutions	7,587	6,124
	<b>668,070</b>	<b>643,637</b>

**A20. Interest income**

	<b>Group</b>		<b>Company</b>	
	<b>1st Quarter Ended</b>		<b>1st Quarter Ended</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income from:				
- Loans, advances and financing	2,270	25,581	2,954	11,386
- Deposits and placements with banks and other financial institutions	7	835	3,442	835
	<b>2,277</b>	<b>26,416</b>	<b>6,396</b>	<b>12,221</b>

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**A21. Expected credit losses on loans, financing and advances and other impairment**

	<b>Group</b>		<b>Company</b>	
	<b>1st Quarter Ended</b>		<b>1st Quarter Ended</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Expected credit losses</u>				
<u>on loans, advances</u>				
<u>and financing made/(written back)</u>				
Loans, financing and advances				
- Stage 1	17,700	(108,553)	79	(784)
- Stage 2	(11,056)	177,653	(6,170)	(7,208)
- Stage 3	150,869	99,653	(242)	864
Financing held for sale				
- Stage 3	377	-	-	-
Credit impaired loans, financing and advances:				
- Write-off	8,614	134	3,200	3
- Recovered	(7,192)	(2,277)	(1,972)	(124)
	<u>159,312</u>	<u>166,610</u>	<u>(5,105)</u>	<u>(7,249)</u>
<u>Other expected credit losses</u>				
<u>and impairment</u>				
<u>allowances made/(written back):</u>				
Financial investments at FVOCI				
	(5)	5	-	-
Financial investments at amortised cost				
	(201)	(54)	-	-
Other receivables				
	-	14,916	-	-
Amount due from subsidiaries				
	-	-	792	740
Financing commitments and financial guarantees				
	(810)	(6,485)	120	30
	<u>(1,016)</u>	<u>8,382</u>	<u>912</u>	<u>770</u>
	<u>158,296</u>	<u>174,992</u>	<u>(4,193)</u>	<u>(6,479)</u>

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**A22. Net other income**

	<b>Group</b>		<b>Company</b>	
	<b>1st Quarter Ended</b>		<b>1st Quarter Ended</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Rental income	-	638	951	955
Loan related fees	4,335	(1,417)	704	696
Insurance commission	4,320	2,260	9	-
Ta'widh/late payment charges	1,303	2,617	151	1,650
(Loss)/gain from sale of FVOCI	(8,491)	10,281	-	-
Loss from sale of FVTPL	(6,997)	(197)	-	-
Gain on financial investments at FVTPL	1,036	-	-	-
Gain on foreign exchange transactions	4,312	1,942	-	-
Sundry income/(expense)	1,198	3,895	(478)	4,813
Gain/(loss) from disposal of:				
Foreclosed properties	-	(2,536)	-	(2,536)
Assets held for sale	850	-	-	-
Others	-	(60)	-	-
	<b>1,866</b>	<b>17,423</b>	<b>1,337</b>	<b>5,578</b>

**A23. Other operating expenses**

	<b>Group</b>		<b>Company</b>	
	<b>1st Quarter Ended</b>		<b>1st Quarter Ended</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Personnel expenses *	84,219	67,561	493	440
Establishment related expenses	39,004	19,649	360	384
General administrative expenses	16,317	8,133	844	1,463
Promotion and marketing related expenses	3,274	1,468	-	-
Intercompany charges	-	-	2,982	3,473
Commission fees	7,184	5,289	9	6
	<b>149,998</b>	<b>102,100</b>	<b>4,688</b>	<b>5,766</b>

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**A23. Other operating expenses (continued)**

Included in the other operating expenses:

	<b>Group</b>		<b>Company</b>	
	<b>1st Quarter Ended</b>		<b>1st Quarter Ended</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Depreciation of property and equipment	4,515	2,228	116	116
Amortisation of intangible assets	3,353	8,533	-	-
Depreciation of right-of-use assets	1,868	2,920	-	-

\* Personnel expenses

	<b>Group</b>		<b>Company</b>	
	<b>1st Quarter Ended</b>		<b>1st Quarter Ended</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Wages and salaries	60,641	51,897	-	-
Pension costs - Employees Provident Fund	10,133	9,031	-	-
Social security costs	465	418	-	-
Directors fees	1,157	1,320	493	436
Shariah Committee remuneration	131	76	-	-
Other staff related expenses	11,692	4,819	-	4
	<b>84,219</b>	<b>67,561</b>	<b>493</b>	<b>440</b>

**A24. Commitments and contingencies**

In the normal course of business, the Group makes various commitments and incurs certain contingent liabilities with legal recourse to the customers.

<b>Group</b>	<b>Principal</b>	<b>Credit</b>	<b>Risk</b>
	<b>amount</b>	<b>equivalent</b>	<b>weighted</b>
	<b>RM'000</b>	<b>amount</b>	<b>amount</b>
<b>31-Mar-22</b>		<b>RM'000</b>	<b>RM'000</b>
Direct credit substitutes	20,206	20,206	20,206
Trade-related contingencies	71,579	35,082	35,082
Short term self liquidating trade related contingencies	93,010	18,602	18,602
Irrevocable commitments to extend credit:			
- one year or less	884,451	185,875	185,875
- over one year to five years	1,562,292	779,772	691,900
- over five years	5	3	2
Foreign exchange related contracts			
- one year or less	1,568,433	25,800	9,457
	<b>4,199,976</b>	<b>1,065,340</b>	<b>961,124</b>
<b>Company</b>	<b>Principal</b>	<b>Credit</b>	<b>Risk</b>
	<b>amount</b>	<b>equivalent</b>	<b>weighted</b>
	<b>RM'000</b>	<b>amount</b>	<b>amount</b>
<b>31-Mar-22</b>		<b>RM'000</b>	<b>RM'000</b>
Irrevocable commitments to extend credit:			
- over one year to five years	11,611	5,653	4,217
	<b>11,611</b>	<b>5,653</b>	<b>4,217</b>

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**A24. Commitments and contingencies (continued)**

<b>Group</b>	<b>Principal amount RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted amount RM'000</b>
<b>31-Dec-21</b>			
Direct credit substitutes	22,786	22,786	22,786
Trade-related contingencies	81,815	40,908	40,908
Short term self liquidating trade related contingencies	82,062	16,412	16,412
Irrevocable commitments to extend credit:			
- one year or less	906,430	190,286	190,286
- over one year to five years	1,750,332	873,769	777,541
- over five years	2,304	1,150	1,150
Foreign exchange related contracts			
- one year or less	419,278	6,924	5,241
	<u>3,265,007</u>	<u>1,152,235</u>	<u>1,054,324</u>

<b>Company</b>	<b>Principal amount RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted amount RM'000</b>
<b>31-Dec-21</b>			
Irrevocable commitments to extend credit:			
- over one year to five years	11,668	5,808	4,352
	<u>11,668</u>	<u>5,808</u>	<u>4,352</u>

**(i) Capital Commitments**

	<b>Group</b>	
	<b>31-Mar-22 RM'000</b>	<b>31-Dec-21 RM'000</b>
Property and equipment/Intangible assets:		
- Approved and contracted for	15,131	11,766

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**A25. Unsecured contingent liabilities**

KCSB Konsortium Sdn Bhd and Kausar Corporation Sdn Bhd (collectively referred to as “the Plaintiffs/the Appellant”) have instituted a civil suit against the Company and its subsidiary for an alleged breach of facility agreement.

The High Court dismissed the Plaintiffs’ claim with costs and allowed the Company’s counterclaim. The Plaintiffs appealed to the Court of Appeal who on 1 November 2016, allowed the appeal with no order as to costs and sent the case back to the High Court for retrial before a different Judge on the Ground that the Judgment were wholly inadequate as they could not be certain as to the basis on which the decision was reached.

The High Court fixed the matter for full trial on 11, 12 and 15 September 2017. The parties filed Striking-Out Applications on 18 July 2017. On 8 September 2017, the Court found that both claims were time barred and struck out both the claims. Both parties have appealed to the Court of Appeal and the matter was subsequently heard on 28 August 2018. The Court of Appeal dismissed both appeals and directed the matter to be fixed for trial before a different judge.

On 27 January 2021, the High Court has decided in favour of part of the Plaintiffs’ claims including a monetary claim of RM35.31mil with interest at 5% to be calculated thereon. Both the Company and KCSB have appealed against the decision. The parties’ appeals to the Court of Appeal are fixed for hearing on 6 July 2022.

The Directors after obtaining advice from the Company’s solicitors are of the opinion that the Company has a reasonably fair chance in respect of the stay application and appeal.



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**A26. Segmental information on revenue and results**

<b>Group</b>	<b>Consumer banking RM'000</b>	<b>Corporate banking RM'000</b>	<b>Global Markets RM'000</b>	<b>Others RM'000</b>	<b>Inter-segment elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>3 months ended 31 March 2022</b>						
<u>External:</u>						
Fund based income	441,042	113,034	111,941	3,661	-	669,678
Non-fund based income	3,517	5,137	(14,452)	668	-	(5,130)
	<u>444,559</u>	<u>118,171</u>	<u>97,489</u>	<u>4,329</u>	<u>-</u>	<u>664,548</u>
<u>Inter-segment:</u>						
Fund based income	30,871	-	3,442	42,878	(77,191)	-
Total revenue	<u>475,430</u>	<u>118,171</u>	<u>100,931</u>	<u>47,207</u>	<u>(77,191)</u>	<u>664,548</u>
Profit before zakat and tax	48,738	6,918	13,959	11,799	(2,208)	79,206
Taxation						(20,926)
Zakat						(75)
Net profit for the year						<u>58,205</u>
Segment assets	26,627,602	8,673,260	14,291,345	-	-	49,592,207
Tax recoverable						474,771
Deferred tax assets						71,996
Unallocated assets						1,482,810
Total assets						<u>51,621,784</u>
Segment liabilities	26,656,683	5,954,979	9,166,866	280,796	-	42,059,324
Deferred tax liabilities						15,694
Unallocated liabilities						956,647
Total liabilities						<u>43,031,665</u>

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**A26. Segmental information on revenue and results (continued)**

<b>Group</b>	<b>Consumer banking RM'000</b>	<b>Corporate banking RM'000</b>	<b>Global Markets RM'000</b>	<b>Others RM'000</b>	<b>Inter-segment elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>3 months ended 31 March 2021</b>						
<u>External:</u>						
Fund based income	430,476	113,028	107,752	3,864	-	655,120
Non-fund based income	(4,463)	4,130	10,576	15,619	-	25,862
	<u>426,013</u>	<u>117,158</u>	<u>118,328</u>	<u>19,483</u>	<u>-</u>	<u>680,982</u>
<u>Inter-segment:</u>						
Fund based income	16,955	-	-	3,638	(20,593)	-
Total revenue	<u>442,968</u>	<u>117,158</u>	<u>118,328</u>	<u>23,121</u>	<u>(20,593)</u>	<u>680,982</u>
Profit before zakat and tax	210,149	(174,878)	54,362	73,162	(51,512)	111,283
Taxation						(47,123)
Zakat						(675)
Profit from continuing operations						<u>63,485</u>
Loss from discontinued operation						(72)
Net profit for the year						<u>63,413</u>
Segment assets	25,483,434	8,605,425	13,842,667	-	-	47,931,526
Tax recoverable						544,157
Deferred tax assets						40,565
Unallocated assets						<u>1,426,561</u>
Total assets						<u>49,942,809</u>
Segment liabilities	25,476,509	5,177,404	9,710,797	351,182	-	40,715,892
Provision for taxation and zakat						7,959
Deferred tax liabilities						14,714
Unallocated liabilities						<u>629,458</u>
Total liabilities						<u>41,368,023</u>

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**A27. Subsequent event**

In April 2022, the banking subsidiary, MBSB Bank Berhad issued its RM300 mil sustainability sukuk wakalah under the RM5.0 bil sustainability sukuk wakalah programme. The dual-tranche RM200 mil five-year tranche and a RM100 mil seven-year tranche were priced at yield of 4.36% p.a. and 4.73% p.a. respectively.

**A28. Acquisition of property and equipment**

	<b>Group</b>
	<b>As at</b>
	<b>31-Mar-22</b>
	<b>RM'000</b>
<b>Additions</b>	
Building	8,917
Building renovation	107
Furniture & equipment	39
Data processing equipment	2,094
	<b>11,157</b>

**A29. Significant related party transactions**

(a) Transactions and balances with government-related entities are as follows:

(i) Transactions and balances with Employees Provident Fund ("EPF"), the ultimate holding body:

	<b>Group</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Expenses</b>		
Profit expense paid on Sukuk	12,246	13,541
Profit expense paid on Fixed deposit	10,127	7,255
Interest expense paid on Time deposit	88	64
Rental paid	13	13
	<b>17</b>	<b>13</b>
<b>Balances</b>		
Sukuk - MBSB SC Murabahah	968,293	1,077,634
Accrued profit on Sukuk	19,335	21,024
Fixed deposit by EPF	1,450,000	1,550,000
Accrued profit on Fixed deposit	7,600	573
Time deposit by EPF	-	30,368
Accrued interest on Time deposit	-	10
Rental deposit	17	17

(ii) Transactions and balances with RHB Banking Group of companies, being companies directly controlled by EPF:

	<b>Group</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Expenses</b>		
Profit to depositors	993	795
	<b>993</b>	<b>795</b>
<b>Balances</b>		
Cash and short-term funds	84,410	336,254
Deposits and placements with banks and other financial institutions	32	32

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**A29. Significant related party transactions (continued)**

(iii) Collectively, but not individually, significant transactions and balances with EPF's related parties:

	<b>Group</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Income/(expense)</b>		
Profit from financing	-	926
Profit to depositors	-	(625)
	<u>-</u>	<u>(625)</u>
<b>Balances</b>		
Financing	-	81,641
Deposit from customers	74	40,873
	<u>74</u>	<u>40,873</u>

(b) Transactions and balances with other related entities of the Group are as follows:

	<b>Group</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Expenses</b>		
Other expenses	756	292
Profit to depositors	626	1,620
	<u>626</u>	<u>1,620</u>
<b>Balances</b>		
Deposits from customer	191,483	193,022
	<u>191,483</u>	<u>193,022</u>

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**A30. Capital adequacy**

The Group and the Company have complied and computed the capital adequacy ratios in accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (Capital Components and Risk-Weighted Assets). The total risk-weighted assets are computed based on Standardised Approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk.

In December 2020, Bank Negara Malaysia issued a revised Policy Document on the Capital Adequacy Framework for Islamic Banks (Capital Components) ("CAFIB") and with immediate effect, superseding the version previously issued in February 2020. The revised CAFIB has provided for an optional transitional arrangement for regulatory capital treatment of expected credit losses ("ECL") provisions.

This new optional transitional arrangement allows financial institutions to add back the amount of loss allowance measured at an amount equal to 12-month and lifetime ECL to the extent they are ascribed to non-credit impaired exposures (hereinafter referred to as Stage 1 and Stage 2 provisions) to CET1 capital on a gradual phase-out basis either over a four-year period from the financial year beginning 2020, or over a three-year period from the financial year beginning 2021.

The Group and the Company have elected to apply this transitional arrangement ("TA") for four financial years from the financial year beginning 1 January 2020 to 31 December 2023.

For the purpose of disclosures, the capital adequacy of the Group, Bank Group and the Bank are disclosed 'with TA' and 'without TA'.

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**A30. Capital adequacy (continued)**

	<b>Group</b>			
	<b>with TA</b>	without TA	<b>with TA</b>	without TA
	<b>31-Mar-22</b>	31-Mar-22	<b>31-Dec-21</b>	31-Dec-21
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b><u>Common Equity Tier 1 ("CET1") Capital</u></b>				
Ordinary share capital	7,198,068	7,198,068	7,198,068	7,198,068
Retained earnings exclude merger reserve	1,642,307	1,642,307	1,642,303	1,642,303
Other reserves	(308,457)	(308,457)	(161,046)	(161,046)
	<u>8,531,918</u>	<u>8,531,918</u>	<u>8,679,325</u>	<u>8,679,325</u>
Less: Regulatory adjustments				
Goodwill	(148,031)	(148,031)	(148,031)	(148,031)
Deferred tax assets	(71,996)	(71,996)	(24,176)	(24,176)
Cumulative gains on financial investments at FVOCI	(32,795)	(32,795)	(57,882)	(57,882)
Intangible assets	(150,957)	(150,957)	(150,760)	(150,760)
Regulatory reserve	-	-	-	-
Other CET1 regulatory adjustments	64,970	-	79,645	-
Total CET1 Capital	<u>8,193,109</u>	<u>8,128,139</u>	<u>8,378,121</u>	<u>8,298,476</u>
<b><u>Tier 1 Capital</u></b>				
Additional Tier 1 capital instruments	-	-	-	-
Less: Tier 1 regulatory adjustments	-	-	-	-
Total Tier 1 capital	<u>8,193,109</u>	<u>8,128,139</u>	<u>8,378,121</u>	<u>8,298,476</u>
<b><u>Tier 2 Capital</u></b>				
Stage 1 and Stage 2 ECL allowances	451,641	451,641	452,174	452,174
Tier 2 capital instruments	1,310,941	1,310,941	1,294,247	1,294,247
Total Tier II capital	<u>1,762,582</u>	<u>1,762,582</u>	<u>1,746,421</u>	<u>1,746,421</u>
Total capital base	<u>9,955,691</u>	<u>9,890,721</u>	<u>10,124,542</u>	<u>10,044,897</u>
Breakdown of risk weighted assets in various categories of risk weights are as follows:				
	<b>Group</b>			
	<b>with TA</b>	without TA	<b>with TA</b>	without TA
	<b>31-Mar-22</b>	31-Mar-22	<b>31-Dec-21</b>	31-Dec-21
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b><u>Total risk weighted assets ("RWA")</u></b>				
- Credit risk	36,131,280	36,131,280	36,173,916	36,173,916
- Market risk	399,698	399,698	62,619	62,619
- Operational risk	2,791,102	2,791,102	2,735,512	2,735,512
Total RWA	<u>39,322,080</u>	<u>39,322,080</u>	<u>38,972,047</u>	<u>38,972,047</u>
<b><u>Capital adequacy ratios</u></b>				
CET 1 capital ratio	20.836%	20.671%	21.498%	21.293%
Tier 1 capital ratio	20.836%	20.671%	21.498%	21.293%
Total capital ratio	<u>25.318%</u>	<u>25.153%</u>	<u>25.979%</u>	<u>25.775%</u>

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**A30. Capital adequacy (continued)**

	<b>Company</b>			
	<b>with TA</b>	without TA	<b>with TA</b>	without TA
	<b>31-Mar-22</b>	31-Mar-22	<b>31-Dec-21</b>	31-Dec-21
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b><u>Common Equity Tier 1 ("CET1") Capital</u></b>				
Ordinary share capital	7,198,068	7,198,068	7,198,068	7,198,068
Retained earnings	77,817	77,817	72,616	72,616
	<u>7,275,885</u>	<u>7,275,885</u>	<u>7,270,684</u>	<u>7,270,684</u>
Less : Regulatory adjustments				
Deferred tax assets	(3,420)	(3,420)	(3,458)	(3,458)
Total CET1 Capital	<u>7,272,465</u>	<u>7,272,465</u>	<u>7,267,226</u>	<u>7,267,226</u>
<b><u>Tier 1 Capital</u></b>				
Additional Tier 1 capital instruments	-	-	-	-
Less: Tier 1 regulatory adjustments	-	-	-	-
Total Tier 1 capital	<u>7,272,465</u>	<u>7,272,465</u>	<u>7,267,226</u>	<u>7,267,226</u>
<b><u>Tier 2 Capital</u></b>				
Stage 1 and Stage 2 ECL allowances	4,646	4,646	10,744	10,744
Total Tier 2 capital	<u>4,646</u>	<u>4,646</u>	<u>10,744</u>	<u>10,744</u>
Total capital base	<u>7,277,111</u>	<u>7,277,111</u>	<u>7,277,970</u>	<u>7,277,970</u>
Breakdown of risk weighted assets in various categories of risk weights are as follows:				
<b>Company</b>				
	<b>with TA</b>	without TA	<b>with TA</b>	without TA
	<b>31-Mar-22</b>	31-Mar-22	<b>31-Dec-21</b>	31-Dec-21
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b><u>Total risk weighted assets ("RWA")</u></b>				
- Credit risk	6,764,133	6,764,133	6,828,086	6,828,086
- Market risk	-	-	-	-
- Operational risk	164,067	164,035	187,921	187,921
Total RWA	<u>6,928,200</u>	<u>6,928,168</u>	<u>7,016,007</u>	<u>7,016,007</u>
<b><u>Capital adequacy ratios</u></b>				
CET1 capital ratio	104.969%	104.970%	103.581%	103.581%
Tier 1 capital ratio	104.969%	104.970%	103.581%	103.581%
Total capital ratio	<u>105.036%</u>	<u>105.037%</u>	<u>103.734%</u>	<u>103.734%</u>

**PERFORMANCE REVIEW FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

**B1. Performance review of the Group**

**(a) Balance Sheet**

**(i) Loans, financing and advances**

**Variation of Results against Preceding Year Corresponding Quarter**

	<b>Current Year Quarter 31-Mar-22, 1Q22 RM'000</b>	<b>Preceding Year Corresponding Quarter 31-Mar-21, 1Q21 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Personal financing	19,755,844	19,626,377	129,467	0.7%
Corporate loans and financing	8,987,097	9,103,032	(115,935)	-1.3%
Property financing and mortgage	7,623,683	6,775,596	848,087	12.5%
Auto financing	<u>72,057</u>	<u>102,001</u>	<u>(29,944)</u>	<u>-29.4%</u>
Total gross loans, financing and advances	<u>36,438,681</u>	<u>35,607,006</u>	<u>831,675</u>	<u>2.3%</u>

**Variation of Results against Immediate Preceding Quarter**

	<b>Current Year Quarter 31-Mar-22, 1Q22 RM'000</b>	<b>Preceding Quarter 31-Dec-21, 4Q21 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Personal financing	19,755,844	19,623,745	132,099	0.7%
Corporate loans and financing	8,987,097	9,103,355	(116,258)	-1.3%
Property financing and mortgage	7,623,683	7,375,890	247,793	3.4%
Auto financing	<u>72,057</u>	<u>77,620</u>	<u>(5,563)</u>	<u>-7.2%</u>
Total gross loans, financing and advances	<u>36,438,681</u>	<u>36,180,610</u>	<u>258,071</u>	<u>0.7%</u>

The Group gross loans, financing and advances grew by 2.3% and 0.7% in 1Q22 compared to 1Q21 and 4Q21 respectively. Overall, growth of loans, financing and advances is contributed mainly from property financing and mortgage. Personal financing remains as the biggest financing portfolio while auto financing is at a decreasing base as the Group focuses on growing asset base of other portfolios.



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**B1. Performance review of the Group (continued)**

**(a) Balance Sheet**

**(ii) Financial investments**

**Variation of Results against Preceding Year Corresponding Quarter**

	<b>Current Year Quarter 31-Mar-22, 1Q22 RM'000</b>	<b>Preceding Year Corresponding Quarter 31-Mar-21, 1Q21 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Financial investments at FVTPL	953,025	31,659	921,366	>100%
Financial investments at FVOCI	11,488,618	11,415,581	73,037	0.6%
Financial investments at amortised cost	971,247	488,002	483,245	99.0%
<b>Total financial investments</b>	<b>13,412,890</b>	<b>11,935,242</b>	<b>1,477,648</b>	<b>12.4%</b>

**Variation of Results against Preceding Quarter**

	<b>Current Year Quarter 31-Mar-22, 1Q22 RM'000</b>	<b>Preceding Quarter 31-Dec-21, 4Q21 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Financial investments at FVTPL	953,025	240,209	712,816	>100%
Financial investments at FVOCI	11,488,618	11,811,115	(322,497)	-2.7%
Financial investments at amortised cost	971,247	630,334	340,913	54.1%
<b>Total financial investments</b>	<b>13,412,890</b>	<b>12,681,658</b>	<b>731,232</b>	<b>5.8%</b>

The Group financial investments increased by 12.4% and by 5.8% for 1Q22 compared to 1Q21 and 4Q21 respectively. Financial investments at FVOCI remains mainly consists of government investment issues and government guaranteed debt securities.

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**B1. Performance review of the Group (continued)**

**(b) Income statement**

**Current Year Quarter vs Preceding Year Corresponding Quarter**

	Current Year Quarter 31-Mar-22, 1Q22 RM'000	Preceding Year Corresponding Quarter 31-Mar-21, 1Q21 RM'000	Changes	
			RM'000	%
Revenue	664,548	680,982	(16,434)	-2.4%
Other operating expenses	(149,998)	(102,100)	(47,898)	-46.9%
Net income <i>(excluding ECL and loss on modification of cash flows)</i>	396,461	424,837	(28,376)	-6.7%
Expected credit losses on loans, financing and advances and other impairment	(158,296)	(174,992)	16,696	-9.5%
Loss on modification of cash flows	(8,961)	(36,462)	27,501	-75.4%
Profit before tax	79,206	111,283	(32,077)	28.8%
Profit after tax	58,205	63,413	(5,208)	8.2%
Profit attributable to ordinary equity holders of the Parent	58,205	63,413	(5,208)	8.2%
Cost to income ratio	37.8%	24.0%		

**Current Year Quarter vs Immediate Preceding Quarter**

	Current Year Quarter 31-Mar-22, 1Q22 RM'000	Preceding Quarter 31-Dec-21, 4Q21 RM'000	Changes	
			RM'000	%
Revenue	664,548	597,734	66,814	11.2%
Other operating expenses	(149,998)	(187,616)	37,618	20.1%
Net income <i>(excluding ECL and loss on modification of cash flows)</i>	396,461	358,570	37,891	10.6%
Expected credit losses on loans, financing and advances and other impairment	(158,296)	108,524	(266,820)	>-100%
Loss on modification of cash flows	(8,961)	(115,057)	106,096	-92.2%
Profit/(loss) before tax	79,206	164,421	(85,215)	-51.8%
Profit/(loss) after tax	58,205	76,456	(18,251)	-23.9%
Profit/(loss) attributable to ordinary equity holders of the Parent	58,205	76,456	(18,251)	-23.9%
Cost to income ratio	37.8%	52.3%		

During the quarter, the Group reported a profit before tax ("PBT") of RM79.2 mil with revenue of RM664.5 mil, operating expenses ("OPEX") of RM150.0 mil and net impairment allowance of RM158.3mil.

The Group recorded higher OPEX compared to 1Q21 mainly because of increase in personnel expenses and establishment costs such as depreciation of the new headquarters and higher software/hardware maintenances.

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**B1. Performance review of the Group (continued)**

On the other hand, the Group incurred net impairment allowance during the quarter following the deterioration in staging of financing customers at both retail and corporate portfolios as moratorium ended. There were no significant ECL arising from the forward looking components during the quarter. The Group incurred minimal modification loss during the quarter with some moratorium under URUS programme.

Contribution of major subsidiary of the Group

	<b>Group Current Year Quarter 31-Mar-22, 1Q22 RM'000</b>	<b>MBSB Bank Current Year Quarter 31-Mar-22, 1Q22 RM'000</b>	<b>Contribution</b>
Total assets	51,621,784	52,163,605	101.0%
Total equity	8,590,119	6,415,910	74.7%
Profit before tax	79,206	66,469	83.9%
Profit after tax	58,205	48,855	83.9%
Gross return on equity	3.67%	4.11%	
Gross return on assets	0.62%	0.51%	

	<b>Group Preceding Year Corresponding Quarter 31-Mar-21, 1Q21 RM'000</b>	<b>MBSB Bank Preceding Year Corresponding Quarter 31-Mar-21, 1Q21 RM'000</b>	<b>Contribution</b>
Total assets	49,942,809	49,568,325	99.3%
Total equity	8,574,786	6,134,793	71.5%
Profit before tax	111,283	86,189	77.5%
Profit after tax	63,413	44,900	70.8%
Gross return on equity	5.10%	5.59%	
Gross return on assets	0.90%	0.71%	

	<b>Group Preceding Quarter 31-Dec-21, 4Q21 RM'000</b>	<b>MBSB Bank Preceding Quarter 31-Dec-21, 4Q21 RM'000</b>	<b>Contribution</b>
Total assets	50,681,288	51,259,661	101.1%
Total equity	8,679,325	6,514,472	75.1%
Profit before tax	164,421	184,204	112.0%
Profit after tax	76,456	122,491	160.2%
Gross return on equity	7.49%	11.60%	
Gross return on assets	1.33%	1.48%	

MBSB Bank Berhad ("MBSB Bank") is the biggest subsidiary and component of the Group.

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**B2. Prospects for the Group**

The Group had developed its 2022 – 2023 Strategic Roadmap, which sets out a two-pronged strategy to enhance return on equity and stakeholder value: creating new businesses to expand revenue streams and accelerate growth; and enhancing existing businesses to improve competitiveness and meet evolving market expectations. The strategic initiatives planned will focus on business sectors with high growth potential and less vulnerability to pandemic risks.

To penetrate niche market segments and meet customers' demands, the pursuit of this strategy is guided by the principles of Differentiation, Demand-led and Sustainability. Thus, our products and services should provide a unique value proposition to differentiate them from others in the market, they must match customers' needs, and they should integrate ESG considerations and reflect our values as an Islamic bank. Our strategic initiatives are supported by our business enablers comprising our branch network, technology, marketing and branding and most importantly, people. We will also improve non-performing financing by enhancing our credit onboarding and hastening the resolution of our impaired financing.

The economy's growth is expected to gain further momentum in 2022, following a rebound in economic activity in the fourth quarter, in line with the relaxation of containment measures (BNM's Monetary Policy Statement, 20 January 2022). Our strategic initiatives, executed amidst the projected improved economic environment, are expected to spur financing growth in 2022 and enhance value for all our stakeholders.

**B3. Variance from profit forecast**

Not applicable

**B4. Taxation**

	<b>Group</b>		<b>Company</b>	
	<b>1st Quarter Ended</b>		<b>1st Quarter Ended</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax:				
Current income tax	22,276	37,048	2,000	4,784
Under provision in prior years	-	19,042	-	-
	<u>22,276</u>	<u>56,090</u>	<u>2,000</u>	<u>4,784</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,350)	(8,967)	37	498
Under provision in prior years	-	-	-	-
	<u>(1,350)</u>	<u>(8,967)</u>	<u>37</u>	<u>498</u>
Total income tax expense	<u>20,926</u>	<u>47,123</u>	<u>2,037</u>	<u>5,282</u>

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**B5. Status of corporate proposals**

On 6 April 2022, Bank Negara Malaysia ("BNM") had vide its letter stated that it has no objection for MBSB to enter into discussions with Permodalan Nasional Berhad ("PNB") to explore the possibility of undertaking an acquisition of the 100% shareholding in Malaysian Industrial Development Finance Berhad ("MIDF") which is held by PNB ("Proposed Transaction"). BNM's approval is valid for a period of 6 months from the date of its letter.

Subsequently, MBSB and PNB ("the Parties") entered into an exclusivity agreement ("Exclusivity Agreement") granting the Parties exclusive right to enter into negotiations with each other to finalise the structure, pricing, and terms and conditions of the Proposed Transaction for a period commencing on the date of Exclusivity Agreement until 5.00 pm of the last day of the 6th month from the date of the letter of approval from BNM to commence negotiations (i.e. 5 October 2022) or such other further period as may be agreed in writing by the Parties and approved by BNM ("Exclusivity Period").

Under the terms of the Exclusivity Agreement, the Parties have agreed not to take any action to solicit, negotiate, or otherwise facilitate any offer or inquiry from any other party (other than the Parties themselves) relating to any transaction or proposed transaction involving the share capital, assets, businesses or undertakings of MBSB and MIDF (including their subsidiaries) during the Exclusivity Period.

Upon the application for the approval of BNM and/or the Minister of Finance ("MoF") (via BNM) for the Proposed Transaction being made to BNM, the Exclusivity Period, subject to the written approval of BNM, will be extended until the date of execution of the relevant definitive agreement(s) to effect the Proposed Transaction. The Exclusivity Agreement shall terminate in the event the approval from BNM or MoF is not obtained for the Proposed Transaction or upon expiry of the period approved by BNM for the Parties to negotiate.

**B6. Borrowings and debts**

Borrowings of the Group were as follows:

	<b>31-Mar-22</b>		
	<b>Long term RM'000</b>	<b>Short term RM'000</b>	<b>Total borrowings RM'000</b>
<b>Secured</b>			
Recourse obligation on financing sold	3,035,069	1,065,870	4,100,939
Sukuk-MBSB Structured Covered ("SC") Murabahah	827,435	259,567	1,087,002
<b>Non secured</b>			
Sukuk Wakalah	1,292,232	18,709	1,310,941
	<b>31-Dec-21</b>		
	<b>Long term RM'000</b>	<b>Short term RM'000</b>	<b>Total borrowings RM'000</b>
<b>Secured</b>			
Recourse obligation on financing sold	2,066,656	1,074,653	3,141,309
Sukuk-MBSB Structured Covered ("SC") Murabahah	838,061	234,911	1,072,972
<b>Non secured</b>			
Sukuk Wakalah	1,292,046	2,201	1,294,247

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

**B7. Off balance sheet financial instruments**

The details of the off balance sheet financial instruments are as per note A24.

**B8. Material litigation**

The details of the pending material litigation is as per note A25.

**B9. 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.

	<b>Group</b>		<b>Company</b>	
	<b>1st Quarter Ended</b>		<b>1st Quarter Ended</b>	
	<b>31-Mar-22</b>	<b>31-Mar-21</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net profit attributable to shareholders for the period (RM'000)	58,205	63,413	5,201	13,230
Weighted average number of ordinary shares in issue ('000)	7,171,484	6,975,389	7,171,484	6,975,389
Basic earnings per share (sen)	3.25	3.64	0.29	0.76

**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.: 201908003748

Tong Lee Mee (MAICSA 7053445)  
Practising Certificate No.: 201908001316

Joint Company Secretaries  
Kuala Lumpur

26 May 2022