

MBSB BERHAD (197001000172 / 9417-K)
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
OF THE GROUP AND OF THE COMPANY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025

		Group		Company	
	Note	30-Jun-25 RM'000	31-Dec-24 RM'000	30-Jun-25 RM'000	31-Dec-24 RM'000
Assets					
Cash and short-term funds	A8(a)	903,658	1,263,035	208,956	318,778
Deposits and placements with banks and other financial institutions	A8(b)	813,985	770,343	-	-
Financial assets at fair value through profit or loss	A9	1,158,044	883,146	-	-
Financial investments at fair value through other comprehensive income	A10	13,743,466	12,758,557	-	-
Financial investments at amortised cost	A11	3,935,309	4,152,486	-	-
Derivative financial assets	A12	14,147	5,627	-	-
Loans, financing and advances	A13	42,078,281	42,136,099	243,473	248,620
Other receivables	A14	594,198	525,490	2,539	5,136
Tax recoverable		136,636	146,291	89,770	95,361
Deferred tax assets		51,166	101,745	2,439	3,396
Statutory deposits with Bank Negara Malaysia		422,694	853,317	-	-
Investments in subsidiaries		-	-	7,530,795	7,530,795
Property and equipment		307,081	316,566	22,165	22,058
Right-of-use assets		25,485	32,317	-	-
Investment properties		5,984	6,093	-	-
Goodwill		148,031	148,031	-	-
Intangible assets		168,749	164,871	3	4
Total assets		64,506,914	64,264,014	8,100,140	8,224,148

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2024.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (continued)

		Group		Company	
	Note	30-Jun-25 RM'000	31-Dec-24 RM'000	30-Jun-25 RM'000	31-Dec-24 RM'000
Liabilities and shareholders' equity					
Deposits from customers	A15	37,271,930	39,778,852	-	-
Deposits and placements of banks and other financial institutions	A16	8,387,517	9,056,291	-	-
Investment accounts of customers	A17	1,343,219	560,928	-	-
Islamic repurchase agreement		1,832,442	568,513	-	-
Derivative financial liabilities	A12	18,283	6,768	-	-
Other payables	A18	609,353	852,284	14,867	240,221
Lease liabilities		25,784	32,618	-	-
Recourse obligation on financing sold		3,600,392	2,090,032	-	-
Provision for taxation and zakat		39,636	26,991	-	-
Deferred tax liabilities		12,389	12,116	-	-
Sukuk		1,236,077	1,325,738	-	-
Borrowings and government grant	A19	171,284	174,803	-	-
Total liabilities		54,548,306	54,485,934	14,867	240,221
Ordinary share capital		7,970,427	7,970,427	7,970,427	7,970,427
Regulatory reserve		255,091	258,081	-	-
Fair value reserves		79,092	(69,466)	-	-
Retained earnings		1,653,767	1,618,804	114,846	13,500
		9,958,377	9,777,846	8,085,273	7,983,927
Non-controlling interests		231	234	-	-
Total equity		9,958,608	9,778,080	8,085,273	7,983,927
Total liabilities and shareholders' equity		64,506,914	64,264,014	8,100,140	8,224,148
Commitments and contingencies	A26	12,987,797	7,620,580	-	-
Net assets per share attributable to ordinary equity of the Company (RM)		1.21	1.19	0.98	0.97

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2024.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

	Note	Group			
		2nd Quarter Ended		Six Months Ended	
		30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000
Revenue		933,426	960,851	1,801,448	1,854,298
Income derived from investment of deposits and Islamic capital funds	A20	813,555	886,139	1,609,992	1,711,109
Income attributable to depositors		(408,258)	(439,150)	(830,077)	(872,065)
Income attributable to securitisation		(37,040)	(37,271)	(60,551)	(75,356)
Income attributable to sukuk and other borrowings		(30,521)	(36,409)	(54,518)	(79,453)
Income attributable to unrestricted investment account		(11,032)	-	(18,324)	-
Net income from Islamic operations		326,704	373,309	646,522	684,235
Interest income	A21	44,422	31,858	75,026	60,430
Interest expense	A22	(14,738)	(16,257)	(29,542)	(31,558)
Net interest income		29,684	15,601	45,484	28,872
Expected credit losses ("ECL") on loans, financing and advances and other impairment	A23	(57,594)	(98,509)	(85,727)	(143,124)
Operating income		298,794	290,401	606,279	569,983
Net other income	A24	68,113	47,009	111,092	87,579
Net income		366,907	337,410	717,371	657,562
Operating expenses	A25	(233,096)	(241,733)	(466,861)	(455,942)
Profit before taxation and zakat		133,811	95,677	250,510	201,620
Taxation	B4	(38,004)	(35,566)	(66,730)	(62,810)
Zakat		(254)	(5,287)	(3,547)	(5,645)
Profit for the financial period		95,553	54,824	180,233	133,165
Attributable to:					
Shareholders of the Company		95,557	54,830	180,236	133,171
Non-controlling interests		(4)	(6)	(3)	(6)
		95,553	54,824	180,233	133,165
Other comprehensive income for the financial period, net of tax		109,573	3,243	148,297	29,896
Total comprehensive income for the financial period		205,126	58,067	328,530	163,061
Earnings per ordinary share (sen)					
Basic	B8	1.16	0.67	2.19	1.62

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2024.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (continued)

	Note	Company			
		2nd Quarter Ended		Six Months Ended	
		30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000
Revenue		1,391	226,815	263,778	227,464
Interest income	A21	1,391	616	2,208	1,209
ECL on loans and advances and other impairment	A23	(2,106)	11	(4,878)	(252)
Operating income		(715)	627	(2,670)	957
Net other income	A24	13,254	227,939	293,597	228,948
Net income		12,539	228,566	290,927	229,905
Operating expenses	A25	(18,476)	(5,906)	(39,397)	(10,602)
(Loss)/profit before taxation		(5,937)	222,660	251,530	219,303
Taxation	B4	(587)	306	(2,182)	921
(Loss)/profit for the financial period		(6,524)	222,966	249,348	220,224
Total comprehensive (expense)/ income for the financial period		(6,524)	222,966	249,348	220,224
Earnings per ordinary share (sen)					
Basic	B8	(0.08)	2.71	3.03	2.68

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2024.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

		← Non-distributable	→ Distributable				
	Share capital	Regulatory reserves	Fair Value reserves	Retained earnings	Total	Non-controlling interests	Total equity
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	7,970,427	258,081	(69,466)	1,618,804	9,777,846	234	9,778,080
Profit for the period	-	-	-	180,236	180,236	(3)	180,233
Other comprehensive income for the financial period	-	-	148,558	(261)	148,297	-	148,297
Transfer from regulatory reserves to retained earnings	-	(2,990)	-	2,990	-	-	-
Dividends to owners of the Company	-	-	-	(148,002)	(148,002)	-	(148,002)
At 30 June 2025	7,970,427	255,091	79,092	1,653,767	9,958,377	231	9,958,608
At 1 January 2024	7,970,427	106,644	(115,908)	1,876,865	9,838,028	238	9,838,266
Profit for the period	-	-	-	133,171	133,171	(6)	133,165
Other comprehensive income for the financial period	-	-	29,105	791	29,896	-	29,896
Transfer from retained earnings to regulatory reserve	-	2,612	-	(2,612)	-	-	-
Dividends to owners of the Company	-	-	-	(287,781)	(287,781)	-	(287,781)
At 30 June 2024	7,970,427	109,256	(86,803)	1,720,434	9,713,314	232	9,713,546

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2024.

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (continued)**

Company	Share capital RM'000	Distributable Retained earnings RM'000	Total RM'000
At 1 January 2025	7,970,427	13,500	7,983,927
Profit for the period	-	249,348	249,348
Dividends to owners of the Company	-	(148,002)	(148,002)
At 30 June 2025	7,970,427	114,846	8,085,273
At 1 January 2024	7,970,427	110,376	8,080,803
Profit for the period	-	220,224	220,224
Dividends to owners of the Company	-	(287,781)	(287,781)
At 30 June 2024	7,970,427	42,819	8,013,246

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2024.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

	Group		Company	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	250,510	201,620	251,530	219,303
Adjustments for non-cash items	(84,483)	25,605	5,132	485
Operating profit before working capital changes	166,027	227,225	256,662	219,788
Working capital changes:				
Net changes in operating assets	239,652	(1,772,444)	(258,704)	(109,392)
Net changes in operating liabilities	(2,621,395)	1,571,813	(225,354)	(1,476)
Cash (used in)/generated from operations	(2,215,716)	26,594	(227,396)	108,920
Income taxes and zakat (paid)/refunded	(37,933)	(34,491)	4,365	(8,549)
Net cash used in operating activities	(2,253,649)	(7,897)	(223,031)	100,371
Cash flows from investing activities				
Purchase of property and equipment	(11,992)	(21,489)	(360)	(2)
Purchase of intangible assets	(19,053)	(19,540)	-	2
Profit income from:				
- financial assets at FVTPL	20,545	14,918	-	-
- financial investments at FVOCI	268,431	224,638	-	-
- financial investments at amortised cost	91,204	54,128	-	-
Net (purchase)/sale of:				
- financial assets at FVTPL	(275,247)	(289,970)	-	-
- financial investments at FVOCI	(801,504)	(986,165)	-	-
- financial investments at amortised cost	215,295	210,069	-	-
Dividend received	-	-	261,571	-
Net cash (used in)/generated from investing activities	(512,321)	(813,411)	261,211	-

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2024.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (continued)

	Group		Company	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Net issuance/(repayment) of:				
- Islamic repurchase agreement	1,262,531	(1,391,444)	-	-
- recourse obligation on financing sold	1,496,808	(155,144)	-	-
Repayment of:				
- Sukuk	(89,329)	(100,666)	-	-
- Borrowings and government grant	(4,873)	(4,977)	-	-
Profit expense paid on:				
- Islamic repurchase agreement	(19,637)	(27,987)	-	-
- Recourse obligation on financing sold	(46,999)	(76,188)	-	-
- Sukuk	(33,650)	(49,210)	-	-
- Investment accounts of customers	(836)	-	-	-
Payment of lease liabilities	(9,420)	(9,336)	-	-
Dividends paid to shareholders of the Company	(148,002)	-	(148,002)	-
Net cash generated from/(used in) financing activities	<u>2,406,593</u>	<u>(1,814,952)</u>	<u>(148,002)</u>	<u>-</u>
Net (decrease)/ increase in cash and cash equivalents	(359,377)	(2,636,260)	(109,822)	100,371
Cash and cash equivalents at beginning of financial period	1,263,035	5,607,314	318,778	9,642
Cash and cash equivalents at end of financial period	903,658	2,971,054	208,956	110,013
Cash and cash equivalents is represented by:				
Cash and short-term funds (Note A8(a))	<u>903,658</u>	<u>2,971,054</u>	<u>208,956</u>	<u>110,013</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025
PART A - EXPLANATORY NOTES PURSUANT TO MFRS134

A1. Basis of preparation

The unaudited condensed interim financial statements for the financial period ended 30 June 2025 have been prepared under the historical cost convention except for financial investments which are recognised at fair value and financial assets and financial liabilities which are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest/profit method.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad and Policy Documents on Financial Reporting issued by Bank Negara Malaysia ("BNM").

The unaudited condensed interim financial statements of the Group and the Company consolidated financial performance of MBSB Bank Berhad, Malaysian Industrial Development Finance Berhad, MBSB Investment Bank Berhad (formerly known as MIDF Amanah Investment Bank Berhad) and other subsidiaries of MBSB Berhad.

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 December 2024. The explanatory notes attached to the unaudited 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 and the Company since the financial year ended 31 December 2024.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 December 2024.

The new accounting standards, amendments to published standards and interpretation that have been issued but not yet effective are as follows:

- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'.
- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026).

The Group and the Company has not early adopted the above standards and amendments to existing standards and is in the process of assessing the impact of initial application when it becomes effective.

The following amendments are not expected to have a significant impact on the consolidated financial statements of the Group and the Company:

- Amendments to MFRS 121 'Lack of Exchangeability'
- MFRS 19 'Subsidiaries without Public Accountability: Disclosures'
- Annual Improvements to MFRS Accounting Standards for enhanced consistency

A2. Auditors' report on preceding Annual Financial Statements

The auditors' report on the annual audited financial statements for the financial year ended 31 December 2024 was not qualified.

A3. Seasonality and cyclicalities of operations and unusual items

The business operations of the Group and the Company have not been materially affected by any seasonal or cyclical factors in the six months ended 30 June 2025.

A4. Exceptional or unusual items

There were no exception or unusual items in the six months ended 30 June 2025.

A5. Changes in estimates

There were no material changes in estimates of amounts reported in prior financial year that have a material effect in six months ended 30 June 2025.

A6. Changes in debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period ended 30 June 2025.

A7. Dividend

On 3 March 2025, the Company announced a single-tier interim dividend of 1.8 sen per ordinary share in respect of the financial year ended 31 December 2024. The dividend amounting to RM148,001,570 was paid on 27 March 2025.

For the financial period ended 30 June 2025, the Board of Directors has declared a single-tier interim dividend of 2.0 sen per ordinary share amounting to RM164,446,249. The main source of the dividend payment is interim dividend income from its subsidiaries which are to be received prior to the payment of dividend by the Company.

A8. Cash and short-term funds and deposits and placements with banks and other financial institutions

	Group		Company	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
(a) Cash and short-term funds:				
Cash and balances with banks and other financial institutions	352,811	688,594	1,575	1,061
Money at call and deposit placements maturing within one month	550,847	574,441	207,381	317,717
	<u>903,658</u>	<u>1,263,035</u>	<u>208,956</u>	<u>318,778</u>
(b) Deposits and placements with banks and other financial institutions with original maturity of more than 1 month				
	813,985	770,343	-	-
	<u>1,717,643</u>	<u>2,033,378</u>	<u>208,956</u>	<u>318,778</u>

As at reporting date, the dealer's representatives' and clients' monies held in trust by the Group amounted to approximately RM11,303,000 (2024: RM29,315,000). These amounts are excluded from the cash and short-term funds of the Group.

A9. Financial assets at fair value through profit or loss ("FVTPL")

	Group	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Money Market instruments		
Private mandate investments	130,187	130,193
Malaysian Government Investment Issues	987,128	701,143
	<u>1,117,315</u>	<u>831,336</u>
Equity instruments		
Quoted securities:		
<u>In Malaysia</u>		
Shares	3,986	8,297
Unquoted securities:		
<u>In Malaysia</u>		
Redeemable convertible preference shares	5,445	11,334
Unit trusts	31,298	32,179
	<u>40,729</u>	<u>51,810</u>
	<u>1,158,044</u>	<u>883,146</u>

A10. Financial investments at fair value through other comprehensive income ("FVOCI")

	Group	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Money Market Instruments		
Malaysian Government Investment Issues	8,650,008	8,620,857
Islamic Negotiable Instruments	298,703	-
	<u>8,948,711</u>	<u>8,620,857</u>
Debt securities		
<u>In Malaysia</u>		
Private and Islamic debt securities	4,058,627	2,948,434
Government Guaranteed debt securities	685,667	1,134,041
Corporate bonds	49,073	53,839
	<u>4,793,367</u>	<u>4,136,314</u>
Equity instruments		
Unquoted securities:		
<u>In Malaysia</u>		
Shares	1,388	1,386
	<u>13,743,466</u>	<u>12,758,557</u>

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

ECL movement for financial investments at FVOCI:

	Group			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	332	31	6,726	7,089
Total charged to profit or loss:	182	-	-	182
New financial investments purchased during the period	124	-	-	124
Financial investments derecognised and repayment during the period	(26)	-	-	(26)
Changes in credit risk parameters	84	-	-	84
Others	-	-	3,514	3,514
At 30 June 2025	<u>514</u>	<u>31</u>	<u>10,240</u>	<u>10,785</u>

A10. Financial investments at fair value through other comprehensive income ("FVOCI") (continued)

ECL movement for financial investments at FVOCI: (continued)

	Group			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	577	-	20,960	21,537
Total (reversal)/charged to profit or loss:	(192)	31	-	(161)
Changes in the ECL due to transfer within stages:				
- Transfer to Stage 2	(31)	31	-	-
New financial investments purchased during the year	358	-	-	358
Financial investments derecognised and repayment during the year	(352)	-	-	(352)
Changes in credit risk parameters	(220)	-	-	(220)
Others	53	-	-	53
Written off	(53)	-	(14,234)	(14,287)
At 31 December 2024	332	31	6,726	7,089

A11. Financial investments at amortised cost

	Group	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Money Market Instruments		
Malaysian Government Investment Issues	1,114,486	1,115,408
Debt securities		
<u>In Malaysia</u>		
Private and Islamic debt securities	2,659,857	2,856,093
Government Guaranteed corporate sukuk	65,763	75,785
Corporate bonds	96,071	106,402
	3,936,177	4,153,688
Less: ECL	(868)	(1,202)
	3,935,309	4,152,486

A11. Financial investments at amortised cost (continued)

ECL movement for financial investments at amortised cost:

	Group			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2025	1,131	71	-	1,202
Total reversal to profit or loss:	(296)	(38)	-	(334)
Financial investments derecognised and repayment during the period	(98)	-	-	(98)
Changes in credit risk parameters	(198)	(38)	-	(236)
At 30 June 2025	835	33	-	868

	Group			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2024	1,705	147	-	1,852
Total reversal to profit or loss:	(574)	(76)	-	(650)
New financial investments purchased during the year	59	-	-	59
Financial investments derecognised and repayment during the year	(471)	-	-	(471)
Changes in credit risk parameters	(162)	(76)	-	(238)
At 31 December 2024	1,131	71	-	1,202

A12. Derivative financial assets/(liabilities)

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

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

	Group		
	Notional amount RM'000	Fair value Assets RM'000	Liabilities RM'000
At 30 June 2025			
<u>Derivatives</u>			
<u>Foreign exchange contracts:</u>			
Currency forward			
- Less than one year	1,575,496	13,917	(14,193)
Cross currency swaps			
- Less than one year	36,575	230	-
<u>Profit rate related derivatives:</u>			
Profit rate swaps			
- One to five years	150,000	-	(4,090)
	<u>1,762,071</u>	<u>14,147</u>	<u>(18,283)</u>

	Group		
	Notional amount RM'000	Fair value Assets RM'000	Liabilities RM'000
At 31 December 2024			
<u>Derivatives</u>			
<u>Foreign exchange contracts:</u>			
Currency forward			
- Less than one year	1,628,074	1,657	(6,152)
Cross currency swaps			
- Less than one year	36,941	3,970	-
<u>Profit rate related derivatives:</u>			
Profit rate swaps			
- Less than one year	50,000	-	(616)
	<u>1,715,015</u>	<u>5,627</u>	<u>(6,768)</u>

A13. Loans, financing and advances

	Group		Company	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
(i) By type				
At amortised cost				
Term loans/financing				
- Personal financing	18,040,533	18,589,281	-	-
- Housing loans/financing	10,839,970	10,752,027	-	-
- Industrial hire purchase	652,702	689,790	-	-
- Bridging loans/financing	468,996	442,536	106,561	106,711
- Auto financing	5,668	8,834	-	-
- Other term loans/financing	5,263,611	5,316,647	165,190	165,306
- Syndicated term loans/financing	2,104,877	1,908,884	-	-
Revolving credit	554,445	413,644	-	-
Trade finance	3,533,359	3,424,344	-	-
Margin accounts	1,079,071	1,107,529	-	-
Cashline	343,192	300,270	-	-
Staff loans/financing	29,093	28,832	-	-
Gross loans, financing and advances	42,915,517	42,982,618	271,751	272,017
Less: ECL	(837,236)	(846,519)	(28,278)	(23,397)
Net loans, financing and advances	42,078,281	42,136,099	243,473	248,620
(ii) By residual contractual maturity				
	Group		Company	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
Maturing within one year	6,673,553	7,008,301	196,461	196,726
One year to three years	2,161,965	2,153,025	-	-
Three years to five years	3,822,314	2,727,476	-	-
Over five years	30,257,685	31,093,816	75,290	75,291
	42,915,517	42,982,618	271,751	272,017

A13. Loans, financing and advances (continued)

(iii) By type of customers

	Group		Company	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
Individuals:				
- Malaysian nationals	29,684,501	30,163,185	-	-
Domestic business enterprises:				
- Small medium enterprises	4,642,526	4,381,773	248,025	248,290
- Non-bank financial institutions	1,649,652	1,496,327	-	-
- Others	6,282,912	6,235,911	23,726	23,727
Foreign nationals	655,926	705,422	-	-
	42,915,517	42,982,618	271,751	272,017

(iv) By sector

	Group		Company	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
Household sectors	29,684,278	30,162,912	-	-
Construction	2,608,636	3,289,690	196,461	196,727
Finance, insurance, real estate and business services	3,341,295	3,150,447	-	-
Wholesale & retail trade and restaurants & hotels	2,383,007	2,245,367	-	-
Manufacturing	2,006,650	2,054,026	-	-
Education, health and others	813,258	855,694	75,290	75,290
Transport, storage and communications	1,403,087	650,258	-	-
Electricity, gas and water	162,587	164,671	-	-
Agriculture	385,020	328,372	-	-
Mining and quarrying	127,699	81,181	-	-
	42,915,517	42,982,618	271,751	272,017

A13. Loans, financing and advances (continued)

(v) By interest/profit rate sensitivity

	Group		Company	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
<u>Fixed rate:</u>				
Personal financing	1,969,586	5,610,034	-	-
Bridging, structured and term loans and financing	2,074,630	2,040,096	-	-
Mortgage and property Islamic	305,355	316,822	-	-
Auto financing	6,864	10,327	-	-
<u>Variable rate:</u>				
Personal financing	16,138,706	13,032,873	-	-
Bridging, structured and term loans and financing	11,858,163	11,510,307	271,751	272,017
Mortgage and property Islamic	10,561,846	10,462,159	-	-
Auto financing	367	-	-	-
	42,915,517	42,982,618	271,751	272,017

(vi) By geographical distribution

	Group		Company	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
Malaysia	42,161,010	42,234,549	271,751	272,017
Outside Malaysia	754,506	748,069	-	-
	42,915,517	42,982,618	271,751	272,017

A13. Loans, financing and advances (continued)

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

	Group			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2025	133,573	215,709	497,237	846,519
Charged/(reversal) to profit or loss	18,692	(28,849)	106,972	96,815
Changes in the ECL due to transfer within stages:				
- Transfer to Stage 1	16,325	(14,606)	(1,719)	-
- Transfer to Stage 2	(6,997)	108,421	(101,424)	-
- Transfer to Stage 3	(633)	(11,666)	12,299	-
New financing during the period	17,921	1,390	1,545	20,856
Derecognised to loans/financing during the period (other than write-offs)	(31,614)	(5,894)	5,165	(32,343)
Changes in credit risk parameters #	23,690	(106,494)	191,106	108,302
Write-offs	-	-	(136,107)	(136,107)
Others	(77)	(85)	30,171	30,009
At 30 June 2025	152,188	186,775	498,273	837,236

	Group			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2024	344,317	80,059	1,128,408	1,552,784
(Reversal)/charged to profit or loss	(211,322)	136,263	254,116	179,057
Changes in the ECL due to transfer within stages:				
- Transfer to Stage 1	34,219	(24,766)	(9,453)	-
- Transfer to Stage 2	(9,766)	145,599	(135,833)	-
- Transfer to Stage 3	(3,980)	(8,650)	12,630	-
New financing during the year	72,510	8,544	24,799	105,853
Derecognised to loans/financing during the year (other than write-offs)	(129,996)	16,700	(26,032)	(139,328)
Changes in credit risk parameters #	(65,462)	14,434	388,005	336,977
Change to model assumptions and methodologies ^	(108,847)	(15,598)	-	(124,445)
Write-offs	(26)	(9)	(883,807)	(883,842)
Others	604	(604)	(1,480)	(1,480)
At 31 December 2024	133,573	215,709	497,237	846,519

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

^ The changes to model assumptions and methodologies were in relation to incorporation of MEV factors with more intuitive trends.

A13. Loans, financing and advances (continued)

(vii) Movement of ECL for loans, financing and advances (continued)

	Company			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2025	-	-	23,397	23,397
Charged to profit or loss	-	-	4,881	4,881
Changes in credit risk parameters	-	-	4,881	4,881
At 30 June 2025	-	-	28,278	28,278

	Company			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2024	-	-	259,936	259,936
Charged to profit or loss	-	-	23,833	23,833
Derecognised to loans/financing during the year (other than write-offs)	-	-	(10,593)	(10,593)
Changes in credit risk parameters	-	-	34,426	34,426
Write-offs	-	-	(260,372)	(260,372)
At 31 December 2024	-	-	23,397	23,397

A13. Loans, financing and advances (continued)

(viii) Movements of impaired loans, financing and advances

	Group		Company	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January	2,290,658	3,055,714	272,017	532,161
Classified as impaired during the period/year	382,228	528,570	-	-
Reclassified as non-impaired	(210,889)	(357,230)	-	-
Amount recovered	(47,407)	(275,663)	(266)	(30,125)
Other movements	115,547	229,576	-	30,353
Amount written off	(136,107)	(890,309)	-	(260,372)
Balance as at end of financial period/year	2,394,030	2,290,658	271,751	272,017
Less: ECL stage 3	(498,273)	(497,237)	(28,278)	(23,397)
Net impaired loans, advances and financing	1,895,757	1,793,421	243,473	248,620
Net impaired as a percentage of net loans, financing and advances	4.51%	4.26%	100.00%	100.00%
Gross impaired as a percentage of gross loans, financing and advances	5.58%	5.33%	100.00%	100.00%

A13. Loans, financing and advances (continued)

(ix) Impaired loans, financing and advances by sector

	Group		Company	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
Household sector	762,627	740,185	-	-
Construction	635,793	695,924	196,461	196,727
Education, health and others	75,290	87,125	75,290	75,290
Finance, insurance, real estate and business services	306,467	279,377	-	-
Manufacturing	151,518	86,345	-	-
Wholesale & retail trade and restaurants & hotels	375,089	348,099	-	-
Transport, storage and communication	2,492	4,049	-	-
Mining and quarrying	54,893	48,500	-	-
Electricity, gas and water	29,733	1,054	-	-
Agriculture	128	-	-	-
	2,394,030	2,290,658	271,751	272,017

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

	Group		Company	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
Malaysia	2,394,030	2,149,509	271,751	272,017
Outside Malaysia	-	141,149	-	-
	2,394,030	2,290,658	271,751	272,017

A14. Other receivables

	Group		Company	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
Amount due from subsidiaries	-	-	1,230	3,275
Foreclosed properties	36,580	36,580	309	309
Prepayments and deposits	60,867	52,703	-	527
Fee receivables	34,531	50,864	-	-
Sundry receivables	339,218	289,014	1,000	1,025
Deferred expenses	66,878	66,089	-	-
Amount due from brokers and clients	58,259	33,722	-	-
	596,333	528,972	2,539	5,136
Less: ECL	(2,135)	(3,482)	-	-
	594,198	525,490	2,539	5,136

A15. Deposits from customers

(i) By type of deposits:

	Group	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Term Deposits	33,091,907	35,047,924
Demand deposits	3,658,685	4,084,414
Savings deposits	521,338	646,514
	<u>37,271,930</u>	<u>39,778,852</u>

(ii) Maturity of term deposits:

	Group	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Due within six months	23,416,587	25,202,575
More than six months to one year	7,403,691	7,454,285
More than one year to three years	1,275,903	1,368,995
More than three years	995,726	1,022,069
	<u>33,091,907</u>	<u>35,047,924</u>

(iii) By type of customers:

	Group	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Government and statutory bodies	14,437,971	16,632,286
Business enterprises	13,887,450	14,945,998
Individuals	8,946,509	8,200,568
	<u>37,271,930</u>	<u>39,778,852</u>

A16. Deposits and placements of banks and other financial institutions

	Group	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Amortised cost		
Licensed investment banks	243,379	290,775
Licensed commercial banks	44,098	36,205
Licensed islamic banks	1,521,644	645,874
Other financial institutions	6,427,231	8,032,891
	<u>8,236,352</u>	<u>9,005,745</u>
At fair value through profit and loss		
Structured deposits linked to profit rate derivatives	151,262	50,565
Fair value changes arising from designation at fair value through profit or loss	(97)	(19)
	<u>151,165</u>	<u>50,546</u>
	<u>8,387,517</u>	<u>9,056,291</u>

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

	Group	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Due within six months	7,829,978	8,918,171
More than six months to one year	405,698	87,513
More than one year to three years	676	50,607
More than three years	151,165	-
	<u>8,387,517</u>	<u>9,056,291</u>

A17. Investment accounts of customers

	Group	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Mudarabah unrestricted investment account	1,343,219	560,928

The investment account placements are used for fund personal financing.

(i) By type of customers:

	Group	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Individuals	1,343,219	560,928

A17. Investment accounts of customers (continued)

(ii) Movement of investment accounts of customers:

	Group	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Balance as at 1 January	560,928	-
New placement during the period/year	883,404	612,572
Redemption	(118,601)	(56,826)
Finance expense	18,324	5,384
Profit distributed	(836)	(202)
At end of financial period/year	<u>1,343,219</u>	<u>560,928</u>

(iii) By maturity:

	Group	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Due within three months	29,277	13,740
More than three months to one year	1,307,573	540,911
More than one year to two years	6,369	6,277
	<u>1,343,219</u>	<u>560,928</u>

(iv) Rate of Return ("ROR") and Profit sharing ratio based on residual maturity

	Group			
	Investment Account		Average Profit sharing	
	Holder Average ROR		ratio	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	%	%	%	%
Unrestricted investment accounts:				
Due within three months	4.83	4.59	60.66	58.88
More than three months				
to one year	5.61	5.48	70.58	70.29
More than one year to two years	5.62	5.51	70.69	70.69

A18. Other payables

	Note	Group		Company	
		30-Jun-25 RM'000	31-Dec-24 RM'000	30-Jun-25 RM'000	31-Dec-24 RM'000
Amount due to subsidiary		-	-	4,776	-
Amount due to brokers and clients	(i)	58,922	33,479	-	-
Amount due to Government Scheme Funds ("GSF")		132,541	103,188	-	-
Dividend payable		-	226,114	-	226,114
Sundry payables		257,740	297,806	2,626	2,445
ECL for commitments and contingencies and financial guarantees	(ii)	18,936	19,511	-	-
Employee benefits		13,892	14,204	-	-
Deferred income		16,322	17,384	-	-
Other provisions and accruals		111,000	140,598	7,465	11,662
		<u>609,353</u>	<u>852,284</u>	<u>14,867</u>	<u>240,221</u>

(i) Amount due to brokers and clients

	Group	
	30-Jun-25 RM'000	31-Dec-24 RM'000
Brokers	39,247	20,241
Clients	19,675	13,238
	<u>58,922</u>	<u>33,479</u>

A18. Other payables (continued)

(ii) ECL for commitments and contingencies and financial guarantees

Movement of ECL for commitments and contingencies and financial guarantees are as follows:

	Group			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2025	15,440	2,600	1,471	19,511
Total (reversal)/charged to	(398)	(1,692)	1,517	(573)
Changes in ECL due to				
transfer within stages:				
- Transfer to Stage 1	89	(56)	(33)	-
- Transfer to Stage 2	(262)	281	(19)	-
- Transfer to Stage 3	(1)	(1,112)	1,113	-
New financing during the period	2,510	115	-	2,625
Derecognised to				
loans/financing during the				
period (other than write-offs)	(2,459)	(1,095)	(17)	(3,571)
Changes in credit risk				
parameters #	(275)	175	473	373
Write-offs	-	-	(2)	(2)
At 30 June 2025	15,042	908	2,986	18,936

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

A18. Other payables (continued)

(ii) ECL for commitments and contingencies and financial guarantees (continued)

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

	Group			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2024	28,221	5,179	1,850	35,250
Total reversal to profit or loss	(12,781)	(2,579)	(372)	(15,732)
Changes in ECL due to transfer within stages:				
- Transfer to Stage 1	309	(260)	(49)	-
- Transfer to Stage 2	(1,363)	1,524	(161)	-
- Transfer to Stage 3	(1,414)	(47)	1,461	-
New financing during the year	10,604	101	-	10,705
Derecognised to loans/financing during the year (other than write-offs)	(9,088)	(2,630)	(395)	(12,113)
Changes in credit risk parameters #	6,792	890	(1,228)	6,454
Change to model assumptions and methodologies ^	(18,621)	(2,157)	-	(20,778)
Write-offs	-	-	(7)	(7)
At 31 December 2024	15,440	2,600	1,471	19,511

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

^ The changes to model assumptions and methodologies were in relation to incorporation of MEV factors with more intuitive trends.

A19. Borrowings and government grant

		Group	
	Note	30-Jun-25 RM'000	31-Dec-24 RM'000
Borrowings			
Loan from JBIC-FSMI	(a)	98,534	102,053
Loan from MITI	(b)	60,453	59,013
		<u>158,987</u>	<u>161,066</u>
Government grant			
Loan from MITI	(b)	12,297	13,737
Total borrowing and government grant		<u>171,284</u>	<u>174,803</u>

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

	Group	
	30-Jun-25 RM'000	31-Dec-24 RM'000
At 1 January	102,053	109,092
Interest expense	1,354	2,883
Repayment	(4,873)	(9,922)
At end of period/year	<u>98,534</u>	<u>102,053</u>

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

	Group	
	30-Jun-25 RM'000	31-Dec-24 RM'000
Borrowings		
At 1 January	59,013	77,191
Repayment	-	(22,000)
Profit expense *	1,440	3,822
At end of period/year	<u>60,453</u>	<u>59,013</u>
Government grant		
At 1 January	13,737	17,559
Amortisation	(1,440)	(3,822)
At end of period/year	<u>12,297</u>	<u>13,737</u>
	<u>72,750</u>	<u>72,750</u>

- * Grant income is deducted against the profit expense in profit or loss and other comprehensive income.

A20. Income derived from investment of deposits and Islamic capital funds

	Group			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Financing and advances	629,506	694,340	1,259,037	1,327,927
Financial investments at FVOCI	122,755	114,950	227,363	224,375
Financial investments at amortised cost	44,402	48,966	88,988	98,309
Financial assets at FVTPL	7,472	5,786	14,299	8,659
Deposits and placements with banks and other financial institutions	9,178	22,097	19,946	51,839
Derivative instruments	242	-	359	-
	813,555	886,139	1,609,992	1,711,109

A21. Interest income

	Group			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Loans and advances	39,230	23,806	66,151	46,650
Deposits and placements with banks and other financial institutions	2,538	2,169	3,475	4,438
Financial investments at FVOCI	1,545	1,746	3,177	3,301
Financial investments at amortised cost	1,109	1,889	2,223	3,793
Derivative instruments	-	2,248	-	2,248
	44,422	31,858	75,026	60,430

	Company			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Deposits and placements with banks and other financial institutions	1,391	616	2,208	1,209
	1,391	616	2,208	1,209

A22. Interest expense

	Group			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000
Deposits from customers	13,859	15,550	27,868	30,024
Deposits and placements with banks and other financial institutions	209	4	320	52
Borrowings	670	679	1,354	1,458
Derivative instruments	-	24	-	24
	<u>14,738</u>	<u>16,257</u>	<u>29,542</u>	<u>31,558</u>

A23. Expected credit losses on loans, financing and advances and other impairment

	Group			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000
<u>ECL on loans, financing and advances made/(written back)</u>				
Loans, financing and advances	64,663	91,473	96,815	143,786
Credit impaired loans, financing and advances:				
- Write-off	3,456	9,165	6,287	15,887
- Recovered	(10,972)	(9,738)	(17,952)	(19,970)
	<u>57,147</u>	<u>90,900</u>	<u>85,150</u>	<u>139,703</u>
<u>ECL on financial investments made/(written back):</u>				
Financial investments at FVOCI	85	66	182	166
Financial investments at amortised cost	(226)	5	(334)	(471)
	<u>(141)</u>	<u>71</u>	<u>(152)</u>	<u>(305)</u>
<u>Other ECL and impairment allowances made/(written back):</u>				
Other receivables	962	(219)	1,302	(280)
Financing commitments and financial guarantees	(374)	7,757	(573)	4,006
	<u>588</u>	<u>7,538</u>	<u>729</u>	<u>3,726</u>
	<u>57,594</u>	<u>98,509</u>	<u>85,727</u>	<u>143,124</u>

A23. Expected credit losses on loans, financing and advances and other impairment (continued)

	Company			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000
<u>ECL on loans, financing and advances made/(written back)</u>				
Loans, financing and advances	2,106	(3)	4,881	232
Credit impaired loans, financing and advances:				
- Write-off	-	(1)	-	27
- Recovered	-	(7)	(3)	(7)
	<u>2,106</u>	<u>(11)</u>	<u>4,878</u>	<u>252</u>

A24. Net other income

	Group			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
<u>Rental</u>				
Rental income	179	101	372	187
	<u>179</u>	<u>101</u>	<u>372</u>	<u>187</u>
<u>Fee income</u>				
Net financing processing fees	570	234	937	477
Facility fees	1,385	2,356	3,052	3,843
Management fees	-	53	-	7,603
Underwriting fees	245	-	245	-
Corporate advisory fees	9,340	2,602	13,334	6,605
Income from Government Scheme Funds	25,501	13,317	49,831	26,244
Brokerage fees	2,028	5,186	4,475	8,172
Other fee income	283	13,148	779	16,707
	<u>39,352</u>	<u>36,896</u>	<u>72,653</u>	<u>69,651</u>
<u>Commission</u>				
Net commission	2,778	6,795	6,173	14,674
	<u>2,778</u>	<u>6,795</u>	<u>6,173</u>	<u>14,674</u>
<u>Investment income</u>				
Net gain/(loss) on sale of:				
- financial assets at FVTPL	12,636	(270)	12,811	1,107
- financial investments at FVOCI	22,576	(2,028)	29,445	(2,405)
- financial investments at amortised cost	18	23	-	45
Net unrealised (loss)/gain on revaluation of:				
- financial assets at FVTPL	(4,899)	2,324	(6,914)	4,365
- derivatives instruments	(2,657)	(2,940)	(3,396)	(2,424)
Loss on foreign exchange transactions and revaluations	(9,846)	(2,805)	(13,034)	(10,621)
	<u>17,828</u>	<u>(5,696)</u>	<u>18,912</u>	<u>(9,933)</u>
<u>Other income</u>				
Ta'widh/penalty	5,505	3,706	8,774	6,109
Sundry income	2,470	5,023	4,207	6,654
Gain/(loss) from disposal of:				
- Property and equipment	2	2	2	55
- Non-current assets held for sale	(1)	182	(1)	182
	<u>7,976</u>	<u>8,913</u>	<u>12,982</u>	<u>13,000</u>
	<u>68,113</u>	<u>47,009</u>	<u>111,092</u>	<u>87,579</u>

A24. Net other income (continued)

	Company			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
<u>Rental</u>				
Rental income	949	953	1,901	1,906
	949	953	1,901	1,906
<u>Fee income</u>				
Facility fees	-	-	-	56
Income on management services	12,305	-	30,125	-
	12,305	-	30,125	56
<u>Gross dividend income</u>				
Dividend income	-	226,199	261,571	226,199
	-	226,199	261,571	226,199
<u>Other income</u>				
Sundry income	-	787	-	787
	-	787	-	787
	13,254	227,939	293,597	228,948

A25. Operating expenses

	Group			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Personnel expenses *	156,089	130,058	313,348	254,978
Establishment related expenses	51,491	55,065	103,416	106,330
Promotion and marketing related expenses	4,248	2,587	11,133	6,006
General administrative expenses	21,268	54,023	38,964	88,628
	233,096	241,733	466,861	455,942

	Company			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Personnel expenses *	12,644	3,308	29,190	5,696
Establishment related expenses	421	138	979	464
Promotion and marketing related expenses	14	10	14	10
General administrative expenses	5,397	2,450	9,214	4,432
	18,476	5,906	39,397	10,602

Included in operating expenses are the following:

	Group			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Depreciation:				
- property and equipment	10,889	11,237	21,479	22,242
- right-of-use asset	3,163	4,481	7,566	10,079
- investment properties	55	-	109	-
Amortisation of intangible assets	6,963	10,096	15,175	20,469

	Company			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Depreciation of property and equipment	135	117	253	233

A25. Operating expenses (continued)

* Personnel expenses

	Group			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	117,868	100,482	238,151	195,807
Contributions to Employees				
Provident Fund and				
Social security costs	16,332	14,506	33,968	29,001
Directors fees	1,574	1,637	3,009	3,479
Employees' benefits	286	305	572	594
Shariah Committee remuneration	253	184	400	375
Other staff related expenses	19,776	12,944	37,248	25,722
	156,089	130,058	313,348	254,978

	Company			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	10,559	2,316	25,071	3,408
Contributions to Employees				
Provident Fund and				
Social security costs	1,353	155	2,676	402
Directors fees	571	429	1,070	1,009
Other staff related expenses	161	408	373	877
	12,644	3,308	29,190	5,696

A26. Commitments and contingencies

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

The principal amounts of the commitments and contingencies of the Group are as follows:

	Group	
	30-Jun-25	31-Dec-24
	Principal amount	
	RM'000	RM'000
Direct credit substitutes	88,728	112,516
Trade-related contingencies	150,833	137,735
Short term self liquidating trade related contingencies	2,172,778	94,406
Irrevocable commitments to extend credit:		
- one year or less	6,245,888	2,525,296
- over one year to five years	1,808,999	2,243,115
- over five years	758,500	792,497
Foreign exchange related contracts #		
- one year or less	1,612,071	1,665,015
Profit rate related contracts		
with an original maturity of:		
- over one year to five years	150,000	50,000
	12,987,797	7,620,580

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

A27. Contingent liability

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

The Plaintiffs commenced an action against MBSB Bank for alleged breach of contract and fiduciary duty and negligence for failure to issue the Performance Guarantee as per their request. The Plaintiffs' claim, amongst others, is for a return of all money received from the 1st Plaintiff, special damages and other claims amounting to a total amount of approximately RM40.35mil.

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

The Plaintiffs filed an appeal against the Court's decision on 7 July 2022. The matter was then returned to the Court for full trial, which ended on 14 January 2025. On 23 June 2025, the Court held this case in favour of the plaintiffs whereby MBSB Bank shall pay the full judgment sum of RM524,344 (only to the extent of reimbursement of the Performance Guarantee charges and costs awarded) to the plaintiffs.

MBSB Bank is appealing the Court's decision, and case management has been fixed on 29 September 2025, pending notes of proceeding. In the interim, and pending disposal of the stay application, the Court granted interim stay on the judgment, subject to the condition that MBSB Bank remits the judgment sum to MBSB Bank's solicitors as stakeholders. MBSB Bank complied with this condition by placing the judgment sum into fixed deposit under the solicitors' account as stakeholder on 30 July 2025, within the stipulated deadline of 31 July 2025.

A28. Segmental information on revenue and results

The segment analysis for the individual and cumulative quarters ended 30 June 2025 and 30 June 2024 are as follows:

i) Current year's individual quarter ended 30 June 2025 and Preceding year's individual quarter ended 30 June 2024

	Consumer Banking		Corporate Banking		Global Markets		Investment banking		Others		Inter-segment elimination		Total	
	30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000
<u>External:</u>														
Fund based income	453,160	512,434	181,475	178,480	132,485	138,815	70,685	83,036	20,172	5,825	-	-	857,977	918,590
Non-fund based income	(2,946)	5,503	2,824	3,545	29,984	(2,893)	39,056	36,602	268,102	226,259	(261,571)	(226,755)	75,449	42,261
<u>Inter-segment</u>														
Fund based income	-	-	-	-	1,391	616	1,627	-	-	-	(3,018)	(616)	-	-
Total revenue	450,214	517,937	184,299	182,025	163,860	136,538	111,368	119,638	288,274	232,084	(264,589)	(227,371)	933,426	960,851
(Loss)/profit before zakat and tax	(26,907)	206,048	31,474	36,986	35,055	(127,573)	16,276	20,018	91,520	193,461	(13,607)	(233,263)	133,811	95,677
Taxation													(38,004)	(35,566)
Zakat													(254)	(5,287)
Net profit for the period													95,553	54,824
Segment assets	28,599,161	29,037,913	12,350,673	11,823,313	15,285,387	16,184,686	5,901,363	6,881,175	510,306	553,485	-	-	62,646,890	64,480,572
Tax recoverable													136,636	207,374
Deferred tax assets													51,166	83,754
Unallocated assets													1,672,222	1,937,983
Total assets													64,506,914	66,709,683
Segment liabilities	25,497,149	25,522,261	10,608,076	10,593,256	12,515,197	13,923,927	4,784,576	5,804,865	456,145	163,655	-	-	53,861,143	56,007,964
Provision for taxation and zakat													39,636	128
Deferred tax liabilities													12,389	12,074
Unallocated liabilities													635,138	975,971
Total liabilities													54,548,306	56,996,137

A28. Segmental information on revenue and results (continued)

ii) Current year's cumulative quarter ended 30 June 2025 and Preceding year's cumulative quarter ended 30 June 2024

	Consumer Banking		Corporate Banking		Global Markets		Investment banking		Others		Inter-segment elimination		Total	
	30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000
<u>External:</u>														
Fund based income	894,156	964,552	359,901	357,244	249,675	277,274	143,666	161,699	37,619	10,770	-	-	1,685,017	1,771,539
Non-fund based income	(4,555)	12,518	6,297	6,040	35,454	(4,718)	64,288	63,625	276,518	226,427	(261,571)	(221,133)	116,431	82,759
<u>Inter-segment</u>														
Fund based income	-	-	-	-	2,208	1,209	1,627	-	-	-	(3,835)	(1,209)	-	-
Total revenue	889,601	977,070	366,198	363,284	287,337	273,765	209,581	225,324	314,137	237,197	(265,406)	(222,342)	1,801,448	1,854,298
(Loss)/profit before zakat and tax	(67,027)	437,143	63,836	68,396	51,449	(266,389)	38,285	27,849	449,599	167,884	(285,632)	(233,263)	250,510	201,620
Taxation													(66,730)	(62,810)
Zakat													(3,547)	(5,645)
Net profit for the period													180,233	133,165
Segment assets	28,599,161	29,037,913	12,350,673	11,823,313	15,285,387	16,184,686	5,901,363	6,881,175	510,306	553,485	-	-	62,646,890	64,480,572
Tax recoverable													136,636	207,374
Deferred tax assets													51,166	83,754
Unallocated assets													1,672,222	1,937,983
Total assets													64,506,914	66,709,683
Segment liabilities	25,497,149	25,522,261	10,608,076	10,593,256	12,515,197	13,923,927	4,784,576	5,804,865	456,145	163,655	-	-	53,861,143	56,007,964
Provision for taxation and zakat													39,636	128
Deferred tax liabilities													12,389	12,074
Unallocated liabilities													635,138	975,971
Total liabilities													54,548,306	56,996,137

A29. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table presents assets and liabilities measured at fair values and classified by level of following fair value measurement hierarchy:

A29. Fair value measurement (continued)

Group

At 30 June 2025	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>Financial Assets</u>				
Financial assets at FVTPL	-	1,152,599	5,445	1,158,044
Financial investments at FVOCI	-	13,742,080	1,386	13,743,466
Derivative financial assets	-	14,147	-	14,147
	<u>-</u>	<u>14,908,826</u>	<u>6,831</u>	<u>14,915,657</u>

Financial Liabilities

Deposits and placements of banks and other financial institutions	-	151,165	-	151,165
Derivative financial liabilities	-	18,283	-	18,283
	<u>-</u>	<u>169,448</u>	<u>-</u>	<u>169,448</u>

Group

At 31 December 2024

Financial Assets

Financial assets at FVTPL	-	871,812	11,334	883,146
Financial investments at FVOCI	-	12,758,557	-	12,758,557
Derivative financial assets	-	5,627	-	5,627
	<u>-</u>	<u>13,635,996</u>	<u>11,334</u>	<u>13,647,330</u>

Financial Liabilities

Deposits and placements of banks and other financial institutions	-	50,546	-	50,546
Derivative financial liabilities	-	6,768	-	6,768
	<u>-</u>	<u>57,314</u>	<u>-</u>	<u>57,314</u>

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial period. (2024: None)

A30. Capital adequacy

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

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

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

	Group	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
<u>Common Equity Tier 1 ("CET1") Capital</u>		
Ordinary share capital	7,970,427	7,970,427
Retained earnings exclude merger reserve	1,653,680	1,618,800
Other reserves	334,183	188,615
	<u>9,958,290</u>	<u>9,777,842</u>
Less : Regulatory adjustments		
Goodwill	(148,031)	(148,031)
Deferred tax assets	(51,166)	(101,745)
Cumulative gains of financial investments at FVOCI	(72,757)	(21,079)
Intangible assets	(168,749)	(164,871)
Regulatory reserve attributable to financing	(255,091)	(258,081)
Total CET1 Capital	<u>9,262,496</u>	<u>9,084,035</u>
<u>Tier 1 Capital</u>		
Additional Tier 1 capital instruments	-	-
Less: Tier 1 regulatory adjustments	-	-
Total Tier 1 capital	<u>9,262,496</u>	<u>9,084,035</u>
<u>Tier 2 Capital</u>		
Stage 1 and Stage 2 ECL allowances [^]	539,818	550,965
Tier 2 capital instruments	650,000	650,000
Total Tier 2 capital	<u>1,189,818</u>	<u>1,200,965</u>
Total capital base	<u>10,452,314</u>	<u>10,285,000</u>

[^] Expected credit loss allowance on non-credit impaired exposure and regulatory reserves is subject to a maximum of 1.25% of total credit risk-weighted assets.

A30. Capital adequacy (continued)

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

	Group	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
<u>Total risk weighted assets ("RWA")</u>		
- Credit risk	43,185,466	44,077,190
- Market risk	695,807	450,536
- Operational risk	2,813,201	2,892,732
Total RWA	<u>46,694,474</u>	<u>47,420,458</u>
<u>Capital adequacy ratios</u>		
CET1 capital ratio	19.836%	19.156%
Tier 1 capital ratio	19.836%	19.156%
Total capital ratio	<u>22.384%</u>	<u>21.689%</u>

The capital ratios after deducting single-tier interim dividend of 2.0 sen per ordinary share in respect of financial period ended 30 June 2025 amounting to RM164,446,249 (31 December 2024: single-tier interim dividends of 1.8 sen per ordinary share amounting to RM148,001,570) are as follows:

	Group	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
<u>Capital adequacy ratios (after deducting dividends)*</u>		
CET 1 capital ratio	19.484%	18.844%
Tier 1 capital ratio	19.484%	18.844%
Total capital ratio	<u>22.032%</u>	<u>21.377%</u>

In accordance with BNM's Guidelines on Investment Account paragraph 31.1, the credit and market risk weighted assets funded by Unrestricted Investment Accounts ("URIA") shall be recognised as risk absorbent and excluded from the calculation of capital adequacy ratio. As at 30 June 2025, URIA risk weighted assets excluded from the Total Capital Ratio calculation amounted to RM1,311.7 million (31 December 2024: RM548.6 million).

* Refer Note A7 for the dividends declared subsequent to financial period/year end.

PERFORMANCE REVIEW FOR THE FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

B1. Performance review of the Group

i) Financial review for current period-to-date against previous corresponding period-to-date

	Six Months Ended		Changes	
	30-Jun-25	30-Jun-24	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	1,801,448	1,854,298	(52,850)	(2.9%)
Net income (before ECL)	803,098	800,686	2,412	0.3%
ECL on loans, financing and advances and other impairment	(85,727)	(143,124)	57,397	40.1%
Operating expenses	(466,861)	(455,942)	(10,919)	(2.4%)
Profit before taxation and zakat	250,510	201,620	48,890	24.2%
Profit after taxation and zakat	180,233	133,165	47,068	35.3%

ii) Financial review for individual quarter ended 30 June 2025 against preceding year corresponding quarter

	2nd Quarter Ended		Changes	
	30-Jun-25	30-Jun-24	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	933,426	960,851	(27,425)	(2.9%)
Net income (before ECL)	424,501	435,919	(11,418)	(2.6%)
Expected credit losses on loans, financing and advances and other impairment	(57,594)	(98,509)	40,915	41.5%
Operating expenses	(233,096)	(241,733)	8,637	3.6%
Profit before taxation and zakat	133,811	95,677	38,134	39.9%
Profit after taxation and zakat	95,553	54,824	40,729	74.3%

iii) Financial review for current quarter against immediate preceding quarter:

	Individual quarter		Changes	
	30-Jun-25	31-Mar-25	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	933,426	868,022	65,404	7.5%
Net income (before ECL)	424,501	378,597	45,904	12.1%
Expected credit losses on loans, financing and advances and other impairment	(57,594)	(28,133)	(29,461)	> (100%)
Operating expenses	(233,096)	(233,765)	669	0.3%
Profit before taxation and zakat	133,811	116,699	17,112	14.7%
Profit after taxation and zakat	95,553	84,680	10,873	12.8%

B1. Performance review of the Group (continued)

The Group registered a profit before taxation and zakat of RM250.5 million for the six-month ended 30 June 2025, representing a 24.2% increase compared to the corresponding period in 2024. This growth was driven by higher net income and lower impairment, partially offset by higher operating expenses.

Net income (before ECL) rose by 0.3% year-on-year, mainly supported by a RM21.1 million increase in non-funded income. On ECL, the group reported lower ECL by RM57.4 million contributed to Corporate portfolio. Total operating expenses increased by RM10.9 million primarily due to higher personnel costs by RM58.4 million, which were partially offset by a RM49.7 million decrease in general administrative expenses.

The Group's net financing and advances excluding write-off grew by 0.2% to RM42.1 billion while deposits from customers decreased by 6.3% to RM 37.3 billion as compared to 31 December 2024.

As at 30 June 2025, the Group's CET1 capital ratio and total capital ratio, after deducting dividends, stood at 19.484% and 22.032%, respectively. The Group maintained healthy liquidity position, with liquidity coverage ratio of 155.97% (average 12 months of 169.09%) remained above the minimum regulatory requirement of 100%.

B2. Prospects for the Group

Outlook for 2025

The global economy in 2025 faces heightened uncertainty, with the International Monetary Fund projecting growth at 2.8% (2024: 3.2%), reflecting slower momentum in advanced economies amid persistent inflation and geopolitical tensions. Bank Negara Malaysia ("BNM") noted that growth is expected to be slightly lower than its earlier range of 4.5%-5.5% forecast, with risks from trade tariffs adding to uncertainty. In a pre-emptive move to secure growth, BNM cut the Overnight Policy Rate by 25 basis points to 2.75% in July, while maintaining its inflation outlook at 2.5%.

MBSB Group's 2025 strategy remains firmly anchored to its 3-year transformation roadmap FLIGHT26, with significant advancements accelerating progress toward key targets. MBSB Group is driving operational efficiency through optimised cost of funds, while expanding financing growth and non-funded income streams via innovative digital platforms and SME solutions, positioning it well to achieve its 2026 targets of 20% CASA ratio and RM50 billion in financing.

B3. Profit forecast or profit guarantee

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

B4. Taxation

	Group			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Current income tax	52,874	29,433	62,686	57,362
(Over)/under provision in prior years	-	(62)	228	1,717
	<u>52,874</u>	<u>29,371</u>	<u>62,914</u>	<u>59,079</u>
Deferred tax	<u>(14,870)</u>	<u>6,195</u>	<u>3,816</u>	<u>3,731</u>
Total income tax expense	<u>38,004</u>	<u>35,566</u>	<u>66,730</u>	<u>62,810</u>

	Company			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Current income tax	1,226	(228)	1,226	-
Deferred tax	<u>(639)</u>	<u>(78)</u>	<u>956</u>	<u>(921)</u>
Total income tax expense	<u>587</u>	<u>(306)</u>	<u>2,182</u>	<u>(921)</u>

B5. Status of corporate proposals

There are no pending corporate proposals.

B6. Borrowings and debts

Borrowings of the Group were as follows:

	Group	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
<u>Secured</u>		
Recourse obligation on financing sold	3,600,392	2,090,032
Sukuk-MBSB Structured Covered ("SC") Murabahah	285,554	375,347
<u>Non secured</u>		
Sukuk Wakalah	950,523	950,391
Borrowings and government grant	<u>171,284</u>	<u>174,803</u>

B7. Off balance sheet financial instruments

The details of the off balance sheet financial instruments are as per note A26.

B8. Earnings per share

Basic

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

	Group			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to shareholders for the period (RM'000)	95,557	54,830	180,236	133,171
Weighted average number of ordinary shares in issue ('000)	8,222,312	8,222,312	8,222,312	8,222,312
Basic earnings per share (sen)	1.16	0.67	2.19	1.62

	Company			
	2nd Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Net (loss)/profit attributable to shareholders for the period (RM'000)	(6,524)	222,966	249,348	220,224
Weighted average number of ordinary shares in issue ('000)	8,222,312	8,222,312	8,222,312	8,222,312
Basic earnings per share (sen)	(0.08)	2.71	3.03	2.68

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

B9. The Operations of Islamic Banking

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Note	Islamic Banking	
		30-Jun-25 RM'000	31-Dec-24 RM'000
Assets			
Cash and short-term funds	(a)	743,678	1,122,530
Deposits and placements with banks and other financial institutions	(a)	813,985	770,343
Financial assets at fair value through profit or loss	(b)	1,126,746	850,967
Financial investments at fair value through other comprehensive income	(c)	13,558,369	12,589,878
Financial investments at amortised cost	(d)	3,818,958	4,025,804
Derivative financial assets		14,147	5,627
Financing and advances	(e)	40,687,216	40,729,292
Other receivables	(f)	896,414	859,140
Tax recoverable		22,483	23,152
Deferred tax assets		49,362	95,050
Statutory deposits with Bank Negara Malaysia		381,600	763,000
Property and equipment		71,838	75,262
Right-of-use assets		34,102	49,013
Investment properties		820	820
Intangible assets		100,220	98,455
Total assets		62,319,938	62,058,333

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

B9. The Operations of Islamic Banking (continued)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (continued)

	Note	Islamic Banking	
		30-Jun-25 RM'000	31-Dec-24 RM'000
Liabilities and shareholders' equity			
Deposits from customers	(g)	36,470,232	38,988,949
Deposits and placements of banks and other financial institutions	(h)	7,889,750	8,615,662
Investment accounts of customers	(i)	1,343,219	560,928
Islamic repurchase agreement		1,832,442	568,513
Derivative financial liabilities		18,283	6,768
Other payables	(j)	784,850	770,338
Lease liabilities		35,132	50,155
Recourse obligation on financing sold		3,600,392	2,090,032
Provision for taxation and zakat		39,620	26,968
Sukuk		1,236,077	1,325,738
Borrowings and government grant		72,574	72,574
Total liabilities		53,322,571	53,076,625
Ordinary share capital		7,129,572	7,129,572
Regulatory reserve		238,601	241,651
Fair value reserves		68,163	(79,500)
Retained earnings		1,561,031	1,689,985
Total equity		8,997,367	8,981,708
Total liabilities and shareholders' equity		62,319,938	62,058,333

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

B9. The Operations of Islamic Banking (continued)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	Islamic Banking	
	30-Jun-25	30-Jun-24
	RM'000	RM'000
Income derived from investment of depositors' funds	775,560	1,449,104
Income derived from investment of shareholders' funds	150,257	329,660
Income derived from investment of investment accounts' funds	21,231	-
ECL on financing and advances and other impairment	(47,834)	(142,036)
Total distributable income	899,214	1,636,728
Income attributable to depositors and others	(517,143)	(1,028,461)
Total net income	382,071	608,267
Operating expenses	(240,906)	(402,058)
Profit before taxation and zakat	141,165	206,209
Taxation	(34,067)	(58,762)
Zakat	(750)	(5,566)
Profit for the period	106,348	141,881
Other comprehensive income to be reclassified to profit or loss in subsequent period	112,280	24,006
Total comprehensive income for the financial period	218,628	165,887

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

B9. The Operations of Islamic Banking (continued)

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

	Islamic Banking	
	30-Jun-25 RM'000	31-Dec-24 RM'000
(i) Cash and balances with banks and other financial institutions	292,658	654,958
Money at call and deposit placements maturing within one month	451,020	467,572
	<u>743,678</u>	<u>1,122,530</u>
(ii) Deposits and placements with banks and other financial institutions with original maturity of more than one month	813,985	770,343
	<u>1,557,663</u>	<u>1,892,873</u>

(b) Financial assets at FVTPL

	Islamic Banking	
	30-Jun-25 RM'000	31-Dec-24 RM'000
Money Market Instruments		
<u>In Malaysia</u>		
Private mandate investments	130,187	130,193
Malaysian Government Investment Issues	987,128	701,143
	<u>1,117,315</u>	<u>831,336</u>
Equity instruments		
Quoted securities:		
<u>In Malaysia</u>		
Shares	3,986	8,297
Unquoted securities:		
<u>In Malaysia</u>		
Redeemable convertible preference shares	5,445	11,334
	<u>9,431</u>	<u>19,631</u>
	<u>1,126,746</u>	<u>850,967</u>

(c) Financial investments at FVOCI

	Islamic Banking	
	30-Jun-25 RM'000	31-Dec-24 RM'000
Money Market Instruments		
Malaysian Government Investment Issues	8,515,372	8,507,403
Islamic Negotiable Instruments	298,703	-
Debt securities		
<u>In Malaysia</u>		
Private and Islamic debt securities	4,058,627	2,948,434
Government Guaranteed debt securities	685,667	1,134,041
	<u>13,558,369</u>	<u>12,589,878</u>

B9. The Operations of Islamic Banking (continued)

(c) Financial investments at FVOCI (continued)

ECL movement for financial investments at FVOCI:

	Islamic Banking			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2025	263	31	-	294
Total charged				
to profit or loss:	129	-	-	129
New financial investments purchased during the period	124	-	-	124
Financial investments derecognised and repayment during the period	(24)	-	-	(24)
Change in credit risk	29	-	-	29
At 30 June 2025	392	31	-	423

	Islamic Banking			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2024	512	-	8,112	8,624
Total (reversal)/charged				
to profit or loss:	(249)	31	-	(218)
Changes in the ECL due to transfer within stages:				
- Transfer to Stage 2	(31)	31	-	-
New financial investments purchased during the year	357	-	-	357
Financial investments derecognised and repayment during the year	(339)	-	-	(339)
Change in credit risk	(236)	-	-	(236)
Written off	-	-	(8,112)	(8,112)
At 31 December 2024	263	31	-	294

(d) Financial investments at amortised cost

	Islamic Banking	
	30-Jun-25 RM'000	31-Dec-24 RM'000
Money Market Instruments		
Malaysian Government Investment Issues	1,094,205	1,095,062
<u>In Malaysia</u>		
Private and Islamic debt securities	2,659,857	2,856,093
Government Guaranteed corporate sukuk	65,763	75,785
	<u>3,819,825</u>	<u>4,026,940</u>
Less: ECL	(867)	(1,136)
	<u>3,818,958</u>	<u>4,025,804</u>

B9. The Operations of Islamic Banking (continued)

(d) Financial investments at amortised cost (continued)

ECL movement for financial investments at amortised cost:

	Islamic Banking			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2025	1,065	71	-	1,136
Total reversal to profit or loss	(231)	(38)	-	(269)
Financial investments derecognised and repayment during the period	(33)	-	-	(33)
Changes in credit risk	(198)	(38)	-	(236)
At 30 June 2025	834	33	-	867

	Islamic Banking			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2024	1,546	147	-	1,693
Total reversal to profit or loss:	(481)	(76)	-	(557)
New financial investments purchased during the year	59	-	-	59
Financial investments derecognised and repayment during the year	(369)	-	-	(369)
Changes in credit risk	(171)	(76)	-	(247)
At 31 December 2024	1,065	71	-	1,136

B9. The Operations of Islamic Banking (continued)

(e) Financing and advances

(i) By type and Shariah contract

Islamic Banking					
	Sale-based contract			Lease-based contract	Total financing and advances RM'000
	Tawarruq RM'000	Bai' Bithaman Ajil RM'000	Commodity Murabahah RM'000	Al-Ijarah Thumma Al-Bai RM'000	
30-Jun-25					
At amortised cost					
Term financing	33,867,055	1,521,648	611,982	992,165	36,992,850
- Personal financing	18,040,454	78	-	-	18,040,532
- Property financing	9,379,282	1,460,688	-	-	10,839,970
- Islamic industrial hire purchase	-	-	-	652,702	652,702
- Bridging financing	362,435	-	-	5,668	368,103
- Auto financing	-	-	-	-	-
- Other term financing	4,238,333	60,882	-	333,795	4,633,010
- Syndicated term financing	1,846,551	-	611,982	-	2,458,533
Revolving credit	554,445	-	-	-	554,445
Trade finance	3,533,359	-	-	-	3,533,359
Cashline	343,192	-	-	-	343,192
Staff financing	27,232	-	44	1,562	28,838
Gross financing and advances	38,325,283	1,521,648	612,026	993,727	41,452,684
Less: ECL					(765,468)
Net financing and advances					<u>40,687,216</u>

B9. The Operations of Islamic Banking (continued)

(e) Financing and advances (continued)

(i) By type and Shariah contract (continued)

Islamic Banking					
	Sale-based contract			Lease-based contract	Total financing and advances RM'000
	Tawarruq RM'000	Bai' Bithaman Ajil RM'000	Commodity Murabahah RM'000	Al-Ijarah Thumma Al-Bai RM'000	
31-Dec-24					
At amortised cost					
Term financing	34,058,138	1,559,555	686,475	1,059,722	37,363,890
- Personal financing	18,589,203	78	-	-	18,589,281
- Property financing	9,242,737	1,509,290	-	-	10,752,027
- Islamic industrial hire purchase	-	-	-	689,790	689,790
- Bridging financing	335,825	-	-	-	335,825
- Auto financing	-	-	-	8,833	8,833
- Other term financing	4,312,099	50,187	-	361,099	4,723,385
- Syndicated term financing	1,578,274	-	686,475	-	2,264,749
Revolving credit	413,644	-	-	-	413,644
Trade finance	3,424,344	-	-	-	3,424,344
Cashline	300,270	-	-	-	300,270
Staff financing	26,954	-	55	1,493	28,502
Gross financing and advances	38,223,350	1,559,555	686,530	1,061,215	41,530,650
Less: ECL					(801,358)
Net financing and advances					<u>40,729,292</u>

B9. The Operations of Islamic Banking (continued)

(e) Financing and advances (continued)

(ii) By residual contractual maturity

	Islamic Banking	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Maturing within one year	5,280,470	5,509,255
One year to three years	2,169,219	2,279,160
Three years to five years	3,820,925	2,706,099
Over five years	30,182,070	31,036,136
	41,452,684	41,530,650

(iii) By type of customers

	Islamic Banking	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Individuals:		
- Malaysian nationals	28,864,212	29,326,129
Foreign nationals	655,926	705,422
Domestic business enterprises:		
- Small medium enterprises	4,155,896	3,906,980
- Non-bank financial institutions	1,649,652	1,527,692
- Others	6,126,998	6,064,427
	41,452,684	41,530,650

(iv) By sector

	Islamic Banking	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Household sectors	28,866,550	29,328,719
Construction	2,412,175	3,092,963
Finance, insurance, real estate and business services	3,020,350	2,831,430
Wholesale & retail trade and restaurants & hotels	2,341,563	2,231,758
Manufacturing	1,999,198	2,046,266
Education, health and others	734,455	776,601
Transport, storage and communications	1,403,087	648,689
Mining and quarrying	127,699	81,181
Electricity, gas and water	162,587	164,671
Agriculture	385,020	328,372
	41,452,684	41,530,650

B9. The Operations of Islamic Banking (continued)

(e) Financing and advances (continued)

(v) By profit rate sensitivity

		Islamic Banking	
		30-Jun-25	31-Dec-24
		RM'000	RM'000
Fixed rate:			
Personal financing		1,969,331	5,609,705
Bridging, structured and term financing		951,647	916,454
Property financing		305,355	316,822
Auto financing		9,224	10,327
Variable rate:			
Bridging, structured and term financing		11,583,668	11,235,552
Property financing		10,561,846	10,462,159
Personal financing		16,071,246	12,979,631
		367	-
		41,452,684	41,530,650

(vi) By geographical distribution

		Islamic Banking	
		30-Jun-25	31-Dec-24
		RM'000	RM'000
Malaysia		40,698,178	40,782,581
Outside Malaysia		754,506	748,069
		41,452,684	41,530,650

B9. The Operations of Islamic Banking (continued)

(e) Financing and advances (continued)

(vii) Movement of ECL for financing and advances

	Islamic Banking			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	133,551	215,705	452,102	801,358
Total charged/(reversal) to profit or loss	18,581	(28,849)	97,847	87,579
Changes in the ECL due to transfer within stages:				
- Transfer to Stage 1	16,325	(14,606)	(1,719)	-
- Transfer to Stage 2	(6,997)	108,421	(101,424)	-
- Transfer to Stage 3	(633)	(11,666)	12,299	-
New financing during the period	17,920	1,390	945	20,255
Derecognised to loans/financing during the period (other than write-offs)	(31,614)	(5,894)	5,705	(31,803)
Changes in credit risk parameters #	23,580	(106,494)	182,041	99,127
Write-offs	-	-	(122,970)	(122,970)
Others	(59)	(82)	(358)	(499)
At 30 June 2025	152,073	186,774	426,621	765,468

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

B9. The Operations of Islamic Banking (continued)

(e) Financing and advances (continued)

(vii) Movement of ECL for financing and advances (continued)

	Islamic Banking			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2024	344,295	80,058	797,769	1,222,122
Total charged/(reversal) to profit or loss	(210,718)	135,656	215,906	140,844
Changes in the ECL due to transfer within stages:				
- Transfer to Stage 1	34,047	(24,594)	(9,453)	-
- Transfer to Stage 2	(9,029)	144,862	(135,833)	-
- Transfer to Stage 3	(3,980)	(7,037)	11,017	-
New financing during the year	72,706	11,601	25,701	110,008
Derecognised to loans/financing during the year (other than write-offs)	(130,000)	15,156	(6,921)	(121,765)
Changes in credit risk parameters #	(65,615)	11,266	331,395	277,046
Changes to model assumptions and methodologies ^	(108,847)	(15,598)	-	(124,445)
Write-offs	(26)	(9)	(560,997)	(561,032)
Others	-	-	(576)	(576)
At 31 December 2024	133,551	215,705	452,102	801,358

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

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

B9. The Operations of Islamic Banking (continued)

(e) Financing and advances (continued)

(viii) Movement of impaired financing and advances

	Islamic Banking	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Balance as at 1 January	1,935,708	2,386,359
Classified as impaired during the period/year	378,007	516,355
Reclassified as non-impaired	(210,889)	(357,230)
Amount recovered	(44,326)	(241,412)
Other movements	75,656	200,407
Amount written off	(122,969)	(568,771)
Balance at end of period/year	2,011,187	1,935,708
Less: ECL stage 3	(426,621)	(452,102)
	<u>1,584,566</u>	<u>1,483,606</u>
Net impaired as a percentage of net financing and advances	<u>3.89%</u>	<u>3.64%</u>
Gross impaired as a percentage of gross financing and advances	<u>4.85%</u>	<u>4.66%</u>

(f) Other receivables

	Islamic Banking	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Financing to related companies	370,226	362,867
Foreclosed properties	36,271	36,271
Amount due from holding company	4,777	-
Prepayments and deposits	40,396	37,608
Fee receivables	13,006	43,589
Sundry receivables	337,974	287,858
Deferred expenses	66,878	66,089
Amount due from brokers and clients	333	9,389
Amount due from MIDF	4,071	6,212
Amount due from borrowing and government grant	27,099	13,233
	<u>901,031</u>	<u>863,116</u>
Less: ECL	<u>(4,617)</u>	<u>(3,976)</u>
	<u>896,414</u>	<u>859,140</u>

B9. The Operations of Islamic Banking (continued)

(g) Deposits from customers

(i) By type of deposit:

	Islamic Banking	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Commodity Murabahah Term Deposits	32,203,359	34,225,721
Demand deposits	3,745,535	4,116,714
Savings deposits	521,338	646,514
	<u>36,470,232</u>	<u>38,988,949</u>

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

	Islamic Banking	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Due within six months	22,540,576	24,391,535
More than six months to one year	7,391,154	7,443,122
More than one year to three years	1,275,903	1,368,995
More than three years	995,726	1,022,069
	<u>32,203,359</u>	<u>34,225,721</u>

(iii) By type of customers:

	Islamic Banking	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Government and statutory bodies	14,337,911	16,532,266
Business enterprises	13,188,876	14,259,121
Individuals	8,943,445	8,197,562
	<u>36,470,232</u>	<u>38,988,949</u>

B9. The Operations of Islamic Banking (continued)

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

	Islamic Banking	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
<u>Amortised cost</u>		
Licensed investment banks	113,357	290,775
Licensed commercial banks	7,095	12,204
Licensed islamic banks	1,551,657	645,874
Other financial institutions	6,066,476	7,616,263
	<u>7,738,585</u>	<u>8,565,116</u>
<u>At fair value through profit and loss</u>		
Structured deposits linked to profit rate derivatives	151,262	50,565
Fair value changes arising from designation at fair value through profit or loss	(97)	(19)
	<u>7,889,750</u>	<u>8,615,662</u>

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

	Islamic Banking	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Due within six months	7,342,907	8,479,116
More than six months to one year	395,002	85,939
More than one year to three years	676	50,607
More than three years	151,165	-
	<u>7,889,750</u>	<u>8,615,662</u>

(i) Investment accounts of customers

	Islamic Banking	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Mudharabah unrestricted investment account	<u>1,343,219</u>	<u>560,928</u>

The investment account placements were used for fund personal financing.

(i) By type of customers

	Islamic Banking	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Individual	1,343,219	560,928
	<u>1,343,219</u>	<u>560,928</u>

B9. The Operations of Islamic Banking (continued)

(i) Investment accounts of customers (continued)

(ii) Movement of investment accounts of customers:

	Islamic Banking	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Balance as at 1 January	560,928	-
New placement during the period/year	883,404	612,572
Redemption	(118,601)	(56,826)
Finance expense	18,324	5,384
Profit distributed	(836)	(202)
At end of financial period/year	<u>1,343,219</u>	<u>560,928</u>

(iii) By maturity

	Islamic Banking	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Due within six months	29,277	13,740
More than six months to one year	1,307,573	540,911
More than one year to two years	6,369	6,277
	<u>1,343,219</u>	<u>560,928</u>

(iv) Rate of Return ("ROR") and Profit sharing ratio based on residual maturity

	Investment Account Holder Average ROR		Average Profit sharing ratio	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	%	%	%	%
Unrestricted investment accounts:				
Due within three months	4.83	4.59	60.66	58.88
More than three months to one year	5.61	5.48	70.58	70.29
More than one year to two years	5.62	5.51	70.69	70.69

B9. The Operations of Islamic Banking (continued)

(j) Other payables

	Islamic Banking	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Amount due to related entities	295,175	241,153
Amount due to holding company	129	206
Amount due to brokers and clients	332	9,373
Amount due to Government Scheme Funds	91,830	84,761
Sundry creditors	277,275	297,236
ECL for commitments and contingencies and financial guarantees (a)	18,936	19,511
Deferred income	16,322	17,384
Other provisions and accruals	84,851	100,714
	784,850	770,338

(a) ECL for commitments and contingencies and financial guarantees

Movement of ECL for commitments and contingencies and financial guarantees are as follows:

	Islamic Banking			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	15,439	2,598	1,474	19,511
Total reversal to profit or loss	(398)	(1,692)	1,517	(573)
Changes in ECL due to transfer within stages:				
- Transfer to Stage 1	89	(56)	(33)	-
- Transfer to Stage 2	(262)	281	(19)	-
- Transfer to Stage 3	(1)	(1,112)	1,113	-
New financing during the period	2,715	115	-	2,830
Derecognised to financing during the period (other than write-offs)	(2,458)	(1,095)	(17)	(3,570)
Changes in credit risk parameters #	(481)	175	473	167
Write-offs	-	-	(2)	(2)
At 30 June 2025	15,041	906	2,989	18,936

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

B9. The Operations of Islamic Banking (continued)

(j) Other payables (continued)

(a) ECL for commitments and contingencies and financial guarantees (continued)

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

	Islamic Banking			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2024	28,183	5,177	1,853	35,213
Total reversal to profit or loss	(12,744)	(2,579)	(372)	(15,695)
Changes in ECL due to transfer within stages:				
- Transfer to Stage 1	332	(283)	(49)	-
- Transfer to Stage 2	(1,386)	1,547	(161)	-
- Transfer to Stage 3	(1,414)	(47)	1,461	-
New financing during the year	10,604	101	-	10,705
Derecognised to financing during the year (other than write-offs)	(9,049)	(2,630)	(395)	(12,074)
Changes in credit risk parameters #	6,790	890	(1,228)	6,452
Changes to model assumptions and methodologies @	(18,621)	(2,157)	-	(20,778)
Write-offs	-	-	(7)	(7)
At 31 December 2024	15,439	2,598	1,474	19,511

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

@ The changes to model assumptions and methodologies were in relation to incorporation of MEV factors with more intuitive trends.

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)
Practicing Certificate No.: 202308000225

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

Company Secretaries
Petaling Jaya

26 August 2025