

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

INTERIM FINANCIAL STATEMENTS  
OF THE GROUP AND OF THE COMPANY  
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2024

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024**

	Note	Group		Company	
		30-Sep-24 RM'000	31-Dec-23 RM'000	30-Sep-24 RM'000	31-Dec-23 RM'000
<b>Assets</b>					
Cash and short-term funds	A8(a)	1,366,669	5,607,314	87,498	9,642
Deposits and placements with banks and other financial institutions	A8(b)	833,100	749,812	-	65,078
Financial assets at fair value through profit or loss	A9	489,459	283,054	-	-
Financial investments at fair value through other comprehensive income	A10	11,716,268	12,637,634	-	-
Financial investments at amortised cost	A11	4,344,249	4,608,470	-	-
Derivative financial assets	A12	31,055	40,080	-	-
Loans, financing and advances	A13	41,646,640	40,491,527	265,344	272,225
Other receivables	A14	366,351	344,217	8,223	37,194
Tax recoverable		176,700	259,283	95,361	149,468
Deferred tax assets		77,345	95,220	923	-
Statutory deposits with Bank Negara Malaysia		784,859	822,661	-	-
Investments in subsidiaries		-	-	7,530,795	7,530,795
Property and equipment		313,387	324,833	22,174	22,524
Right-of-use assets		35,871	29,885	-	-
Investment properties		3,025	3,092	-	-
Goodwill		148,031	148,031	-	-
Intangible assets		157,327	161,126	4	2
Non-current assets held for sale	A15	-	57,047	-	-
<b>Total assets</b>		<b>62,490,336</b>	<b>66,663,286</b>	<b>8,010,322</b>	<b>8,086,928</b>

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

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

	Note	Group		Company	
		30-Sep-24 RM'000	31-Dec-23 RM'000	30-Sep-24 RM'000	31-Dec-23 RM'000
<b>Liabilities and shareholders' equity</b>					
Deposits from customers	A16	36,590,452	38,800,067	-	-
Deposits and placements of banks and other financial institutions	A17	8,609,264	8,823,566	-	-
Investment accounts of customers	A18	294,794	-	-	-
Islamic repurchase agreement		1,517,284	2,005,199	-	-
Derivative financial liabilities	A12	22,818	5,158	-	-
Other payables	A19	556,336	680,544	5,693	5,951
Lease liabilities		36,063	29,964	-	-
Recourse obligation on financing sold		2,645,320	4,031,732	-	-
Provision for taxation		86	35,945	-	-
Deferred tax liabilities		11,217	11,571	-	174
Sukuk		2,130,906	2,197,432	-	-
Borrowings and government grant	A20	196,101	203,842	-	-
<b>Total liabilities</b>		<b>52,610,641</b>	<b>56,825,020</b>	<b>5,693</b>	<b>6,125</b>
Ordinary share capital		7,970,427	7,970,427	7,970,427	7,970,427
Regulatory reserve		120,696	106,644	-	-
Fair value reserves		(42,739)	(115,908)	-	-
Retained earnings		1,831,078	1,876,865	34,202	110,376
		<b>9,879,462</b>	<b>9,838,028</b>	<b>8,004,629</b>	<b>8,080,803</b>
Non-controlling interests		233	238	-	-
<b>Total equity</b>		<b>9,879,695</b>	<b>9,838,266</b>	<b>8,004,629</b>	<b>8,080,803</b>
<b>Total liabilities and shareholders' equity</b>		<b>62,490,336</b>	<b>66,663,286</b>	<b>8,010,322</b>	<b>8,086,928</b>
<b>Commitments and contingencies</b>	A27	<b>7,697,844</b>	<b>7,316,685</b>	<b>-</b>	<b>-</b>
<b>Net assets per share attributable to ordinary equity of the Company (RM)</b>		<b>1.20</b>	<b>1.20</b>	<b>0.97</b>	<b>0.98</b>

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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

	Note	Group			
		3rd Quarter Ended		Nine Months Ended	
		30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
		RM'000	RM'000	RM'000	RM'000
Revenue		947,500	746,200	2,801,798	2,123,226
Income derived from investment of deposits and Islamic capital funds	A21	868,889	735,336	2,579,998	2,101,685
Income attributable to depositors		(429,451)	(385,017)	(1,301,516)	(1,057,637)
Income attributable to securitisation		(36,472)	(39,501)	(111,828)	(120,794)
Income attributable to sukuk and other borrowings		(36,609)	(37,275)	(116,062)	(98,773)
Income attributable to unrestricted investment account		(849)	(3,929)	(849)	(31,473)
Net income from Islamic operations		365,508	269,614	1,049,743	793,008
Interest income	A22	31,227	-	91,657	1,692
Interest expense	A23	(16,987)	-	(48,545)	-
Net interest income		14,240	-	43,112	1,692
Expected credit losses on loans, financing and advances and other impairment	A24	(42,216)	(85,136)	(185,340)	(90,118)
Operating income		337,532	184,478	907,515	704,582
Net other income	A25	57,142	9,181	144,721	36,895
Net income		394,674	193,659	1,052,236	741,477
Operating expenses	A26	(230,170)	(170,616)	(686,112)	(479,018)
Profit before taxation and zakat		164,504	23,043	366,124	262,459
Taxation	B4	(41,191)	12,634	(104,001)	(68,960)
Zakat		(1,228)	(2,837)	(6,873)	(2,837)
Profit for the financial period		122,085	32,840	255,250	190,662
Attributable to:					
Shareholders of the Company		122,084	32,840	255,255	190,662
Non-controlling interests		1	-	(5)	-
		122,085	32,840	255,250	190,662
Other comprehensive income for the financial period, net of tax		44,064	(35,222)	73,960	123,635
Total comprehensive income for the financial period		166,149	(2,382)	329,210	314,297
Earnings per ordinary share (sen)					
Basic	B8	1.48	0.46	3.10	2.66

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

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

	Note	Company			
		3rd Quarter Ended		Nine Months Ended	
		30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
		RM'000	RM'000	RM'000	RM'000
Revenue		552	1,036	228,016	448,081
Interest income	A22	530	894	1,739	6,407
Expected credit losses on loans and advances and other impairment	A24	(5,581)	(6,479)	(5,833)	(23,849)
Operating income		(5,051)	(5,585)	(4,094)	(17,442)
Net other income	A25	8,753	3,886	237,701	452,342
Net income		3,702	(1,699)	233,607	434,900
Operating expenses	A26	(12,495)	(6,673)	(23,097)	(15,788)
(Loss)/Profit before taxation		(8,793)	(8,372)	210,510	419,112
Taxation	B4	176	1,645	1,097	3,315
(Loss)/Profit for the financial period		(8,617)	(6,727)	211,607	422,427
Total comprehensive (expense)/ income for the financial period		(8,617)	(6,727)	211,607	422,427
Earnings per ordinary share (sen)					
Basic	B8	(0.10)	(0.09)	2.57	5.89

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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

Group	← Non-distributable →			Distributable	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Regulatory reserves RM'000	Fair Value reserves RM'000	Retained earnings RM'000			
<b>At 1 January 2024</b>	7,970,427	106,644	(115,908)	1,876,865	9,838,028	238	9,838,266
Profit for the period	-	-	-	255,255	255,255	(5)	255,250
Other comprehensive income for the financial period	-	-	73,960	-	73,960	-	73,960
Transfer of retained earnings to regulatory reserves	-	14,052	-	(14,052)	-	-	-
Remeasurement loss on defined benefit plans	-	-	(791)	791	-	-	-
Dividends to owners of the Company	-	-	-	(287,781)	(287,781)	-	(287,781)
<b>At 30 September 2024</b>	<b>7,970,427</b>	<b>120,696</b>	<b>(42,739)</b>	<b>1,831,078</b>	<b>9,879,462</b>	<b>233</b>	<b>9,879,695</b>
<b>At 1 January 2023</b>	7,198,068	-	(341,366)	2,102,491	8,959,193	-	8,959,193
Profit for the period	-	-	-	190,662	190,662	-	190,662
Other comprehensive income for the financial period	-	-	123,635	-	123,635	-	123,635
Transfer of retained earnings to regulatory reserve	-	69,320	-	(69,320)	-	-	-
Dividends to owners of the Company	-	-	-	(609,576)	(609,576)	-	(609,576)
<b>At 30 September 2023</b>	<b>7,198,068</b>	<b>69,320</b>	<b>(217,731)</b>	<b>1,614,257</b>	<b>8,663,914</b>	<b>-</b>	<b>8,663,914</b>

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**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

<b>Company</b>	<b>Share capital RM'000</b>	<b>Distributable Retained earnings RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2024</b>	7,970,427	110,376	8,080,803
Profit for the period	-	211,607	211,607
Dividends to owners of the Company	-	(287,781)	(287,781)
<b>At 30 September 2024</b>	<u>7,970,427</u>	<u>34,202</u>	<u>8,004,629</u>
<b>At 1 January 2023</b>	7,198,068	292,362	7,490,430
Profit for the period	-	422,427	422,427
Dividends to owners of the Company	-	(609,576)	(609,576)
<b>At 30 September 2023</b>	<u>7,198,068</u>	<u>105,213</u>	<u>7,303,281</u>

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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

	Group		Company	
	30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000
<b>Cash flows from operating activities</b>				
Profit before taxation	366,124	262,459	210,510	419,112
Adjustments for non-cash items	(18,240)	30,335	6,183	24,187
Operating profit before working capital changes	347,884	292,794	216,693	443,299
Working capital changes:				
Net changes in operating assets	(1,550,715)	(2,583,352)	(66,921)	(215,321)
Net changes in operating liabilities	(2,103,544)	2,674,274	(432)	(45,188)
Cash (used in)/generated from operations	(3,306,375)	383,716	149,340	182,790
Income taxes and zakat (paid)/refunded	(62,245)	43,605	(9,900)	30,470
Net cash (used in)/generated from operating activities	(3,368,620)	427,321	139,440	213,260
<b>Cash flows from investing activities</b>				
Purchase of property and equipment	(23,827)	(32,540)	-	-
Purchase of intangible assets	(26,296)	(21,472)	(2)	-
Proceeds from disposal of non-current assets held for sale	57,582	2,000	-	-
Proceeds from disposal of foreclosed properties	-	278	-	278
Proceeds from disposal of property and equipment	2,050	-	-	-
Profit income from:				
- financial assets at FVTPL	13,140	21,872	-	-
- financial investments at FVOCI	352,625	322,045	-	-
- financial investments at amortised cost	159,412	69,046	-	-
Net (purchase)/sale of:				
- financial assets at FVTPL	(200,137)	(957,546)	-	-
- financial investments at FVOCI	1,015,663	112,349	-	-
- financial investments at amortised cost	257,370	(515,794)	-	-
Dividend received	-	-	226,199	440,828
Net cash generated from/(used in) investing activities	1,607,582	(999,762)	226,197	441,106

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



**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024 (cont'd)**

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from financing activities</b>				
Net issuance of islamic repurchase agreement	-	595,037	-	-
Net repayment of recourse obligation on financing sold	(1,385,062)	(244,072)	-	-
Repayment of:				
- Sukuk	(93,449)	(93,387)	-	-
- Borrowings and government grant	(9,921)	-	-	-
- Islamic repurchase agreement	(480,072)	-	-	-
Profit expense paid on:				
- Islamic repurchase agreement	(40,828)	(124)	-	-
- Recourse obligation on financing sold	(113,178)	(122,184)	-	-
- Sukuk	(55,908)	(62,457)	-	-
Payment of lease liabilities	(13,408)	(19,003)	-	-
Dividends paid on ordinary shares	(287,781)	(609,576)	(287,781)	(609,576)
Net cash used in financing activities	(2,479,607)	(555,766)	(287,781)	(609,576)
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(4,240,645)</b>	<b>(1,128,207)</b>	<b>77,856</b>	<b>44,790</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>5,607,314</b>	<b>2,205,950</b>	<b>9,642</b>	<b>59,636</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>1,366,669</b>	<b>1,077,743</b>	<b>87,498</b>	<b>104,426</b>
<b>Cash and cash equivalents is represented by:</b>				
Cash and short-term funds (Note A8(a))	1,366,669	1,077,743	87,498	104,426

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024  
PART A - EXPLANATORY NOTES PURSUANT TO MFRS134**

**A1. Basis of preparation**

The unaudited condensed interim financial statements for the financial period ended 30 September 2024 have been prepared under the historical cost convention except for financial investments which are recognised at fair value and financial assets and financial liabilities which are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest/profit method.

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

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

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

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

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

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

- Amendments to MFRS 121 'Lack of Exchangeability'

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

**A2. Auditors' report on preceding Annual Financial Statements**

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

**A3. Seasonality and cyclicity of operations**

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

**A4. Exceptional or unusual items**

There were no exception or unusual items during the quarter.

**A5. Changes in estimates**

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

**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 for the current financial quarter.

	<b>30-Sep-24</b>	<b>31-Dec-23</b>
Number of ordinary shares ('000)	8,222,312	8,222,312
Share Capital (RM'000)	7,970,427	7,970,427

**A7. Dividend**

A single-tier final dividend of 3.5 sen per ordinary share in respect of the financial year ended 31 December 2023 amounting to RM287,780,900 was paid on 4 July 2024. The dividend was approved by the shareholders during the Annual General Meeting held on 6 June 2024.

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

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(a) Cash and short-term funds:				
Cash and balances with banks and other financial institutions	389,638	589,749	3,114	3,833
Money at call and deposit placements maturing within one month	977,031	5,017,565	84,384	5,809
	<u>1,366,669</u>	<u>5,607,314</u>	<u>87,498</u>	<u>9,642</u>
(b) Deposits and placements with banks and other financial institutions with original maturity of more than 1 month	833,100	749,812	-	65,078
	<u>2,199,769</u>	<u>6,357,126</u>	<u>87,498</u>	<u>74,720</u>

As at reporting date, the dealer's representatives' and clients' monies held in trust by the Group amounted to approximately RM33,079,000 (2023: RM16,994,000). 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")**

	<b>Group</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money Market instruments</b>		
Private mandate investments	130,186	240,357
Malaysian Government Investment Issues	303,461	10,368
	<u>433,647</u>	<u>250,725</u>
<b>Equity instruments</b>		
Shares	24,281	-
Unit trusts	31,531	32,329
	<u>55,812</u>	<u>32,329</u>
	<u>489,459</u>	<u>283,054</u>

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

	<b>Group</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money Market Instruments</b>		
Malaysian Government Investment Issues	7,253,493	8,326,803
Islamic Negotiable Instruments	398,665	-
	<u>7,652,158</u>	<u>8,326,803</u>
<b>Debt securities</b>		
<u>In Malaysia</u>		
Private and Islamic debt securities	1,741,423	2,597,651
Government Guaranteed corporate sukuk	1,321,271	1,637,112
Corporate bonds/sukuk	1,000,009	74,661
	<u>4,062,703</u>	<u>4,309,424</u>
<b>Equity instruments</b>		
Shares	1,407	1,407
	<u>11,716,268</u>	<u>12,637,634</u>

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

Movement of allowance for credit loss recognised in FVOCI reserve:

	<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>
<b>At 1 January 2024</b>	577	-	20,960	21,537
Total charge to profit or loss:	282	-	-	282
New financial investments purchased during the period	464	-	-	464
Matured financial investments during the period	(198)	-	-	(198)
Change in credit risk	(37)	-	-	(37)
Others	53	-	-	53
Write-offs	(53)	-	(38)	(91)
<b>At 30 September 2024</b>	<u>806</u>	<u>-</u>	<u>20,922</u>	<u>21,728</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>
<b>At 1 January 2023</b>	10	-	-	10
Acquisition of MIDF	358	-	20,960	21,318
Total charge to profit or loss:	209	-	-	209
New financial investments purchased during the year	176	-	-	176
Matured financial investments during the year	(14)	-	-	(14)
Change in credit risk	47	-	-	47
<b>At 31 December 2023</b>	<u>577</u>	<u>-</u>	<u>20,960</u>	<u>21,537</u>

**A11. Financial investments at amortised cost**

	<b>Group</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money Market Instruments</b>		
Malaysian Government Investment Issues	1,218,284	1,262,183
<b>Debt securities</b>		
<b>In Malaysia</b>		
Private and Islamic debt securities	1,717,405	3,097,186
Government Guaranteed corporate sukuk	75,480	75,684
Corporate bond/sukuk	1,334,405	175,269
	<u>4,345,574</u>	<u>4,610,322</u>
Less: ECL		
- Stage 1	(1,235)	(1,705)
- Stage 2	(90)	(147)
	<u>4,344,249</u>	<u>4,608,470</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>
<b>At 1 January 2024</b>	1,705	147	-	1,852
Total reversal to profit or loss:	(470)	(57)	-	(527)
Matured financial investments during the period	(507)	(147)	-	(654)
Changes in credit risk	(99)	-	-	(99)
New financial investments purchased during the period	136	90	-	226
<b>At 30 September 2024</b>	<u>1,235</u>	<u>90</u>	<u>-</u>	<u>1,325</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>
<b>At 1 January 2023</b>	868	239	-	1,107
Acquisition of MIDF	1,011	-	-	1,011
Total reversal to profit or loss:	(174)	(92)	-	(266)
Matured financial investments during the year	(32)	-	-	(32)
Changes in credit risk	(226)	(92)	-	(318)
New financial investments purchased during the year	84	-	-	84
<b>At 31 December 2023</b>	<u>1,705</u>	<u>147</u>	<u>-</u>	<u>1,852</u>

**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.

	<b>Group</b>		
	<b>Notional amount RM'000</b>	<b>Fair value</b>	
<b>At 30 September 2024</b>		<b>Assets RM'000</b>	<b>Liabilities RM'000</b>
<b><u>Derivatives</u></b>			
<b><u>Foreign exchange contracts:</u></b>			
Currency forward	1,854,213	28,115	(22,140)
Cross currency swaps	37,910	2,940	-
<b><u>Profit/Interest rate related derivatives:</u></b>			
Profit/Interest rate swaps	50,000	-	(678)
	<b>1,942,123</b>	<b>31,055</b>	<b>(22,818)</b>

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

**A13. Loans, financing and advances**

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>	<b>30-Sep-24</b>	<b>31-Dec-23</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>				
Term loans/financing				
- Personal financing	18,841,054	19,467,482	-	-
- Housing loans/financing	10,587,625	9,636,637	-	-
- Industrial hire purchase	719,763	764,085	-	-
- Bridging loans/financing	520,028	652,400	179,832	179,819
- Auto financing	11,641	22,667	-	-
- Other term loans/financing	5,595,839	5,505,197	352,557	352,342
- Syndicated term loans/financing	1,910,156	2,018,478	-	-
Revolving credit	226,372	113,356	-	-
Trade finance	3,324,860	2,637,621	-	-
Margin accounts	1,119,554	1,003,996	-	-
Cashline	251,331	193,585	-	-
Staff loans/financing	28,462	28,807	-	-
Gross loans, financing and advances	43,136,685	42,044,311	532,389	532,161
Less: ECL				
- Stage 1	(258,537)	(344,317)	-	-
- Stage 2	(105,582)	(80,059)	-	-
- Stage 3	(1,125,926)	(1,128,408)	(267,045)	(259,936)
Net loans, financing and advances	41,646,640	40,491,527	265,344	272,225
<b>(ii) By residual contractual maturity</b>				
	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Maturing within one year	6,877,666	5,938,507	296,093	295,922
One year to three years	1,748,143	1,978,062	-	-
Three years to five years	3,222,412	2,591,709	-	-
Over five years	31,288,464	31,536,033	236,296	236,239
	43,136,685	42,044,311	532,389	532,161



**A13. Loans, financing and advances (cont'd.)**

**(iii) By type of customers**

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Individuals:				
- Malaysian nationals	29,414,931	29,902,325	-	-
Foreign nationals	1,618,301	774,843	-	-
Domestic business enterprises:				
- Small medium enterprises	4,443,847	4,552,390	437,280	437,066
- Non-bank financial institutions	1,415,674	718,567	-	-
- Others	6,243,932	6,096,186	95,109	95,095
	<b>43,136,685</b>	<b>42,044,311</b>	<b>532,389</b>	<b>532,161</b>

**(iv) By sector**

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Household sectors	30,312,815	29,901,885	-	-
Construction	3,344,300	3,628,043	296,093	295,922
Finance, insurance, real estate and business services	3,089,305	3,104,470	-	-
Wholesale & retail trade and restaurants & hotels	2,131,560	1,584,976	-	-
Manufacturing	1,982,855	1,668,415	-	-
Education, health and others	1,015,196	1,134,669	236,296	236,239
Transport, storage and communications	657,998	505,549	-	-
Mining and quarrying	81,713	97,801	-	-
Electricity, gas and water	229,675	215,901	-	-
Agriculture	291,268	202,602	-	-
	<b>43,136,685</b>	<b>42,044,311</b>	<b>532,389</b>	<b>532,161</b>

**A13. Loans, financing and advances (cont'd.)**

**(v) By profit rate sensitivity**

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Fixed rate:</u>				
Personal financing	5,787,262	13,109,750	-	-
Mortgage and property Islamic	323,782	345,749	-	-
Auto financing	18,741	24,427	-	-
Bridging, structured and term loans and financing	2,087,851	1,939,089	-	-
<u>Variable rate:</u>				
Personal financing	13,107,494	6,358,297	-	-
Mortgage and property Islamic	10,290,319	9,317,370	-	-
Bridging, structured and term loans and financing	11,521,236	10,949,629	532,389	532,161
	<b>43,136,685</b>	<b>42,044,311</b>	<b>532,389</b>	<b>532,161</b>

**(vi) By geographical distribution**

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysia	42,409,475	42,044,311	532,389	532,161
Outside Malaysia	727,210	-	-	-
	<b>43,136,685</b>	<b>42,044,311</b>	<b>532,389</b>	<b>532,161</b>

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

	<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>
<b>At 1 January 2024</b>	37,244,052	1,744,545	3,055,714	42,044,311
Transfer to Stage 1	484,344	(459,239)	(25,105)	-
Transfer to Stage 2	(988,422)	1,220,483	(232,061)	-
Transfer to Stage 3	(285,629)	(138,169)	423,798	-
New financing/disbursement during the period	9,633,272	153,969	28,079	9,815,320
Repayment during the period	(8,101,480)	(315,675)	(215,544)	(8,632,699)
Other movements	60,237	(13,418)	111,376	158,195
Write-offs	(26)	(94)	(248,322)	(248,442)
<b>At 30 September 2024</b>	<b>38,046,348</b>	<b>2,192,402</b>	<b>2,897,935</b>	<b>43,136,685</b>

**A13. Loans, financing and advances (cont'd.)**

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

	<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>
<b>At 1 January 2023</b>	33,407,228	2,545,236	2,607,227	38,559,691
Acquisition of MIDF	1,646,040	74,285	288,598	2,008,923
Transfer to Stage 1	1,108,840	(1,032,060)	(76,780)	-
Transfer to Stage 2	(541,739)	621,480	(79,741)	-
Transfer to Stage 3	(168,120)	(376,845)	544,965	-
New financing/disbursement during the year	10,122,453	535,537	406,125	11,064,115
Repayment during the year	(8,388,509)	(568,370)	(412,152)	(9,369,031)
Other movements	95,344	(45,829)	166,537	216,052
Derecognition of credit impaired financial asset	-	-	(44,200)	(44,200)
Reclassification from non-current assets held for sale	-	-	1,403	1,403
Write-offs	(791)	(903)	(328,633)	(330,327)
Derecognition due to debt sale	(36,694)	(7,986)	(17,635)	(62,315)
<b>At 31 December 2023</b>	<b>37,244,052</b>	<b>1,744,545</b>	<b>3,055,714</b>	<b>42,044,311</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>
<b>At 1 January 2024</b>	-	-	532,161	532,161
Repayment during the period	-	-	(3)	(3)
Other movements	-	-	231	231
<b>At 30 September 2024</b>	<b>-</b>	<b>-</b>	<b>532,389</b>	<b>532,389</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>
<b>At 1 January 2023</b>	36,972	54,471	537,623	629,066
Transfer to Stage 1	33	(33)	-	-
Repayment during the year	(269)	(46,452)	(49)	(46,770)
Other movements	-	-	12,722	12,722
Refinancing to MBSB Bank	(42)	-	(251)	(293)
Write-offs	-	-	(249)	(249)
Derecognition due to debt sale	(36,694)	(7,986)	(17,635)	(62,315)
<b>At 31 December 2023</b>	<b>-</b>	<b>-</b>	<b>532,161</b>	<b>532,161</b>

**A13. Loans, financing and advances (cont'd.)**

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

	<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>
<b>At 1 January 2024</b>	344,317	80,059	1,128,408	1,552,784
(Reversal)/charged to profit or loss	(86,358)	26,136	248,495	188,273
Changes in the ECL due to transfer within stages:				
- Transfer to Stage 1	30,577	(22,840)	(7,737)	-
- Transfer to Stage 2	(6,507)	35,274	(28,767)	-
- Transfer to Stage 3	(3,791)	(8,736)	12,527	-
New financing/disbursement during the period	63,514	9,748	11,263	84,525
Repayment during the period	(142,202)	(7,599)	(32,251)	(182,052)
Changes in credit risk parameters #	(27,949)	20,289	293,460	285,800
Write-offs	(26)	(9)	(250,322)	(250,357)
Others	604	(604)	(655)	(655)
<b>At 30 September 2024</b>	<b>258,537</b>	<b>105,582</b>	<b>1,125,926</b>	<b>1,490,045</b>

# 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.

**A13. Loans, financing and advances (cont'd.)**

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

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

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

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

**A13. Loans, financing and advances (cont'd.)**

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

	<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>
<b>At 1 January 2024</b>	-	-	259,936	259,936
Charged to profit or loss	-	-	7,109	7,109
Repayment during the period	-	-	(11,711)	(11,711)
Changes in credit risk parameters #	-	-	18,820	18,820
<b>At 30 September 2024</b>	-	-	267,045	267,045

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

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

**A13. Loans, financing and advances (cont'd.)**

**(ix) Movements of impaired loans, financing and advances**

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 January	3,055,714	2,607,227	532,161	537,623
Acquisition of MIDF	-	288,598	-	-
Classified as impaired				
during the period/year	451,877	951,090	-	-
Reclassified as non-impaired	(257,166)	(156,521)	-	-
Amount recovered	(215,544)	(412,152)	(3)	(49)
Other movements	111,376	166,537	231	12,722
Derecognition of credit impaired				
financial asset	-	(44,200)	-	-
Refinancing to MBSB Bank	-	-	-	(251)
Reclassification from non-				
current assets held for sale	-	1,403	-	-
Amount written off	(248,322)	(328,633)	-	(249)
Derecognition due to				
debt sale	-	(17,635)	-	(17,635)
Balance as at end of				
financial period/year	2,897,935	3,055,714	532,389	532,161
Less: ECL stage 3	(1,125,926)	(1,128,408)	(267,045)	(259,936)
Net impaired loans, advances and financing	<u>1,772,009</u>	<u>1,927,306</u>	<u>265,344</u>	<u>272,225</u>
Net impaired as a percentage of net loans, financing and advances	<u>4.25%</u>	<u>4.76%</u>	<u>100.00%</u>	<u>100.00%</u>
Gross impaired as a percentage of gross loans, financing and advances	<u>6.72%</u>	<u>7.27%</u>	<u>100.00%</u>	<u>100.00%</u>

**A13. Loans, financing and advances (cont'd.)**

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

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Household sector	813,109	691,906	-	-
Construction	951,818	1,096,024	296,093	295,922
Education, health and others	236,296	380,141	236,296	236,239
Finance, insurance, real estate and business services	353,545	344,635	-	-
Manufacturing	147,392	183,692	-	-
Wholesale & retail trade and restaurants & hotels	342,054	306,563	-	-
Transport, storage and communication	3,707	4,253	-	-
Mining and quarrying	48,500	48,500	-	-
Electricity, gas and water	1,034	-	-	-
Agriculture	480	-	-	-
	<b>2,897,935</b>	<b>3,055,714</b>	<b>532,389</b>	<b>532,161</b>

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

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysia	2,770,244	3,055,714	532,389	532,161
Outside Malaysia	127,691	-	-	-
	<b>2,897,935</b>	<b>3,055,714</b>	<b>532,389</b>	<b>532,161</b>

**A14. Other receivables**

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Amount due from MBSB Bank	-	-	5,807	35,619
Foreclosed properties	36,580	36,580	309	309
Prepayments and deposits	50,304	32,530	790	-
Fee receivables	35,705	63,800	-	-
Sundry receivables	126,621	153,685	1,317	1,266
Deferred expenses	64,560	60,849	-	-
Amount due from brokers and clients	56,691	20,249	-	-
	<b>370,461</b>	<b>367,693</b>	<b>8,223</b>	<b>37,194</b>
Less: ECL	<b>(4,110)</b>	<b>(23,476)</b>	<b>-</b>	<b>-</b>
	<b>366,351</b>	<b>344,217</b>	<b>8,223</b>	<b>37,194</b>



**A15. Non-current assets held for sale**

	<b>Group</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Lands and office units	-	56,846
Property and equipment	-	201
	<u>-</u>	<u>57,047</u>
<u>Lands and office units</u>		
Balance at beginning of period/year	56,846	-
Transfer from inventories	-	50,516
Writeback made during the financial period	-	6,330
Disposal during the period/year	(56,846)	-
Balance at end of period/year	<u>-</u>	<u>56,846</u>
<u>Property and equipment:</u>		
Balance at beginning of period/year	201	260
Disposal during the period	-	(260)
Transfer from property and equipment	-	201
Disposal during the period/year	(201)	-
Balance at end of period/year	<u>-</u>	<u>201</u>

**A16. Deposits from customers**

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

	<b>Group</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Term Deposits	33,057,016	36,025,662
Demand deposits	2,803,809	2,021,453
Savings deposits	729,627	752,952
	<u>36,590,452</u>	<u>38,800,067</u>

**(ii) Maturity of term deposits:**

	<b>Group</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Due within six months	23,196,809	27,151,261
More than six months to one year	7,344,627	6,199,332
More than one year to three years	1,197,572	482,298
More than three years	1,318,008	2,192,771
	<u>33,057,016</u>	<u>36,025,662</u>

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

	<b>Group</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	16,122,486	19,306,461
Business enterprises	12,652,156	14,186,512
Individuals	7,815,810	5,307,094
	<u>36,590,452</u>	<u>38,800,067</u>

**A17. Deposits and placements of banks and other financial institutions**

	<b>Group</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Amortised cost</b>		
Licensed investment banks	124,310	29,271
Licensed commercial banks	11,142	921
Licensed islamic banks	892,448	1,201,820
Other financial institutions	7,530,808	7,591,554
	<u>8,558,708</u>	<u>8,823,566</u>
<b>At fair value through profit and loss</b>		
Structured deposits linked to profit rate derivatives	50,579	-
Fair value changes arising from designation at fair value through profit or loss	(23)	-
	<u>8,609,264</u>	<u>8,823,566</u>

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

	<b>Group</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Due within six months	7,512,084	7,527,190
More than six months to one year	1,046,466	493,665
More than one year to three years	50,714	802,711
	<u>8,609,264</u>	<u>8,823,566</u>

**A18. Investment accounts of customers**

	<b>Group</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Mudarabah unrestricted investment account	294,794	-

The investment account placements are used to fund personal financing.

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

	<b>Group</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Individuals	294,794	-

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

	<b>Group</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance at beginning of period/year	-	2,080,767
New placement during the period	308,265	2,526,299
Redemption	(14,305)	(4,592,219)
Finance expense	849	31,473
Profit distributed	(15)	(46,320)
At end of financial period/year	<u>294,794</u>	<u>-</u>

**A18. Investment accounts of customers (cont'd.)**

**(iii) By maturity:**

	<b>Group</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Due within six months	14,911	-
More than six months to one year	279,883	-
	<u>294,794</u>	<u>-</u>

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

<b>30-Sep-24</b>	<b>Investment Account Holder Average ROR %</b>	<b>Group Average Profit sharing ratio %</b>
Unrestricted investment accounts:		
Due within three months	5.2	60.8
More than three months to one year	6.0	70.5

**A19. Other payables**

	<b>Note</b>	<b>Group</b>		<b>Company</b>	
		<b>30-Sep-24</b>	<b>31-Dec-23</b>	<b>30-Sep-24</b>	<b>31-Dec-23</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Amount due to brokers and clients	(i)	59,184	20,156	-	-
Amount due to Government					
Scheme Funds ("GSF")		98,415	83,019	-	-
Sundry payables		239,537	267,056	4,231	5,432
Al-Mudharabah security funds		89	117,885	-	-
Expected credit losses for					
commitments and contingencies	(ii)	40,551	35,250	-	-
Employee benefits		14,574	13,970	-	-
Deferred income		16,140	5,243	-	-
Provision for zakat		7,374	-	-	-
Other provisions and accruals		80,472	137,965	1,462	519
		<u>556,336</u>	<u>680,544</u>	<u>5,693</u>	<u>5,951</u>

**(i) Amount due to brokers and clients**

	<b>Group</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Brokers	35,449	10,237
Clients	23,735	9,919
	<u>59,184</u>	<u>20,156</u>

**A19. Other payables (cont'd.)**

**(ii) Expected credit losses for commitments and contingencies**

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

	<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>
<b>At 1 January 2024</b>	28,221	5,179	1,850	35,250
Total charged/(reversal) to profit or loss	7,164	(1,731)	(125)	5,308
Changes in ECL due to transfer within stages:				
- Transfer to Stage 1	395	(302)	(93)	-
- Transfer to Stage 2	(66)	182	(116)	-
- Transfer to Stage 3	(1,413)	(59)	1,472	-
New financing/disbursement during the period	23,154	272	-	23,426
Derecognised/converted to loans/financing during the period (other than write-offs)	(8,123)	(2,518)	(340)	(10,981)
Changes in credit risk parameters #	(6,783)	694	(1,048)	(7,137)
Derecognition due to debt sale	-	-	-	-
Write-offs	-	-	(7)	(7)
<b>At 30 September 2024</b>	<b>35,385</b>	<b>3,448</b>	<b>1,718</b>	<b>40,551</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>
<b>At 1 January 2023</b>	15,277	32,440	5,055	52,772
Acquisition of MIDF	1,307	-	-	1,307
Total charged/(reversal) to profit or loss	11,709	(27,160)	(2,910)	(18,361)
Changes in ECL due to transfer within stages:				
- Transfer to Stage 1	1,948	(1,935)	(13)	-
- Transfer to Stage 2	(913)	950	(37)	-
- Transfer to Stage 3	(8)	(356)	364	-
New financing/disbursement during the year	12,223	255	68	12,546
Derecognised/converted to loans/financing during the year (other than write-offs)	(3,743)	(8,937)	(3,963)	(16,643)
Changes in credit risk parameters #	2,202	(17,137)	671	(14,264)
Derecognition due to debt sale	(72)	(101)	(283)	(456)
Write-offs	-	-	(12)	(12)
<b>At 31 December 2023</b>	<b>28,221</b>	<b>5,179</b>	<b>1,850</b>	<b>35,250</b>

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

**A19. Other payables (cont'd.)**

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

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

	<b>Company</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>
<b>At 1 January 2024/ 30 September 2024</b>	-	-	-	-
	<b>Company</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>
<b>At 1 January 2023</b>	131	69	222	422
Total (reversal)/charged to profit or loss	(59)	32	61	34
Changes in ECL due to transfer within stages:				
- Transfer to Stage 1	2	(2)	-	-
- Transfer to Stage 2	(17)	31	(14)	-
- Transfer to Stage 3	-	(42)	42	-
Derecognised/drawdown to loans/financing during the year	(46)	-	-	(46)
Changes in credit risk parameters #	2	45	33	80
Derecognition due to debt sale	(72)	(101)	(283)	(456)
<b>At 31 December 2023</b>	-	-	-	-

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

**A20. Borrowings and government grant**

	<b>Note</b>	<b>Group</b>	
		<b>30-Sep-24</b>	<b>31-Dec-23</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Borrowings</b>			
Loan from JBIC-FSMI	(a)	101,351	109,092
Loan from MITI	(b)	80,039	77,191
		<u>181,390</u>	<u>186,283</u>
<b>Government grant</b>			
Loan from MITI	(b)	14,711	17,559
Total borrowing and government grant		<u>196,101</u>	<u>203,842</u>

**A20. Borrowings and government grant (cont'd.)**

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

	<b>Group</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of period/year	109,092	-
Addition from acquisition of MIDF	-	108,342
Interest expense	2,180	750
Repayment	(9,921)	-
At end of period/year	<u>101,351</u>	<u>109,092</u>

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

	<b>Group</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Borrowings</b>		
At beginning of period/year	77,191	-
Addition from acquisition of MIDF	-	97,998
Repayment	-	(22,000)
Profit expense *	2,848	1,193
At end of period/year	<u>80,039</u>	<u>77,191</u>
<b>Government grant</b>		
At beginning of period/year	17,559	-
Addition from acquisition of MIDF	-	18,752
Amortisation	(2,848)	(1,193)
At end of period/year	<u>14,711</u>	<u>17,559</u>
	<u>94,750</u>	<u>94,750</u>

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

**A21. Income derived from investment of deposits and Islamic capital funds**

	<b>Group</b>			
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Financing and advances	689,437	589,862	2,017,364	1,698,094
Financial investments at FVOCI	110,475	97,337	334,850	275,661
Financial investments at amortised cost	48,154	24,562	146,463	68,595
Financial assets at FVTPL	2,429	8,115	11,088	20,567
Deposits and placements with banks and other financial institutions	18,394	15,460	70,233	38,768
Derivative instruments	80	-	80	-
	<u>868,889</u>	<u>735,336</u>	<u>2,579,998</u>	<u>2,101,685</u>

**A22. Interest income**

	<b>Group</b>			
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loans and advances	24,235	-	70,885	1,692
Deposits and placements with banks and other financial institutions	2,401	-	6,839	-
Financial investments at FVOCI	1,544	-	4,845	-
Financial investments at amortised cost	1,731	-	5,524	-
Derivative instruments	1,316	-	3,564	-
	<b>31,227</b>	<b>-</b>	<b>91,657</b>	<b>1,692</b>

	<b>Company</b>			
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loans and advances	-	-	-	3,473
Deposits and placements with banks and other financial institutions	530	894	1,739	2,934
	<b>530</b>	<b>894</b>	<b>1,739</b>	<b>6,407</b>

**A23. Interest expense**

	<b>Group</b>			
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers	15,728	-	45,752	-
Deposits and placements with banks and other financial institutions	32	-	84	-
Borrowings	723	-	2,181	-
Derivative instruments	504	-	528	-
	<b>16,987</b>	<b>-</b>	<b>48,545</b>	<b>-</b>

**A24. Expected credit losses on loans, financing and advances and other impairment**

	<b>Group</b>			
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Expected credit losses on loans, financing and advances made/(written back)</u>				
Loans, financing and advances				
- Stage 1	(50,094)	59,969	(86,358)	14,179
- Stage 2	5,693	(57,271)	26,136	(211,525)
- Stage 3	88,888	78,422	248,495	300,117
Credit impaired loans, financing and advances:				
- Write-off	8,029	5,767	23,916	24,274
- Recovered	(11,817)	(6,963)	(31,787)	(36,472)
Loss on sale of loans, financing and advances	-	1,622	-	20,954
	<u>40,699</u>	<u>81,546</u>	<u>180,402</u>	<u>111,527</u>
<u>Expected credit losses on financial investments made/(written back):</u>				
Financial investments at FVOCI	116	10	282	59
Financial investments at amortised cost	(56)	(162)	(527)	(400)
	<u>60</u>	<u>(152)</u>	<u>(245)</u>	<u>(341)</u>
<u>Other expected credit losses and impairment allowances made/(written back):</u>				
Other receivables	155	110	(125)	90
Financing commitments and financial guarantees	1,302	3,632	5,308	(21,158)
	<u>1,457</u>	<u>3,742</u>	<u>5,183</u>	<u>(21,068)</u>
	<u>42,216</u>	<u>85,136</u>	<u>185,340</u>	<u>90,118</u>



**A24. Expected credit losses on loans, financing and advances and other impairment (cont'd)**

	<b>Company</b>			
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Expected credit losses on loans, financing and advances made/(written back)</u>				
Loans, financing and advances				
- Stage 1	-	-	-	(149)
- Stage 2	-	-	-	(1,905)
- Stage 3	6,877	5,112	7,109	12,036
Credit impaired loans, financing and advances:				
- Write-off	-	(74)	27	569
- Recovered	(1,296)	(76)	(1,303)	(9,496)
Loss on sale of loans, financing and advances	-	1,622	-	20,954
	<u>5,581</u>	<u>6,584</u>	<u>5,833</u>	<u>22,009</u>
<u>Expected credit losses on financial investments made/(written back):</u>				
Other receivables	-	110	-	110
Amount due from subsidiaries	-	(215)	-	1,697
Financing commitments and financial guarantees	-	-	-	33
	-	(105)	-	1,840
	<u>5,581</u>	<u>6,479</u>	<u>5,833</u>	<u>23,849</u>

**A25. Net other income**

	<b>Group</b>			
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Rental</u></b>				
Rental income	108	24	295	86
	<u>108</u>	<u>24</u>	<u>295</u>	<u>86</u>
<b><u>Fee income</u></b>				
Net financing processing fees	355	176	832	501
Amortisation of facility fees	1,090	459	3,955	5,743
Other facility fees	194	610	1,172	2,263
Management fees	8	-	7,611	-
Corporate advisory fees	3,323	-	9,928	-
Income from Government Scheme Funds	13,340	-	39,584	-
Brokerage fees	5,099	-	13,271	-
Others	3,554	-	20,261	-
	<u>26,963</u>	<u>1,245</u>	<u>96,614</u>	<u>8,507</u>
<b><u>Insurance and commission</u></b>				
Insurance commission	6,214	6,870	20,888	18,886
	<u>6,214</u>	<u>6,870</u>	<u>20,888</u>	<u>18,886</u>
<b><u>Gross dividend income</u></b>				
Dividend income	49	-	49	-
	<u>49</u>	<u>-</u>	<u>49</u>	<u>-</u>
<b><u>Investment income</u></b>				
Net gain/(loss) on sale of:				
- financial assets at FVTPL	2,167	243	3,274	6,780
- financial investments at FVOCI	12,598	2,669	10,193	(10,128)
- financial investments at amortised cost	2	-	47	-
Net unrealised gain/(loss) on revaluation of:				
- financial assets at FVTPL	681	(378)	5,046	293
- derivatives instruments	(1,211)	-	(3,635)	-
Loss on foreign exchange transactions and revaluations	4,380	(7,817)	(6,241)	(9,832)
	<u>18,617</u>	<u>(5,283)</u>	<u>8,684</u>	<u>(12,887)</u>
<b><u>Other income</u></b>				
Ta'widh/penalty	2,595	5,072	8,704	15,647
Sundry income	2,066	1,259	8,720	5,319
Gain/(loss) from disposal of:				
- Property and equipment	219	-	274	(4)
- Non-current assets held for sale	311	-	493	1,331
- Foreclosed properties	-	(6)	-	10
	<u>5,191</u>	<u>6,325</u>	<u>18,191</u>	<u>22,303</u>
	<u>57,142</u>	<u>9,181</u>	<u>144,721</u>	<u>36,895</u>

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(Formerly known as Malaysia Building Society Berhad)  
(Incorporated in Malaysia)

**A25. Net other income (cont'd)**

	<b>Company</b>			
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Rental</u></b>				
Rental income	955	954	2,861	2,864
	<u>955</u>	<u>954</u>	<u>2,861</u>	<u>2,864</u>
<b><u>Fee income</u></b>				
Other facility fees	21	136	77	837
	<u>21</u>	<u>136</u>	<u>77</u>	<u>837</u>
<b><u>Insurance and commission</u></b>				
Insurance commission	-	5	-	9
	<u>-</u>	<u>5</u>	<u>-</u>	<u>9</u>
<b><u>Gross dividend income</u></b>				
Dividend income	-	-	226,199	440,828
	<u>-</u>	<u>-</u>	<u>226,199</u>	<u>440,828</u>
<b><u>Other income</u></b>				
Penalty	-	2,806	-	7,818
Management fees	7,777	-	7,777	-
Sundry (loss)/income	-	(9)	787	(24)
(Loss)/gain from disposal of foreclosed properties	-	(6)	-	10
	<u>7,777</u>	<u>2,791</u>	<u>8,564</u>	<u>7,804</u>
	<u>8,753</u>	<u>3,886</u>	<u>237,701</u>	<u>452,342</u>

**A26. Operating expenses**

	<b>Group</b>			
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Personnel expenses *	140,995	94,673	395,973	272,995
Establishment related expenses	52,661	46,529	158,991	127,318
Promotion and marketing related expenses	3,543	947	9,549	9,995
General administrative expenses	32,971	28,467	121,599	68,710
	<u>230,170</u>	<u>170,616</u>	<u>686,112</u>	<u>479,018</u>

	<b>Company</b>			
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Personnel expenses *	8,147	1,905	13,843	2,865
Establishment related expenses	742	438	1,206	958
Promotion and marketing related expenses	-	-	10	-
General administrative expenses	3,606	4,330	8,038	11,965
	<u>12,495</u>	<u>6,673</u>	<u>23,097</u>	<u>15,788</u>

Included in operating expenses are the following:

	<b>Group</b>			
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Depreciation:				
- property and equipment	11,255	10,088	33,497	29,422
- right-of-use asset	4,357	5,934	14,436	18,252
Amortisation of intangible assets	9,626	9,783	30,095	30,549

	<b>Company</b>			
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Depreciation of property and equipment	117	116	350	348

**A26. Operating expenses (cont'd)**

\* Personnel expenses

	<b>Group</b>			
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Wages and salaries	107,544	70,916	303,351	202,975
Contributions to Employees Provident Fund and Social security costs	15,026	10,907	44,027	32,325
Directors fees	1,499	892	4,978	2,803
Employees' benefits	289	-	883	-
Shariah Committee remuneration	181	199	556	559
Other staff related expenses	16,456	11,759	42,178	34,333
	<b>140,995</b>	<b>94,673</b>	<b>395,973</b>	<b>272,995</b>

	<b>Company</b>			
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Wages and salaries	6,616	1,251	10,024	1,251
Contributions to Employees Provident Fund and Social security costs	1,021	153	1,423	153
Directors fees	367	427	1,376	1,387
Other staff related expenses	143	74	1,020	74
	<b>8,147</b>	<b>1,905</b>	<b>13,843</b>	<b>2,865</b>

**A27. 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.

	<b>Group</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>Principal amount</b>	
	<b>RM'000</b>	<b>RM'000</b>
Direct credit substitutes	97,619	80,589
Trade-related contingencies	114,549	69,139
Obligations under an on-going underwriting agreement	8,565	-
Short term self liquidating trade related contingencies	38,039	56,657
Irrevocable commitments to extend credit:		
- one year or less	2,443,968	1,789,696
- over one year to five years	2,808,332	1,839,478
- over five years	244,649	361,078
Foreign exchange related contracts #		
- one year or less	1,892,123	2,820,048
Profit/Interest rate related contracts with an original maturity of:		
- over one year to five years	50,000	300,000
	<u>7,697,844</u>	<u>7,316,685</u>

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

**A28. Capital commitments**

	<b>Group</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Property and equipment/intangible assets: Contracted but not provided for	<u>30,851</u>	<u>58,673</u>

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**A29. Contingent liability**

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

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

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

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

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

**A30. Segmental information on revenue and results**

3rd Quarter Ended	Consumer Banking		Corporate Banking		Global Markets		Investment banking		Others		Inter-segment elimination		Total	
	30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000
<u>External:</u>														
Fund based income	511,364	414,939	200,880	182,399	99,563	130,862	82,418	-	5,892	(7,374)	-	14,511	900,117	735,337
Non-fund based income	4,669	6,536	3,482	1,794	9,952	(2,474)	25,781	-	2	5,007	3,497	-	47,383	10,863
<u>Inter-segment</u>														
Fund based income	-	81,575	-	-	530	2,934	-	-	-	(54,818)	(530)	(29,691)	-	-
Total revenue	<u>516,033</u>	<u>503,050</u>	<u>204,362</u>	<u>184,193</u>	<u>110,045</u>	<u>131,322</u>	<u>108,199</u>	<u>-</u>	<u>5,894</u>	<u>(57,185)</u>	<u>2,967</u>	<u>(15,180)</u>	<u>947,500</u>	<u>746,200</u>
Profit before zakat and tax	214,902	(34,245)	107,581	30,604	(136,478)	(37,323)	8,141	-	(17,284)	1,078,605	(12,358)	(1,014,598)	164,504	23,043
Taxation													(41,191)	12,634
Zakat													(1,228)	(2,837)
Net profit for the period													<u>122,085</u>	<u>32,840</u>
Segment assets	29,140,224	28,668,195	11,338,951	10,918,205	12,797,792	15,331,363	6,492,102	-	658,370	795,923	-	-	60,427,439	55,713,686
Tax recoverable													176,700	189,615
Deferred tax assets													77,345	92,416
Unallocated assets													<u>1,808,852</u>	<u>1,636,808</u>
Total assets													<u>62,490,336</u>	<u>57,632,525</u>
Segment liabilities	25,419,397	14,604,030	9,912,594	4,832,830	11,084,799	24,692,849	5,396,037	-	194,113	4,223,918	-	-	52,006,940	48,353,627
Provision for taxation													86	8,080
Deferred tax liabilities													11,217	11,692
Unallocated liabilities													<u>592,398</u>	<u>595,212</u>
Total liabilities													<u>52,610,641</u>	<u>48,968,611</u>



**A30. Segmental information on revenue and results (cont'd.)**

Nine Months Ended	Consumer Banking		Corporate Banking		Global Markets		Investment banking		Others		Inter-segment elimination		Total	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue and expenses</b>														
<u>External:</u>														
Fund based income	1,475,916	1,215,655	558,124	506,377	376,837	367,745	244,117	-	16,662	13,600	-	-	2,671,656	2,103,377
Non-fund based income	17,187	16,773	9,522	10,569	5,234	(8,060)	89,406	-	226,429	441,395	(217,636)	(440,828)	130,142	19,849
<u>Inter-segment</u>														
Fund based income	-	81,575	-	-	1,739	2,934	-	-	-	-	(1,739)	(84,509)	-	-
Total revenue	<u>1,493,103</u>	<u>1,314,003</u>	<u>567,646</u>	<u>516,946</u>	<u>383,810</u>	<u>362,619</u>	<u>333,523</u>	<u>-</u>	<u>243,091</u>	<u>454,995</u>	<u>(219,375)</u>	<u>(525,337)</u>	<u>2,801,798</u>	<u>2,123,226</u>
Profit before zakat and tax	652,045	98,981	175,977	105,981	(402,867)	(68,573)	35,990	-	150,600	1,600,410	(245,621)	(1,474,340)	366,124	262,459
Taxation													(104,001)	(68,960)
Zakat													(6,873)	(2,837)
Net profit for the period													<u>255,250</u>	<u>190,662</u>
Segment assets	29,140,224	28,668,195	11,338,951	10,918,205	12,797,792	15,331,363	6,492,102	-	658,370	795,923	-	-	60,427,439	55,713,686
Tax recoverable													176,700	189,615
Deferred tax assets													77,345	92,416
Unallocated assets													<u>1,808,852</u>	<u>1,636,808</u>
Total assets													<u>62,490,336</u>	<u>57,632,525</u>
Segment liabilities	25,419,397	14,604,030	9,912,594	4,832,830	11,084,799	24,692,849	5,396,037	-	194,113	4,223,918	-	-	52,006,940	48,353,627
Provision for taxation													86	8,080
Deferred tax liabilities													11,217	11,692
Unallocated liabilities													<u>592,398</u>	<u>595,212</u>
Total liabilities													<u>52,610,641</u>	<u>48,968,611</u>

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**A31. Significant related party transactions/balances**

(a) Related party transactions

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

Related party transactions	Ultimate holding company i.e.			
	EPF		Other companies *	
	30-Sep-24 RM'000	31-Dec-23 RM'000	30-Sep-24 RM'000	31-Dec-23 RM'000
<b>Group</b>				
<b><u>Income earned</u></b>				
Profit/interest on deposits and placements with banks and other financial institutions	-	-	1,531	1
Profit/interest on loans, financing and advances	-	-	132	197
Profit/interest on financial investment at:				
- FVOCI	-	-	3,352	3,615
- Amortised cost	-	-	1,821	1,008
Fee income	-	-	100	-
Brokerage fee	4,881	492	237	219
<b><u>Expenditure incurred</u></b>				
Profit on sukuk	25,232	39,521	-	-
Profit on deposits from customers	65,461	52,808	19,669	17,771
Rental expenses	-	22	-	-
Other expenses ^	-	-	4,533	3,235

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

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

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**A31. Significant related party transactions/balances (cont'd.)**

(b) Related party balances

	Ultimate holding company i.e.			
	EPF		Other companies *	
	30-Sep-24 RM'000	31-Dec-23 RM'000	30-Sep-24 RM'000	31-Dec-23 RM'000
<b>Related party balances</b>				
<b>Group</b>				
<b><u>Amount due from</u></b>				
Cash and short-term funds	-	-	25,110	24,477
Deposits and placements with banks and other financial institutions	-	-	32	32
Loans, financing and advances	-	-	-	7,449
Financial investments at:				
- FVOCI	-	-	87,864	103,494
- Amortised cost	-	-	30,505	30,912
Fee receivables	-	-	108	-
<b><u>Amount due to</u></b>				
Sukuk	632,414	665,063	-	-
Deposits from customers	1,845,334	2,370,709	609,035	400,967
Deposits and placements of banks and other financial institutions	-	-	21,296	801,352

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

### A32. 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

	<b>Group</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Common Equity Tier 1 ("CET1") Capital</u></b>		
Ordinary share capital	7,970,427	7,970,427
Retained earnings exclude merger reserve	1,831,073	1,876,865
Other reserves	77,957	(9,264)
	<u>9,879,457</u>	<u>9,838,028</u>
Less : Regulatory adjustments		
Goodwill	(148,031)	(148,031)
Deferred tax assets	(77,345)	(95,220)
Cumulative gains of financial investments at FVOCI	(30,087)	(22,274)
Intangible assets	(157,327)	(161,126)
Regulatory reserve attributable to financing	(120,696)	(106,644)
Total CET1 Capital	<u>9,345,971</u>	<u>9,304,733</u>
<b><u>Tier 1 Capital</u></b>		
Additional Tier 1 capital instruments	-	-
Less: Tier 1 regulatory adjustments	-	-
Total Tier 1 capital	<u>9,345,971</u>	<u>9,304,733</u>
<b><u>Tier 2 Capital</u></b>		
Stage 1 and Stage 2 ECL allowances	523,469	545,294
Tier 2 capital instruments	1,300,000	1,300,000
Total Tier 2 capital	<u>1,823,469</u>	<u>1,845,294</u>
Total capital base	<u>11,169,440</u>	<u>11,150,027</u>

**A32. Capital adequacy (cont'd.)**

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

	<b>Group</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Total risk weighted assets ("RWA")</u>		
- Credit risk	43,553,736	43,623,502
- Market risk	355,067	323,809
- Operational risk	2,834,783	2,795,170
Total RWA	<u>46,743,586</u>	<u>46,742,481</u>
<u>Capital adequacy ratios</u>		
CET1 capital ratio	19.994%	19.906%
Tier 1 capital ratio	19.994%	19.906%
Total capital ratio	<u>23.895%</u>	<u>23.854%</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 September 2024, URIA risk weighted assets excluded from the Total Capital Ratio calculation amounted to RM288.8 million (31 December 2023: nil).

**PERFORMANCE REVIEW FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

**B1. Performance review of the Group**

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

	Current Year Quarter 30-Sep-24 3Q24 RM'000	Preceding Year Corresponding Quarter 30-Sep-23 3Q23 RM'000	Changes	
			RM'000	%
Revenue	947,500	746,200	201,300	27.0%
Net income (pre impairment)	436,890	278,795	158,095	56.7%
Expected credit losses on loans, financing and advances and other impairment	(42,216)	(85,136)	42,920	(50.4%)
Operating expenses	<u>(230,170)</u>	<u>(170,616)</u>	(59,554)	34.9%
Profit before tax	<u>164,504</u>	<u>23,043</u>	141,461	>100%
Profit after tax	<u>122,085</u>	<u>32,840</u>	89,245	>100%
Profit attributable to:				
Shareholders of the Company	122,084	32,840	89,244	>100%
Non-controlling interests	<u>1</u>	<u>-</u>	1	0.0%
	<u>122,085</u>	<u>32,840</u>	89,245	>100%

**Current Year Quarter vs Immediate Preceding Quarter**

	Current Year Quarter 30-Sep-24 3Q24 RM'000	Immediate Preceding Quarter 30-Jun-24 2Q24 RM'000	Changes	
			RM'000	%
Revenue	947,500	960,851	(13,351)	(1.4%)
Net income (pre impairment)	436,890	435,919	971	0.2%
Expected credit losses on loans, financing and advances and other impairment	(42,216)	(98,509)	56,293	(57.1%)
Operating expenses	<u>(230,170)</u>	<u>(241,733)</u>	11,563	(4.8%)
Profit before tax	<u>164,504</u>	<u>95,677</u>	68,827	71.9%
Profit after tax	<u>122,085</u>	<u>54,824</u>	67,261	>100%
Profit attributable to:				
Shareholders of the Company	122,084	54,830	67,254	>100%
Non-controlling interests	<u>1</u>	<u>(6)</u>	7	<(100%)
	<u>122,085</u>	<u>54,824</u>	67,261	>100%

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

In the current quarter, the Group reported revenue and net income (pre impairment) of RM947.5 million and RM436.9 million respectively, surpassing 3Q23 primarily due to increased financing income and contributions from MIDF integration. Comparing to previous quarter, revenue slightly decreased primarily due to a drop in profit income from financing and financial investments. The Group however still reported higher net income (pre impairment) due to a higher non-funded income.

The Group reported total impairment of RM42.2 million for the quarter, lower than 3Q23 and 2Q24 mainly due to improvements of staging of financing.

The operating expenses ("OPEX") reported at RM230.2 million in the current quarter, higher than 3Q23 due to inclusion of OPEX from MIDF Group, but lower than previous quarter primarily due to a decrease in general administrative expenses. The current quarter OPEX was mainly contributed by personnel expenses of RM141.0 million, establishment related expenses of RM52.7 million (the costs include software/hardware maintenance and depreciation/amortisation charges) and general administrative expenses of RM33.0 million.

## **B2. Prospects for the Group**

### **Outlook for 2024**

The global economy is projected to grow moderately in 2024 for both advanced and emerging economies. The latest International Monetary Fund forecasts in October 2024 sees global gross domestic product ("GDP") growth holding steady at 3.2% in 2024 and 2025. In most countries, inflation is now hovering close to central bank targets, paving the way for monetary easing across major central banks. According to the Ministry of Finance, Malaysia's GDP is expected to grow between 4.8% and 5.3% in 2024, surpassing the initial target of 4.0% to 5.0%, supported by favourable economic performance. Meanwhile, Bank Negara Malaysia ("BNM") maintained the Overnight Policy Rate ("OPR") in the latest November meeting. At the current OPR level, the monetary policy stance is supportive of the economy and aligns with the current assessment of inflation and growth prospects.

A major highlight for 2024 is the launch of MBSB's FLIGHT26 strategy. This strategy is built around four key objectives: increasing Current Account Savings Account ("CASA"), expanding financing, boosting non-funded income, optimizing the Cost to Income Ratio, and enhancing Return on Equity ("ROE"). These objectives are supported by 30 transformation initiatives, collectively known as TP30, which include 12 projects in Wholesale Banking, six in Commercial Banking, nine in Consumer Banking, and three in Digital Banking. By leveraging business synergies and pooling resources, the goal is to position MBSB as a best-in-class organization, offering a comprehensive range of financial products and services.

## **B3. Profit forecast or profit guarantee**

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

**B4. Taxation**

	<b>Group</b>			
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax:				
Current income tax	38,358	21,017	95,720	69,775
Under/(Over) provision in prior years	11,862	(12,562)	13,579	23,387
	<u>50,220</u>	<u>8,455</u>	<u>109,299</u>	<u>93,162</u>
Deferred tax	(9,029)	(21,089)	(5,298)	(24,202)
Total income tax expense	<u>41,191</u>	<u>(12,634)</u>	<u>104,001</u>	<u>68,960</u>

	<b>Company</b>			
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax:				
Current income tax	-	(55)	-	(65)
Over provision in prior years	-	(1,590)	-	(3,250)
	<u>-</u>	<u>(1,645)</u>	<u>-</u>	<u>(3,315)</u>
Deferred tax	(176)	-	(1,097)	-
Total income tax expense	<u>(176)</u>	<u>(1,645)</u>	<u>(1,097)</u>	<u>(3,315)</u>

**B5. Status of corporate proposals**

There are no pending corporate proposals.





**B8. Earnings per share**

**Basic**

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

	<b>Group</b>			
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</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)	122,085	32,840	255,250	190,662
Weighted average number of ordinary shares in issue ('000)	8,222,312	7,171,484	8,222,312	7,171,484
Basic earnings per share (sen)	<u>1.48</u>	<u>0.46</u>	<u>3.10</u>	<u>2.66</u>

	<b>Company</b>			
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net (loss)/profit attributable to shareholders for the period (RM'000)	(8,617)	(6,727)	211,607	422,427
Weighted average number of ordinary shares in issue ('000)	8,222,312	7,171,484	8,222,312	7,171,484
Basic earnings per share (sen)	<u>(0.10)</u>	<u>(0.09)</u>	<u>2.57</u>	<u>5.89</u>

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

**B9. The Operations of Islamic Banking**

**STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024**

	Note	Islamic Banking	
		30-Sep-24 RM'000	31-Dec-23 RM'000
<b>Assets</b>			
Cash and short-term funds	(a)	1,241,665	5,148,136
Deposits and placements with banks and other financial institutions	(a)	833,100	749,812
Financial assets at fair value through profit or loss	(b)	457,928	250,725
Financial investments at fair value through other comprehensive income	(c)	11,536,866	12,460,030
Financial investments at amortised cost	(d)	4,217,709	4,412,893
Derivative financial assets		31,055	32,805
Financing and advances	(e)	40,194,207	39,145,649
Other receivables	(f)	697,590	735,986
Tax recoverable		61,260	90,297
Deferred tax assets		72,205	88,470
Statutory deposits with Bank Negara Malaysia		690,000	720,000
Property and equipment		80,838	96,635
Right-of-use assets		56,546	63,711
Investment properties		820	820
Intangible assets		90,782	88,167
<b>Total assets</b>		<b>60,262,571</b>	<b>64,084,136</b>
<b>Liabilities and shareholders' equity</b>			
Deposits from customers	(g)	35,741,692	37,535,320
Deposits and placements of banks and other financial institutions	(h)	8,001,993	8,349,096
Investment accounts of customers		294,794	-
Islamic repurchase agreement		1,517,284	2,005,199
Derivative financial liabilities		22,818	5,158
Other payables	(i)	692,033	823,299
Lease liabilities		57,638	64,560
Recourse obligation on financing sold		2,645,320	4,031,732
Provision for taxation		-	35,935
Sukuk		2,130,906	2,197,432
Borrowings and government grant		94,574	94,573
<b>Total liabilities</b>		<b>51,199,052</b>	<b>55,142,304</b>
Ordinary share capital		7,129,572	7,129,572
Regulatory reserve		92,046	90,557
Fair value reserves		(53,176)	(128,207)
Retained earnings		1,895,077	1,849,910
<b>Total equity</b>		<b>9,063,519</b>	<b>8,941,832</b>
<b>Total liabilities and shareholders' equity</b>		<b>60,262,571</b>	<b>64,084,136</b>

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

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2024**

	<b>RM'000</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of depositors' funds	2,186,825	1,100,849
Income derived from investment of shareholders' funds	515,585	253,906
Income derived from investment of investment accounts' funds	1,954	43,115
Expected credit losses on financing and advances and other impairment	<u>(178,725)</u>	<u>18,740</u>
Total distributable income	2,525,639	1,416,610
Income attributable to depositors and others	<u>(1,532,550)</u>	<u>(845,044)</u>
Total net income	993,089	571,566
Personnel expenses	(337,815)	(177,363)
Other overhead expenses	<u>(261,511)</u>	<u>(122,532)</u>
Profit before taxation and zakat	393,763	271,671
Taxation	(100,138)	(72,907)
Zakat	<u>(6,794)</u>	<u>-</u>
Profit for the period	<u>286,831</u>	<u>198,764</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>75,031</u>	<u>158,857</u>
Total comprehensive income for the financial period	<u>361,862</u>	<u>357,621</u>

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

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

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

	<b>Islamic Banking</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
(i) Cash and balances with banks and other financial institutions	370,545	560,142
Money at call and deposit placements maturing within one month	871,120	4,587,994
	<u>1,241,665</u>	<u>5,148,136</u>
(ii) Deposits and placements with banks and other financial institutions with original maturity of more than one month	833,100	749,812
	<u>2,074,765</u>	<u>5,897,948</u>

**(b) Financial assets at FVTPL**

	<b>Islamic Banking</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money Market Instruments</b>		
<u>In Malaysia</u>		
Private mandate investments	130,186	240,357
Malaysian Government Investment Issues	303,461	10,368
	<u>433,647</u>	<u>250,725</u>
<b>Equity instruments</b>		
Shares	24,281	-
	<u>457,928</u>	<u>250,725</u>

**(c) Financial investments at FVOCI**

	<b>Islamic Banking</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money Market Instruments</b>		
Malaysian Government Investment Issues	7,129,151	8,225,267
Islamic Negotiable Instruments	398,664	-
	<u>7,527,815</u>	<u>8,225,267</u>
<b>Debt securities</b>		
<u>In Malaysia</u>		
Private and Islamic debt securities	1,741,423	2,597,651
Government Guaranteed debt securities	1,321,271	1,637,112
	<u>3,062,694</u>	<u>4,234,763</u>
Corporate Sukuk	946,357	-
	<u>11,536,866</u>	<u>12,460,030</u>

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

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

Movement of allowance for credit losses recognised in FVOCI reserve:

	<b>Islamic Banking</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>
<b>At 1 January 2024</b>	512	-	8,112	8,624
Total charged to profit or loss:	228	-	-	228
New financial investments purchased during the period	464	-	-	464
Matured financial investments during the period	(186)	-	-	(186)
Change in credit risk	(50)	-	-	(50)
<b>At 30 September 2024</b>	<b>740</b>	<b>-</b>	<b>8,112</b>	<b>8,852</b>

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

**(d) Financial investments at amortised cost**

	<b>Islamic Banking</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money Market Instruments</b>		
Malaysian Government Investment Issues	1,198,094	1,241,716
	<u>1,198,094</u>	<u>1,241,716</u>
<u>In Malaysia</u>		
Private and Islamic debt securities	1,717,405	3,097,186
Government Guaranteed corporate sukuk	75,480	75,684
Corporate Sukuk	1,227,999	-
	<u>4,218,978</u>	<u>4,414,586</u>
Less: ECL		
- Stage 1	(1,179)	(1,546)
- Stage 2	(90)	(147)
	<u>4,217,709</u>	<u>4,412,893</u>

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

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

ECL movement for financial investments at amortised cost:

	<b>Islamic Banking</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>
<b>At 1 January 2024</b>	1,546	147	-	1,693
Total reversal to profit or loss	(367)	(57)	-	(424)
Changes in credit risk	(44)	-	-	(44)
Matured financial investments during the period	(459)	(147)	-	(606)
purchased during the period	136	90	-	226
<b>At 30 September 2024</b>	<b>1,179</b>	<b>90</b>	<b>-</b>	<b>1,269</b>

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

**MBSB BERHAD (197001000172 / 9417-K)**

(Formerly known as Malaysia Building Society Berhad)

(Incorporated in Malaysia)

**B9. The Operations of Islamic Banking (cont'd.)****(e) Financing and advances****(i) By type and Shariah contract**

	<b>Islamic Banking</b>				<b>Total financing and advances RM'000</b>
	<b>Sale-based contract</b>			<b>Lease-based contract</b>	
	<b>Tawarruq RM'000</b>	<b>Bai' Bithaman Ajil RM'000</b>	<b>Commodity Murabahah RM'000</b>	<b>Al-Ijarah Thumma Al-Bai RM'000</b>	
<b>30-Sep-24</b>					
<b>At amortised cost</b>					
Term financing	34,073,627	1,590,171	739,458	1,112,968	37,516,807
- Personal financing	18,840,976	79	-	-	18,841,055
- Property financing	9,045,399	1,542,226	-	-	10,587,625
- Islamic industrial hire purchase	-	-	-	718,963	718,963
- Bridging financing	340,195	-	-	-	340,195
- Auto financing	-	-	-	11,641	11,641
- Syndicated term financing	1,526,523	-	739,458	-	2,265,981
- Other term financing	4,320,534	47,866	-	382,364	4,751,347
Revolving credit	226,372	-	-	-	226,372
Trade finance	3,324,860	-	-	-	3,324,860
Cashline	251,331	-	-	-	251,331
Staff financing	26,476	-	60	1,590	28,126
Gross financing and advances	37,902,666	1,590,171	739,518	1,114,558	41,347,496
Less: ECL					
- Stage 1					(258,519)
- Stage 2					(105,581)
- Stage 3					(789,189)
Net financing and advances					<u>40,194,207</u>



**MBSB BERHAD (197001000172 / 9417-K)**

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(Incorporated in Malaysia)

**B9. The Operations of Islamic Banking (cont'd.)****(e) Financing and advances (cont'd.)****(i) By type and Shariah contract (cont'd.)**

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

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

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

**(ii) By residual contractual maturity**

	<b>Islamic Banking</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Maturing within one year	5,332,179	4,508,722
One year to three years	1,747,695	1,973,807
Three years to five years	3,220,335	2,589,579
Over five years	31,047,287	31,295,663
	<u>41,347,496</u>	<u>40,367,771</u>

**(iii) By type of customers**

	<b>Islamic Banking</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Individuals:		
- Malaysian nationals	29,414,991	29,098,648
Foreign nationals	720,150	774,843
Domestic business enterprises:		
- Small medium enterprises	3,755,822	3,848,169
- Non-bank financial institutions	1,415,674	756,747
- Others	6,040,859	5,889,364
	<u>41,347,496</u>	<u>40,367,771</u>

**(iv) By sector**

	<b>Islamic Banking</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Household sectors	29,417,461	29,101,187
Construction	3,048,208	3,332,122
Finance, insurance, real estate and business services	2,762,224	2,794,199
Wholesale & retail trade and restaurants & hotels	2,119,612	1,570,564
Manufacturing	1,968,572	1,654,025
Education, health and others	775,197	895,315
Transport, storage and communications	653,566	504,055
Mining and quarrying	81,713	97,801
Electricity, gas and water	229,675	215,901
Agriculture	291,268	202,602
	<u>41,347,496</u>	<u>40,367,771</u>

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

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

**(v) By profit rate sensitivity**

	<b>Islamic Banking</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate:		
Personal financing	5,786,926	13,109,215
Property financing	323,782	349,683
Auto financing	17,940	24,427
Bridging, structured and term financing	888,355	847,520
Variable rate:		
Personal financing	13,054,190	6,358,297
Property financing	10,290,319	9,317,370
Bridging, structured and term financing	10,985,984	10,361,259
	<u>41,347,496</u>	<u>40,367,771</u>

**(vii) Movement of gross financing and advances**

	<b>Islamic Banking</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>
<b>At 1 January 2024</b>	36,236,861	1,744,551	2,386,359	40,367,771
Transfer to Stage 1	481,841	(456,736)	(25,105)	-
Transfer to Stage 2	(985,919)	1,217,980	(232,061)	-
Transfer to Stage 3	(273,794)	(138,169)	411,963	-
New financing/disbursement during the period	9,187,880	153,953	28,065	9,369,898
Repayment during the period	(7,770,830)	(315,309)	(213,556)	(8,299,695)
Other movements	60,237	(13,418)	111,145	157,964
Write-offs	(26)	(94)	(248,322)	(248,442)
<b>At 30 September 2024</b>	<u>36,936,250</u>	<u>2,192,758</u>	<u>2,218,488</u>	<u>41,347,496</u>

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

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

**(vii) Movement of gross financing and advances (cont'd.)**

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

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

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

**(viii) Movement of ECL for financing and advances**

	<b>Islamic Banking</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>
<b>At 1 January 2024</b>	344,295	80,058	797,769	1,222,122
Total (reversal)/charged to profit or loss	(85,750)	25,532	239,974	179,756
Changes in the ECL due to transfer within stages:				
- Transfer to Stage 1	30,405	(22,668)	(7,737)	-
- Transfer to Stage 2	(5,770)	34,537	(28,767)	-
- Transfer to Stage 3	(3,791)	(7,123)	10,914	-
New financing/disbursement during the period	63,513	9,748	11,263	84,524
Repayment during the period	(142,141)	(9,251)	(19,012)	(170,404)
Changes in credit risk parameters #	(27,966)	20,289	273,313	265,636
Write-offs	(26)	(9)	(248,491)	(248,526)
Others	-	-	(63)	(63)
<b>At 30 September 2024</b>	<b>258,519</b>	<b>105,581</b>	<b>789,189</b>	<b>1,153,289</b>

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

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

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

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

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

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

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

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

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

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

**(ix) Movement of impaired financing and advances**

	<b>Islamic Banking</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance at beginning of period/year	2,386,359	2,069,604
Acquisition of MIDF	-	144,940
Classified as impaired during the period/year	440,028	874,151
Reclassified as non-impaired	-	(156,021)
Amount recovered	(257,348)	(331,701)
Other movements	(248,259)	153,814
Derecognition of credit impaired financial asset	111,145	(44,200)
Refinancing from MBSB Berhad	-	251
Reclassification from non-current assets held for sale	-	1,403
Amount written off	(213,437)	(325,882)
Balance at end of period/year	<u>2,218,488</u>	<u>2,386,359</u>
Less: ECL stage 3	<u>(789,189)</u>	<u>(797,769)</u>
	<u>1,429,299</u>	<u>1,588,590</u>
Net impaired as a percentage of net financing and advances	<u>3.56%</u>	<u>4.06%</u>
Gross impaired as a percentage of gross financing and advances	<u>5.37%</u>	<u>5.91%</u>

**(f) Other receivables**

	<b>Islamic Banking</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Financing to related companies	361,509	403,211
Prepayments and deposits	67,555	28,804
Fee receivables	-	52,370
Foreclosed properties	36,271	36,271
Deferred expenses	64,560	60,849
Sundry receivables	123,292	144,277
Amount due from brokers and clients	25,265	10,911
Amount due from MIDF	11,616	12,412
Amount due from borrowing and government grant	12,920	12,003
	<u>702,988</u>	<u>761,108</u>
Less: ECL	<u>(5,398)</u>	<u>(25,122)</u>
	<u>697,590</u>	<u>735,986</u>

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

**(g) Deposits from customers**

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

	<b>Islamic Banking</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Commodity Murabahah Term Deposits	32,157,368	34,760,348
Demand deposits	2,854,697	2,022,020
Savings deposits	729,627	752,952
	<u>35,741,692</u>	<u>37,535,320</u>

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

	<b>Islamic Banking</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Due within six months	22,310,806	25,839,368
More than six months to one year	7,330,982	6,195,849
More than one year to three years	1,197,572	532,360
More than three years	1,318,008	2,192,771
	<u>32,157,368</u>	<u>34,760,348</u>

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

	<b>Islamic Banking</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	16,070,496	18,881,570
Business enterprises	11,858,364	13,349,550
Individuals	7,812,832	5,304,200
	<u>35,741,692</u>	<u>37,535,320</u>



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

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

	<b>Islamic Banking</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Amortised cost</u></b>		
Licensed investment banks	124,310	29,271
Licensed commercial banks	11,142	921
Licensed islamic banks	731,034	1,201,820
Other financial institutions	7,084,951	7,117,084
	<u>7,951,437</u>	<u>8,349,096</u>
<b><u>At fair value through profit and loss</u></b>		
Structured deposits linked to interest rate derivatives	50,579	-
Fair value changes arising from designation at fair value through profit or loss	(23)	-
	<u>8,001,993</u>	<u>8,349,096</u>

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

	<b>Islamic Banking</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Due within six months	6,964,002	7,233,768
More than six months to one year	987,277	311,375
More than one year to three years	50,714	803,953
More than three years	-	-
	<u>8,001,993</u>	<u>8,349,096</u>

**(i) Other payables**

	<b>Islamic Banking</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Amount due to related entities	210,465	234,709
Amount due to holding company	5,858	-
Amount due to brokers and clients	22,592	10,854
Amount due to GSF	80,051	71,132
Sundry creditors	232,461	271,783
Al-Mudharabah security funds	89	117,885
ECL for commitments and contingencies	40,553	35,213
Provision for zakat	7,374	-
Deferred income	16,140	5,243
Other provisions and accruals	76,450	76,480
	<u>692,033</u>	<u>823,299</u>

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

**(i) Other payables (cont'd.)**

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

Movement of ECL for commitments and contingencies are as follows:

	<b>Islamic Banking</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>
<b>At 1 January 2024</b>	28,183	5,177	1,853	35,213
Total reversal to profit or loss	7,203	(1,731)	(125)	5,347
Changes in ECL due to transfer within stages:				
- Transfer to Stage 1	395	(302)	(93)	-
- Transfer to Stage 2	(66)	182	(116)	-
- Transfer to Stage 3	(1,413)	(59)	1,472	-
New financing/disbursement during the period	23,153	272	-	23,425
Derecognised/converted to financing during the period (other than write-offs)	(8,084)	(2,518)	(340)	(10,942)
Changes in credit risk parameters #	(6,782)	694	(1,048)	(7,136)
Write-offs	-	-	(7)	(7)
<b>At 30 September 2024</b>	<b>35,386</b>	<b>3,446</b>	<b>1,721</b>	<b>40,553</b>

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

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

**(i) Other payables (cont'd.)**

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

Movement of ECL for commitments and contingencies are as follows:

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

# 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, revision to PD and LGD modelling and management overlays.

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

**B10. Authorisation for issue**

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

BY ORDER OF THE BOARD

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

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

Company Secretaries  
Petaling Jaya

26 November 2024