

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

INTERIM FINANCIAL STATEMENTS  
OF THE GROUP AND OF THE COMPANY  
FOR THE 1ST QUARTER ENDED 31 MARCH 2021

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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021**

	Note	Group		Company	
		31-Mar-21 RM'000	31-Dec-20 RM'000	31-Mar-21 RM'000	31-Dec-20 RM'000
<b>Assets</b>					
Cash and short-term funds	A8(a)	1,519,785	1,082,712	244,812	342,898
Deposits and placements with financial institutions	A8(b)	851,246	781,682	-	-
Derivative financial assets	A9	4,313	1,724	-	-
Financial investments at fair value through profit or loss ("FVTPL")		31,659	-	-	-
Financial investments at fair value through other comprehensive income ("FVOCI")	A10	11,415,581	10,192,272	-	-
Financial investments at amortised cost	A11	488,002	488,102	-	-
Loans, financing and advances	A12	33,472,493	33,762,458	880,780	898,954
Trade and other receivables	A13	177,611	141,899	94,338	231,460
Statutory deposits with Bank Negara Malaysia		630,000	620,000	-	-
Assets held for sale		417	12,612	-	-
Investments in subsidiaries		-	-	5,558,435	5,290,323
Inventories		69,374	69,374	-	-
Property and equipment		381,029	366,850	23,786	23,903
Right-of-use assets		11,737	11,485	-	-
Intangible assets		155,990	162,058	-	-
Goodwill		148,031	148,031	-	-
Investment property		820	820	-	-
Deferred tax assets		40,565	7,261	3,337	3,835
Tax recoverable		544,157	589,154	501,710	503,534
<b>Total assets</b>		<b>49,942,809</b>	<b>48,438,494</b>	<b>7,307,198</b>	<b>7,294,907</b>
<b>Liabilities</b>					
Deposits from customers	A14	35,144,215	33,781,496	-	-
Deposits and placements of banks	A15	472,657	101,244	-	-
Investment accounts of customers	A16	534,533	-	-	-
Derivative financial liabilities	A9	2,242	1,614	-	-
Trade and other payables	A17	617,999	624,286	47,481	48,430
Lease liabilities		11,459	11,148	-	-
Recourse obligation on financing sold		1,868,019	2,262,531	-	-
Sukuk-MBSB Structured Covered ("SC") Murabahah		1,384,206	1,366,563	-	-
Sukuk Wakalah		1,310,020	1,293,335	-	-
Deferred tax liabilities		14,714	107,155	-	-
Provision for taxation and zakat		7,959	7,950	548	538
<b>Total liabilities</b>		<b>41,368,023</b>	<b>39,557,322</b>	<b>48,029</b>	<b>48,968</b>
<b>Equity</b>					
Ordinary share capital		7,088,255	7,088,255	7,088,255	7,088,255
Reserves		(135,133)	234,666	-	-
Retained earnings		1,621,664	1,558,251	170,914	157,684
<b>Total equity</b>		<b>8,574,786</b>	<b>8,881,172</b>	<b>7,259,169</b>	<b>7,245,939</b>
<b>Total liabilities and equity</b>		<b>49,942,809</b>	<b>48,438,494</b>	<b>7,307,198</b>	<b>7,294,907</b>
<b>Commitments and contingencies</b>	A24	<b>3,646,852</b>	<b>2,743,268</b>	<b>18,362</b>	<b>18,519</b>
<b>Net assets per share attributable to ordinary equity of the Company (RM)</b>		<b>1.23</b>	<b>1.27</b>	<b>1.04</b>	<b>1.04</b>

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2020.

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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

	Note	Group		Company	
		31-Mar-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
Revenue		680,982	741,406	12,917	19,285
Income derived from investment of deposits and Islamic capital funds	A18	643,637	677,135	-	-
Income attributable to depositors		(205,147)	(326,532)	-	-
Income attributable to securitisation		(23,213)	(26,239)	-	-
Income attributable to sukuk		(33,640)	(37,438)	-	-
Income attributable to wakalah unrestricted investment account		(639)	-	-	-
Net income from Islamic operations		380,998	286,926	-	-
Interest income	A19	26,416	30,973	12,221	18,347
Interest expense	A20	-	(5)	-	(5)
Net interest income		26,416	30,968	12,221	18,342
Net (allowance)/writeback for impairment on loans, financing and advances and other financial assets	A21	(174,992)	(291,783)	6,479	(19,462)
Loss on modification of cash flows		(36,462)	-	-	-
Operating income		195,960	26,111	18,700	(1,120)
Net other income	A22	17,423	44,680	5,578	5,837
Net income		213,383	70,791	24,278	4,717
Other operating expenses	A23	(102,100)	(109,773)	(5,766)	(11,913)
Profit/(loss) before taxation and zakat		111,283	(38,982)	18,512	(7,196)
Taxation		(47,123)	(30,272)	(5,282)	2,356
Zakat		(675)	(4,000)	-	-
Profit/(loss) from continuing operations		63,485	(73,254)	13,230	(4,840)
Loss from discontinued operation		(72)	-	-	-
Profit for the financial period		63,413	(73,254)	13,230	(4,840)
Profit attributable to:					
Owners of the Company		63,413	(73,254)	13,230	(4,840)
		63,413	(73,254)	13,230	(4,840)
Earnings per share (sen)					
Basic		0.94	(1.09)	0.20	(0.07)
Diluted		-	(1.09)	-	(0.07)
<b>Profit/(loss) for the financial period</b>		63,413	(73,254)	13,230	(4,840)
<b>Other comprehensive loss, net of tax :</b>					
Movement in fair value reserve, which may be reclassified subsequently to profit or loss		(369,799)	(59,701)	-	-
		(369,799)	(59,701)	-	-
<b>Total comprehensive loss for the financial period</b>		(306,386)	(132,955)	13,230	(4,840)
Total comprehensive loss attributable to:					
Owners of the Company		(306,386)	(132,955)	13,230	(4,840)
		(306,386)	(132,955)	13,230	(4,840)

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2020.

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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

Group	← Non-distributable →		Distributable		Total RM'000
	Share Capital RM'000	Share Option Reserve RM'000	Fair Value Reserves RM'000	Retained Profits RM'000	
<b>At 1 January 2021</b>	7,088,255	-	234,666	1,558,251	8,881,172
Profit for the period	-	-	-	63,413	63,413
Other comprehensive loss for the financial period	-	-	(369,799)	-	(369,799)
<b>At 31 March 2021</b>	<b>7,088,255</b>	<b>-</b>	<b>(135,133)</b>	<b>1,621,664</b>	<b>8,574,786</b>
<b>At 1 January 2020</b>	6,941,542	5,843	154,994	1,484,492	8,586,871
Loss for the period	-	-	-	(73,254)	(73,254)
Other comprehensive loss for the financial period	-	-	(59,701)	-	(59,701)
<b>At 31 March 2020</b>	<b>6,941,542</b>	<b>5,843</b>	<b>95,293</b>	<b>1,411,238</b>	<b>8,453,916</b>

Company	← Non-distributable →		Distributable		Total RM'000
	Share Capital RM'000	Share Option Reserve RM'000	Fair Value Reserves RM'000	Retained Profits RM'000	
<b>At 1 January 2021</b>	7,088,255	-	-	157,684	7,245,939
Profit for the period	-	-	-	13,230	13,230
<b>At 31 March 2021</b>	<b>7,088,255</b>	<b>-</b>	<b>-</b>	<b>170,914</b>	<b>7,259,169</b>
<b>At 1 January 2020</b>	6,941,542	5,843	-	202,431	7,149,816
Loss for the period	-	-	-	(4,840)	(4,840)
<b>At 31 March 2020</b>	<b>6,941,542</b>	<b>5,843</b>	<b>-</b>	<b>197,591</b>	<b>7,144,976</b>

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2020.

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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-21</b>	<b>31-Mar-20</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>				
Profit before taxation	111,283	(38,982)	18,512	(7,196)
Adjustments for non-cash items	(447,932)	234,058	2,652	19,668
Operating profit before working capital changes	(336,649)	195,076	21,164	12,472
Working capital changes:				
Net changes in operating assets	227,951	669,991	155,708	44,833
Net changes in operating liabilities	2,136,858	248,459	(937)	(50,584)
Cash generated from operations	2,028,160	1,113,526	175,935	6,721
Income taxes and zakat paid	(11,754)	(48,282)	(2,958)	(7,367)
Net cash generated from/(used in) operating activities	2,016,406	1,065,244	172,977	(646)
<b>Cash flows from investing activities</b>				
Increase in investment in subsidiaries	-	-	(268,113)	-
Purchase of property and equipment	(16,760)	(12,251)	-	-
Purchase of intangible assets	-	(808)	-	-
Proceeds from disposal of foreclosed properties	(2,950)	-	(2,950)	-
Net purchase of financial investments	(1,140,127)	(998,164)	-	-
Net cash used in investing activities	(1,159,837)	(1,011,223)	(271,063)	-

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2020.

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

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (CONTINUED)**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-21</b>	<b>31-Mar-20</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from financing activities</b>				
Repayment on recourse obligation on loans/financing sold	(393,507)	(50,299)	-	-
Profit expense paid - recourse obligation on financing sold	(24,218)	(26,566)	-	-
Repayment of Sukuk - MBSB SC Murabahah	688	-	-	-
Payment of lease liabilities	(2,282)	(2,258)	-	-
Profit expense paid - Sukuk Wakalah	(177)	-	-	-
Net cash used in financing activities	(419,496)	(79,123)	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>437,073</b>	<b>(25,102)</b>	<b>(98,086)</b>	<b>(646)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>1,082,712</b>	<b>2,034,889</b>	<b>342,898</b>	<b>189,526</b>
<b>Cash and cash equivalents at end of financial period (Note A8(a))</b>	<b>1,519,785</b>	<b>2,009,787</b>	<b>244,812</b>	<b>188,880</b>
<b>Cash and cash equivalents is represented by:</b>				
Cash and short-term funds	1,519,785	2,009,787	244,812	188,880
Cash and cash equivalents at end of financial period (Note A8(a))	1,519,785	2,009,787	244,812	188,880

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2020.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2021**  
**PART A - EXPLANATORY NOTES PURSUANT TO MFRS134**

**A1. Basis of preparation**

The unaudited condensed interim financial statements for the financial quarter ended 31 March 2021 have been prepared under the historical cost convention except for financial investments which are recognised at fair value and the following financial assets and financial liabilities which are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest/profit method: loans, financing and advances, trade and other payables, bank borrowings and recourse obligations on financing sold.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad, Financial Reporting for Islamic Banking Institutions policy issued by Bank Negara Malaysia ("BNM") and provisions of Companies Act 2016. 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 2020. 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 2020.

The unaudited interim financial statements of the Group consolidated financial performance including Banking group which comprises of MBSB Bank Berhad ("the Bank") and the Bank's subsidiary, Jana Kapital Sdn Bhd ("JKSB"). The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 December 2020.

On 1 January 2021, where applicable, the Group and the Company adopted the following MFRSs and Amendments to MFRSs mandatory for annual financial periods beginning on or after 1 January 2021:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

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

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

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

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

**A1. Basis of preparation (continued)**

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

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

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

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

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

**A2. Audit report of preceding financial year ended 31 December 2020**

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

**A3. Seasonality and cyclicity of operations**

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

**A4. Exceptional or unusual items**

There were no exception or unusual items during the quarter.

**A5. Changes in estimates of amounts reported previously**

The following comparative amount has been reclassified to conform with the current year's presentation which more accurately reflect the nature of the relevant transactions. The Group's prior financial year's results were not affected by this reclassification.

Group	As previously reported RM'000	Re- classification RM'000	As restated RM'000
<u>Statements of financial position</u>			
Deposits from customers	24,353,435	9,428,062	33,781,497
Deposits and placement of banks	9,529,305	(9,428,062)	101,243
	<u>33,882,740</u>	<u>-</u>	<u>33,882,740</u>

**A6. Issue of shares and debentures**

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.

	31-Mar-21	31-Dec-20
Number of ordinary shares ('000)	6,975,389	6,975,389
Share Capital (RM'000)	7,088,255	7,088,255

**A7. Dividend**

No dividend was paid in the current quarter.

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

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

	Group		Company	
	31-Mar-21 RM'000	31-Dec-20 RM'000	31-Mar-21 RM'000	31-Dec-20 RM'000
(a) Cash and short-term funds:				
Cash at banks and on hand	203,757	196,800	21,833	63,015
Money at call and deposit placements maturing within one month	1,316,028	885,912	222,979	279,883
	1,519,785	1,082,712	244,812	342,898
(b) Deposits and placements with financial institutions with original maturity of more than one month				
- Licensed Islamic banks	851,246	781,682	-	-
	2,371,031	1,864,394	244,812	342,898

The ECL for cash and short-term funds and deposits and placements above is nil (2020: nil).

**A9. Derivative financial assets/(liabilities)**

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

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

	Group		
	Notional amount RM'000	Fair value Assets RM'000	Liabilities RM'000
<b>2021</b>			
<b><u>Trading derivatives</u></b>			
<u>Foreign exchange contracts:</u>			
Currency forward			
- Less than one year	471,473	4,313	(2,242)
<b>2020</b>			
<b><u>Trading derivatives</u></b>			
<u>Foreign exchange contracts:</u>			
Currency forward			
- Less than one year	278,310	1,724	(1,614)

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

**A10. Financial investments at FVOCI**

	<b>Group</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
<b>Money Market Instruments</b>		
Malaysian Government Investment Issues	7,921,022	6,906,159
<b>Debt securities:</b>		
<u>In Malaysia</u>		
Private and Islamic debt securities	1,043,607	1,089,533
Government Guaranteed debt securities	2,450,952	2,196,580
	<b>11,415,581</b>	<b>10,192,272</b>

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

ECL movement for financial investments at FVOCI:

	<b>Group</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2021	7	-	-	7
Total charge to profit or loss:	4	-	-	4
Change in credit risk	4	-	-	4
At 31 March 2021	11	-	-	11

	<b>Group</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2020	18	-	-	18
Total charge to profit or loss:	(11)	-	-	(11)
Change in credit risk	(11)	-	-	(11)
At 31 December 2020	7	-	-	7

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

**A11. Financial investments at amortised cost**

	<b>Group</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost</b>		
<b>Quoted securities:</b>		
<u>In Malaysia</u>		
Private and Islamic debt securities	488,539	488,693
Less: ECL		
- Stage 1	(70)	(90)
- Stage 2	(467)	(501)
	<b>488,002</b>	<b>488,102</b>

ECL movement for financial investments at amortised cost:

	<b>Group</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
ECL at 1 January 2021	90	501	-	591
Charged to profit or loss	(20)	(34)	-	(54)
Change in credit risk	(20)	(34)	-	(54)
ECL at 31 March 2021	<b>70</b>	<b>467</b>	<b>-</b>	<b>537</b>

	<b>Group</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
ECL at 1 January 2020	152	-	-	152
Charged to profit or loss	(62)	501	-	439
Transfer to stage 2	(45)	45	-	-
Change in credit risk	(17)	456	-	439
ECL at 31 December 2020	<b>90</b>	<b>501</b>	<b>-</b>	<b>591</b>

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

**A12. Loans, financing and advances**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(i) By type</b>				
<b>At amortised cost</b>				
<i>Islamic:</i>				
Term financing:				
Personal financing	19,612,934	19,837,438	-	-
Property financing	6,291,621	6,084,956	-	-
Industrial hire purchase	732,198	761,732	-	-
Bridging financing	480,850	483,947	-	-
Auto financing	98,301	106,198	-	-
Other term financing	5,642,521	5,642,011	-	-
Revolving Credit	190,480	190,840	-	-
Staff financing	45,940	46,071	-	-
Cash line	107,810	81,539	-	-
Trade finance	943,716	1,007,549	-	-
<i>Conventional:</i>				
End finance:				
Normal housing programme	454,208	485,087	454,208	485,087
Low cost housing programme	529	534	529	534
Other term financing	753,776	750,866	753,776	750,866
Bridging financing	250,947	248,104	250,947	248,104
Auto financing	1,175	1,177	1,175	1,177
Staff financing	-	169	-	169
Gross loans, financing and advances	35,607,006	35,728,218	1,460,635	1,485,937
Less: ECL				
- Stage 1	(261,683)	(370,236)	(3,914)	(4,698)
- Stage 2	(826,127)	(648,474)	(53,614)	(60,822)
- Stage 3	(1,046,703)	(947,050)	(522,327)	(521,463)
Net loans, financing and advances	33,472,493	33,762,458	880,780	898,954
<b>(ii) By maturity structure</b>				
	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Within one year	2,331,875	2,382,792	570,438	567,540
More than one year to three years	1,548,189	1,528,467	77,888	76,682
More than three years to five years	1,971,224	1,899,493	110,322	110,563
More than five years	29,755,718	29,917,466	701,987	731,152
	35,607,006	35,728,218	1,460,635	1,485,937

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

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

**(iii) By economic purpose**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Personal Use	19,710,864	19,927,512	187	279
Construction	4,189,362	4,203,367	464,294	463,621
Purchase of landed property:				
- Residential	6,337,722	6,162,098	420,398	450,009
- Non-Residential	806,607	813,571	76,217	76,686
Working Capital	2,937,871	2,842,457	57,608	56,512
Purchase of other fixed assets	953,293	962,169	4,014	4,180
Purchase of transport vehicles	101,043	108,605	1,175	1,177
Purchase of other securities	460	35,779	-	-
Purchase of consumer durables	904	900	-	-
Others	568,880	671,760	436,742	433,473
	<b>35,607,006</b>	<b>35,728,218</b>	<b>1,460,635</b>	<b>1,485,937</b>

**(iv) By type of customers**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Individuals	26,395,018	26,443,178	417,381	446,878
Domestic business enterprises				
- Small medium enterprise	2,835,543	2,924,451	819,341	817,118
- Government	10,987	51,161	-	-
- Non-bank financial institutions	740,352	740,803	-	-
- Others	5,614,718	5,537,528	223,913	221,941
Foreign entities	10,388	31,097	-	-
	<b>35,607,006</b>	<b>35,728,218</b>	<b>1,460,635</b>	<b>1,485,937</b>

**(v) By sector**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Household sectors	26,395,021	26,443,178	417,384	446,878
Construction	4,006,712	4,203,639	623,112	723,878
Finance, insurance and business services	2,811,703	2,849,817	9,724	9,844
Wholesale & retail trade and restaurants & hotels	842,451	600,421	106,910	3,729
Manufacturing	539,621	552,283	63,678	62,631
Education, health and others	347,180	367,355	234,757	233,914
Transport, storage and communication	216,926	227,486	1,732	1,767
Mining and quarrying	177,028	216,712	-	-
Electricity, gas and water	171,240	169,087	-	-
Agriculture	99,124	98,240	3,338	3,296
	<b>35,607,006</b>	<b>35,728,218</b>	<b>1,460,635</b>	<b>1,485,937</b>

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

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

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

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fixed rate:				
Personal financing	16,483,335	16,721,791	-	-
Bridging, structured and term financing	1,100,187	1,084,687	130,307	128,267
Mortgage and property Islamic	435,679	440,750	1,289	1,332
Auto finance	102,001	109,784	1,175	1,177
Variable rate:				
Personal financing	3,143,035	3,129,748	-	-
Bridging, structured and term financing	8,002,527	8,082,320	874,417	870,703
Mortgage and property Islamic	6,340,242	6,159,138	453,447	484,458
	<b>35,607,006</b>	<b>35,728,218</b>	<b>1,460,635</b>	<b>1,485,937</b>

**(vii) By geographical distribution**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysia	35,607,006	35,728,218	1,460,635	1,485,937
	<b>35,607,006</b>	<b>35,728,218</b>	<b>1,460,635</b>	<b>1,485,937</b>

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

<b>31-Mar-21</b>	<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>
Gross carrying amount as at 1 January 2021	28,856,494	4,976,739	1,894,985	35,728,218
Transfer to stage 1	479,241	(471,491)	(7,750)	-
Transfer to stage 2	(1,870,492)	1,938,751	(68,259)	-
Transfer to stage 3	(7,706)	(225,641)	233,347	-
New financing / disbursement during the year	1,459,981	79,167	5,093	1,544,241
Repayment during the year	(1,617,625)	(182,491)	(22,966)	(1,823,082)
Other movements	139,748	38,999	15,345	194,092
Loss on modification of cash flows	(29,172)	(7,291)	-	(36,463)
Write-offs	-	-	-	-
Gross carrying amount as at 31 March 2021	<b>27,410,469</b>	<b>6,146,742</b>	<b>2,049,795</b>	<b>35,607,006</b>
<b>31-Mar-21</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>
Gross carrying amount as at 1 January 2021	145,352	432,831	907,754	1,485,937
Transfer to stage 1	23,263	(22,925)	(338)	-
Transfer to stage 2	(13,831)	27,063	(13,232)	-
Transfer to stage 3	(132)	(11,423)	11,555	-
Repayment during the year	(11,422)	(21,687)	(551)	(33,660)
Other movements	324	2,943	5,091	8,358
Loss on modification of cash flows	-	-	-	-
Write-offs	-	-	-	-
Gross carrying amount as at 31 March 2021	<b>143,554</b>	<b>406,802</b>	<b>910,279</b>	<b>1,460,635</b>

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

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

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

31-Dec-20	Group			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2020	29,415,952	4,586,996	1,861,542	35,864,490
Transfer to stage 1	1,109,643	(1,064,223)	(45,420)	-
Transfer to stage 2	(1,600,302)	1,736,739	(136,437)	-
Transfer to stage 3	(205,397)	(229,602)	434,999	-
New financing / disbursement during the year	4,554,480	514,891	62,228	5,131,599
Repayment during the year	(4,447,482)	(606,982)	(84,955)	(5,139,419)
Other movements	493,600	79,670	152,483	725,753
Loss on modification of cash flows	(464,000)	(40,750)	-	(504,750)
Write-offs	-	-	(349,455)	(349,455)
Gross carrying amount as at 31 December 2020	28,856,494	4,976,739	1,894,985	35,728,218

  

31-Dec-20	Company			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2020	350,665	480,287	1,043,517	1,874,469
Transfer to stage 1	38,532	(35,242)	(3,290)	-
Transfer to stage 2	(114,129)	153,126	(38,997)	-
Transfer to stage 3	(29)	(30,259)	30,288	-
Repayment during the year	(133,971)	(154,245)	(26,958)	(315,174)
Other movements	4,313	19,208	56,997	80,518
Loss on modification of cash flows	(29)	(44)	-	(73)
Write-offs	-	-	(153,803)	(153,803)
Gross carrying amount as at 31 December 2020	145,352	432,831	907,754	1,485,937

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

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

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

31-Mar-21	Group			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL as at 1 January 2021	370,236	648,474	947,050	1,965,760
Charged to profit or loss, of which:	(108,553)	177,653	99,653	168,753
Changes in ECL				
- Transfer to stage 1	54,116	(49,424)	(4,692)	-
- Transfer to stage 2	(36,451)	72,566	(36,115)	-
- Transfer to stage 3	(105)	(62,951)	63,056	-
New financing / disbursement during the year	10,239	9,562	2,694	22,495
Repayment during the year	(137,689)	(207,422)	(24,539)	(369,650)
Changes in credit risk parameters #	1,337	415,322	99,249	515,908
Write-offs	-	-	-	-
ECL as at 31 March 2021	261,683	826,127	1,046,703	2,134,513
31-Mar-21	Company			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL as at 1 January 2021	4,698	60,822	521,463	586,983
Charged to profit or loss, of which:	(784)	(7,208)	864	(7,128)
Changes in ECL				
- Transfer to stage 1	3,831	(3,613)	(218)	-
- Transfer to stage 2	(475)	8,532	(8,057)	-
- Transfer to stage 3	(5)	(3,468)	3,473	-
New financing / disbursement during the year	-	-	-	-
Repayment during the year	(4,139)	(26,783)	(2,820)	(33,742)
Changes in credit risk parameters #	4	18,124	8,486	26,614
Write-offs	-	-	-	-
ECL as at 31 March 2021	3,914	53,614	522,327	579,855

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

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

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

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

<b>31-Dec-20</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>
ECL as at 1 January 2020	411,822	433,194	1,065,652	1,910,668
Charged to profit or loss, of which:	(41,586)	215,280	230,491	404,185
Changes in ECL				
- Transfer to stage 1	102,573	(74,847)	(27,726)	-
- Transfer to stage 2	(34,679)	115,462	(80,783)	-
- Transfer to stage 3	(4,290)	(28,630)	32,920	-
New financing / disbursement during the year	66,724	58,879	19,092	144,695
Repayment during the year	(182,798)	(164,075)	(133,447)	(480,320)
Changes in credit risk parameters #	10,884	308,491	420,435	739,810
Write-offs	-	-	(349,093)	(349,093)
ECL as at 31 December 2020	370,236	648,474	947,050	1,965,760

<b>31-Dec-20</b>	<b>Company</b>			
	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	<b>Total RM'000</b>
ECL as at 1 January 2020	10,532	64,260	653,172	727,964
Charged to profit or loss, of which:	(5,834)	(3,438)	22,094	12,822
Changes in ECL				
- Transfer to stage 1	6,312	(4,165)	(2,147)	-
- Transfer to stage 2	(3,081)	21,694	(18,613)	-
- Transfer to stage 3	(1)	(6,687)	6,688	-
New financing / disbursement during the year	-	-	-	-
Repayment during the year	(9,252)	(35,575)	(73,840)	(118,667)
Changes in credit risk parameters #	188	21,295	110,006	131,489
Write-offs	-	-	(153,803)	(153,803)
ECL as at 31 December 2020	4,698	60,822	521,463	586,983

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

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

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

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

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 January	1,894,985	1,861,542	907,754	1,043,517
Classified as impaired during the period	238,440	497,227	11,555	30,288
Reclassified as non-impaired	(76,009)	(181,857)	(13,570)	(42,287)
Amount recovered	(22,966)	(84,955)	(551)	(26,958)
Other movements	15,345	152,483	5,091	56,997
Amount written off	-	(349,455)	-	(153,803)
Balance as at end of financial period	2,049,795	1,894,985	910,279	907,754
Less: ECL stage 3	(1,046,703)	(947,050)	(522,327)	(521,463)
Net impaired financing and advances	1,003,092	947,935	387,952	386,291
Net impaired loans as a percentage of net financing and advances	3.00%	2.81%	44.05%	42.97%
Gross impaired loans as a percentage of gross financing and advances	5.76%	5.30%	62.32%	61.09%

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

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>
Personal use	139,668	80,585	-	-
Construction	937,553	924,439	360,949	360,921
Purchase of landed property:				
- Residential	326,621	291,103	100,157	102,679
- Non-Residential	99,562	92,904	55,158	53,528
Working capital	100,090	47,500	-	-
Purchase of other fixed assets	44,344	43,096	1,061	1,055
Purchase of transport vehicles	8,281	6,650	276	133
Purchase of other securities	-	2,890	-	-
Purchase of consumer durables	792	789	-	-
Others	392,884	405,029	392,678	389,438
	2,049,795	1,894,985	910,279	907,754

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

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

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

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Household sector	493,790	395,683	104,694	106,889
Construction	907,964	897,235	573,196	570,064
Education, health and others	312,991	311,894	227,084	226,226
Finance, insurance and business services	146,981	146,704	378	-
Manufacturing	114,319	71,577	1,191	1,142
Mining and quarrying	39,115	39,313	-	-
Wholesale & retail trade and restaurants & hotels	25,741	25,288	398	137
Transport, storage and communication	5,556	3,995	-	-
Agriculture	3,338	3,296	3,338	3,296
	<b>2,049,795</b>	<b>1,894,985</b>	<b>910,279</b>	<b>907,754</b>

**A13. Trade and other receivables**

	<b>Group</b>		<b>Company</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Non trade:</u>				
Advances in respect of certain projects	586,184	571,263	-	-
Amount due from MBSB Bank	-	-	30,924	162,993
Amount due from other subsidiaries	-	-	53,609	54,729
Foreclosed properties	62,164	70,162	62,164	70,162
Prepayments and deposits	17,877	19,074	8,399	8,399
Sundry receivables	107,652	65,205	4,925	4,482
Public Low Cost Housing Programme ("PLCHP")	752	765	752	765
Deferred expenses	2,000	2,047	-	-
	<b>776,629</b>	<b>728,516</b>	<b>160,773</b>	<b>301,530</b>
<u>Trade:</u>				
Trade receivable	24,835	24,835	-	-
	<b>801,464</b>	<b>753,351</b>	<b>160,773</b>	<b>301,530</b>
Less: ECL at stage 3				
- Non trade	(599,019)	(586,618)	(66,435)	(70,070)
- Trade	(24,834)	(24,834)	-	-
	<b>177,611</b>	<b>141,899</b>	<b>94,338</b>	<b>231,460</b>

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

**A14. Deposits from customers**

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

	<b>Group</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>
Commodity Murabahah Term Deposit	34,564,526	33,193,269
Demand deposits	334,834	305,042
Savings deposits	244,855	283,185
	<u>35,144,215</u>	<u>33,781,496</u>

**(ii) Maturity of deposits from customers:**

	<b>Group</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>
Within six months	25,895,413	24,191,607
More than six months to one year	5,366,296	5,748,734
More than one year to three years	2,950,586	2,886,851
More than three years	352,231	366,077
	<u>34,564,526</u>	<u>33,193,269</u>

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

	<b>Group</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	13,179,677	12,058,760
Business enterprises	7,689,600	7,568,566
Individuals	4,738,534	4,726,109
Other Financial Institutions	9,536,404	9,428,061
	<u>35,144,215</u>	<u>33,781,496</u>

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

	<b>Group</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>
Tawarruq	35,144,215	33,781,496
	<u>35,144,215</u>	<u>33,781,496</u>

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

**A15. Deposits and placements of banks**

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

	<b>Group</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Non-Mudharabah Funds:</u>		
-Licensed Investment Banks	938	1,233
-Licensed Islamic Banks	471,719	100,011
	<u>472,657</u>	<u>101,244</u>

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

	<b>Group</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>
Tawarruq	472,657	101,244
	<u>472,657</u>	<u>101,244</u>

**A16. Investment accounts of customers**

	<b>Group</b>
	<b>31-Mar-21</b>
	<b>RM'000</b>
Wakalah	<u>534,533</u>
	<u>534,533</u>
	<b>Group</b>
	<b>31-Mar-21</b>
	<b>RM'000</b>
Movement in investment accounts	
At beginning of the financial period	-
New placement during the financial period	533,894
Finance expense	639
At end of financial period	<u>534,533</u>

The banking subsidiary, MBSB Bank Berhad launched a new Wakalah investment account during the quarter ended 31 March 2021.

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

**A17. Trade and other payables**

	Group		Company	
	31-Mar-21 RM'000	31-Dec-20 RM'000	31-Mar-21 RM'000	31-Dec-20 RM'000
Non trade:				
Sundry creditors	334,180	312,405	38,462	38,999
Al-Mudharabah security fund	144,146	144,168	-	-
Expected credit loss ("ECL") for commitments and contingencies (i)	40,033	46,518	2,105	2,075
Deferred income	26,563	28,382	1,386	1,554
Other provisions and accruals	73,075	92,811	5,528	5,802
	<u>617,997</u>	<u>624,284</u>	<u>47,481</u>	<u>48,430</u>
Trade:				
Trade payables	2	2	-	-
	<u>617,999</u>	<u>624,286</u>	<u>47,481</u>	<u>48,430</u>

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

Movement of ECL for commitments and contingencies are as follows:

31-Mar-21	Group			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL as at 1 January 2021	19,073	13,481	13,964	46,518
Charge to profit or loss	(1,630)	6,419	(11,274)	(6,485)
Changes in the impairment allowance				
- Transfer to stage 1	5,650	(5,650)	-	-
- Transfer to stage 2	(908)	2,779	(1,871)	-
- Transfer to stage 3	-	(109)	109	-
New financing /disbursement during the year	3,690	1,052	-	4,742
Derecognised to loans/financing during the period (other than write-offs)	(494)	(36)	(9,549)	(10,079)
Changes in credit risk parameters #	(9,568)	8,383	37	(1,148)
Write off	-	-	-	-
ECL as at 31 March 2021	<u>17,443</u>	<u>19,900</u>	<u>2,690</u>	<u>40,033</u>

31-Mar-21	Company			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL as at 1 January 2021	195	207	1,673	2,075
Charge to profit or loss	(47)	71	6	30
Changes in the impairment allowance				
- Transfer to stage 1	18	(18)	-	-
- Transfer to stage 2	(23)	31	(8)	-
- Transfer to stage 3	-	(3)	3	-
Derecognised/converted to loans/financing during the period (other than write-offs)	(1)	(3)	-	(4)
Changes in credit risk parameters #	(41)	64	11	34
Write off	-	-	-	-
ECL as at 31 March 2021	<u>148</u>	<u>278</u>	<u>1,679</u>	<u>2,105</u>

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

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

**A17. Trade and other payables (continued)**

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

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

31-Dec-20	Group			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL as at 1 January 2020	44,196	17,978	8,506	70,680
Charge to profit or loss	(25,123)	(4,497)	8,272	(21,348)
Changes in the impairment allowance				
- Transfer to stage 1	791	(714)	(77)	-
- Transfer to stage 2	(2,951)	3,119	(168)	-
- Transfer to stage 3	(367)	(1,522)	1,889	-
New financing /disbursement during the year	9,416	3,176	66	12,658
Derecognised to loans/financing during the period (other than write-offs)	(18,566)	(8,479)	(2,414)	(29,459)
Changes in credit risk parameters #	(13,446)	(77)	8,976	(4,547)
Write off	-	-	(2,814)	(2,814)
ECL as at 31 December 2020	19,073	13,481	13,964	46,518
31-Dec-20	Company			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL as at 1 January 2020	251	176	5,014	5,441
Charge to profit or loss	(56)	31	(1,136)	(1,161)
Changes in the impairment allowance				
- Transfer to stage 1	29	(29)	-	-
- Transfer to stage 2	(14)	76	(62)	-
- Transfer to stage 3	-	(3)	3	-
Derecognised/converted to loans/financing during the period (other than write-offs)	(31)	(17)	(322)	(370)
Changes in credit risk parameters #	(40)	4	(755)	(791)
Write off	-	-	(2,205)	(2,205)
ECL as at 31 December 2020	195	207	1,673	2,075

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

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

**A18. Income derived from investment of deposits and Islamic capital funds**

	<b>Group</b>	
	<b>1st Quarter Ended</b>	
	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>RM'000</b>	<b>RM'000</b>
Financing	532,856	558,726
Income from financial investments at FVOCI	98,274	101,982
Income from financial investments at amortised cost	6,256	231
Income from financial investments at FVTPL	127	80
Deposits with financial institutions	6,124	16,116
	<u>643,637</u>	<u>677,135</u>

**A19. Interest income**

	<b>Group</b>		<b>Company</b>	
	<b>1st Quarter Ended</b>		<b>1st Quarter Ended</b>	
	<b>31-Mar-21</b>	<b>31-Mar-20</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income from:				
- Loans, advances and financing	25,581	29,782	11,386	17,156
- Deposits and placements with banks and other financial institutions	835	1,191	835	1,191
	<u>26,416</u>	<u>30,973</u>	<u>12,221</u>	<u>18,347</u>

**A20. Interest expense**

	<b>Group and Company</b>	
	<b>1st Quarter Ended</b>	
	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>RM'000</b>	<b>RM'000</b>
Others	-	5
	<u>-</u>	<u>5</u>

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

**A21. Net allowance/(writeback) for impairment on loans, financing and advances and other financial assets**

**31-Mar-21**

	<b>Group</b>			
	<b>1st Quarter Ended</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>
Financial investments at FVOCI	5	-	-	5
Financial investments at amortised cost	(20)	(34)	-	(54)
Loans, financing and advances	(108,553)	177,653	99,653	168,753
Other receivables	-	-	14,916	14,916
Financing commitments and financial guarantee	(1,630)	6,419	(11,274)	(6,485)
	<b>(110,198)</b>	<b>184,038</b>	<b>103,295</b>	<b>177,135</b>
Impaired loans, financing and advances:				
- Write off	-	-	134	134
- Recovered	-	-	(2,277)	(2,277)
	<b>-</b>	<b>-</b>	<b>(2,143)</b>	<b>(2,143)</b>
	<b>(110,198)</b>	<b>184,038</b>	<b>101,152</b>	<b>174,992</b>

**31-Mar-21**

	<b>Company</b>			
	<b>1st Quarter Ended</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>
Loans, financing and advances	(784)	(7,208)	864	(7,128)
Amount due from subsidiaries	-	-	740	740
Financing commitments and financial guarantee	(47)	71	6	30
	<b>(831)</b>	<b>(7,137)</b>	<b>1,610</b>	<b>(6,358)</b>
Impaired loans and advances:				
- Write off	-	-	3	3
- Recovered	-	-	(124)	(124)
	<b>-</b>	<b>-</b>	<b>(121)</b>	<b>(121)</b>
	<b>(831)</b>	<b>(7,137)</b>	<b>1,489</b>	<b>(6,479)</b>

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

**A21. Net allowance/(writeback) for impairment on loans, financing and advances and other financial assets**  
**(continued)**

**31-Mar-20**

	<b>Group</b>			
	<b>1st Quarter Ended</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>
Financial investments at FVOCI	(5)	-	-	(5)
Financial investments at amortised cost	(3)	-	-	(3)
Loans, financing and advances	(11,232)	176,728	113,065	278,561
Other receivables	-	-	1,580	1,580
Financing commitments and financial guarantee	(1,941)	14,844	691	13,594
	<u>(13,181)</u>	<u>191,572</u>	<u>115,336</u>	<u>293,727</u>
Impaired loans, financing and advances:				
- Write off	-	-	1,016	1,016
- Recovered	-	-	(2,960)	(2,960)
	<u>-</u>	<u>-</u>	<u>(1,944)</u>	<u>(1,944)</u>
	<u>(13,181)</u>	<u>191,572</u>	<u>113,392</u>	<u>291,783</u>

**31-Mar-20**

	<b>Company</b>			
	<b>1st Quarter Ended</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>
Loans and advances	(1,820)	5,879	25,541	29,600
Amount due from subsidiaries	-	-	1,810	1,810
Other receivables	-	-	(12,000)	(12,000)
Financing commitments and financial guarantee	(54)	(5)	(31)	(90)
	<u>(1,874)</u>	<u>5,874</u>	<u>15,320</u>	<u>19,320</u>
Impaired loans and advances:				
- Write off	-	-	239	239
- Recovered	-	-	(97)	(97)
	<u>-</u>	<u>-</u>	<u>142</u>	<u>142</u>
	<u>(1,874)</u>	<u>5,874</u>	<u>15,462</u>	<u>19,462</u>

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

**A22. Net other income**

	<b>Group</b>		<b>Company</b>	
	<b>1st Quarter Ended</b>		<b>1st Quarter Ended</b>	
	<b>31-Mar-21</b>	<b>31-Mar-20</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Rental income	638	41	955	950
Revenue from hotel operations	-	26	-	-
Loan related fees	(1,417)	623	696	937
Insurance commission	2,260	2,787	-	-
Ta'widh/Penalty	2,617	3,839	1,650	4,333
Gain from sale of financial investments at FVOCI	10,281	28,662	-	-
(Loss)/gain on financial investmets at FVTPL	(197)	1,199	-	-
Sundry income/(expense)	5,837	15,264	4,813	(383)
Loss from disposal of foreclosed properties	(2,536)	-	(2,536)	-
Others	(60)	(7,761)	-	-
	<b>17,423</b>	<b>44,680</b>	<b>5,578</b>	<b>5,837</b>

**A23. Other operating expenses**

	<b>Group</b>		<b>Company</b>	
	<b>1st Quarter Ended</b>		<b>1st Quarter Ended</b>	
	<b>31-Mar-21</b>	<b>31-Mar-20</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Personnel expenses *	67,561	68,603	440	295
Establishment related expenses	19,649	21,006	384	695
General administrative expenses	8,133	8,949	1,463	1,219
Promotion and marketing related expenses	1,468	2,283	-	-
Commission fees	5,289	8,932	3,479	9,704
	<b>102,100</b>	<b>109,773</b>	<b>5,766</b>	<b>11,913</b>

Included in the other operating expenses:

	<b>Group</b>		<b>Company</b>	
	<b>1st Quarter Ended</b>		<b>1st Quarter Ended</b>	
	<b>31-Mar-21</b>	<b>31-Mar-20</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Depreciation of property and equipment	2,228	2,264	116	116
Amortisation of intangible assets	8,533	6,228	-	-
Depreciation of right-of-use assets	2,920	2,257	-	-



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

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

	<b>Principal amount RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted amount RM'000</b>
<b>Group</b>			
<b>31-Dec-20</b>			
Direct credit substitutes	61,797	52,254	52,254
Trade-related contingencies	96,956	47,416	47,416
Short Term Self Liquidating trade related contingencies	107,698	21,540	21,540
Irrevocable commitments to extend credit:			
- one year or less	612,780	155,399	155,399
- over one year to five years	1,577,419	785,452	707,057
- over five years	8,308	4,153	4,152
Foreign exchange related contracts			
- one year or less	278,310	5,896	3,344
	<u>2,743,268</u>	<u>1,072,110</u>	<u>991,162</u>

	<b>Principal amount RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted amount RM'000</b>
<b>Company</b>			
<b>31-Dec-20</b>			
Trade-related contingencies	3,530	703	703
Irrevocable commitments to extend credit:			
- over one year to five years	14,989	6,883	5,073
	<u>18,519</u>	<u>7,586</u>	<u>5,776</u>

**(i) Capital Commitments**

	<b>Group</b>	
	<b>31-Mar-21 RM'000</b>	<b>31-Dec-20 RM'000</b>
Property and equipment/Intangible assets:		
- Approved and contracted for	<u>50,166</u>	<u>52,872</u>

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

**A25. Unsecured contingent liabilities**

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

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

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

On 27 January 2021, the High Court has decided in favour of the Plaintiffs’ claims including a monetary claim of RM35.31mil with interest at 5% to be calculated thereon. The Company has then decided to appeal to the Court of Appeal against the decision of the High Court in allowing the Plaintiff’s claims in part and in dismissing the Company’s counterclaim and to apply for a stay of execution of the High Court judgement pending disposal of the appeal.

The High Court has granted an ad interim stay of the matter pending disposal of the appeal to the Court of Appeal. The Court has fixed case management on 22 June 2021 together with Plaintiff’s appeal.

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

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

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

<b>Group</b>	<b>Banking and conventional business</b>	<b>Hotel Operations</b>	<b>Eliminations</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>3 months ended 31 March 2021</b>				
External	680,982	-	-	680,982
Intersegment transactions	54,671	-	(54,671)	-
Total revenue	<u>735,653</u>	<u>-</u>	<u>(54,671)</u>	<u>680,982</u>
Segment results	111,540	51,253	(51,510)	<u>111,283</u>
Loss before taxation and zakat from operations				<u>111,283</u>
Segment assets	58,729,827	1,412	(8,788,430)	<u>49,942,809</u>
Consolidated total assets				<u>49,942,809</u>
Segment liabilities	45,621,265	309	(4,253,551)	<u>41,368,023</u>
Consolidated total liabilities				<u>41,368,023</u>
	<b>Banking and conventional business</b>	<b>Hotel Operations</b>	<b>Eliminations</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>3 months ended 31 March 2020</b>				
External	741,380	26	-	741,406
Intersegment transactions	63,898	-	(63,898)	-
Total revenue	<u>805,278</u>	<u>26</u>	<u>(63,898)</u>	<u>741,406</u>
Segment results	(64,911)	(2,129)	28,057	<u>(38,983)</u>
Profit before taxation and zakat from operations				<u>(38,983)</u>
Segment assets	59,395,198	18,975	(8,605,854)	<u>50,808,319</u>
Consolidated total assets				<u>50,808,319</u>
Segment liabilities	46,306,718	198,896	(4,151,211)	<u>42,354,403</u>
Consolidated total liabilities				<u>42,354,403</u>

**A27. Subsequent events**

There were no material subsequent events up to the date of this report.

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

**A28. Acquisition of property and equipment**

	<b>Group As at 31-Mar-21 RM'000</b>
<b>Additions</b>	
Building in progress	14,497
Building renovation	786
Furniture & equipment	59
Motor vehicles	377
Data processing equipment	1,041
	<u>16,760</u>

**A29. Significant related party transactions**

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

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

	<b>Group</b>	
	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Expenses</b>		
Profit expense paid on Sukuk	13,541	14,886
Profit expense paid on Fixed deposit	7,255	12,874
Interest expense paid on Time deposit	64	-
Rental paid	13	21
	<u>13</u>	<u>21</u>
<b>Balances</b>		
Sukuk - MBSB SC Murabahah	1,077,634	1,178,787
Accrued profit on Sukuk	21,024	22,869
Fixed deposit by EPF	1,550,000	1,300,000
Accrued profit on Fixed deposit	573	26,090
Time deposit by EPF	30,368	-
Accrued interest on Time deposit	10	-
Rental deposit	17	97
	<u>17</u>	<u>97</u>

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

	<b>Group</b>	
	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Income/(expense)</b>		
Profit to depositors	(795)	416
	<u>(795)</u>	<u>416</u>
<b>Balances</b>		
Cash and short-term funds	336,254	109,214
Deposits and placements with banks and other financial institutions	32	32
	<u>32</u>	<u>32</u>

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

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

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

	<b>Group</b>	
	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Income/(expense)</b>		
Profit from financing	926	4,913
Profit to depositors	(625)	(1,984)
	<hr/>	<hr/>
<b>Balances</b>		
Financing	81,641	303,613
Deposit from customers	40,873	211,286
	<hr/>	<hr/>

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

	<b>Group</b>	
	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Expenses</b>		
Other expenses	(292)	(1,574)
Profit to depositors	(1,620)	-
	<hr/>	<hr/>
<b>Balances</b>		
Deposits from customer	193,022	146,484
	<hr/>	<hr/>

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

**A30. Capital adequacy**

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

	<b>Group</b>		<b>MBSB Bank Group</b>		<b>MBSB Bank</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Common Equity Tier 1 ("CET1") Capital</u></b>						
Ordinary share capital	7,088,255	7,088,255	5,427,972	5,159,859	5,427,972	5,159,859
Retained earnings exclude merger reserve	1,558,256	1,558,251	1,020,604	1,020,604	791,724	791,724
Other reserves	(135,135)	234,666	(129,803)	239,996	(129,803)	239,996
	<u>8,511,376</u>	<u>8,881,172</u>	<u>6,318,773</u>	<u>6,420,459</u>	<u>6,089,893</u>	<u>6,191,579</u>
Less : Regulatory adjustments						
Goodwill	(148,031)	(148,031)	-	-	-	-
Deferred tax assets	(40,565)	(7,261)	(33,804)	-	(33,804)	-
Cumulative gains on financial investments at FVOCI	(96,178)	(191,046)	(96,178)	(191,046)	(96,178)	(191,046)
Intangible assets	(155,990)	(162,058)	(105,640)	(111,449)	(105,640)	(111,449)
Regulatory reserve	-	-	(5,234)	(5,234)	(5,234)	(5,234)
Other CET1 regulatory adjustments	215,162	144,075	232,427	153,372	232,427	153,372
Total CET1 Capital	<u>8,285,774</u>	<u>8,516,851</u>	<u>6,310,344</u>	<u>6,266,102</u>	<u>6,081,464</u>	<u>6,037,222</u>
<b><u>Tier 1 Capital</u></b>						
Additional Tier 1 capital instruments	-	-	-	-	-	-
Less: Tier 1 regulatory adjustments	-	-	-	-	-	-
Total Tier 1 capital	<u>8,285,774</u>	<u>8,516,851</u>	<u>6,310,344</u>	<u>6,266,102</u>	<u>6,081,464</u>	<u>6,037,222</u>
<b><u>Tier 2 Capital</u></b>						
Stage 1 and Stage 2 ECL allowances	453,388	479,868	427,761	453,807	455,100	481,430
Tier 2 capital instruments	1,310,020	1,293,335	1,310,020	1,293,335	1,310,020	1,293,335
Total Tier II capital	<u>1,763,408</u>	<u>1,773,203</u>	<u>1,737,781</u>	<u>1,747,142</u>	<u>1,765,120</u>	<u>1,774,765</u>
Total capital base	<u>10,049,182</u>	<u>10,290,054</u>	<u>8,048,125</u>	<u>8,013,244</u>	<u>7,846,584</u>	<u>7,811,987</u>
Breakdown of risk weighted assets in various categories of risk weights are as follows:						
	<b>Group</b>		<b>Bank Group</b>		<b>Bank</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Total risk weighted assets ("RWA")</u></b>						
- Credit risk	36,271,078	38,389,455	34,220,854	36,304,570	36,407,987	38,514,371
- Market risk	167,560	36,226	167,560	36,226	167,560	36,226
- Operational risk	2,654,993	2,581,744	2,414,735	2,188,152	2,238,822	2,025,263
Total RWA	<u>39,093,631</u>	<u>41,007,425</u>	<u>36,803,149</u>	<u>38,528,948</u>	<u>38,814,369</u>	<u>40,575,860</u>
<b><u>Capital adequacy ratios</u></b>						
CET 1 capital ratio	21.195%	20.769%	17.146%	16.263%	15.668%	14.879%
Tier 1 capital ratio	21.195%	20.769%	17.146%	16.263%	15.668%	14.879%
Total capital ratio	<u>25.705%</u>	<u>25.093%</u>	<u>21.868%</u>	<u>20.798%</u>	<u>20.216%</u>	<u>19.253%</u>

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

**PERFORMANCE REVIEW FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

**B1. Performance review of the Group**

**(a) Balance Sheet**

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

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

	<b>Current Year Quarter 31-Mar-21, 1Q21 RM'000</b>	<b>Preceding Year Corresponding Quarter 31-Mar-20, 1Q20 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Personal financing	19,626,377	19,825,153	(198,776)	-1.0%
Corporate loans and financing	9,103,032	9,207,325	(104,293)	-1.1%
Property financing and mortgage	6,775,596	6,216,361	559,235	9.0%
Auto financing	102,001	168,560	(66,559)	-39.5%
<b>Total gross loans, financing and advances</b>	<b>35,607,006</b>	<b>35,417,399</b>	<b>189,607</b>	<b>0.5%</b>

**Variation of Results against Immediate Preceding Quarter**

	<b>Current Year Quarter 31-Mar-21, 1Q21 RM'000</b>	<b>Preceding Quarter 31-Dec-20, 4Q20 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Personal financing	19,626,377	19,851,546	(225,169)	-1.1%
Corporate loans and financing	9,103,032	9,167,542	(64,510)	-0.7%
Property financing and mortgage	6,775,596	6,599,347	176,249	2.7%
Auto financing	102,001	109,783	(7,782)	-7.1%
<b>Total gross loans, financing and advances</b>	<b>35,607,006</b>	<b>35,728,218</b>	<b>(121,212)</b>	<b>-0.3%</b>

The Group gross loans, financing and advances increased by 0.5% and decreased by 0.3% for 1Q21 compared to 1Q20 and 4Q20 respectively. Overall, the Covid-19 pandemic affected performance of loans and financing resulted in slower disbursements.

- (i) Personal financing – The gross balance decreased as repayment outpaced disbursement in the current quarter as compared to 1Q20 and 4Q20. The portfolio remains as the biggest financing portfolio the Group.
- (ii) Corporate loans and financing – the gross balance decreased as repayment outpaced disbursement in the current quarter as compared to 1Q20 and 4Q20.

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

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

**(a) Balance Sheet**

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

- (iii) Property financing and mortgage loans – The Group is actively converting conventional mortgage to Islamic property financing during the year. In aggregate, the asset base has grown over the year and over the quarter.
- (iv) Auto financing – The gross balance continued to decrease as the Group focuses on asset base of other portfolios.

**(ii) Financial investments**

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

	Current	Preceding	Changes	
	Year	Year	RM'000	%
	Quarter	Corresponding		
	31-Mar-21, 1Q21	Quarter		
	RM'000	31-Mar-20, 1Q20	RM'000	
Financial investments at FVTPL	31,659	10,495	21,164	>100%
Financial investments at FVOCI	11,415,581	11,742,066	(326,485)	-2.8%
Financial investments at amortised cost	488,002	488,558	(556)	-1.3%
Total financial investments	11,935,242	12,241,119	(327,041)	-2.5%

**Variation of Results against Preceding Quarter**

	Current	Preceding	Changes	
	Year	Quarter	RM'000	%
	Quarter	Quarter		
	31-Mar-21, 1Q21	31-Dec-20, 4Q20		
	RM'000	RM'000	RM'000	
Financial investments at FVTPL	31,659	-	31,659	N/A
Financial investments at FVOCI	11,415,581	10,192,272	1,223,309	12.0%
Financial investments at amortised cost	488,002	488,102	(100)	-0.1%
Total financial investments	11,903,583	10,680,374	1,223,209	11.5%

The Group financial investments decreased by 2.5% and increased by 11.5% for 1Q21 compared to 1Q20 and 4Q20 respectively. Financial investments at FVOCI remains as the biggest investments portfolio and the Group continued generating gain from sale of the securities.

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

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

**(b) Income statement**

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

	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Changes</b>	
	<b>31-Mar-21, 1Q21 RM'000</b>	<b>31-Mar-20, 1Q20 RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	680,982	741,406	(60,424)	-8.1%
Other operating expenses	(102,100)	(109,773)	7,673	7.0%
Net income <i>(excluding impairment and loss on modification of cash flows)</i>	424,837	362,574	62,263	17.2%
Allowance for impairment	(174,992)	(291,783)	116,791	-40.0%
Loss on modification of cash flows	(36,462)	-	(36,462)	N/A
Profit before tax	<u>111,283</u>	<u>(38,982)</u>	150,265	>-100%
Profit after tax	<u>63,413</u>	<u>(73,254)</u>	136,667	>-100%
Profit attributable to ordinary equity holders of the Parent	<u>63,413</u>	<u>(73,254)</u>	136,667	>-100%
Cost to income ratio	24.0%	30.3%		

**Current Year Quarter vs Immediate Preceding Quarter**

	<b>Current Year Quarter</b>	<b>Preceding Quarter</b>	<b>Changes</b>	
	<b>31-Mar-21, 1Q21 RM'000</b>	<b>31-Dec-20, 4Q20 RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	680,982	752,174	(71,192)	-9.5%
Other operating expenses	(102,100)	(111,026)	8,926	8.0%
Net income (excluding impairment and loss on modification of cash flows)	424,837	447,774	(22,937)	-5.1%
Allowance for impairment	(174,992)	(130,949)	(44,043)	33.6%
Loss on modification of cash flows	(36,462)	364	(36,826)	-95.1%
Profit before tax	<u>111,283</u>	<u>206,163</u>	(94,880)	-29.9%
Profit after tax	<u>63,413</u>	<u>97,722</u>	(34,309)	-35.1%
Profit attributable to ordinary equity holders of the Parent	<u>63,413</u>	<u>96,841</u>	(33,428)	-34.5%
Cost to income ratio	24.0%	24.8%		

The Group recorded profit for the current quarter as opposed to loss for 1Q20 mainly due to lower funding costs and lower net allowance for impairment. As compared to 4Q20, the Group recorded lower profit for the current quarter due to higher allowance for impairment and lower other operating income (mainly contributed by gain from sale of financial investments) for the current quarter. The Group also recorded loss on modification of cash flows following moratorium granted to eligible B40 and M40 group.

The cost to income ratio of the Group remained low compared to the industry.

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

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

Contribution of major subsidiary of the Group

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

	<b>Group Preceding Year Corresponding Quarter 31-Mar-20, 1Q20 RM'000</b>	<b>MBSB Bank Preceding Year Corresponding Quarter 31-Mar-20, 1Q20 RM'000</b>	<b>Contribution</b>
Total assets	50,808,319	50,370,501	99.1%
Total equity	8,453,916	5,903,238	69.8%
Profit before tax	(38,982)	(50,715)	130.1%
Profit after tax	(73,254)	(85,827)	117.2%
Gross return on equity	-1.83%	-3.39%	
Gross return on assets	-0.31%	-0.40%	

	<b>Group Preceding Quarter 31-Dec-20, 4Q20 RM'000</b>	<b>MBSB Bank Preceding Quarter 31-Dec-20, 4Q20 RM'000</b>	<b>Contribution</b>
Total assets	48,438,494	48,007,510	99.1%
Total equity	8,881,172	6,191,579	69.7%
Profit before tax	206,163	116,805	56.7%
Profit after tax	96,841	70,988	73.3%
Gross return on equity	9.30%	7.55%	
Gross return on assets	1.68%	0.96%	

MBSB Bank Berhad ("MBSB Bank") is the biggest subsidiary in the Group. As at 1Q21 total assets of MBSB Bank of RM49.6bil accounts for 99.3% of total assets of the Group while the equity accounts for 71.5% of total Group equity.

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

**B2. Prospects for 2021**

The Malaysian economy recorded a negative growth of 3.4% in 4Q 2020 largely attributable to the imposition of the Conditional Movement Control Order (CMCO) on a number of states since mid-October. The restrictions on mobility, especially on inter-district and inter-state travel, weighed on economic activity. Higher job losses were seen in the Services and Manufacturing sectors. Sentiments remain weak with downside risks as Covid-19 cases continue to be elevated. Herd immunity is expected to be achieved in 1Q 2022 from vaccine rollouts. In BNM Annual Report 2020, GDP growth for 2021 was projected to be within the range of 6.0% - 7.5% with optimism towards both domestic demand and external demand stemming from gradual relaxation of CMCO restrictions, uplift from policy support measures and more infrastructure projects.

Headline inflation for 2021 is projected to average higher, primarily due to higher global oil prices. In terms of trajectory, headline inflation is anticipated to temporarily spike in the second quarter of 2021 due to lower base from the low domestic retail fuel prices in the corresponding quarter of 2020, before moderating thereafter. Underlying inflation is expected to remain subdued amid continued spare capacity in the economy. However, the outlook is subject to global oil and commodity price developments.

MBSB Group will continue to focus its businesses in selected sustainable sectors and drive greater growth and adoption of emerging technologies. Various new measures and extended moratorium following the prolonged Covid-19 pandemic is expected to impact profitability for the year. Constant monitoring of customer collections and risks are imperative to ensure sustained profits.

**B3. Variance from profit forecast**

Not applicable

**B4. Taxation**

	Group		Company	
	1st Quarter Ended		1st Quarter Ended	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Current income tax	37,048	1,534	4,784	-
Under provision in prior years	19,042	-	-	-
	<u>56,090</u>	<u>1,534</u>	<u>4,784</u>	<u>-</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	(8,967)	28,738	498	(2,356)
	<u>(8,967)</u>	<u>28,738</u>	<u>498</u>	<u>(2,356)</u>
Total income tax expense	<u>47,123</u>	<u>30,272</u>	<u>5,282</u>	<u>(2,356)</u>



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

**B9. Earnings per share**

**Basic**

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

	<b>Group</b>		<b>Company</b>	
	<b>1st Quarter Ended</b>		<b>1st Quarter Ended</b>	
	<b>31-Mar-21</b>	<b>31-Mar-20</b>	<b>31-Mar-21</b>	<b>31-Mar-20</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)	63,413	(73,254)	13,230	(4,840)
Weighted average number of ordinary shares in issue ('000)	6,713,402	6,713,402	6,713,402	6,713,402
Basic earnings per share (sen)	<u>0.94</u>	<u>(1.09)</u>	<u>0.20</u>	<u>(0.07)</u>

**Diluted**

All ESOS have lapsed in August 2020, hence there is no dilutive effects on earnings per share for financial period ended 31 March 2021.

**B10. Authorisation for issue**

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

BY ORDER OF THE BOARD

Koh Ai Hoon (MAICSA 7006997)  
Practicing Certificate No.: 201908003748

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

Joint Company Secretaries  
Kuala Lumpur

27 May 2021