



# 1Q2025 ANALYST BRIEFING

Rafe Haneef  
Group Chief Executive Officer

26 May 2025



**BE BOLD. BANK SMART.**

# Agenda

- **1Q2025 KEY HIGHLIGHTS**  
Rafe Haneef, GCEO
- 1Q2025 FINANCIAL  
PERFORMANCE  
Shahnaz Jammal, GCFO



# 1Q2025 FINANCIAL PERFORMANCE

## YEAR-ON-YEAR FINANCIAL HIGHLIGHTS

### 1Q2024 | 1Q2025

<b>Asset Growth &amp; Quality</b>	<b>Gross Financing</b>		<b>GIFR</b>	
	<b>RM42.9 bil   RM42.6 bil</b> Excluding write-off, financing experienced +1.14% growth YoY		<b>7.1%   5.5%</b> GIFR improved to 5.5%. Excluding Ihsan-i, GIFR is lower at 4.4% in 1Q2025	
<b>Deposits</b>	<b>CASA Ratio</b>		<b>CASA Composition</b>	
	<b>7.6%   9.1%</b> CASA ratio improved YoY by 1.5%		<b>75:25   89:11</b> Composition of CASA of corporate to retail higher at 89:11	
<b>Profitability</b>	<b>PBT</b>	<b>PAT</b>		<b>ROE</b>
	<b>RM106 mil   RM117 mil</b>	<b>RM78 mil   RM85mil</b>		<b>3.2%   3.6%</b>
<b>Capital &amp; Liquidity</b>	<b>CET1</b>		<b>LCR</b>	
	<b>19.5%   19.4%</b> Capital and liquidity position remained stable		<b>206.8%   147.1%</b> LCR remained strong and above the regulatory minimum requirement	

# 1Q2025 FINANCIAL SNAPSHOT

	1Q2024	1Q2025	Var		
<b>Profitability (RMmil)</b>	Net Funded Income	324	336 <span style="color: green;">●</span>	12	The increase in net funded income for 1Q2025 was primarily attributable to lower funding cost as a result of more effective funding management.
	Other Operating Income	41	43 <span style="color: green;">●</span>	2	
	Net Operating Income	365	379 <span style="color: green;">●</span>	14	
	Operating Expenses	(214)	(234) <span style="color: red;">●</span>	(20)	The increase in operating expenditure was due to continuous investment in human capital and technology infrastructure.
	Profit before provision (PBT before impairment)	151	145 <span style="color: red;">●</span>	(6)	
	Impairment	(45)	(28) <span style="color: green;">●</span>	17	Lower ECL provisioning in 1Q2025.
	Profit before taxation & zakat	106	117 <span style="color: green;">●</span>	11	PBT improved by 10.4% mainly due to effective management of funding costs and lower impairment.
	Profit after taxation & zakat	78	85 <span style="color: green;">●</span>	7	
	ROE (Post tax)	3.2%	3.6% <span style="color: green;">●</span>	0.4%	
	ROA (Post tax)	0.5%	0.6% <span style="color: green;">●</span>	0.1%	
<b>Assets &amp; Liabilities (RMbil)</b>	Gross Financing/Loans	42.9	42.6 <span style="color: red;">●</span>	(0.3)	Excluding write-offs, financing experienced a 1.14% YoY growth.
	Customer Deposits	48.0	47.9 <span style="color: red;">●</span>	(0.1)	
<b>Capital &amp; Liquidity</b>	CET1	19.5%	19.4%	(0.1%)	The capital position remains strong and well above industry average.
	LCR	206.8%	147.1%	(59.7%)	LCR position remains strong and in line within the Group's balance sheet management strategy

# Flight26 Strategy Update

MBSB's strategies and key initiatives continue to be driven by the Flight26 Strategy which is now in its second year.

## FLIGHT26 JOURNEY

1 <sup>st</sup> Year 'Strengthen the Base'	2 <sup>nd</sup> Year 'Expand Market Reach'	3 <sup>rd</sup> Year 'Maximizing Returns'
<ul style="list-style-type: none"><li>• Enhance product offerings &amp; features</li><li>• Introduce attractive campaigns</li><li>• Establish attractive business tools i.e. digital platforms</li><li>• Intensify internal collaborations</li></ul>  <p><b>TP30 Completed</b></p>	<ul style="list-style-type: none"><li>• Diversify product offerings<ul style="list-style-type: none"><li>• Wise, Bayo, Retailer Dashboard &amp; Receivables Dashboard</li></ul></li><li>• Strengthen brand positioning</li><li>• Targeted marketing</li><li>• Institutionalise cross-selling culture</li><li>• Leverage on partnerships</li><li>• Upskill frontliners / salesperson</li></ul> <p><b>12 New TP Initiatives for 2025</b></p>	<ul style="list-style-type: none"><li>• Increase product holding ratio</li><li>• Improve customer loyalty</li><li>• High quality asset growth</li><li>• Enhance customer satisfaction</li></ul>

# New TPs for 2025

Following completion of 30 Transformation Programs (TPs) in 2024, we have initiated 12 new TPs to further drive MBSB in 2025

## New TP for FY2025 – 12 TPs

### Consumer Banking

#### 2 TP

1. Employee Payroll Segment
2. Expand Wealth Management offerings via iFast

### Commercial Banking

#### 4 TP

1. Greening Halal Business for SME
2. Introduce new trade offering – Express Bank Guarantee
3. Secure new funds for DFB financing
4. Ecosystem financing platform (TASconnect/Cashew/Du-it etc)

### Support Functions

#### 3 TP

1. [HR] Choice for Change Program
2. [Ops] Streamline disbursement function for DFB
3. [Comms] Enhance brand awareness

### Digital Banking

#### 2 TP

1. Consumer Transactions via Bayo
2. Dashboard Platforms

### Wholesale Banking

#### 1 TP

1. [Financial Markets] Establish an FX Portal

# MANAGEMENT GUIDANCE FY2025

FY2025 Targets indicate progress as we approach the midpoint of FLIGHT26

	ACTUAL FY24	ACTUAL 1Q2025	TARGETS FY25
ROE	4.2%	3.6%	5-6%
CIR	54.9%	61.7%	≤53%
NPM	2.4%	2.1%	2%
GIR	5.3% Excl. Ihsan-i 4.3%	5.5% Excl. Ihsan-i 4.4%	4-5%
Gross Fin Growth	2.4% Excl. write-off 4.0%	-0.7% Excl. write-off 1.1%	5-6%

# Agenda

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Rafe Haneef, GCEO
- **1Q2025 FINANCIAL PERFORMANCE**  
Shahnaz Jammal, GCFO



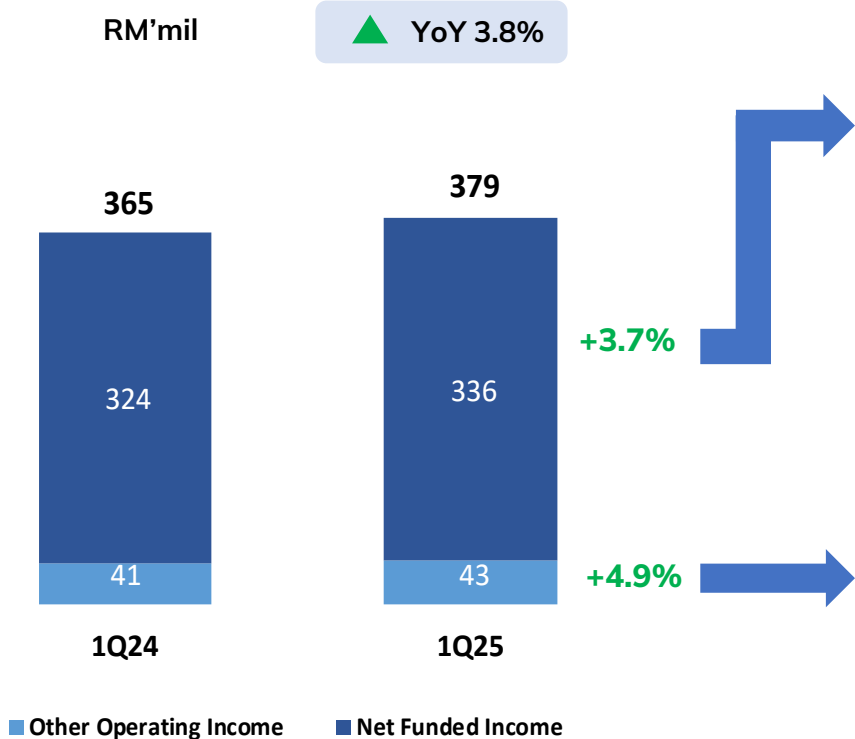
# 1Q2025 P&L SUMMARY

The Group achieved a higher PBT of RM117 million, with a YoY Improvement of 10.4%.

More details on	RM million	1Q2024	1Q2025	YoY (%)
	<b>Net Funded Income</b>	<b>324</b>	<b>336</b>	<b>3.7%</b>
Slide "1Q2025 NET OPERATING INCOME"	<b>Other Operating Income</b>	<b>41</b>	<b>43</b>	<b>4.9%</b>
	<b>Net Operating Income</b>	<b>365</b>	<b>379</b>	<b>3.8%</b>
Slide "1Q2025 OVERHEAD EXPENSES"	Overhead Expenses	(214)	(234)	9.3%
	<b>Pre-provisioning Operating Profit</b>	<b>151</b>	<b>145</b>	<b>(4.0%)</b>
Slide "1Q2025 NET IMPAIRMENT LOSSES"	Net Impairment Losses	(45)	(28)	(37.8%)
	<b>Profit before Taxation and Zakat</b>	<b>106</b>	<b>117</b>	<b>10.4%</b>
	<b>Profit After Taxation and Zakat</b>	<b>78</b>	<b>85</b>	<b>9.0%</b>

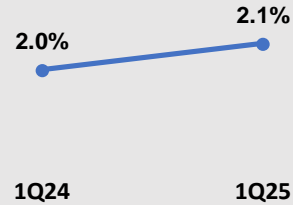
# 1Q2025 NET OPERATING INCOME

Net Operating Income improved by 3.8% YoY



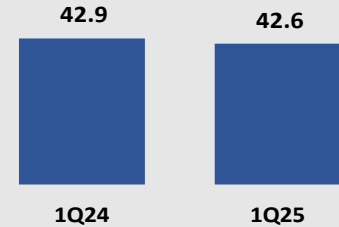
## Net Profit Margin (%)

▲ YoY 14bps



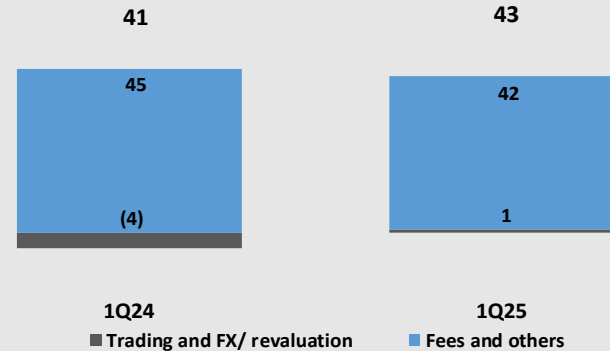
## Gross Financing Growth (RM'bil)

▼ YoY 0.7%



## Other Operating Income (RM'mil)

▲ YoY 4.9%



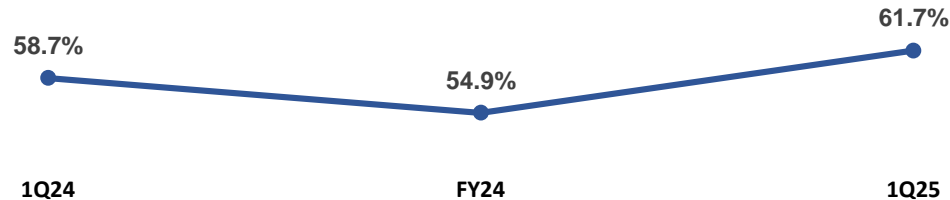
# 1Q2025 OVERHEAD EXPENSES

The CIR% for 1Q2025 stood at 61.7%

RM million	1Q24	1Q25	YoY	
			Var (RM'mil)	Var (%)
Personnel expenses	125	157	32	25.9%
Establishment related expenses	51	52	1	1.3%
General administrative expenses	35	18	(17)	(48.9%)
Promotion and marketing related expenses	3	7	3	>100%
<b>TOTAL</b>	<b>214</b>	<b>234</b>	<b>20</b>	<b>9.3%</b>

- **1Q2025 CIR** stood at 61.7%, OPEX rose by 9.3% YoY resulted from the continuous investment in human capital and technology infrastructure.

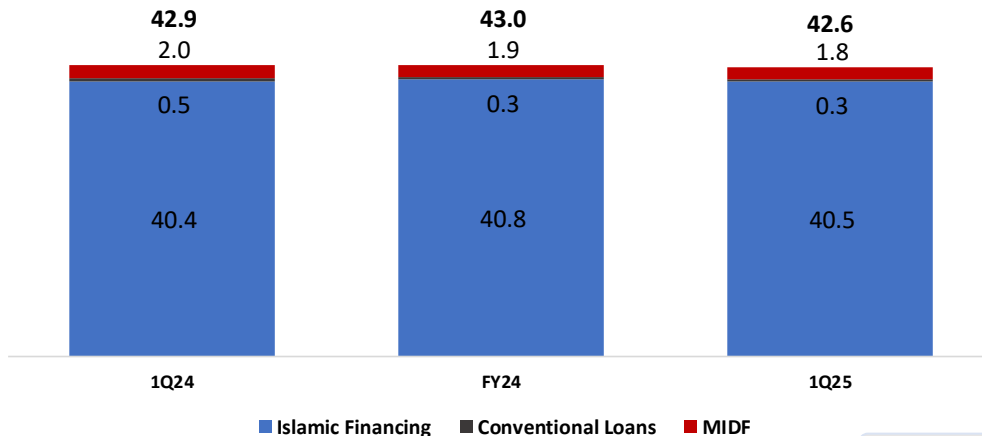
## Cost to Income Ratio YTD (%)



# GROSS LOANS AND FINANCING

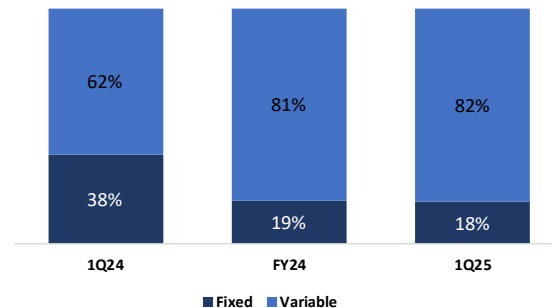
Financing Experienced +1.14% Growth YoY Excluding Write-off

## Gross Loans & Financing Composition (RM'bil)



Loans/Financing by busines segment (RM'bil)	1Q24	1Q25	YoY GROWTH
Consumer Banking	29.4	29.1	▼ -1.0%
Corporate Banking	8.3	8.1	▼ -2.4%
Commercial Banking	5.2	5.4	▲ 3.8%
<b>TOTAL</b>	<b>42.9</b>	<b>42.6</b>	▼ -0.7%

## Fixed & Variable % Composition

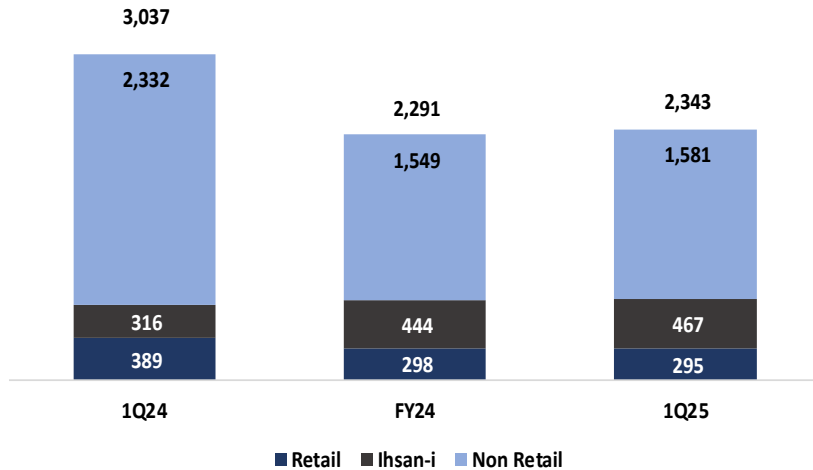


# ASSET QUALITY

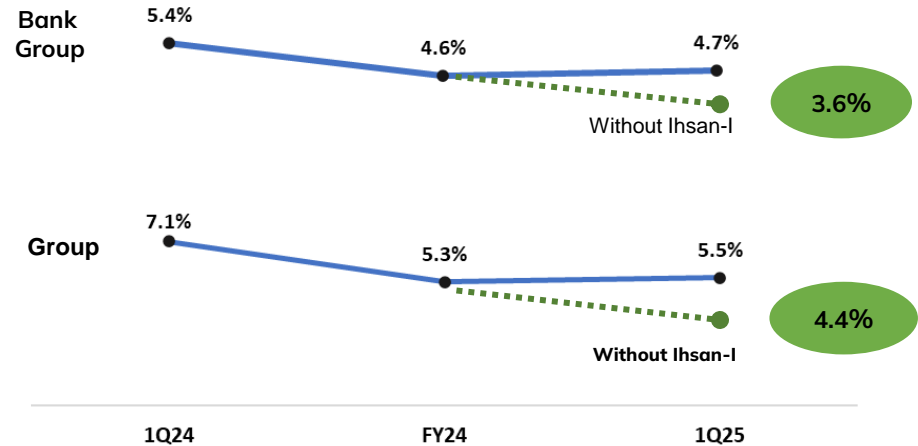
GIFR Improved to 5.5% in 1Q2025 from 7.1% in 1Q2024

## Gross Impaired Loans/Financing

### Gross Impaired Financing (RM'mil)



### GIFR %

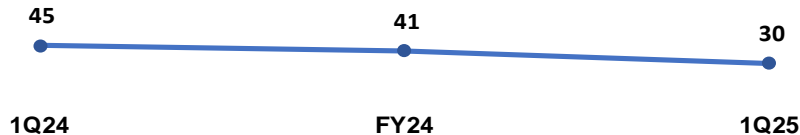


# ASSET QUALITY (Cont'd)

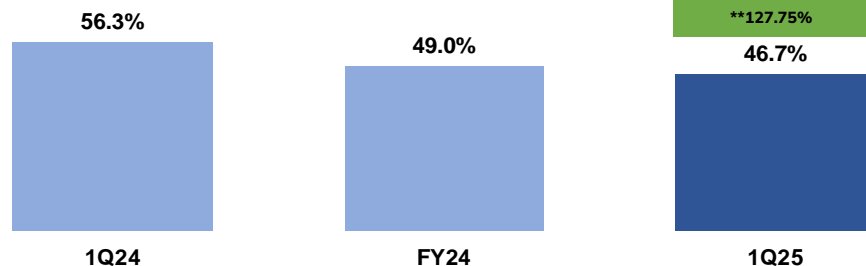
Loss Coverage and Credit Cost

RM million	1Q24	1Q25	YoY	
			Var (RM'mil)	Var (%)
Financing/Loans/Others (impairment)	(49)	(32)	17	(33.8%)
Financing/Loans (write-off)/recovered	4	4	(0)	(1.6%)
<b>Net impairment (losses)/writeback</b>	<b>(45)</b>	<b>(28)</b>	<b>17</b>	<b>(37.8%)</b>

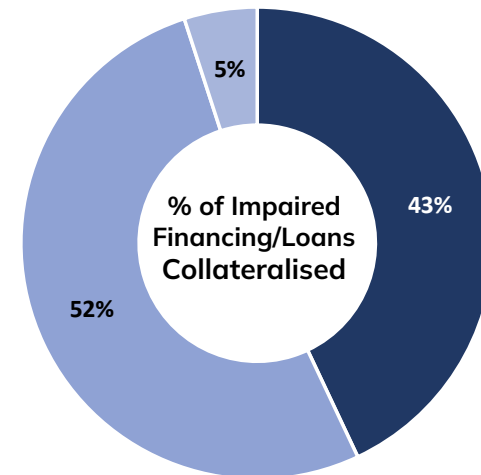
## MBSB Group Credit Cost (bps)



## Financing/Loan Loss Coverage Ratio (%)



\*\*Excluding fully collateralised financing/loans and lhan-I financing



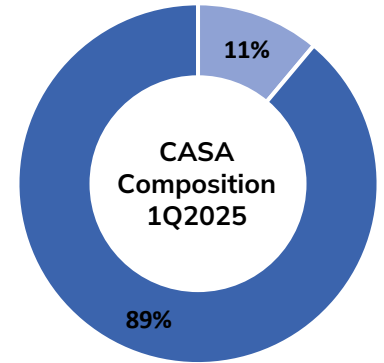
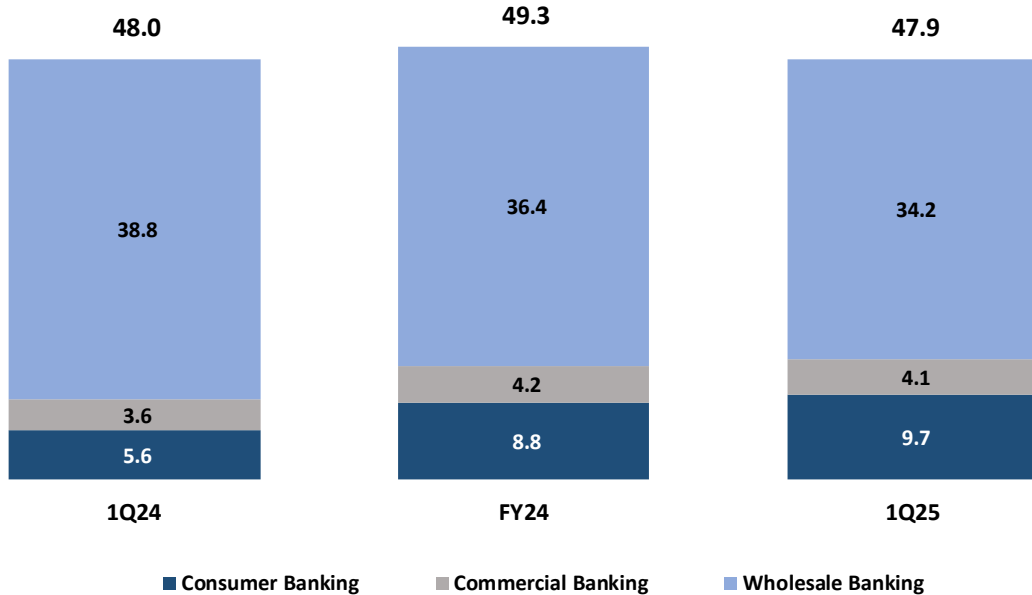
- Fully Collateralised
- Partially Collateralised
- Not Collateralised

# DEPOSITS

Balance Sheet Optimisation Ongoing

Total Deposits (RM'bil)

▼ YoY 0.2%

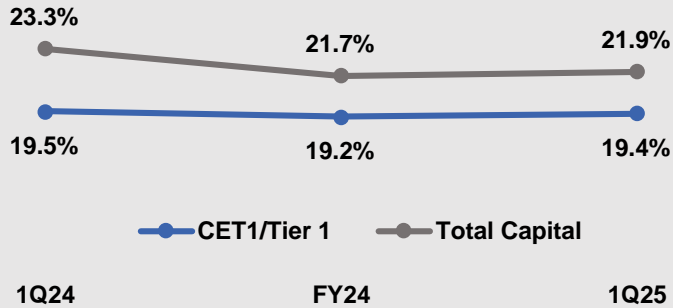


■ Retail ■ Corporate/Commercial

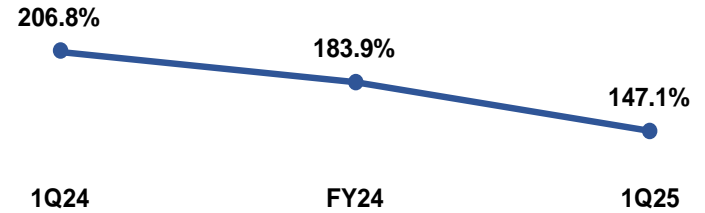
# CAPITAL AND LIQUIDITY MANAGEMENT

Strong Capital and Liquidity Position

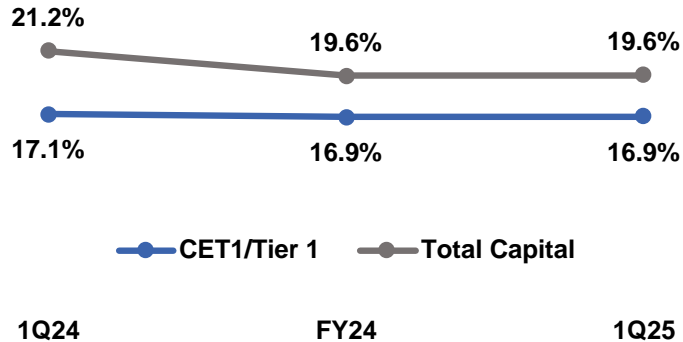
MBSB Group TCR



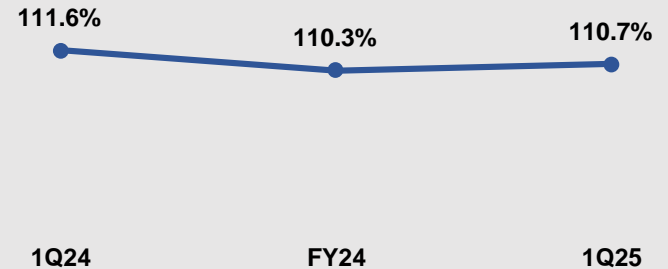
MBSB Group LCR



MBSB Bank Group TCR



MBSB Group NSFR



# Q & A Session

Thank you