



# FINANCIAL YEAR 2025 ANALYST BRIEFING

Rafe Haneef  
Group Chief Executive Officer

27 February 2026



**BE BOLD. BANK SMART.**

# Agenda

- **FY2025 KEY HIGHLIGHTS**  
Rafe Haneef, GCEO

- **FY2025 FINANCIAL PERFORMANCE**  
Shahnaz Jammal, GCFO



# FY2025 FINANCIAL PERFORMANCE

## YEAR-ON-YEAR FINANCIAL HIGHLIGHTS FY2024 | FY2025

A second interim dividend of 1.22 sen has been declared, bringing total dividend for FY2025 to 3.22 sen resulting in a payout ratio of 94.7%

<b>Asset Growth &amp; Quality</b>	<b>Gross Financing</b>		<b>GIFR (excluding Ihsan-i)</b>	
	RM43.0 bil   RM43.9 bil Financing growth rose 2.2% YoY, excluding write-off is +3.0%		4.3%   5.2% Including Ihsan-i, GIFR is at 6.3%	
<b>Deposits</b>	<b>CASA Ratio</b>	<b>CASA Composition</b>		<b>COF</b>
	11.0%   15.5% CASA ratio improved to a record high	88:12   92:8 Corporate CASA increased to 92%		3.7%   3.4% Improvement in COF due to balance sheet optimisation
<b>Profitability</b>	<b>PBT</b>		<b>PAT</b>	
	RM586 mil   RM390 mil		RM407 mil   RM280mil	
<b>Capital &amp; Liquidity</b>	<b>CET1</b>		<b>LCR</b>	
	19.2%   19.2% Capital and liquidity position remains stable		183.9%   141.4% LCR remains strong and above the regulatory minimum requirement	

# FY2025 FINANCIAL SNAPSHOT

	FY 2024	FY 2025	Var		
Profitability (RM'mil)	Net Funded Income	1,493	1,225	● (268)	The decline was primarily driven by: i) delayed disbursements during the year; ii) unexpected early redemption; and iii) reduction in the Overnight Policy Rate (OPR)
	Other Operating Income	159	280	● 121	Higher non funded income by 76% in FY2025 mainly attributable to higher gains from the sale of financial investments and fee-based income.
	Net Operating Income	1,652	1,505	● (147)	
	Operating Expenses	(907)	(871)	● 36	Operating expenses decreased by 4% in FY2025, reflecting the Group's continued efforts toward cost optimisation and prudent expense management.
	Profit before provision (PBT before impairment)	745	634	● (111)	
	Impairment	(159)	(244)	● (85)	Higher expected credit losses (ECL) in FY2025.
	Profit before taxation & zakat	586	390	● (196)	The decline was primarily attributable to lower net funded income and higher ECL, partially offset by reduced operating expenses and higher non-funded income.
	Profit after taxation & zakat	407	280	● (127)	
	ROE (Post tax)	4.2%	2.9%	● (1.3%)	
	ROA (Post tax)	0.6%	0.4%	● (0.2%)	
Assets & Liabilities (RM'bil)	Gross Financing/Loans	43.0	43.9	● 0.9	Financing grew by 2.2% YoY.
	Customer Deposits	48.8	45.7	● (3.1)	On-going initiative to reduce high-cost term deposits.
Capital & Liquidity	CET1	19.2%	19.2%	● 0.0%	The capital position remains robust and well above the industry average.
	LCR	183.9%	141.4%	● (42.5%)	The LCR position remains strong and aligned with the Group's balance sheet management strategy.

# Low overall financing growth masks strong Commercial and Corporate performance, with Consumer contraction a conscious, risk-managed decision

## Gross Loans & Financing Composition

Loans/Financing by business segment (RM'bil)	FY 2024	FY 2025	YoY Growth	Industry Growth
Consumer Banking	29.4	28.9	(1.7%)	
Personal Financing	18.5	17.7	(4.5%)	1.3%
Property Financing	10.7	11.1	3.1%	5.9%
Corporate Banking	8.2	9.2	12.2%	2.9%
Commercial Banking	5.4	5.9	9.3%	5.4%
<b>Total</b>	<b>43.0</b>	<b>43.9</b>	<b>2.2%</b>	<b>5.0%</b>

### 2025 Financing Growth — Key Context

- Total growth: 2.2%, below industry 5%, reflecting a risk-disciplined strategy to protect margins and asset quality.
- Outperformance in core engines:
  - Commercial: +9.3% (industry 5.4%)
  - Corporate: +12.2% (industry 2.9%)
- Consumer impact is intentional:
  - Property Financing grew 3.1% with lower new cases booked in 2025 due to proactive risk mitigation measures taken to reduce over-financing and acquire better quality customers.
  - Personal Financing –4.5%, due to high repayments from past vintages and a decision not to engage in rate wars.
  - Portfolio is defensive, not a growth area, for sustainability and regulatory reasons.
  - As the largest book (RM17.7 bil of RM43.9 bil), small contraction materially drags total growth.
- Is higher growth possible?
  - We have grown ~1.7x the industry growth rate for Commercial and ~4.2x for Corporate. Growth for Personal Financing is possible, if we increase our risk appetite and/or reduce our margins, which would likely lead to a deterioration in credit quality and/or margin compression.
  - For 2026, Property Financing is likely to grow higher than industry growth rate given our improvement in our acquisitions and quality customers and disbursements TAT.

# MANAGEMENT GUIDANCE FY2026

	ACTUAL FY2025	TARGETS FY25	TARGETS FY26
ROE	2.9%	5-6%	5-6%
CIR	57.9%	≤53%	≤53%
NPM	1.9%	2%	2%
GIR (Excluding Ihsan-i)	5.2% <small>Incl. Ihsan-i 6.3%</small>	4-5%	4-5%
Gross Fin Growth	2.2% <small>Excl. write-off 3.0%</small>	5-6%	7-8%
CASA Ratio	15.5%	15%	20%

# 2025 KEY INITIATIVES DELIVERED

We expanded our product suite, strengthened our deposit franchise, accelerated our digital capabilities and scaled up Wholesale Banking.

## EXPAND PRODUCT SUITE

- Relunched Auto Financing
- Employee Payroll Proposition - **worksforme**
- Global Easy Transfer (GET) remittance via **7wise**
- Unit Trust Investment Platform - **iFAST**
- Unit Trust 'Jom Invest Bersama' campaign
- Car Dealers Financing Program
- New trade offering – Express Bank Guarantee
- X-Change X-TRA Personal Financing

## STRENGTHEN DEPOSIT & CASA FRANCHISE

- Term Investment Account & Term Deposit campaigns.
- Multi-tiered CASA campaign to attract NTB customers:
  - Peak Savers Campaign
  - Tiered Account-i
  - Simpan Berganda
  - Menang Bergaya 4.0
- Sustainable Deposit
- Deposit Campaign for SME:
  - Prime Business Account
  - Prime Deposit Account (SME)
- MBSB x Shopee campaign (11.11 & 12.12)
- Jom Pay with JomPay campaign

## ACCELERATE DIGITAL & PLATFORM CAPABILITIES

- Receivables dashboard
- Digitalised ecosystem financing platform
- Payroll wallet for foreign workers – **Bayo**
- Global trade platform partnership with **Santander**
- iGFMAS – payment processing
- Host-to-Host – Automating corporate payment transactions
- FPX (B2C & B2B)

## SCALE UP WHOLESALE BANKING

- Expanded value chain financing targeting national focused areas
- Intensified solutions-based financing
- Advocate sustainable solutions for Investment Banking
- 1 IPO listing (ACE market)
- Thematic partnerships for syndication/club deals
- Target GLCs & govt entities within target sectors
- Target concessionaires and/or sukuk refinancing

# 2026 KEY INITIATIVES – GROUP CONSUMER & COMMERCIAL BANKING

## DEPOSITS



- 1 Introduce features to capture new markets ie. Multi Currency Debit Card
- 2 Continue the Simpan Berganda Menang Bergaya campaign (5.0) to increase CASA
  - Campaign period:  
2 Jan – 31 Dec
- 3 Expand list of currencies offered under GET powered by **7wise**
- 4 Establish CRM360 for leads management & wallet share view for branches

## FINANCING



- 1 Reengineer process to improve TAT for approval:
  - Mortgage at T+2
- 2 Foster partnerships with reputable housing developers
- 3 Establish CRM360 for leads management & wallet share view for branches
- 4 AI tools developed to monitor credit performance and provide early warning detections

## WEALTH MANAGEMENT



- 1 Expand investment products – Structured Investments (joint effort with Wholesale Banking), Private Retirement Schemes
- 2 Introduce tiered pricing on Gold and integrated Gold app.
- 3 Introduce Silver Investment
- 4 Introduce Takaful Advisory with Savings proposition
- 5 Establish CRM360 for leads management & wallet share view for branches

## DEPOSITS & FINANCING



- 1 Unlock the East-West Connection for Kuantan & Klang
- 2 Expand exposure in Halal Industry
- 3 Increase penetration in Green and ESG sector integration
- 4 Intensify collaboration with associations
- 5 Expand trade offerings via MBSB Navigator Platform **Santander**
- 6 Continue to drive MBSB CASA openings for newly onboarded clients

## NON-FUNDED INCOME



- 1 Trade Contingency products
- 2 FX marketing
- 3 Takaful marketing

## DIGITAL TRANSFORMATION



- 1 Implement Financing Origination System powered by Artificial Intelligence
- 2 AI tools to monitor credit performance and provide early warning detections

# 2026 KEY INITIATIVES – GROUP WHOLESALE BANKING

## DEPOSITS



### Corporate Banking

- 1 Embed CASA-linked financing solutions
- 2 Capture CASA of GLCs, corporates & concession companies;
- 3 Capture CASA from Government entities e.g. Majlis Agama and municipalities.
- 4 Integrate escrow/receivables account setup into financing onboarding
- 5 GET – Global Easy Transfer for Non-Retail

## FINANCING



### Investment Banking

- 1 New product features, i.e., acceptance of Islamic fixed deposit (FD-i) as security for SMF facilities.
- 2 Structure financing terms linked to CASA.

### Treasury

- 1 Surrender higher rates longer tenor deposits upon maturity and replace with lower rate and shorter tenor deposits (Provided availability of replacement)

- 1 Execute value chain ecosystem business model for key players in national focused areas (infra., RE, data centres, industrial hubs)
- 2 Target selected GLCs, federal and state gov. agencies & municipalities
- 3 Syndication or club deals with friendly FIs, DFIs, etc.
- 4 Deploy targeted marketing initiatives with strategic growth priorities

- 1 Expand SMF facilities via deals from MBSB's network & referrals from reputable financial advisory firms.
  - Packaged offering together with other product offerings from the Group
- 2 MBSB IB to drive structured financing for MBSB Bank.

- 1 Optimise Sukuk Portfolio Returns and Liquidity
- 2 Scale ESG and Sustainability Sukuk Allocation
- 3 Diversify and Strengthen Market Presence

## NON-FUNDED INCOME



- 1 Deploy structured cross-selling efforts to deepen client wallet share
- 2 Leverage trade sales specialist (under Transaction Banking)
- 3 Leverage MBSB IB for capital market activities and cross-selling

- 1 Strengthen and grow Equity Markets business
  - Maintain Tier-1 broker ranking with GLICs & research engagement and offerings
  - Increase non-GLICs business
  - Diversify into new income stream e.g., Cross Border Trades
- 2 Strengthen and grow Advisory business
  - Originate deals from MBSB Bank's customer base & financial advisory firms/ foreign houses.
  - Collaborate with key institutional shareholders

- 1 Partner interbank supplier counterparties on development of Islamic derivatives linked to ESG that meets investor requirements for financial performance and ESG targets

# Agenda

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- **FY2025 FINANCIAL PERFORMANCE**  
Shahnaz Jammal, GCFO

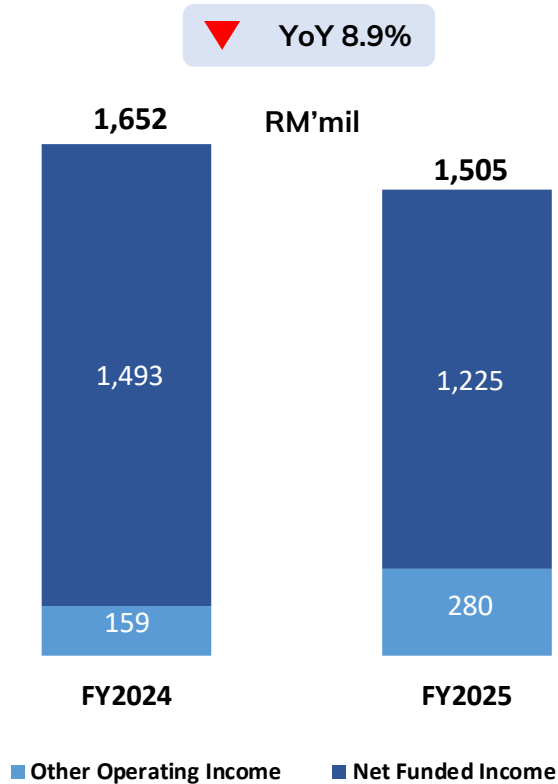


# FY2025 P&L SUMMARY

The Group reported a Profit Before Tax (PBT) of RM390 million for FY2025.

More details on	RM million	FY2024	FY2025	YoY	
				Var (RM'mil)	Var (%)
	<b>Net Funded Income</b>	<b>1,493</b>	<b>1,225</b>	<b>(268)</b> ▼	<b>18.0%</b>
Slide "FY2025 NET OPERATING INCOME"	<b>Other Operating Income</b>	<b>159</b>	<b>280</b>	<b>121</b> ▲	<b>76.1%</b>
	<b>Net Operating Income</b>	<b>1,652</b>	<b>1,505</b>	<b>(147)</b> ▼	<b>8.9%</b>
Slide "FY2025 OVERHEAD EXPENSES"	Overhead expenses	(907)	(871)	36 ▲	4.0%
	<b>Pre-provisioning operating profit</b>	<b>745</b>	<b>634</b>	<b>(111)</b> ▼	<b>14.9%</b>
Slide "FY2025 NET IMPAIRMENT LOSSES"	Net impairment losses	(159)	(244)	(85) ▼	53.5%
	<b>Profit before taxation and Zakat</b>	<b>586</b>	<b>390</b>	<b>(196)</b> ▼	<b>33.4%</b>
	<b>Profit After Taxation and Zakat</b>	<b>407</b>	<b>280</b>	<b>(127)</b> ▼	<b>31.3%</b>

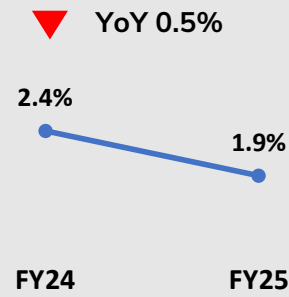
# FY2025 NET OPERATING INCOME



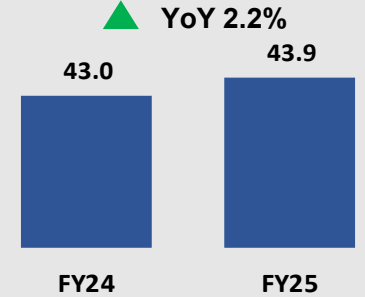
-18.0%

+76.1%

## Net Profit Margin (%)

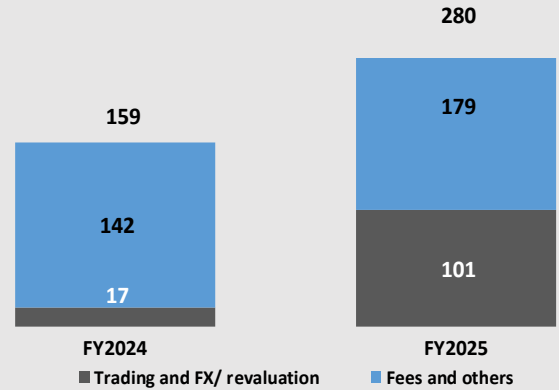


## Gross Financing Growth (RM'bil)



## Other Operating Income (RM'mil)

▲ YoY 76.1%

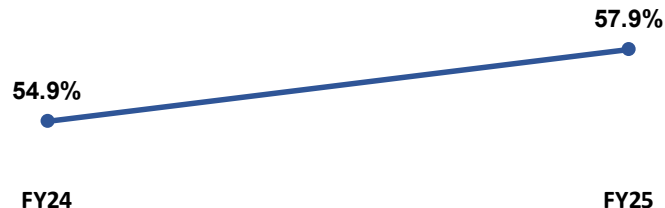


# FY2025 OVERHEAD EXPENSES

Overall OPEX reduced by 4% YoY

RM million	FY 2024	FY 2025	Var (RM'mil)	Var (%)
Personnel expenses	545	563	18	▼ 3.4%
Establishment related expenses	203	214	11	▼ 5.3%
General administrative expenses	146	79	(67)	▲ 46.0%
Promotion and marketing related expenses	13	15	2	▼ 15.0%
<b>TOTAL</b>	<b>907</b>	<b>871</b>	<b>(36)</b>	<b>▲ 4.0%</b>

## Cost to Income Ratio YTD (%)



- Operating expenses reduced by 4%, reflecting the Group's continued efforts toward cost optimisation and prudent expense management.
- CIR for FY2025 landed at 57.9%.

# FY2025 BALANCE SHEET HIGHLIGHTS

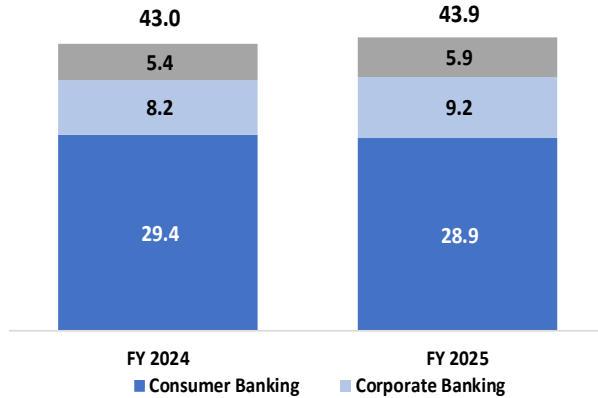
Balance Sheet (RM'mil)	Dec-24	Dec-25	YoY
<b>Total assets</b>	<b>64,264</b>	<b>65,198</b>	<b>1.5%</b>
Cash & Short term funds	2,033	1,836	(9.7%)
Net financing/loans	42,136	43,149	2.4%
<i>Gross financing/loans</i>	42,983	43,929	2.2%
<i>Less : ECL</i>	(847)	(781)	(7.8%)
Financial investment	17,794	18,409	3.5%
Other assets	2,300	1,804	(21.6%)
<b>Total liabilities</b>	<b>54,486</b>	<b>55,339</b>	<b>1.6%</b>
Deposits from customers	39,779	39,311	(1.2%)
Deposits and placements of bank and other FI	9,056	6,373	(29.6%)
Investment account	561	1,386	>100.0%
Islamic Repurchase Agreement	569	3,078	>100.0%
Sukuk & Cagamas	3,416	4,556	33.4%
Borrowings & Government Grants	175	144	(17.7%)
Other liabilities	931	490	(47.4%)
<b>Shareholders' equity</b>	<b>9,778</b>	<b>9,859</b>	<b>0.8%</b>

# GROSS LOANS AND FINANCING

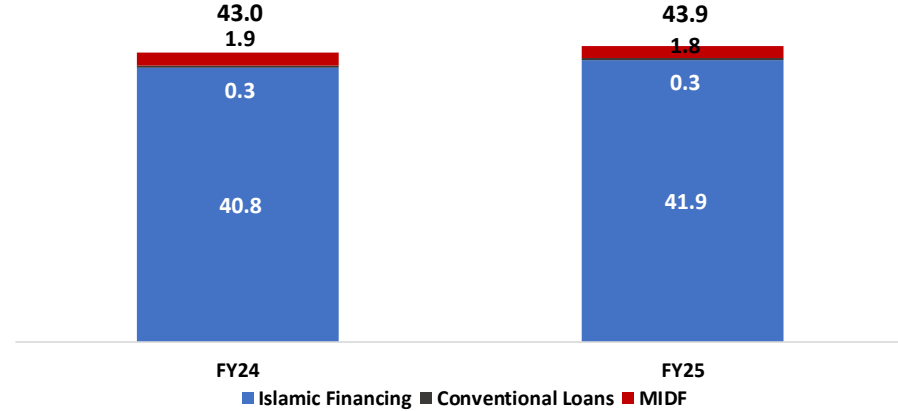
Financing Experienced +2.2% Growth YoY

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

By Business Segment (RM'bil)

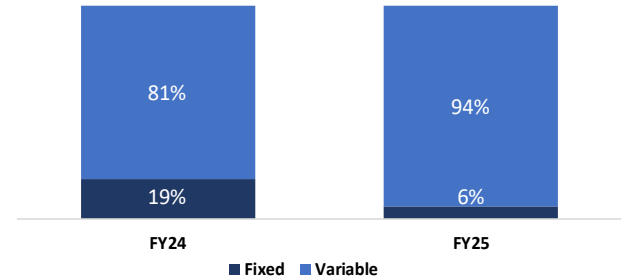


By Entities (RM'bil)



Loans/Financing by busines segment (RM'bil)	FY 2024	FY 2025	YoY GROWTH
Consumer Banking	29.4	28.9	▼ (1.7%)
Corporate Banking	8.2	9.2	▲ 12.2%
Commercial Banking	5.4	5.9	▲ 9.3%
<b>TOTAL</b>	<b>43.0</b>	<b>43.9</b>	▲ 2.2%

Fixed & Variable % Composition

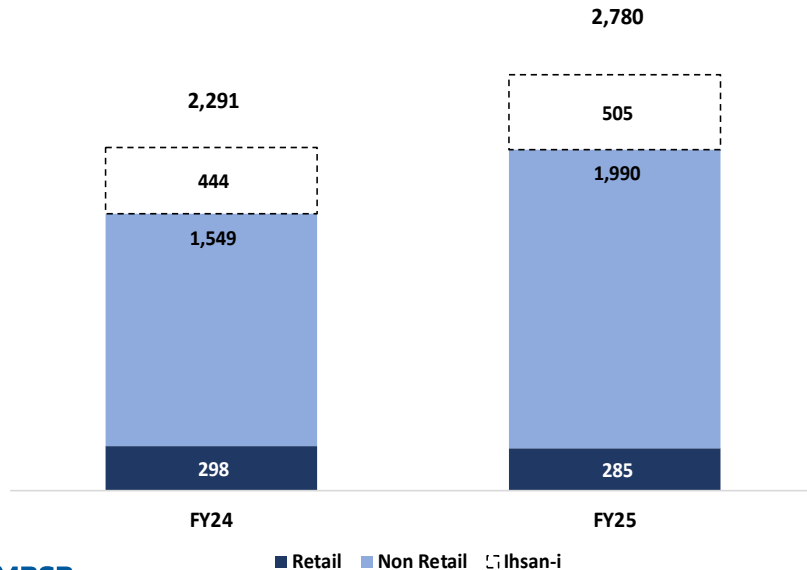


# ASSET QUALITY

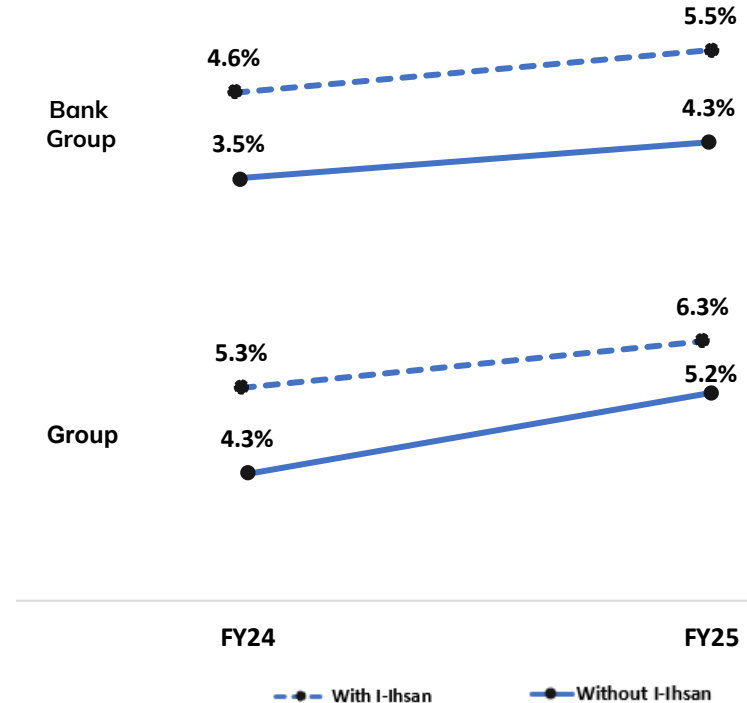
GIFR stood at 5.2% in FY2025; including Ihsan-i, GIFR would be 6.3%.

## Gross Impaired Loans/Financing

### Gross Impaired Financing (RM'mil)



### GIFR %

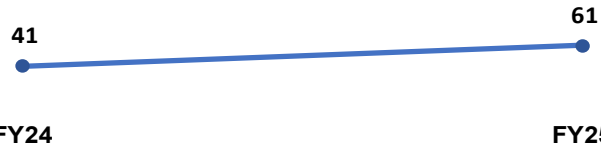


# ASSET QUALITY (Cont'd)

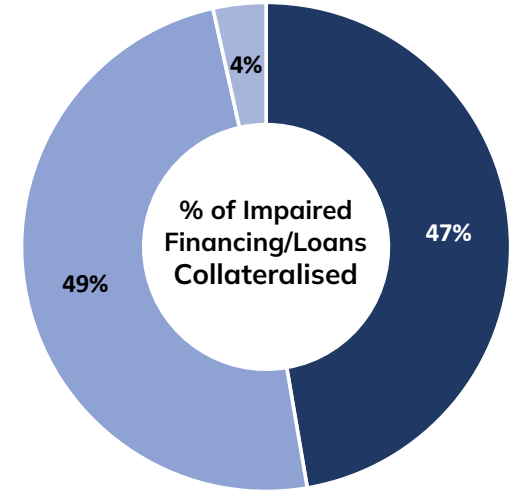
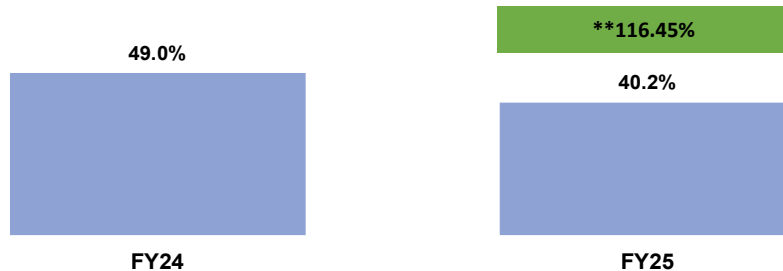
Loss Coverage and Credit Cost

RM million	FY 2024	FY 2025	YoY	
			Var (RM'mil)	Var (%)
Financing/Loans/Others (impairment)	(167)	(267)	(100)	60.2%
Financing/Loans (write off)/recovered	8	23	15	>100%
<b>Net impairment (losses)/writeback</b>	<b>(159)</b>	<b>(244)</b>	<b>(85)</b>	<b>53.5%</b>

## MBSB Group Credit Cost (bps)



## Financing/Loan Loss Coverage Ratio (%)



- Fully Collateralised
- Partially Collateralised
- Not Collateralised

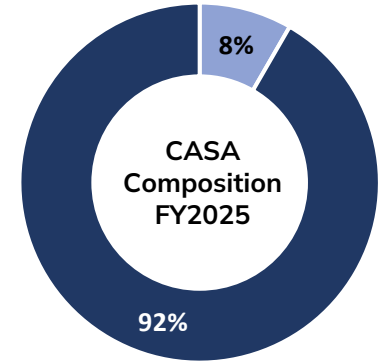
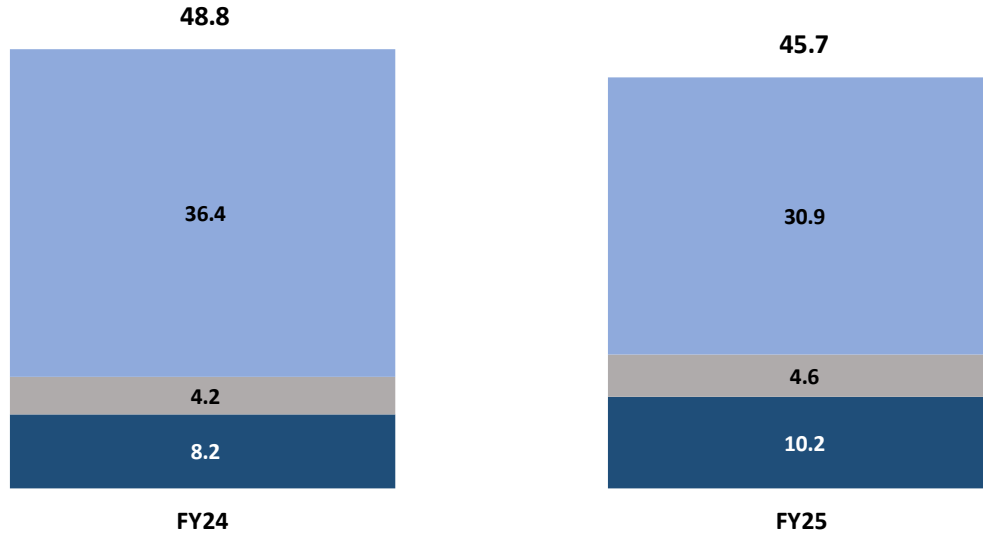
# DEPOSITS

Balance Sheet Optimisation Ongoing

Total Deposits (RM'bil)

▼ YoY 6.4%

CASA Ratio



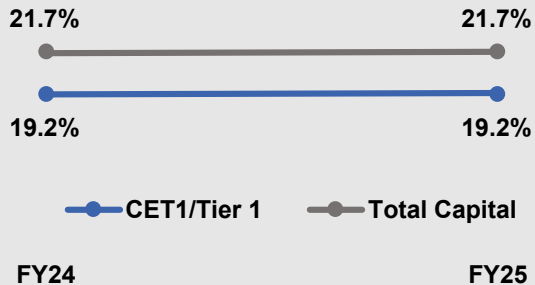
■ Retail ■ Corporate/Commercial

■ Consumer Banking ■ Commercial Banking ■ Wholesale Banking

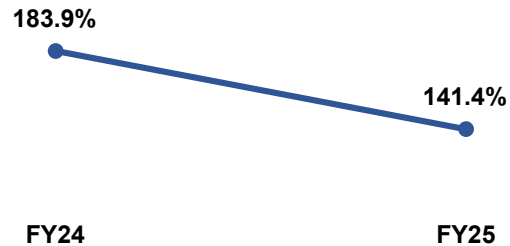
# CAPITAL AND LIQUIDITY MANAGEMENT

Strong Capital and Liquidity Position

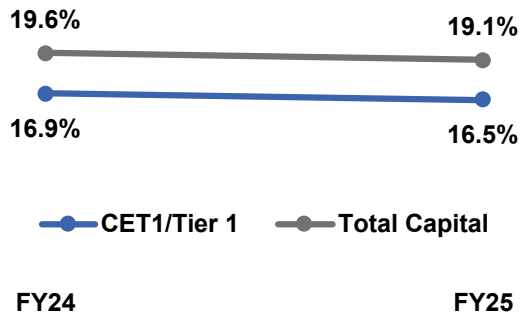
MBSB Group TCR



MBSB Group LCR



MBSB Bank Group TCR



MBSB Group NSFR



# Q & A Session

Thank you