



MBSB BANK 3rd QTR 2018 UPDATES

13 NOVEMBER 2018

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President and Chief Executive Officer

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3RD QUARTER 2018 KEY HIGHLIGHTS

Revenue and PBT

RM Million	3Q18	2Q18	Change
Revenue	786.4	794.1	-1.0%
Profit before tax	160.9	124.9	28.76%

RM Million	3Q18	3Q17	Change
Revenue	786.4	816.9	-3.74%
Profit before tax	160.9	130.0	23.70%

Key Financial Positions

RM Million	3Q18	4Q17	Change
Total assets	46,402.5	44,810.1	3.55%
Gross financing	35,852.1	34,201.2	4.83%
Deposits	31,730.4	32,755.1	-3.13%
Securitization	4,364.7	4,526.0	-3.56%
Shareholders' equity	7,585.9	7,124.9	6.47%

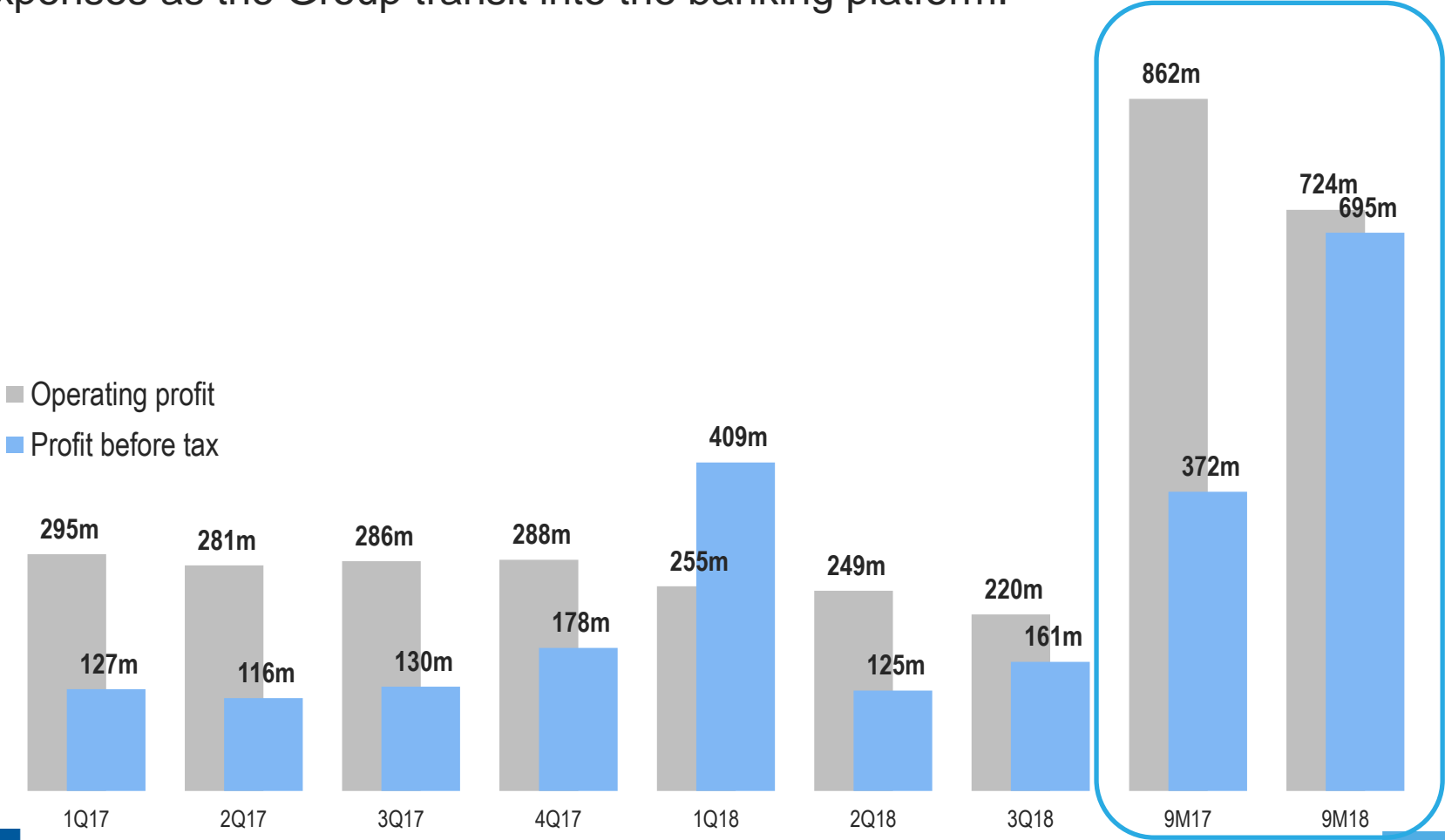
Key Ratios

	3Q18	2Q18
Net return on equity (YTD)	9.53%	11.01%
Net return on assets (YTD)	1.54%	1.81%
Net profit margin	3.08%	3.23%
Cost to income ratio (YTD)	30.90%	28.59%

	3Q18	2Q18
Gross impaired ratio	5.54%	5.47%
Net impaired ratio	1.76%	1.91%
Loss coverage	129.24%	128.30%
CET 1/Tier 1 ratio	18.58%	16.82%
Total capital ratio	19.75%	18.00%

GROUP PROFITS

Improvement in Group PBT for 3Q18 and 9M18 due to lower impairment allowances, and higher operating expenses as the Group transit into the banking platform.

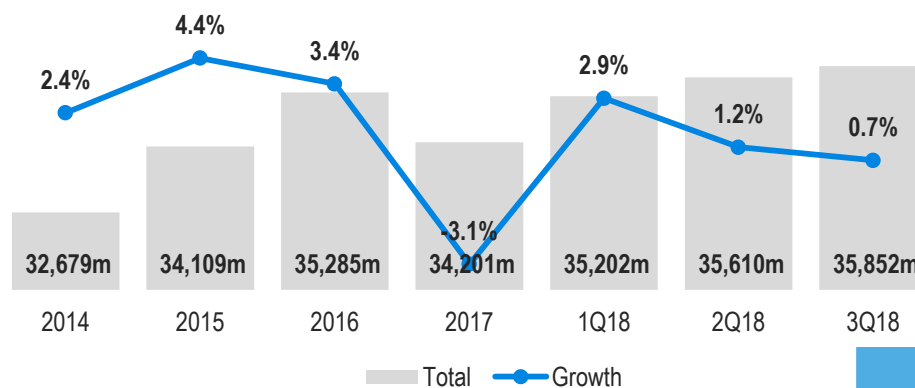
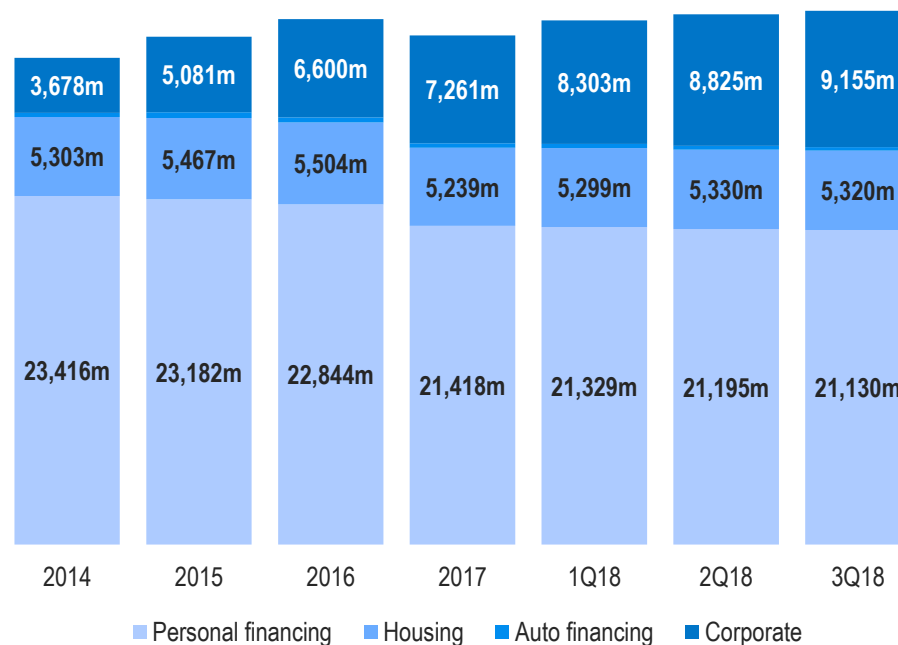


LOANS, ADVANCES & FINANCING

	3Q18	2Q18		Change
	RM Mil	RM Mil	RM Mil	%
Gross balance				
Personal financing	21,130	21,195	(65)	-0.3% ↓
Housing	5,320	5,330	(9)	-0.2% ↓
Auto financing	247	260	(12)	-4.7% ↓
Total Retail	26,697	26,785	(87)	-0.3% ↓
Corporate	9,155	8,825	329	3.7% ↑
Total	35,852	35,610	242	0.7% ↑

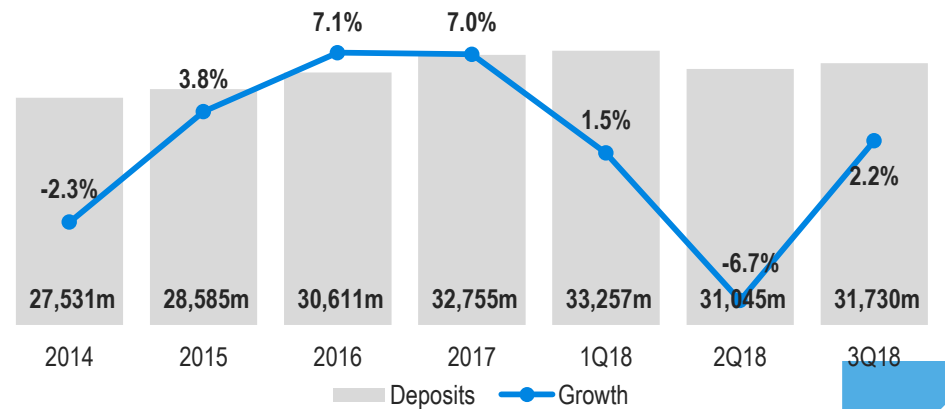
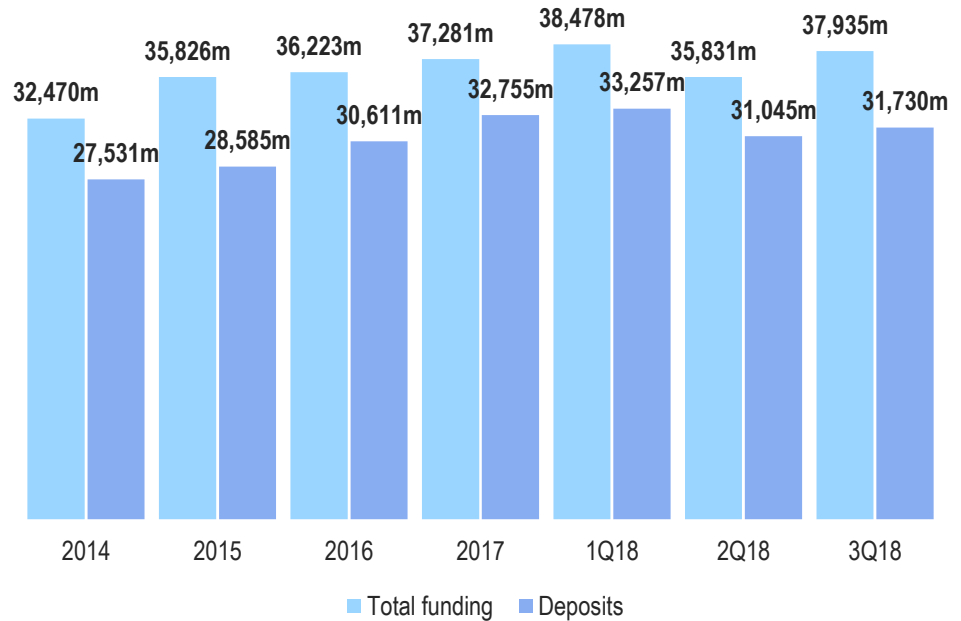
Portfolio mix

Retail	74.5%	75.2%
Corporate	25.5%	24.8%



SOURCES OF FUNDS

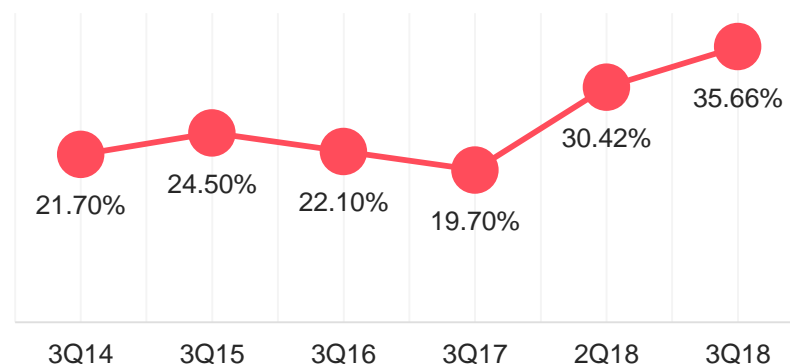
	3Q18	2Q18	Change	
	RM Mil	RM Mil	RM Mil	%
Deposits from customers	31,730	31,045	685	2.2% ↑
Cagamas	2,150	2,165	(14)	-0.7% ↓
Sukuk	2,215	2,187	28	1.3% ↑
Borrowing/ InterBank	1,840	434	1,406	100.0% ↑
Total Funding	37,935	35,831	2,104	5.9% ↑



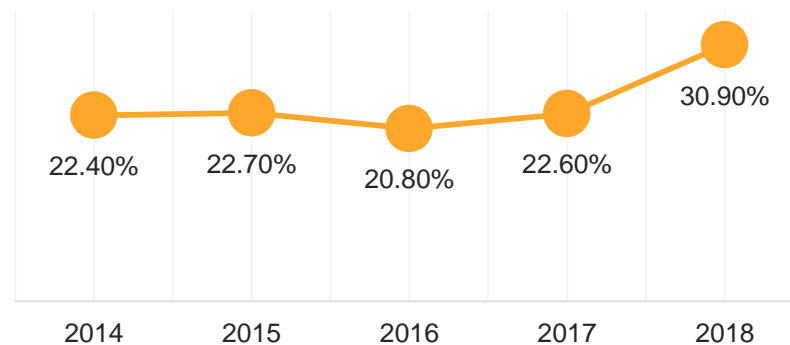
OPERATING EXPENSES

	3Q18 RM mil	2Q18 RM mil	3Q17 RM mil
Total income	341.5	358.1	371.3
Salary and related expenses	60.3	57.4	41.7
Other expenses	61.5	51.5	43.5
Total	121.8	108.9	85.2
Salary & related expenses to total expenses ratio	49.5%	52.7%	48.9%

CIR – by Quarter



CIR – by year



KEY HIGHLIGHTS

Business

- ✓ Corporate Financing has disbursed RM3.0 billion in the first 9 months and is expected to disburse RM950 million in 4th Qtr 2018.
- ✓ Unutilized Corporate Financing stood at RM6.6 billion as at September 2018.
- ✓ Trade Finance has approved RM958.7 million worth of facilities. Trade Finance system has been successfully deployed in October 2018.
- ✓ In the first 9 months, we have approved RM550.6 million for Affordable Housing Projects and RM555.9 million for Equipment Financing.
- ✓ Referral Management System (RMS) has been implemented in October 2018. The solution will enhance business growth, improve turnaround time and tracking warm leads.
- ✓ Current Account balance as at September 2018 stood at RM157.8 million showed an increase of 185.2% compared to December 2017. Overall CASA as at September 2018 showed an increase of 44% compared to December 2017.

KEY HIGHLIGHTS

Operations

- ✓ Banker's cheque has been deployed in September 2018.
- ✓ Branches have begun to offer local and foreign fund transfer services via RENTAS, SWIFT and IBG.
- ✓ To install Cash Recycling Machine (CRM) in 3 Phases starting December 2018
- ✓ Enable MEPS and IBFT services via Cash Recycling Machine in December 2018

Technology

- ✓ Corporate and Retail Internet Banking projects are on track for a soft launch in December 2018.
- ✓ Analytics & Reporting System (Data Warehouse and Business Intelligence) project have been completed.

Q & A