



MBSB 2nd QTR 2020 UPDATES

26th AUGUST 2020

By Datuk Seri Ahmad Zaini Othman
President and Chief Executive Officer

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2Q20 FINANCIAL HIGHLIGHTS

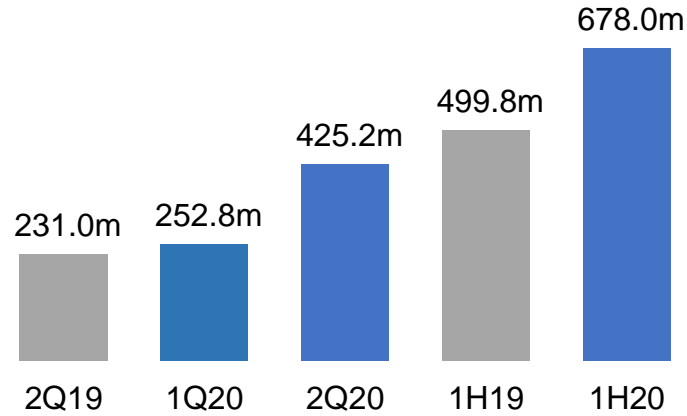
02

2Q20 KEY HIGHLIGHTS

KEY FINANCIAL HIGHLIGHTS

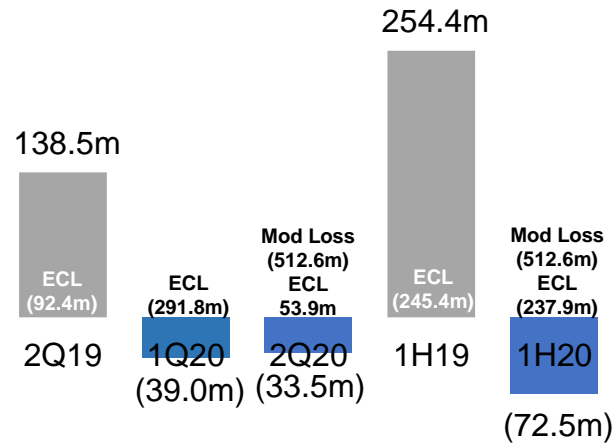
Operating Profit

YTD +35.7% YoY



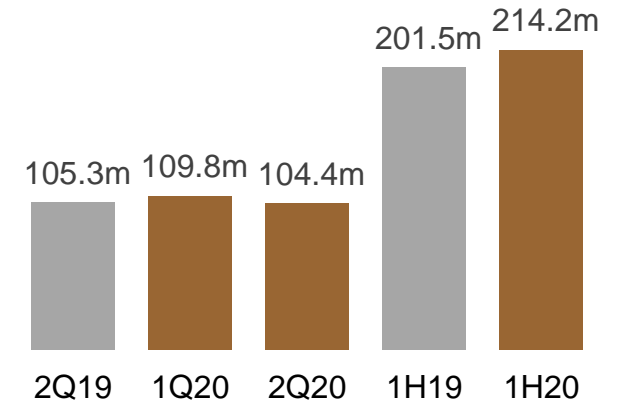
PBT/(LBT)

YTD drop >100% YoY

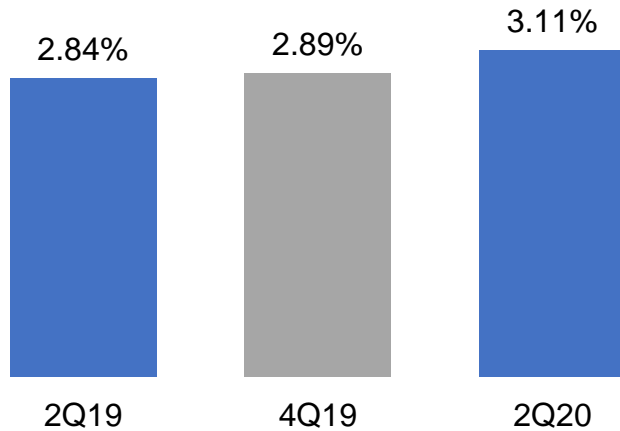


Opex

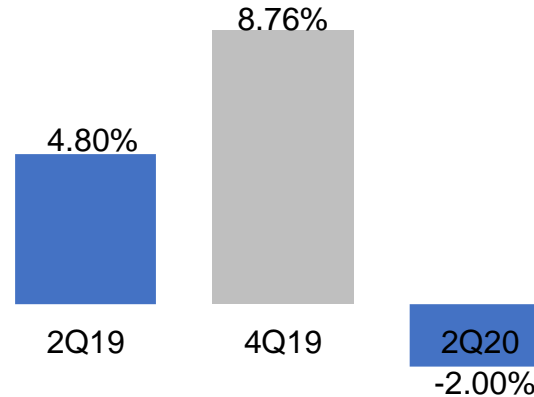
YTD +6.3% YoY



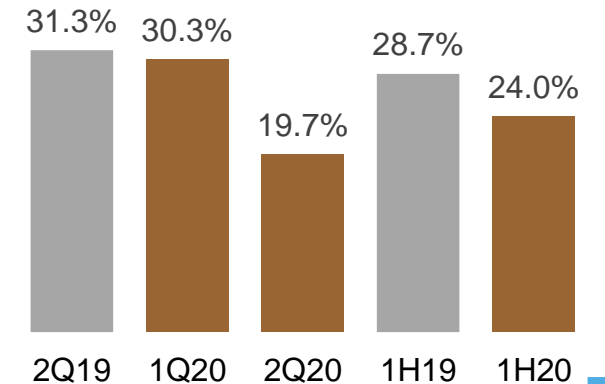
*Net Profit Margin



*Net Return on Equity



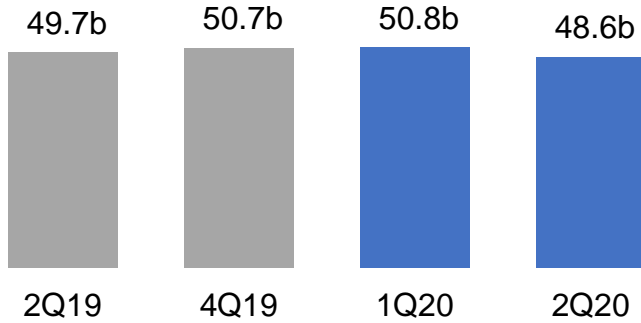
Cost to Income Ratio



KEY FINANCIAL HIGHLIGHTS (CONT'D)

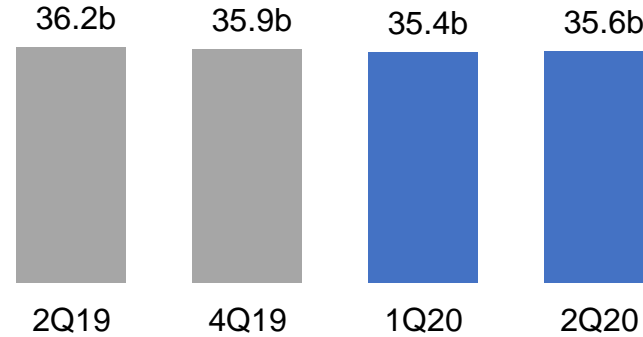
Total Assets

-4.1% YTD



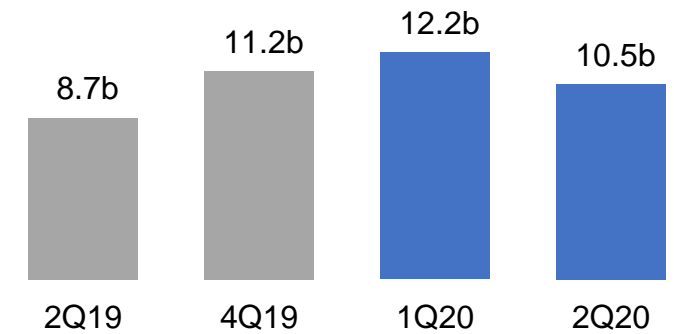
Gross Financing

-0.8% YTD



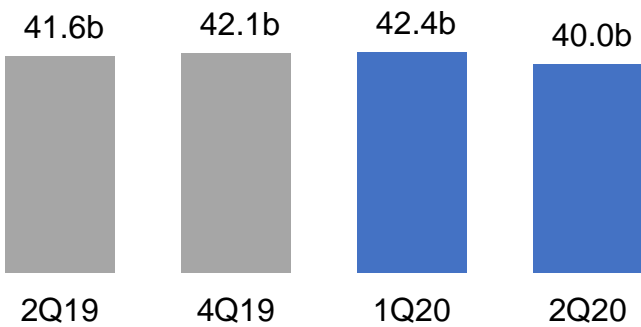
Financial Investments

-6.2% YTD



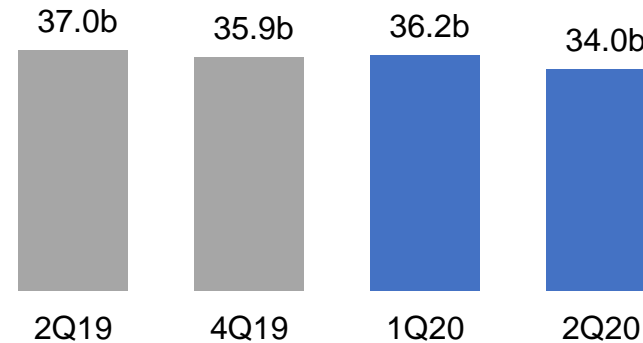
Total Liabilities

-5.0% YTD



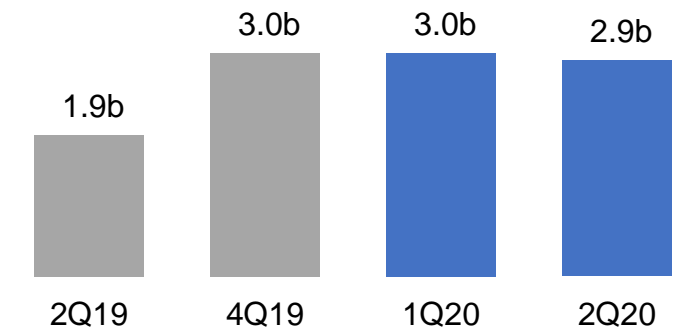
Total Deposits

-5.3% YTD



Total Sukuk

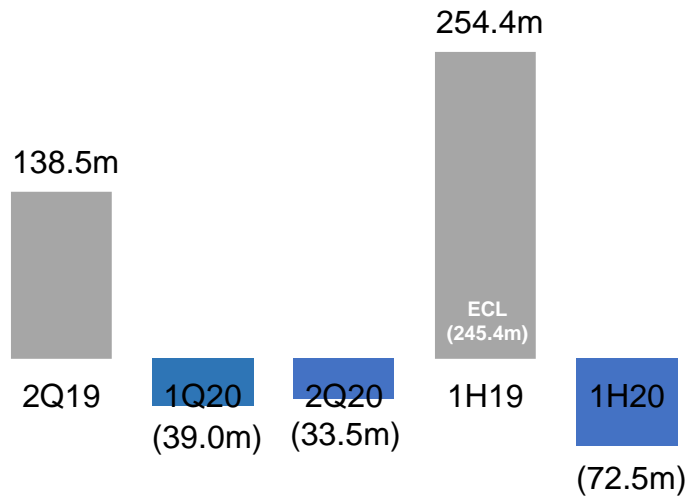
-3.3% YTD



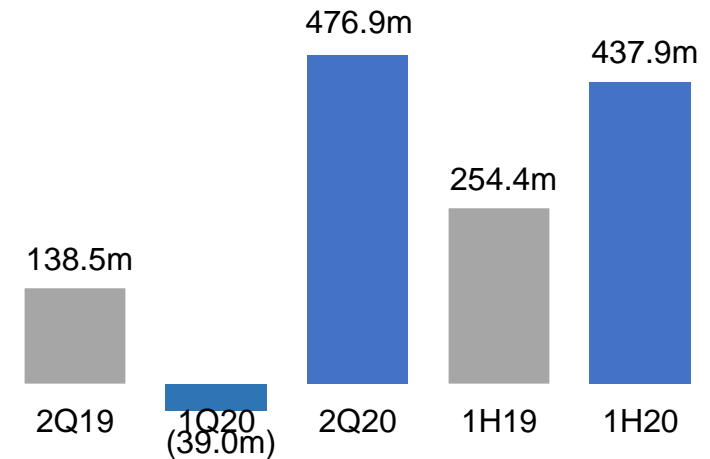
PROFIT/(LOSS) BEFORE TAX – WITHOUT MODIFICATION LOSS

The Group granted moratorium since 1 April 2020 to eligible customers and correspondingly recorded modification loss of RM512.6 million for 2Q20. Excluding modification loss, the Group is in profit position for 2Q20.

PBT/(LBT) - reported



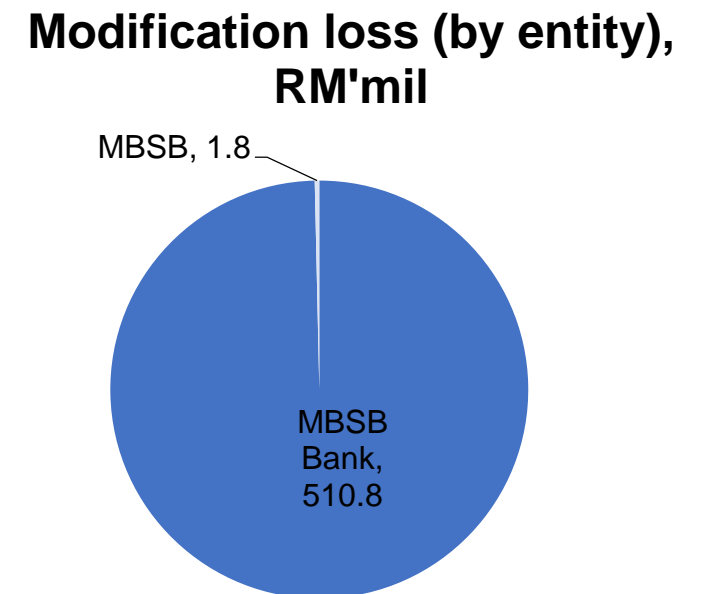
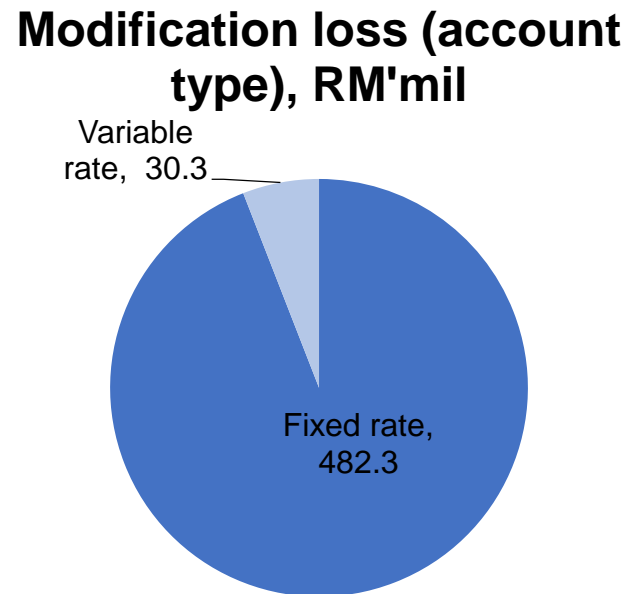
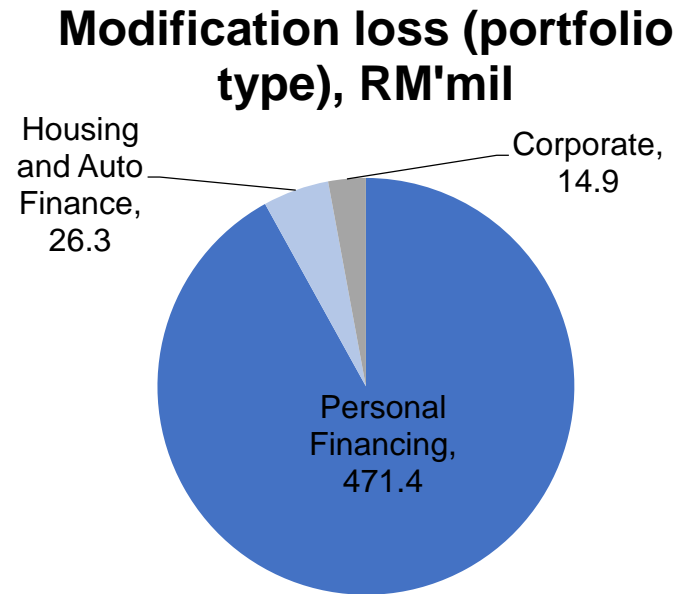
PBT/(LBT) – without modification loss*



* Excluding modification loss and any reversal in 2Q20

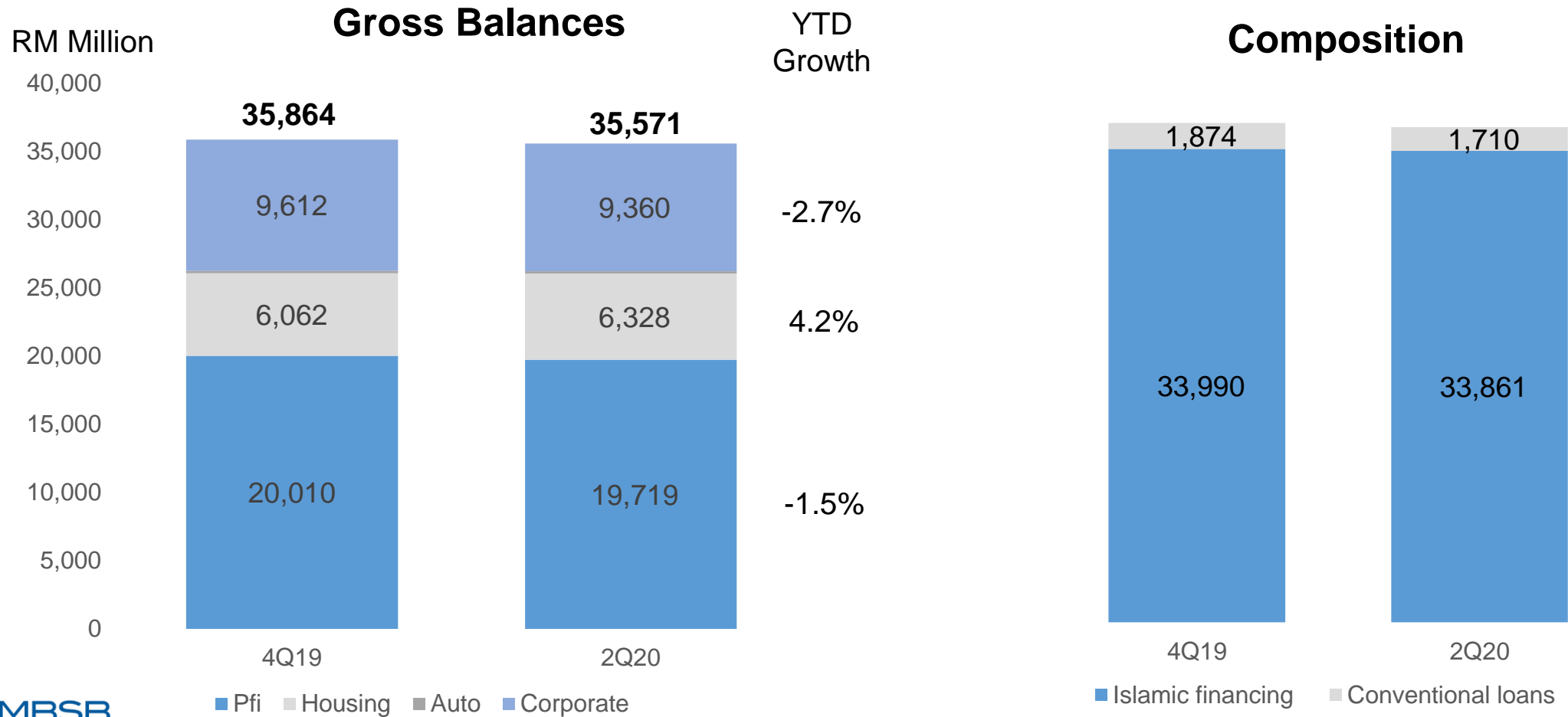
GROUP MODIFICATION LOSS

Group modification loss of RM512.6 million is mainly contributed by Personal Financing with high exposures to fixed rate contracts.



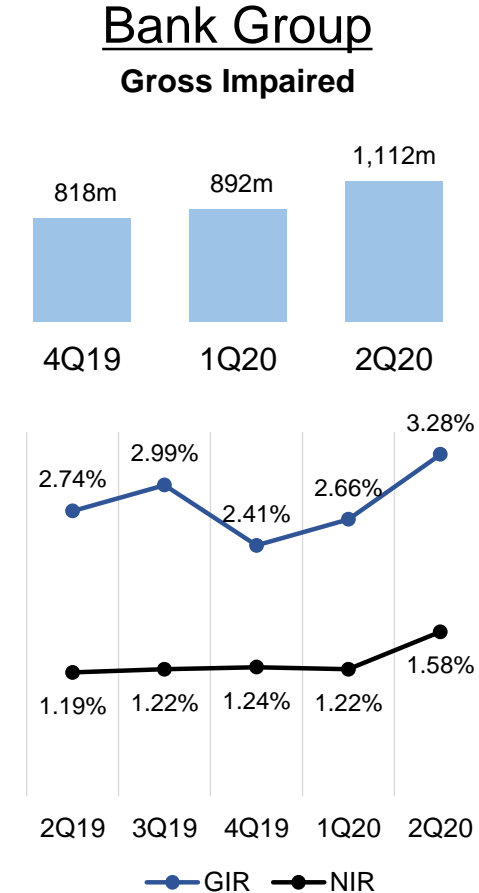
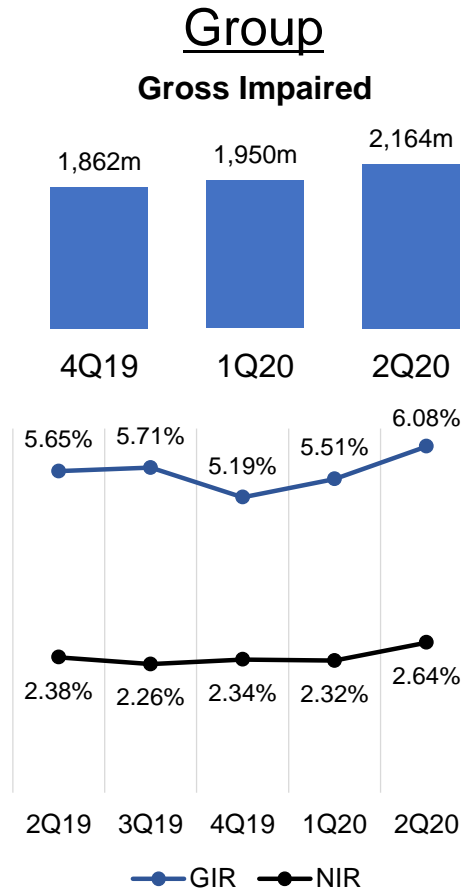
GROUP GROSS LOANS AND FINANCING

Corporate portfolio slightly regressed by 2.7%. Corporate: Retail composition moved from 27:73 (4Q19) to 26:74 (2Q20). Our target was set at 30:70 by 2021



IMPAIRED LOANS AND FINANCING

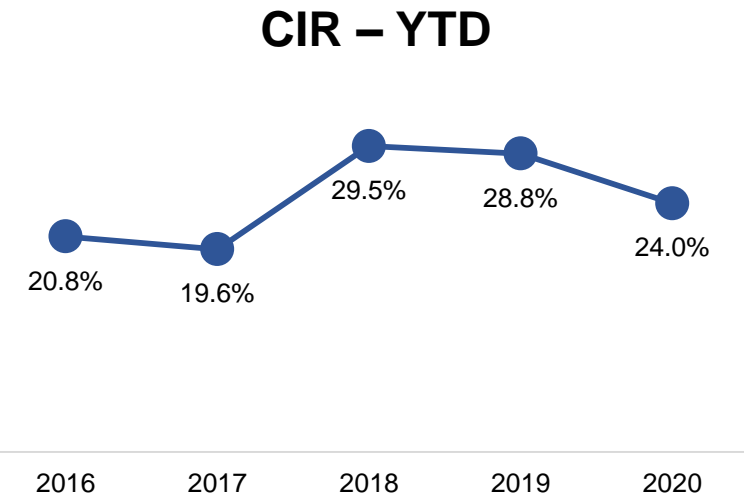
As at 2Q20, gross impaired ratio stood at 6.08% (Group) and 3.28% (Bank Group)



OPERATING EXPENSES

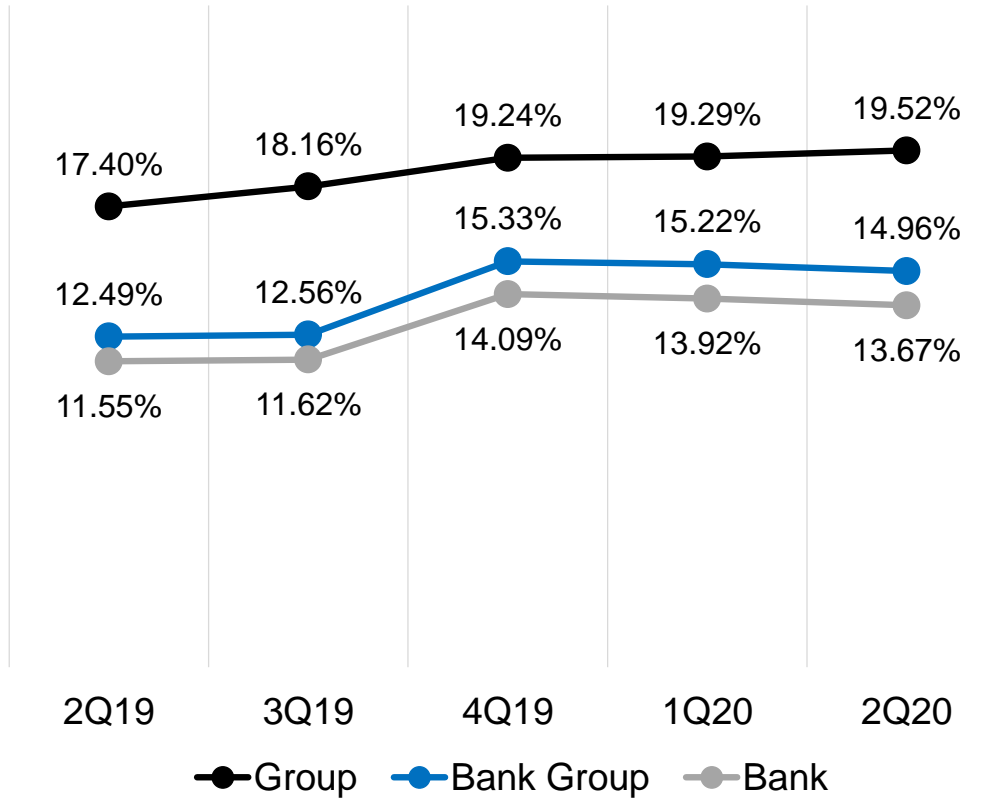
Salary and other personnel costs remain as main operating expenses for the Group.

RM mil	2Q19	2Q20	1H19	1H20
Net income	336.3	529.7	701.3	892.2
Salary/personnel exp	65.2	72.6	127.5	141.3
Other expenses	40.1	31.8	74.0	72.9
	105.3	104.4	201.5	214.2
Cost to income ratio ("CIR")	31.3%	19.7%	28.7%	24.0%
Salary & related exp to total expenses ratio	61.9%	69.5%	63.3%	66.0%

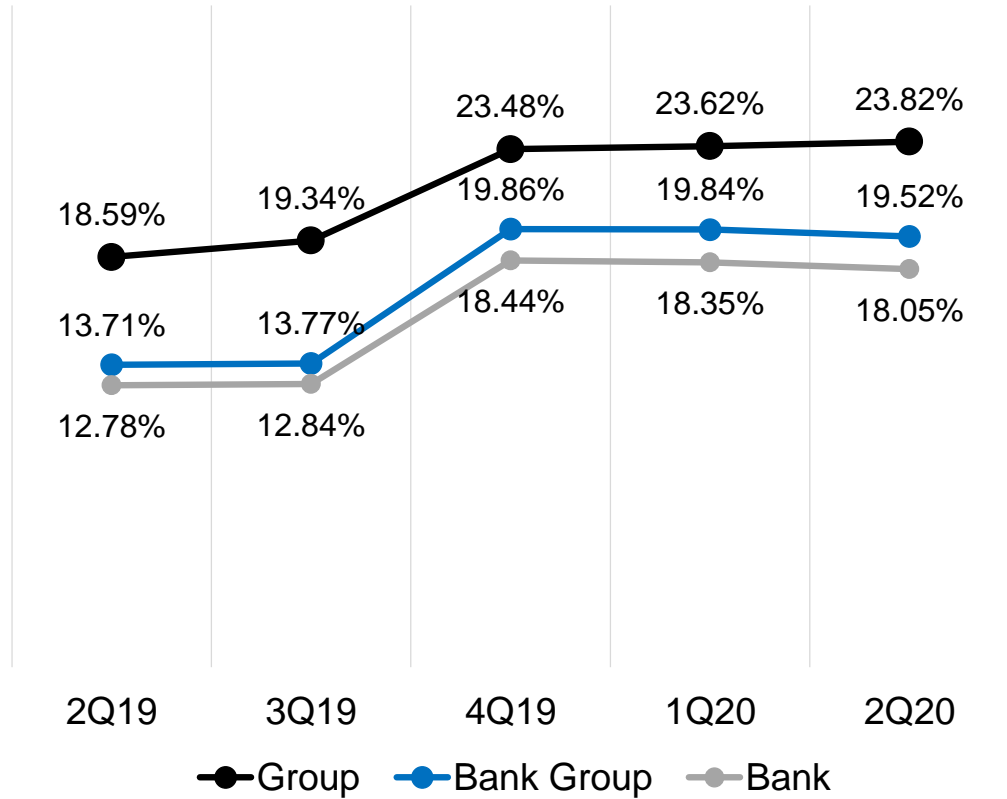


CAPITAL RATIOS

CET 1/Tier 1



Total Capital



Regulatory requirements

CET1 – 7.0%

T1 – 8.5%

Total Capital – 10.5%



2Q20 KEY HIGHLIGHTS



Financing

- ✓ 2Q20 disbursement recorded at RM1.3 bil which is a 36% q-o-q decrease.
- ✓ 1H20 total disbursement stood at RM3.4 bil.
- ✓ Business Banking targeted to disburse RM1.7 bil in 3Q20.
- ✓ Unutilised Business Banking stock stood at RM3.1 bil.
- ✓ M-Prihatin Financing and RM 1 Billion Cashline-I Special Program launched in June 2020.



Deposits

- ✓ 2Q20 total deposit balance recorded at RM34.0 bil which is a 6 % q-o-q decrease.
- ✓ The deposit composition has witnessed a reduction from 19.16% in 1Q20 to 15.97% in 2Q20 for Retail Deposit and pushed the Corporate Deposit up from 80.84% to 84.03% in 2Q20.

2Q20 KEY HIGHLIGHTS



Global Markets

- ✓ Registered a commendable performance with RM143.8 mil income gained from Forex and Fixed Income Trading as at 2Q20.
- ✓ As at 2Q20, top 10 depositor's concentration has reduced to 37.71% (1Q20 : 42.25% and 4Q19 : 44.65%). This is in tandem with bank's target to keep the concentration below 40%.
- ✓ As at 2Q20, total reduction in Cost of Funds stood at 70 basis points from 3.76% to 3.06%.



Technology/ Digital

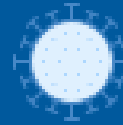
- ✓ Since launched in March 2020, E-wallet has tied up with 163 Merchants with 2,388 outlets and accumulated over 1,883 registered users.
- ✓ Mobile banking has captured 2,176 registered users since launched in May 2020.
- ✓ Online Application for Current and Savings Account was launched in June 2020 and have processed 1,245 number of applications.
- ✓ Number of online banking transactions increased by 22% during MCO compared to numbers of transactions before MCO.
- ✓ In terms of transaction value, it increased by 68% during MCO compared to transaction value before MCO

2Q20 KEY HIGHLIGHTS



MBSB Bank's Care Unit

- ✓ Chaired by PCEO.
- ✓ Steering Committee members consists of Senior Management team.
- ✓ Accountable for steering, coordinating and ensuring effective implementation of the Bank's Targeted Payment Flexibility Programs for customers affected by Covid-19 pandemic.
- ✓ Handles all applications of customers affected by the pandemic situation received from 6 August 2020 until 30 June 2021.



Covid-19 Management

- ✓ MBSB Bank's Multi-Disciplinary Pandemic Team (MDPT) has developed "Guidelines on the New Norm – Post MCO".
- ✓ The Bank's staff is expected to conduct their daily operational activities during the New Norm period within the expected standards and practices for the benefit of the Bank, staff and the society in general.
- ✓ 80% of total workforce are currently on Work From Office mode.

Q & A