



2Q21 ANALYST BRIEFING

25 AUGUST 2021

By Datuk Nor Azam M Taib
Acting President and Chief Executive Officer

CONTENTS



FINANCIAL OVERVIEW



MOVING FORWARD

2Q21 FINANCIAL OVERVIEW

PROFITABILITY

- Profit Before Tax of RM532.8mil, up from Loss Before Tax of RM33.5mil in 2Q20.
- Net impairment allowance reported a write back of RM229.5mil mainly due to improvement in staging.
- Modification loss of RM13.2mil following continued moratorium granted to B40 M40 group by Government.

FINANCING

- Total gross loans, financing and advances increased marginally from RM35.6bil in 1Q21 to RM35.8bil in 2Q21.

ASSET QUALITY

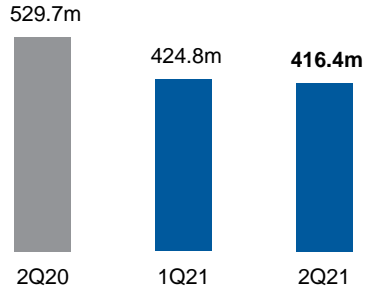
- Gross Impaired Ratio of 5.42%, down by 34bps from 5.76% in 1Q21.
- Loans and financing Loss Coverage Ratio of 94.13%, down from 104.17% in 1Q21.

CAPITAL & LIQUIDITY

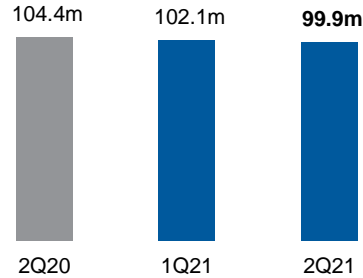
- CET1 and Tier 1 capital ratios of 21.06%, down from 21.20% in 1Q21.
- Total Capital Ratio of 25.55%, down from 25.71% in 1Q21.
- Liquidity Coverage Ratio of 220.09%, up from 202.67% in 1Q21.

GROUP KEY FINANCIAL HIGHLIGHTS

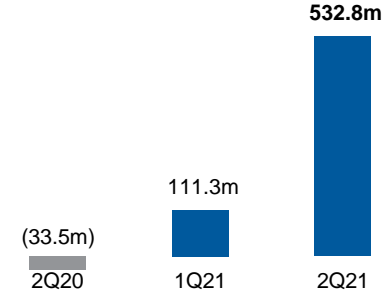
Net Income



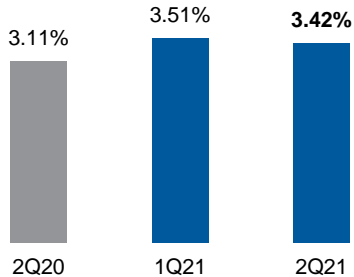
Operating Expenses



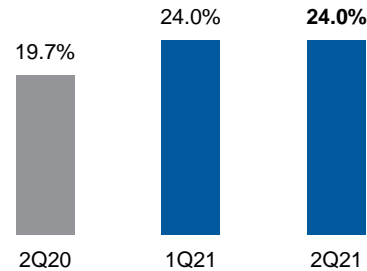
Profit Before Tax



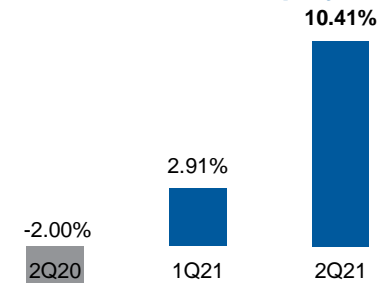
Net Profit Margin*



Cost to Income Ratio



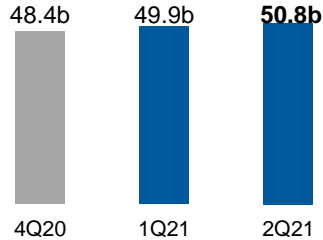
Net Return on Equity*



GROUP KEY FINANCIAL HIGHLIGHTS (CONT'D)

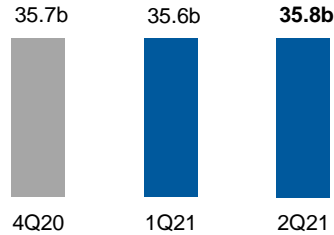
Total Assets

+5.0% YTD



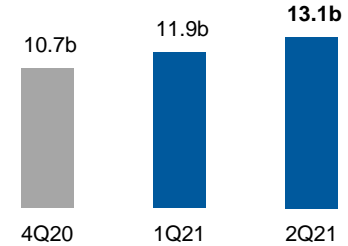
Gross Financing

+0.4% YTD



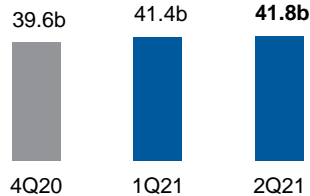
Financial Investments

+22.6% YTD



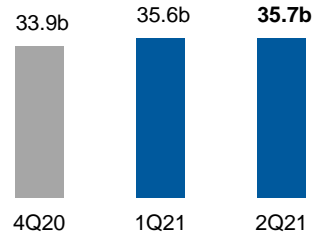
Total Liabilities

+5.5% YTD



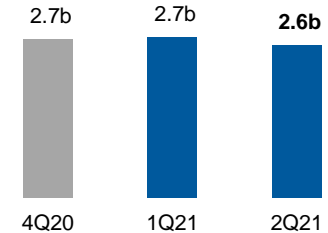
Total Deposits

+5.3% YTD



Total Sukuk

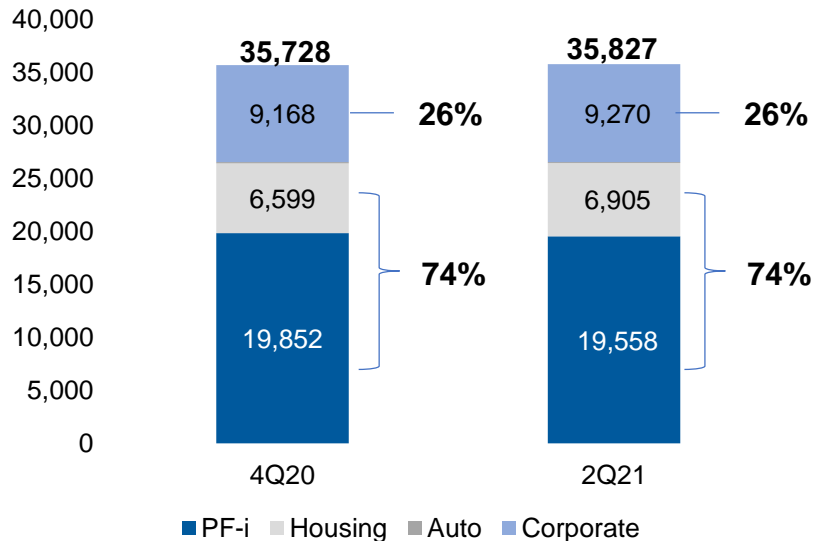
-3.8% YTD



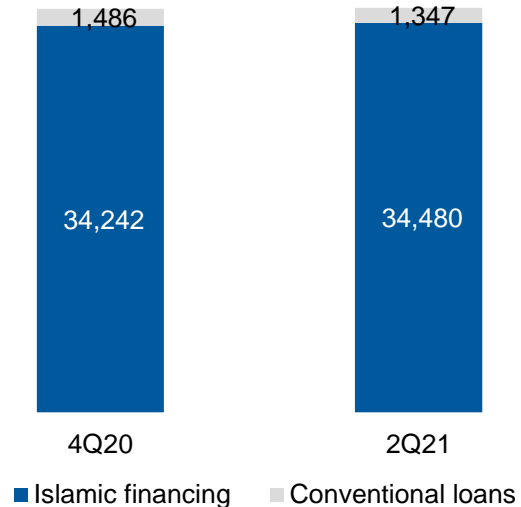
GROSS LOANS AND FINANCING INCREASED MARGINALLY BY 0.3% TO RM35.8bil (4Q20: RM35.73bil)

Corporate : Retail composition remains at 26 : 74

Gross Balances (RM'mil)

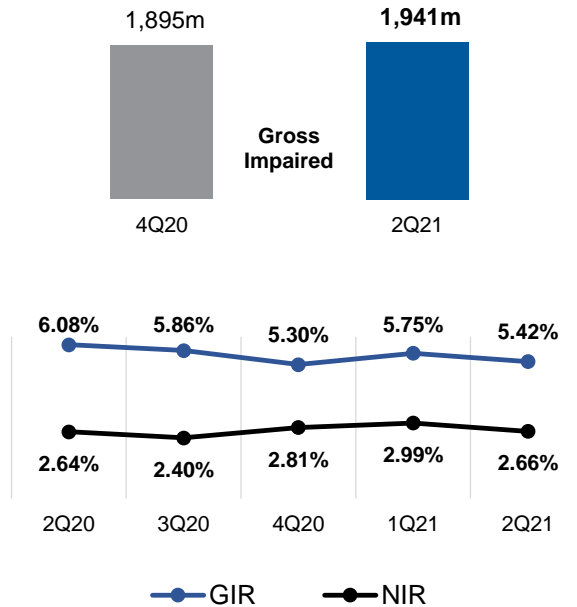


Composition (RM'mil)

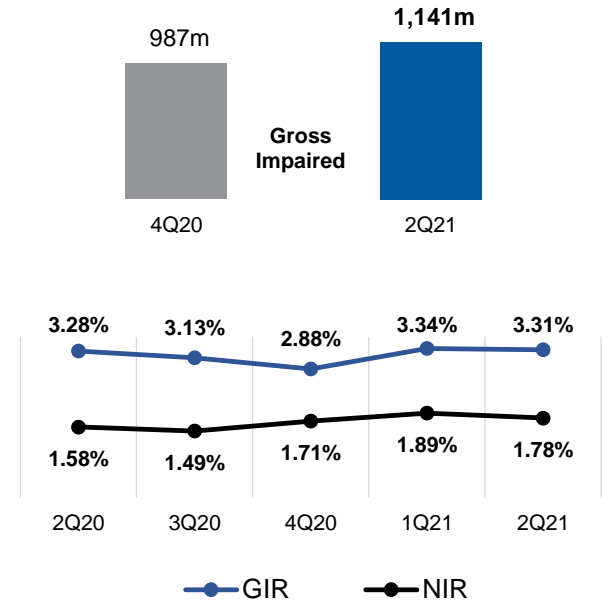


GROSS IMPAIRED RATIO (GIR) DETERIORATED marginally; CONTRIBUTED MAINLY BY RETAIL PORTFOLIO

MBSB Group



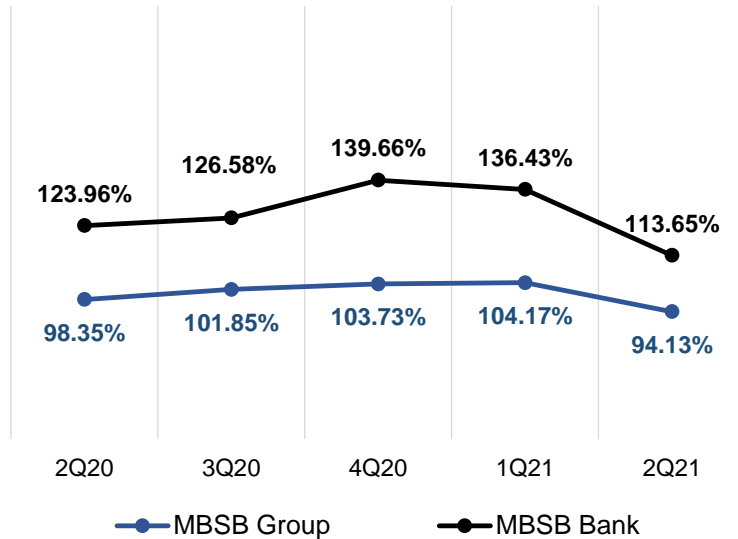
MBSB Bank



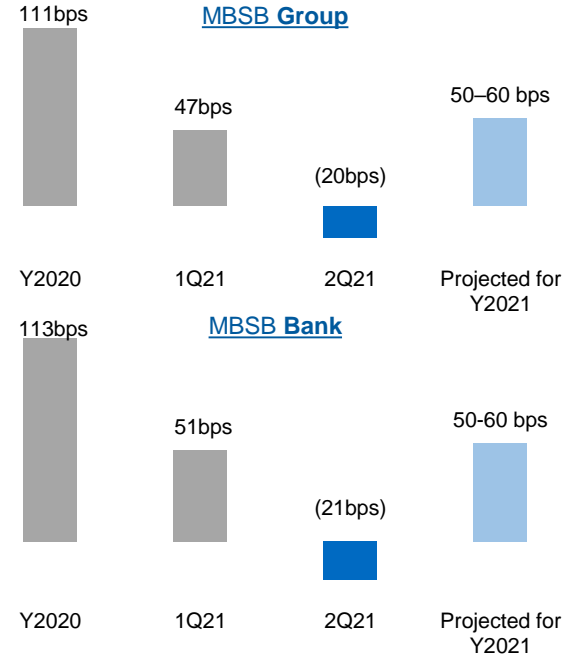
LOANS AND FINANCING LOSS COVERAGE FOR THE GROUP DROPPED BELOW 100% DUE TO WRITEBACK ON ECL

The coverage remains above 100% for MBSB Bank

Loss Coverage Ratio

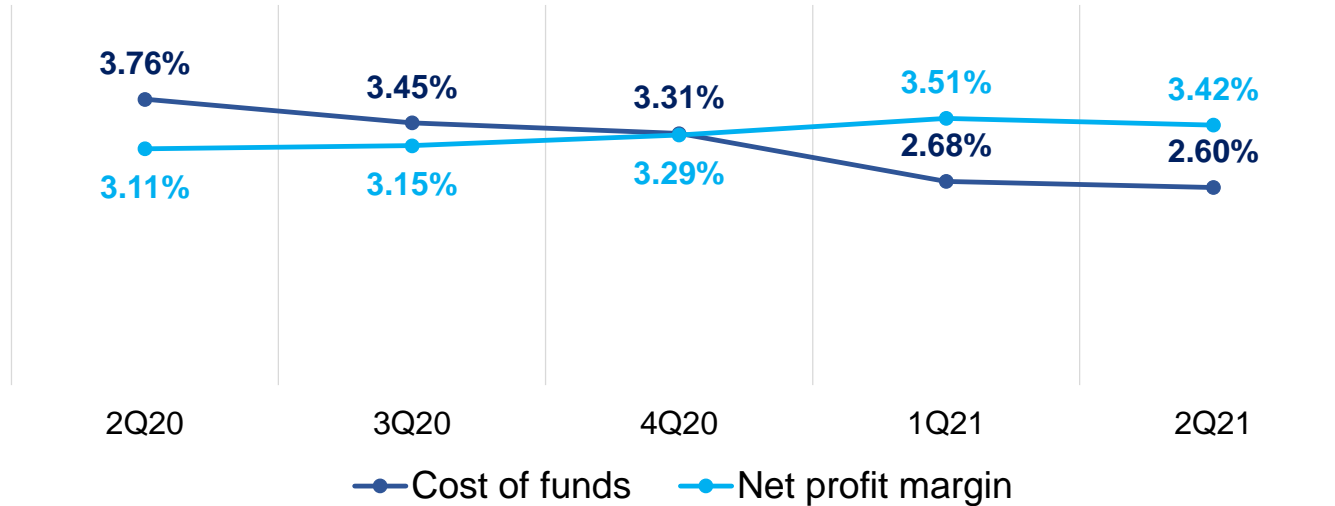


YTD Net Credit Cost



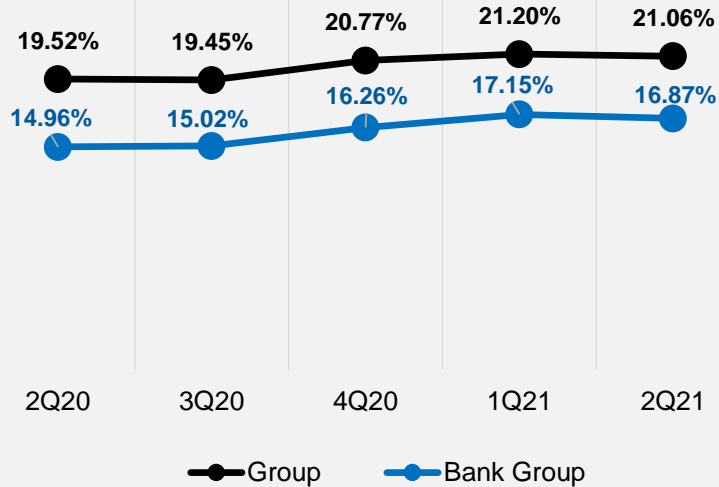
NET PROFIT MARGIN REGRESSED TO 3.42% MAINLY DUE TO LOWER AVERAGE FINANCING YIELDS

MBSB Group

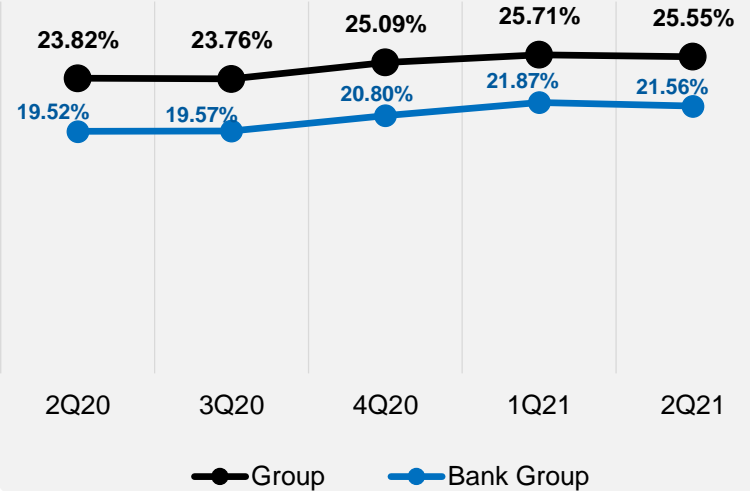


CAPITAL REMAINS HEALTHY AND WELL ABOVE MINIMUM REGULATORY REQUIREMENTS

CET1/Tier 1



Total Capital



Regulatory requirements

CET1 : 7.0%
 Tier 1 : 8.5%
 Total Capital : 10.5%

GROUP KEY RATIOS

KEY RATIOS		4Q20 (%)	1Q21 (%)	2Q21 (%)
PROFITABILITY	Return on Equity	3.09	2.91	10.41
	Return on Asset	0.55	0.52	1.88
	Net Profit Margin	3.29	3.51	3.42
	Cost to Income Ratio	24.45	24.03	24.01
ASSET QUALITY	Gross Impaired Ratio	5.30	5.75	5.42
	Net Impaired Ratio	2.81	2.99	2.66
	Loans and financing Loss Coverage Ratio	103.73	104.17	94.13
CAPITAL	CET1 and Tier 1	20.77	21.20	21.06
	Total Capital	25.09	25.71	25.55
LIQUIDITY	Cost of Funds	3.30	2.68	2.66
	Liquidity Coverage Ratio	203.90	202.67	220.09
	Net Stable Funding Ratio (for MBSB Bank Group)	100.46	107.54	106.42

Regulatory requirements

CET1	: 7.0%
Tier 1	: 8.5%
Total Capital	: 10.5%

CONTENTS



FINANCIAL OVERVIEW



MOVING FORWARD

MOVING FORWARD



TARGETED REPAYMENT ASSISTANCE



BNM SKIM CAKNA FOR SME





CASHLESS SCHOOL COMMUNITY





VIRTUAL BRANCH

CONTINUED TARGETED REPAYMENT ASSISTANCE (TRA)

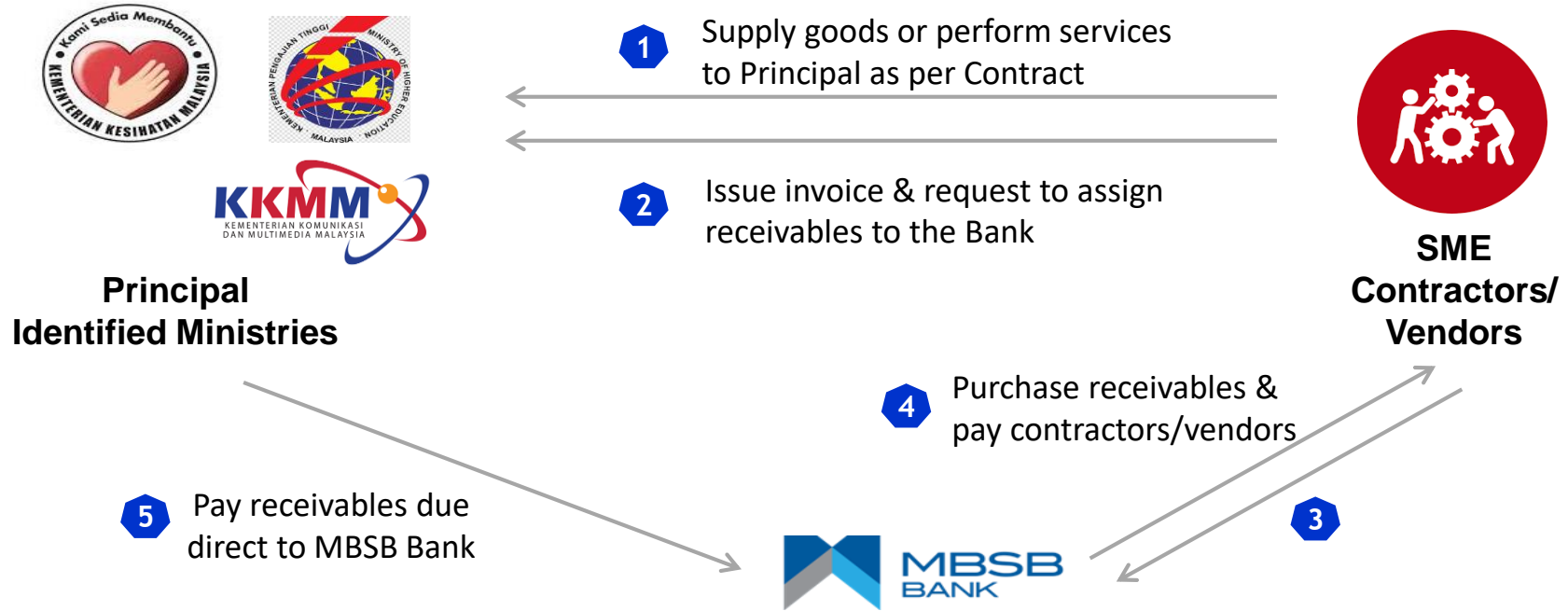
Type of Customer	Options
 Individual	Option 1 : 6 Months' Instalment Deferment Option 2 : 50% Reduction in Monthly Instalments for 6 Months
 Non-Individual	<u>SME</u> Option 1 : 6 Months' Installment Deferment Option 2 : 50% Reduction in Monthly Instalments for 6 Months <u>Corporate</u> Rescheduling & Restructuring

33% OF RETAIL & 11% OF CORPORATE CUSTOMERS ARE BEING ASSISTED UNDER TRA

Type of Customer	% of TRA Accounts against Total Retail Financing Customers
 Individual	33%
Breakdown by Product	
Personal Financing	28%
Property Financing	4%
Auto Financing	1%

Type of Customer	% of TRA Accounts against Total Corporate Financing Customers
 Non-Individual (SME & Corporate)	11%

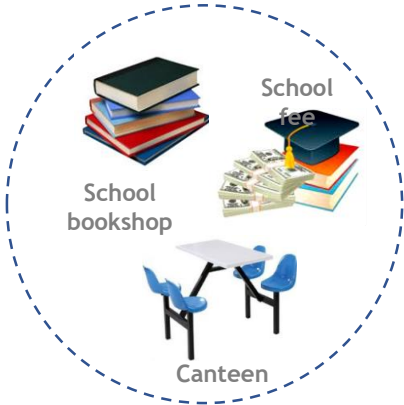
RM1.0bil FUND ALLOCATED FOR SKIM CAKNA FOR SME



CASHLESS SCHOOL COMMUNITY



Parents



Student



Deposit Account



Personal Financing



Property Financing



Takaful



SEAMLESS CUSTOMER'S REACH – VIRTUAL BRANCH

 Roll out in September 2021

Unlimited Possibilities at your fingertips!

- Customers can fulfill their banking needs anytime, anywhere

- Opening of Account
- Apply for Personal Financing
- Apply for Mortgage Financing
- Apply for Business Financing
- e-KYC (Digital On-Boarding)
- Wealth Management
- Internet Banking
- e-Wallet
- Live Chat
- e-Commerce Marketplace
- e-Remittance
- Gold Investment

- We are able to offer banking products digitally with an easy-to-use and secured banking channel



Q&A