



A Subsidiary of the EPF (9417-K)

*Your Financial Provider*



# **BRIEFING FOR ANALYSTS MBSB PERFORMANCE FOR 1 APRIL – 30 JUNE 2015**

**by Dato' Ahmad Zaini Othman  
President and CEO  
6 AUGUST 2015**

# HIGHLIGHTS

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- Initiatives and Planned Activities
  - Targeted Growth Area
    - Equipment Financing
    - Bridging Financing - National Housing Projects
- Focus on prudential measures
- Adoption of improved standards on impairments
- Financial Review
  - Reduction in bottom-line with adoption of improved standards and prudential measures

# INITIATIVES & PLANNED ACTIVITIES

AREA	INITIATIVES
RETAIL BUSINESS	<ul style="list-style-type: none"> <li>✓ A new campaign, “7 Wonders of the World” launched in April. Customers eligible to win trips to 7 wonders of the world and other attractive prizes;</li> <li>✓ Campaign ends on 31<sup>st</sup> December 2015.</li> </ul>
CORPORATE BUSINESS & WHOLESALE BANKING	<ul style="list-style-type: none"> <li>✓ Secured financing approvals of RM2.76 bil and disbursed RM1.21 bil as at 30 June 2015 ;</li> <li>✓ Financing Stock stands at RM5.46 bil as at 30 June 2015.</li> </ul> <p><b><u>Targeted Growth Area</u></b></p> <ul style="list-style-type: none"> <li>✓ Equipment Financing segment secured an approval of RM172.3 mil for the 1<sup>st</sup> half of 2015;</li> <li>✓ Plans to establish equipment financing hubs in Penang and Johor Bahru;</li> <li>✓ Next 6 months, more exert towards National Housing Project for Bridging Financing. As at to date, approval amount stands at RM1.6 bil and pending for approval stands at RM2.2 bil.</li> </ul>

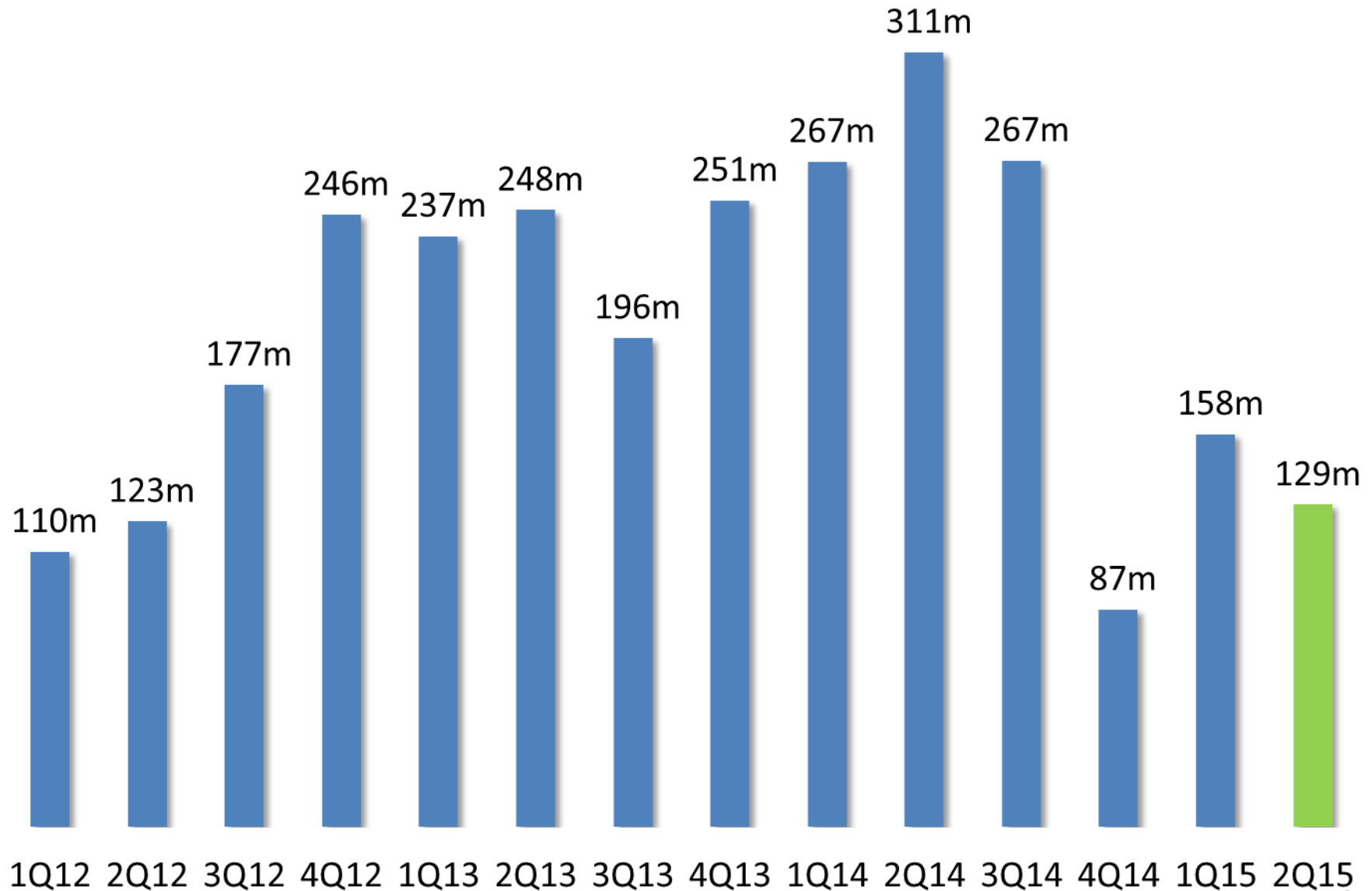
# INITIATIVES & PLANNED ACTIVITIES

AREA	INITIATIVES
TREASURY	<ul style="list-style-type: none"> <li>✓ 3<sup>rd</sup> Tranche of Sukuk issuance of RM900 mil</li> </ul>
BRANCH NETWORK/ RETAIL DEPOSIT	<ul style="list-style-type: none"> <li>✓ Mega Splendid Deals Campaign (4.5% - 18 months) just launched. Campaign period starts from 1 August to 31 December 2015;</li> <li>✓ 10 Representative Offices (REP) have been closed down and the remaining 2 will be closed upon expiry of tenancy agreements by year end.</li> </ul>

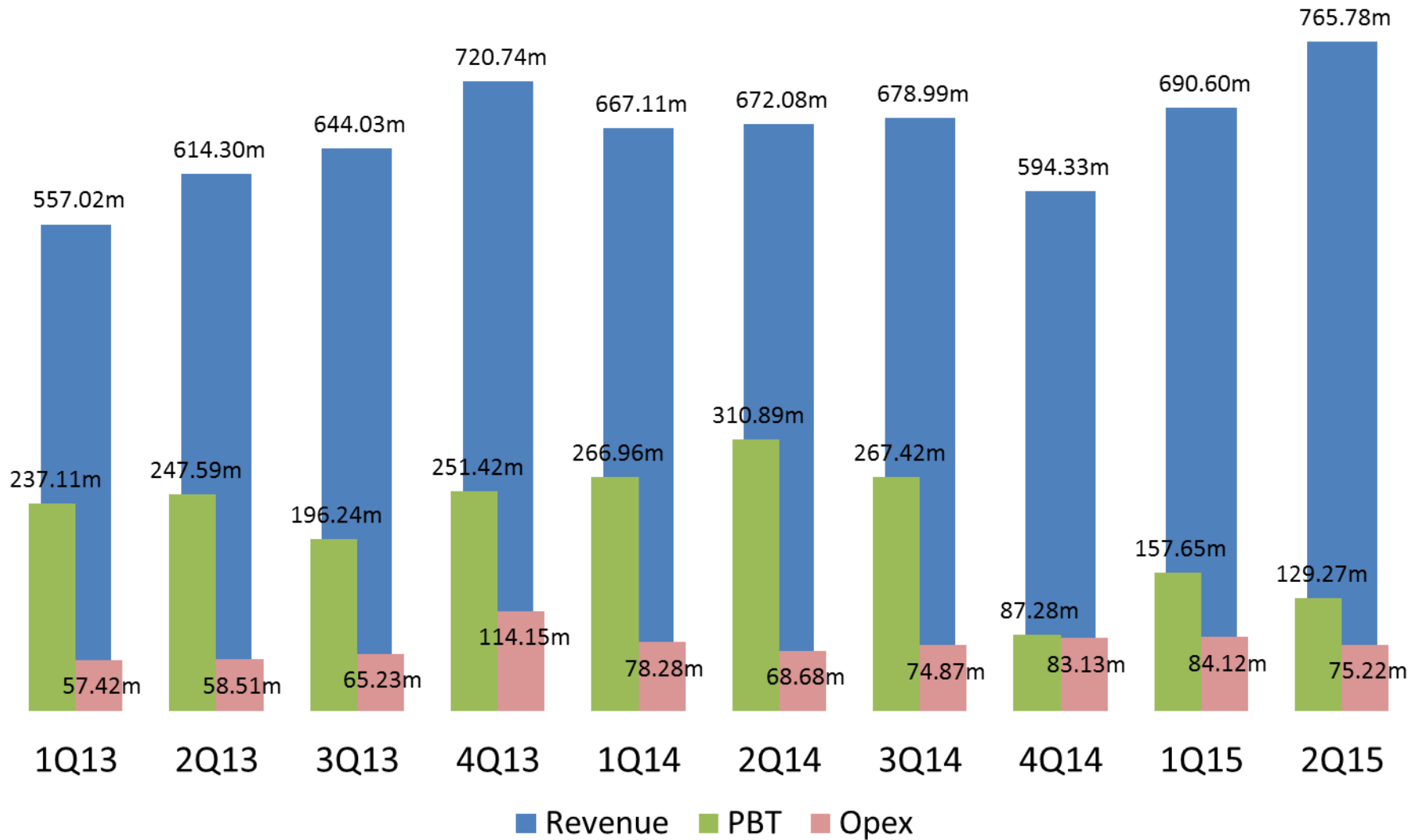
# INITIATIVES & PLANNED ACTIVITIES

AREA	INITIATIVES
COMPLIANCE	<ul style="list-style-type: none"> <li>✓ Focus on prudential measures               <ul style="list-style-type: none"> <li>➤ Requires higher cost of compliance</li> <li>➤ Essential amidst softer economic climate</li> </ul> </li> <li>✓ Adoption of improved standards on impairments               <ul style="list-style-type: none"> <li>➤ In line with best banking practices</li> <li>➤ Closing all gaps to move towards an Islamic banking platform</li> </ul> </li> </ul>
OTHERS	<ul style="list-style-type: none"> <li>✓ Net NPFL ratio stands at 3.94% as at 2Q15 (2Q14: 5.26%), clear reflection of effective strategies on collection efforts.</li> </ul>

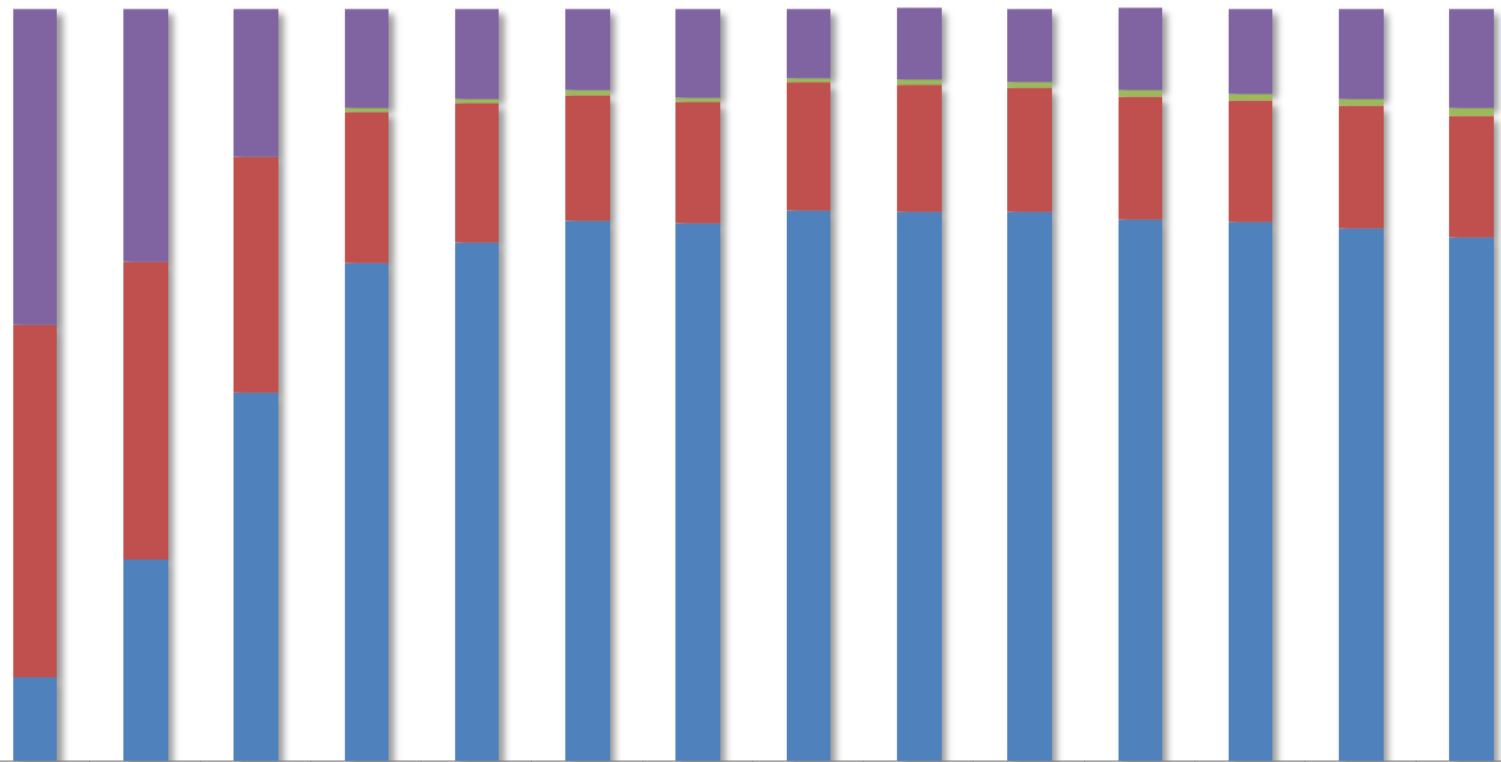
# GROUP PROFIT BEFORE TAX



# GROUP REVENUE, PROFIT BEFORE TAX & OPERATING EXPENSES



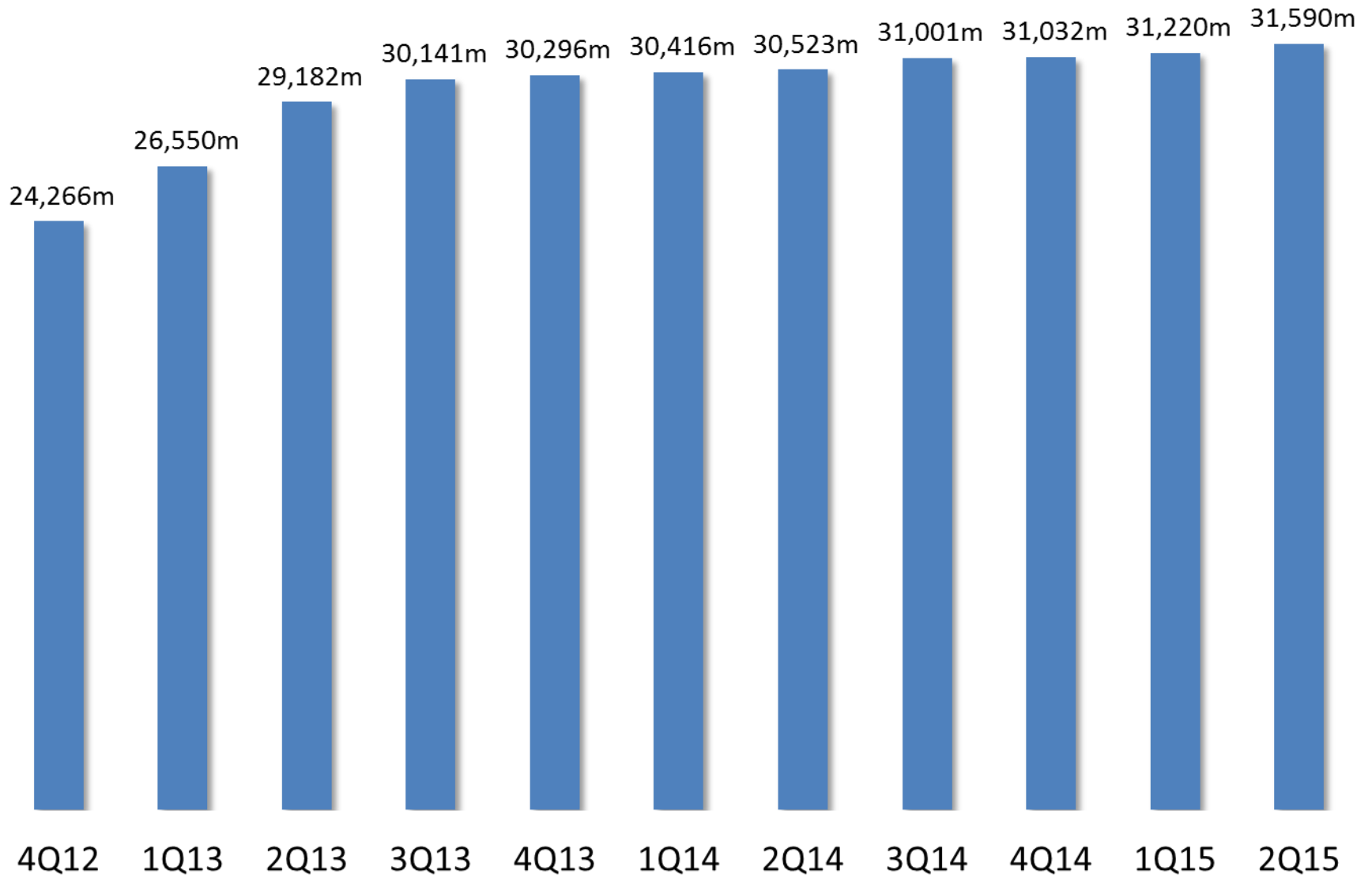
# COMPOSITION OF GROSS LOANS AND FINANCING



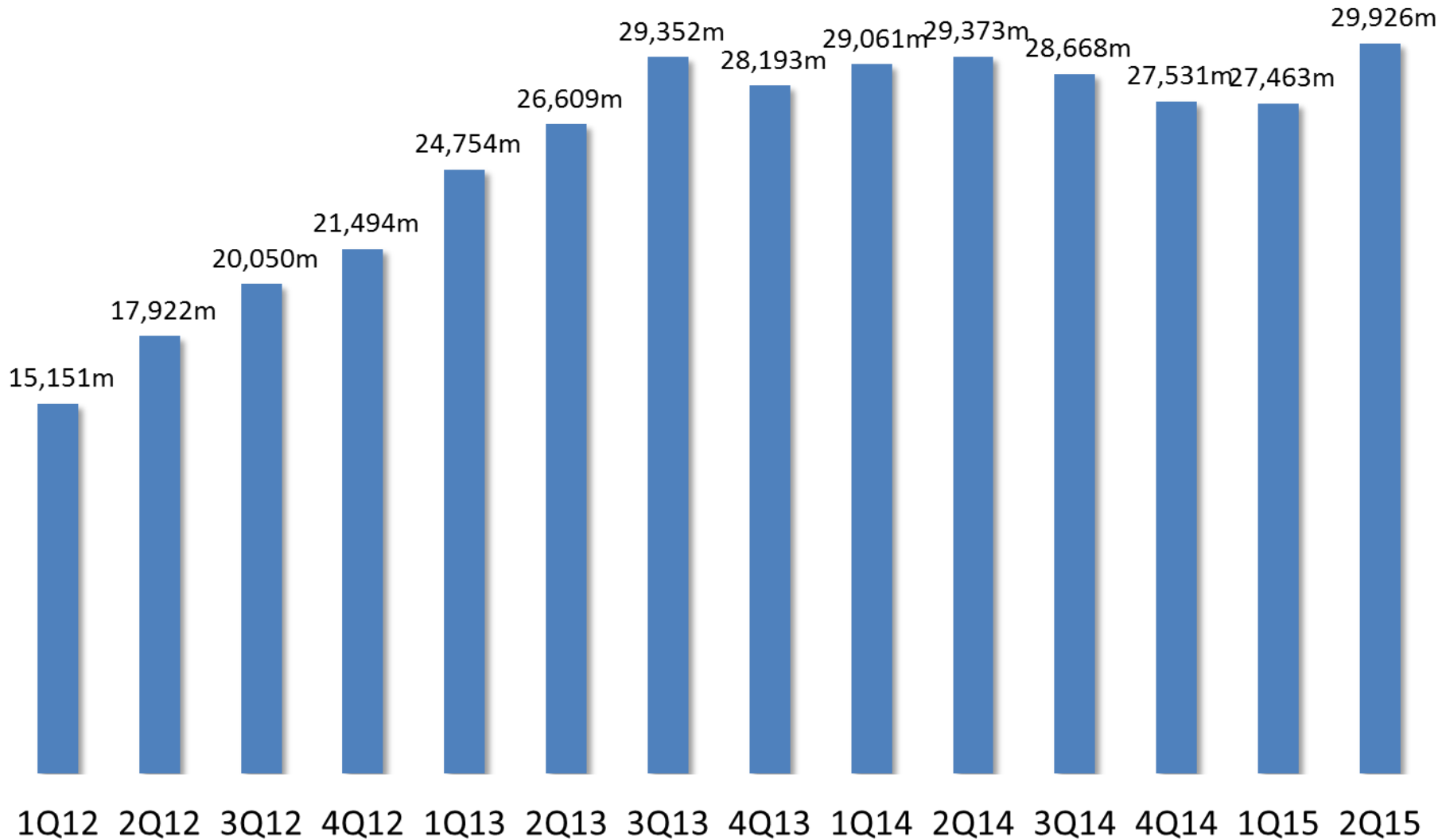
	4Q09	4Q10	4Q11	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
■ Corporate	42.0%	33.6%	19.6%	13.1%	12.0%	10.8%	11.8%	9.2%	9.5%	9.7%	10.9%	11.3%	11.9%	13.1%
■ Auto	0.0%	0.0%	0.0%	0.5%	0.5%	0.6%	0.6%	0.6%	0.7%	0.7%	0.8%	0.9%	0.9%	1.0%
■ Mortgage	46.7%	39.4%	31.4%	20.1%	18.5%	16.8%	16.1%	16.9%	16.8%	16.5%	16.3%	16.2%	16.2%	16.1%
■ PFI	11.3%	27.0%	49.0%	66.3%	69.0%	71.8%	71.5%	73.3%	73.1%	73.0%	72.1%	71.7%	70.9%	69.7%



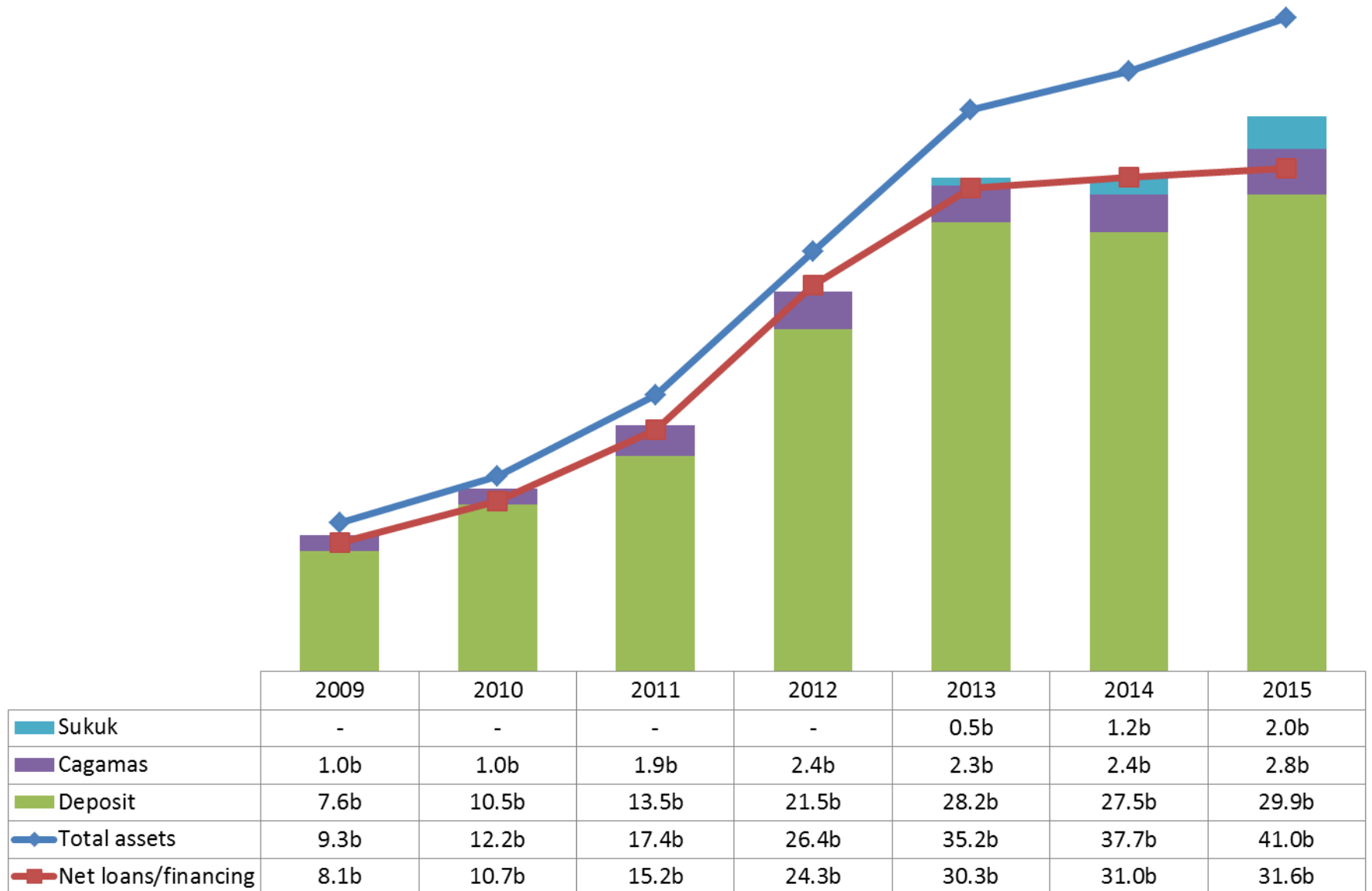
# GROWTH IN NET LOANS AND FINANCING



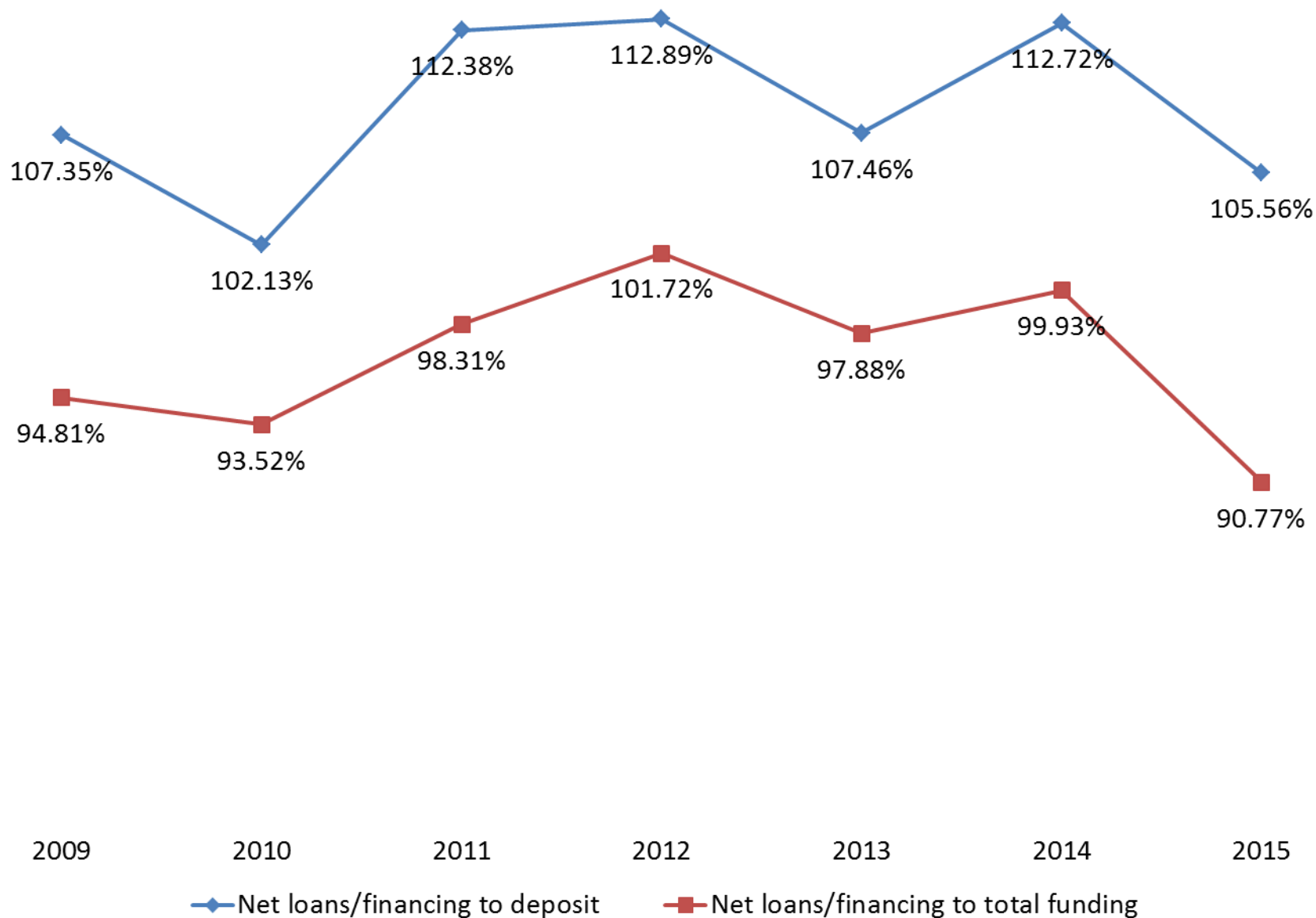
# GROWTH IN DEPOSITS



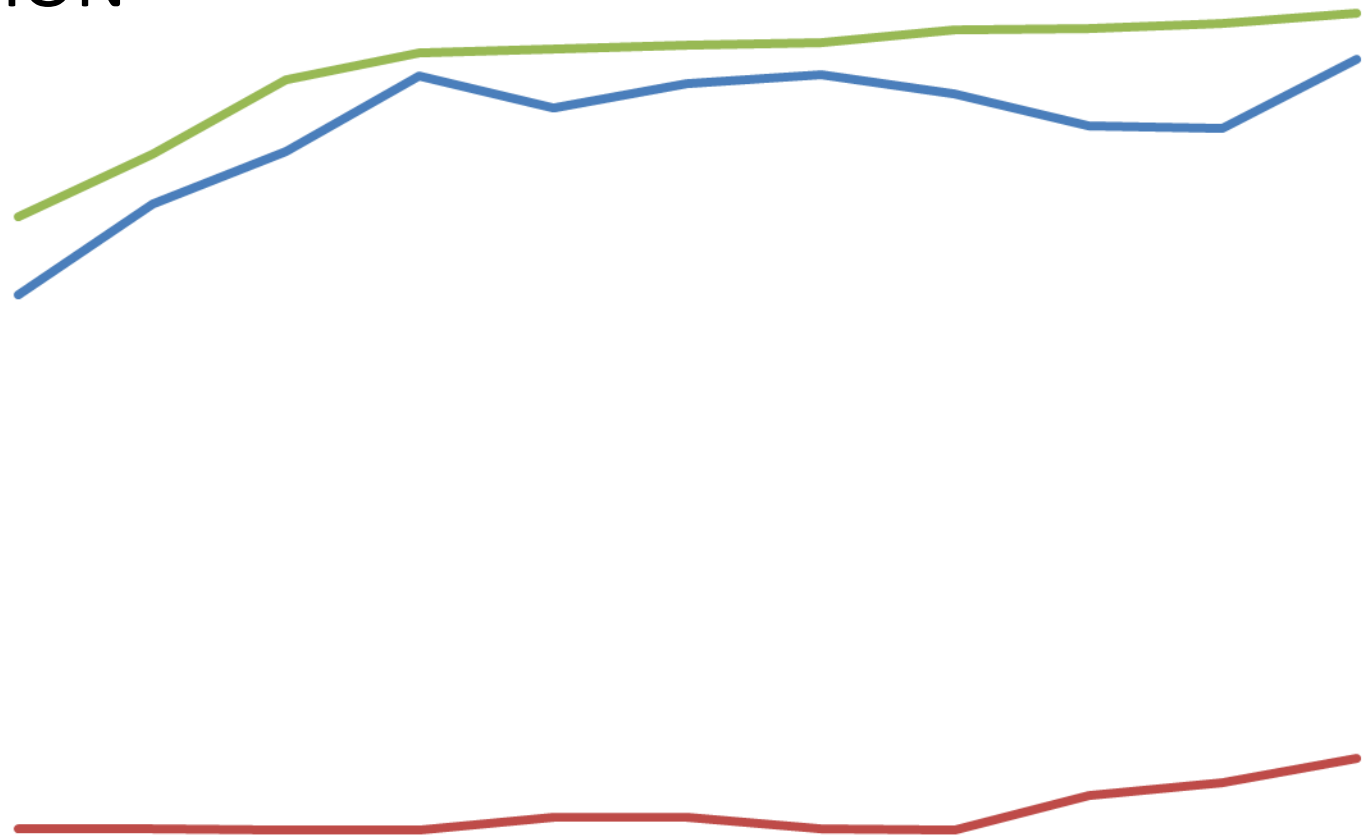
## TOTAL ASSETS & GROSS LOANS & FINANCING VS FUNDING



## NET LOANS & FINANCING TO DEPOSIT AND TOTAL FUNDING RATIO

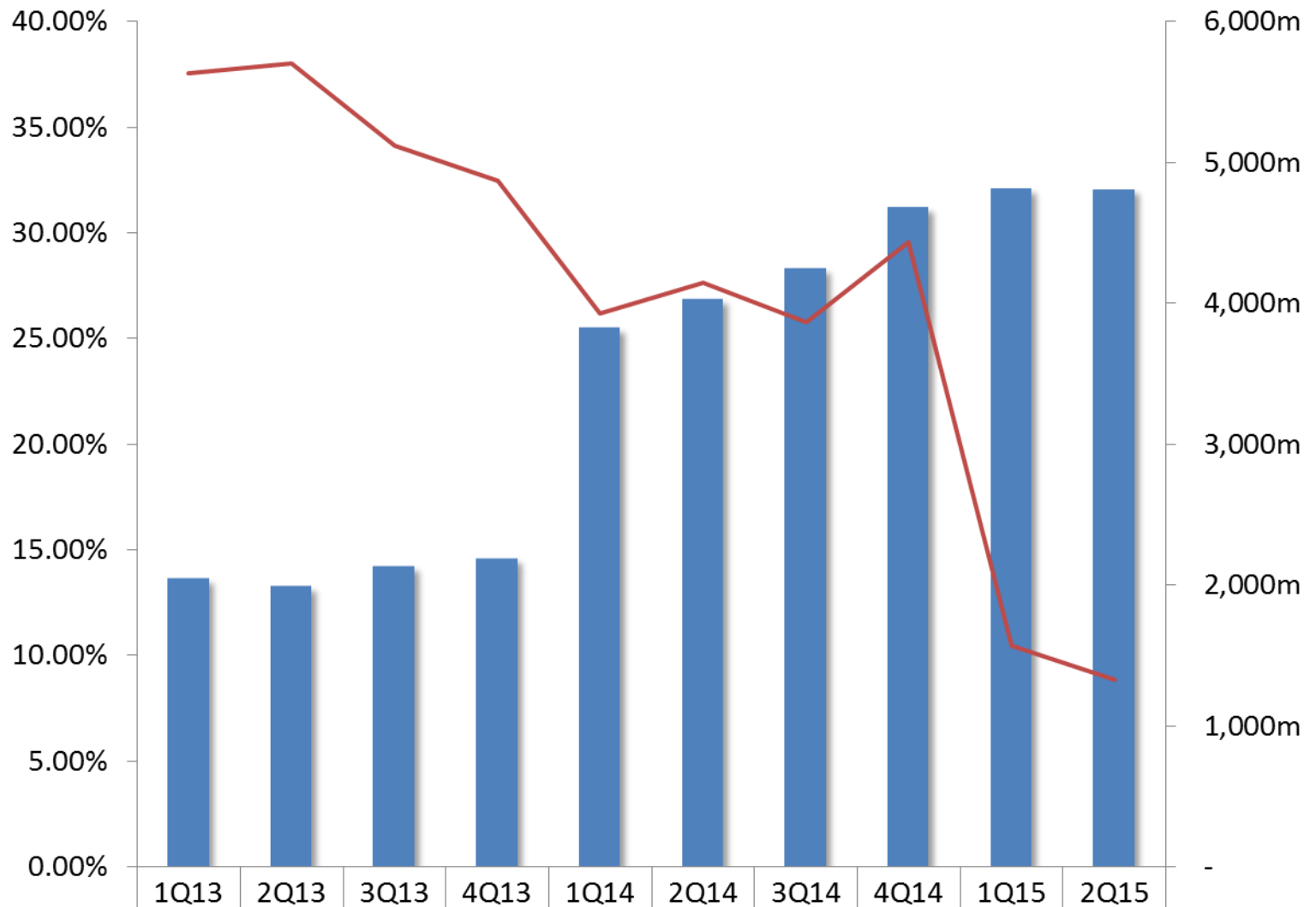


# NET LOANS/FINANCING VS DEPOSITS & SECURITISATION



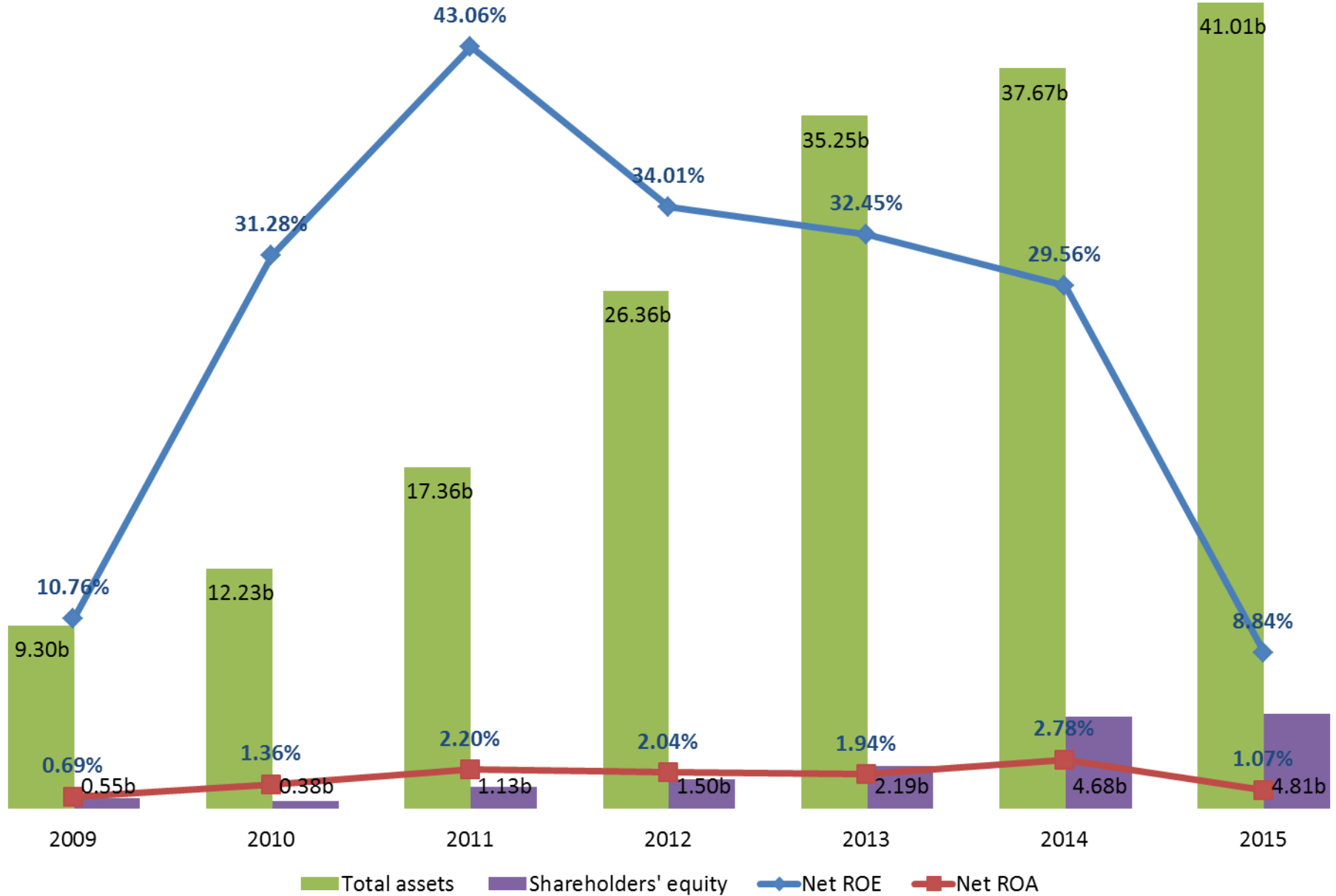
	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
— Deposit	21,494	24,754	26,609	29,352	28,193	29,061	29,373	28,668	27,531	27,463	29,926
— Securitisation	2,362m	2,340m	2,312m	2,294m	2,760m	2,745m	2,331m	2,298m	3,523m	4,016m	4,875m
— Net loans/financing	24,266	26,550	29,182	30,141	30,296	30,416	30,523	31,001	31,032	31,220	31,590

# GROUP SHAREHOLDERS' EQUITY & ROE

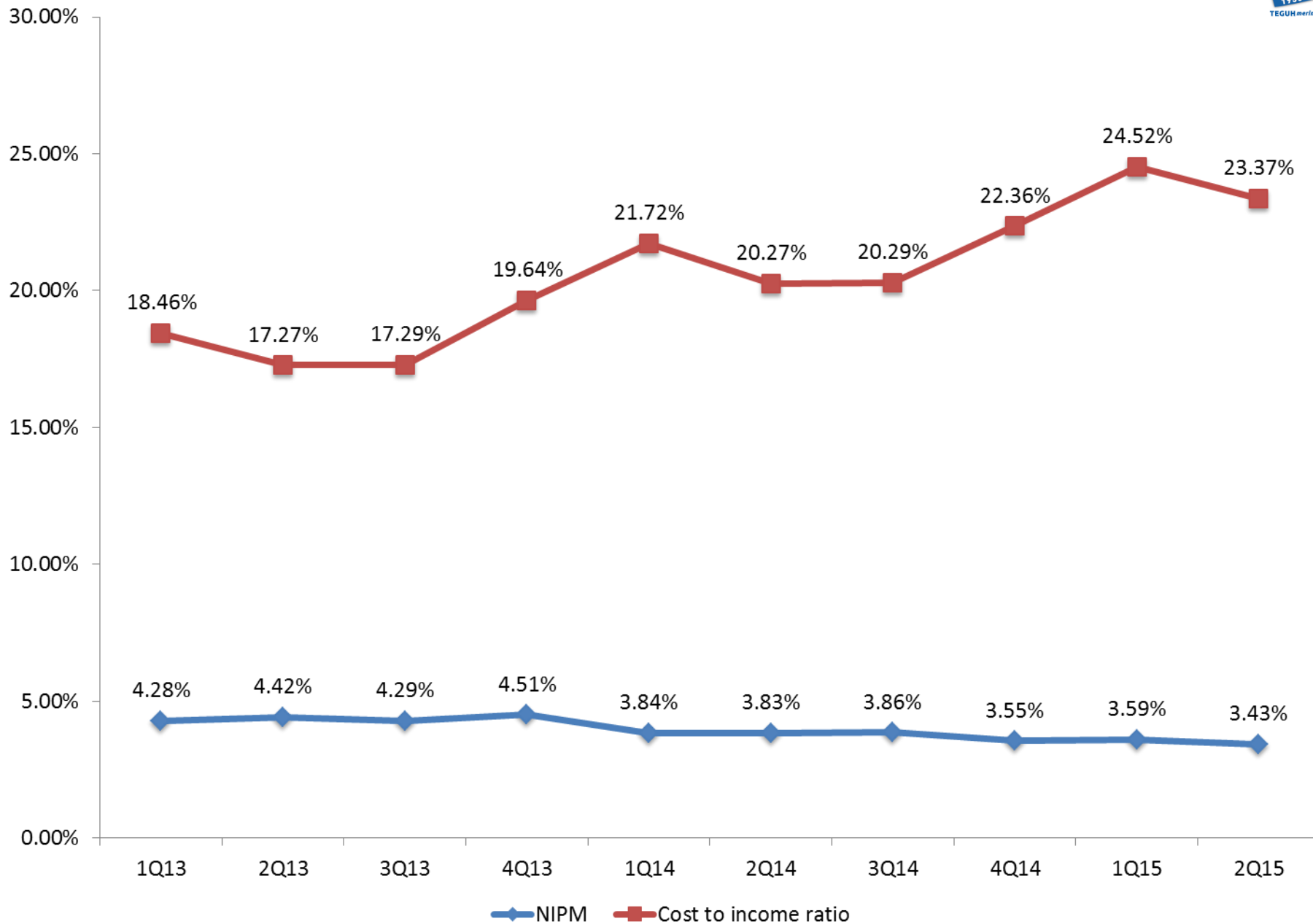


Shareholders' equity	2,041m	1,987m	2,131m	2,186m	3,824m	4,030m	4,247m	4,682m	4,816m	4,812m
ROE Annualised	37.57%	38.04%	34.11%	32.45%	26.19%	27.64%	25.78%	29.56%	10.47%	8.84%

# RETURN ON EQUITY & RETURN ON ASSETS,

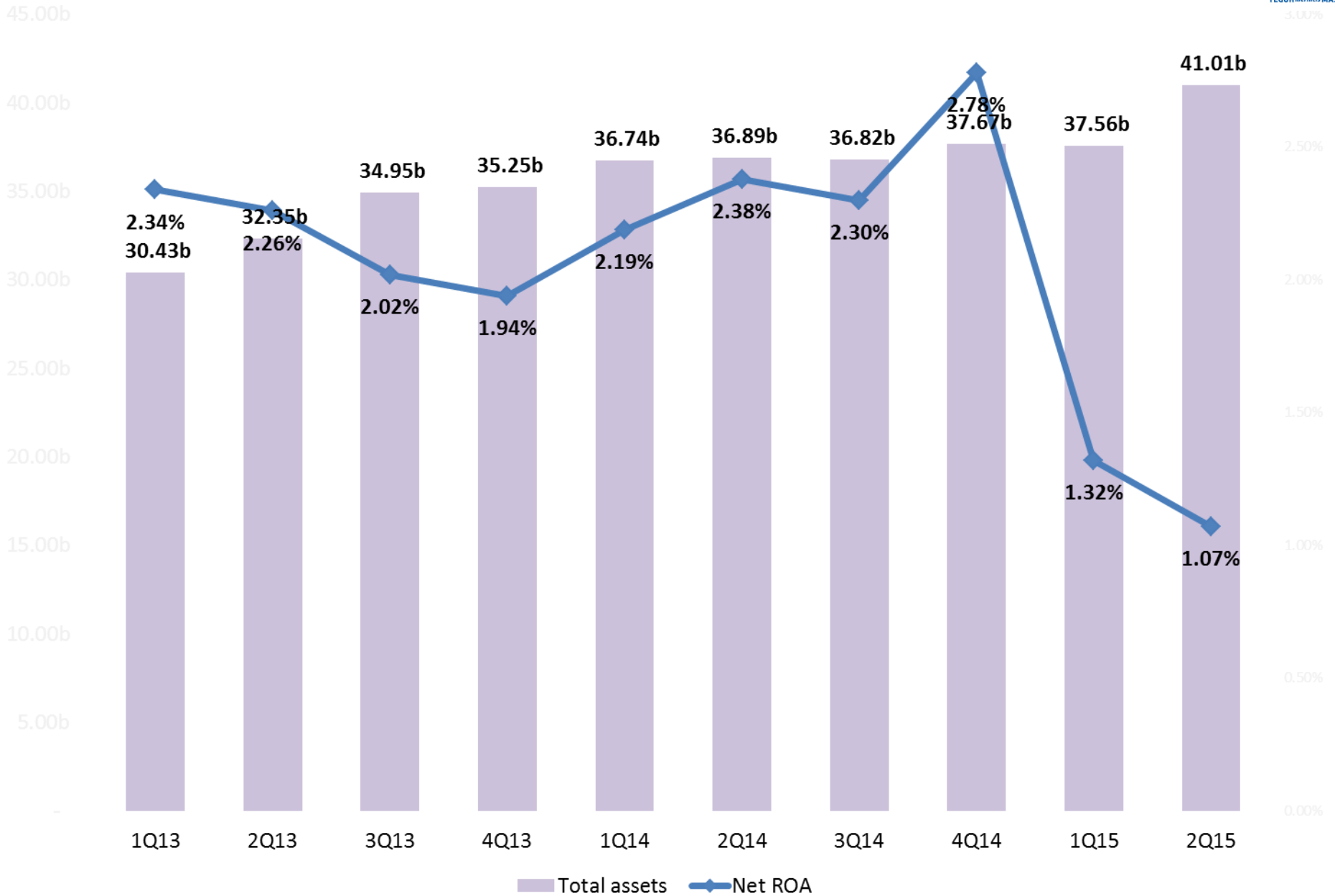


# NET INTEREST/PROFIT MARGIN & COST TO INCOME RATIO

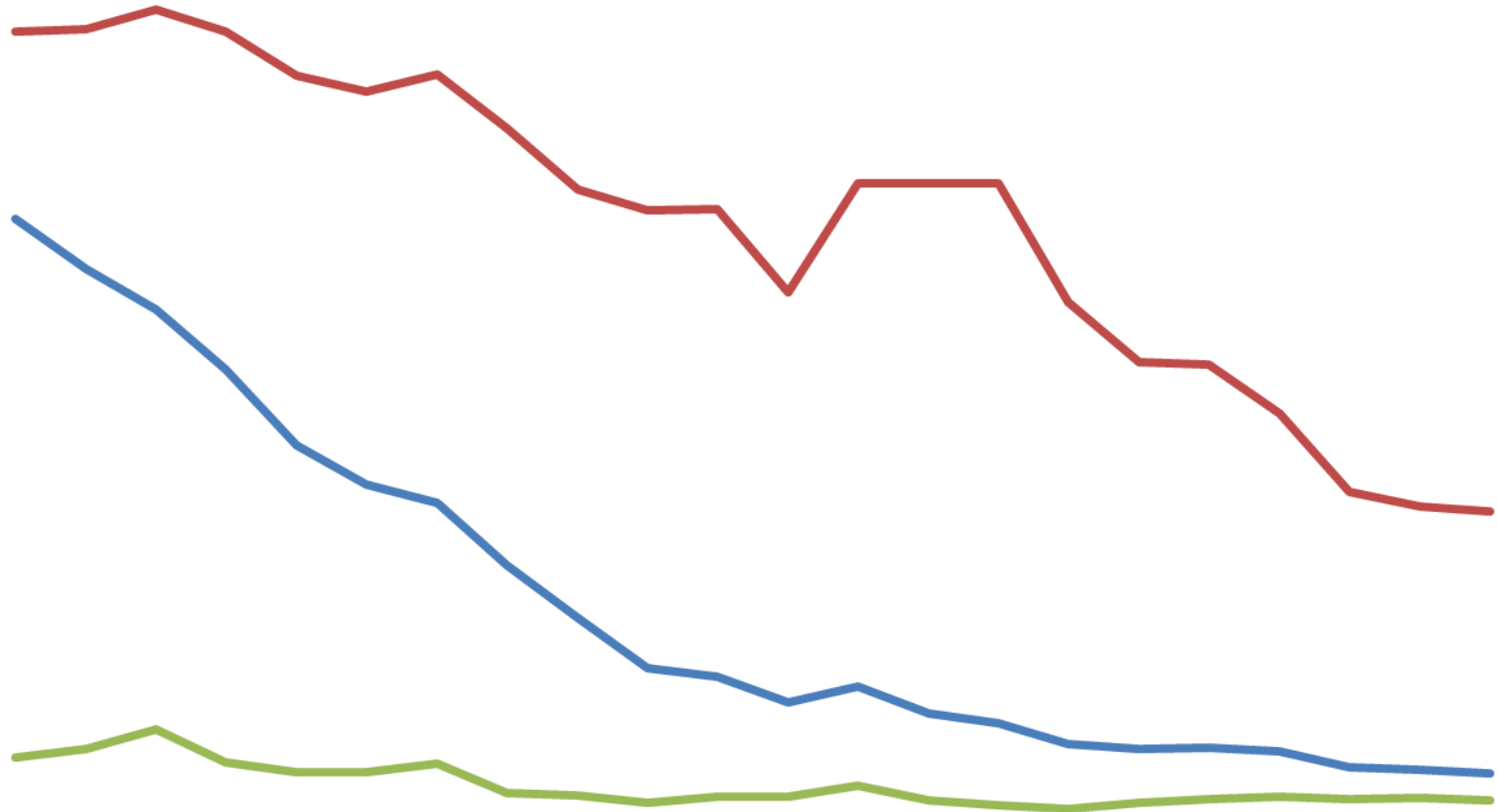




## RETURN ON ASSETS



# NET NON-PERFORMING LOANS AND FINANCING (COMPANY)



	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
Net NPLF	32.30%	29.72%	27.67%	24.59%	20.68%	18.72%	17.73%	14.54%	11.85%	9.34%	8.85%	7.54%	8.35%	6.97%	6.52%	5.44%	5.20%	5.26%	5.03%	4.21%	4.14%	3.94%
Pre2009	41.84%	41.96%	43.00%	41.88%	39.58%	38.82%	39.69%	36.90%	33.80%	32.71%	32.78%	28.52%	34.09%	34.11%	34.12%	28.02%	24.97%	24.83%	22.34%	18.34%	17.60%	17.35%
Post2009	4.76%	5.19%	6.18%	4.50%	3.99%	3.98%	4.45%	2.94%	2.80%	2.43%	2.73%	2.75%	3.31%	2.54%	2.29%	2.14%	2.40%	2.58%	2.75%	2.59%	2.65%	2.54%

# Q & A

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