

ANALYSTS' BRIEFING 4Q RESULTS 2017

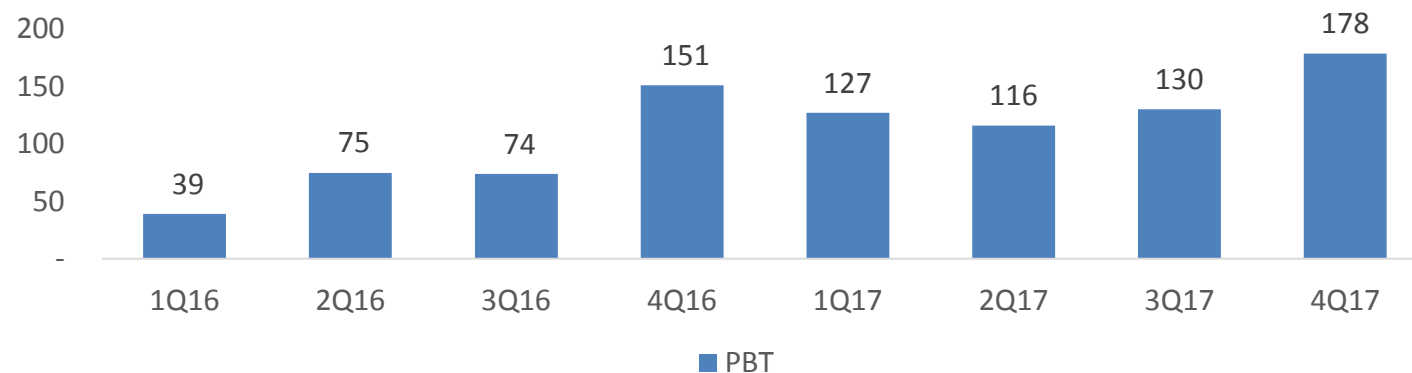
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President and CEO
30 JANUARY 2018

OUTLINE

- **4th QTR 2017 FINANCIAL REVIEW**
- **BANKING READINESS**

Better profits due to lower impairment allowance

| RM Million | 4Q17 | | | 4Q16 | | | FYE2017 | | | FYE2016 | | |
|----------------------|-------|-------|---------|-------|-------|---------|---------|--|--|---------|--|--|
| Revenue | 818 | 819 | -0.14% | 3,260 | 3,275 | -0.46% | | | | | | |
| Operating profit | 288 | 320 | -10.01% | 1,149 | 1,116 | 3.02% | | | | | | |
| Impairment allowance | (109) | (169) | -35.18% | (599) | (777) | -22.98% | | | | | | |
| Profit before tax | 178 | 151 | 18.17% | 551 | 338 | 62.74% | | | | | | |
| Profit after tax | 124 | 46 | 171.65% | 417 | 201 | 107.38% | | | | | | |



4th QTR 2017 FINANCIAL PERFORMANCE REVIEW



| Key Balance Sheet Items – RM Billion | 4Q17 | 3Q17 | 2Q17 | 1Q17 | 4Q16 |
|---|--------|-------|-------|-------|-------|
| Gross Financing, Loans & Advances | 34.20* | 36.09 | 36.06 | 35.85 | 35.29 |
| - Retail Financing | 79% | 79% | 79% | 80% | 81% |
| - Corporate Financing | 21% | 21% | 21% | 20% | 19% |
| Total Assets | 44.81 | 44.95 | 44.88 | 44.74 | 43.27 |
| Total Liquid Assets | 10.32 | 10.02 | 10.02 | 9.98 | 9.28 |
| Deposits | 32.76 | 33.14 | 32.32 | 32.06 | 30.61 |
| Shareholders' Fund | 7.12 | 7.01 | 6.90 | 6.83 | 6.72 |
| Retail Disbursement | 0.42 | 0.37 | 0.26 | 0.31 | 0.33 |
| Corporate Disbursement | 0.98 | 0.53 | 0.75 | 1.17 | 0.69 |

* Reclassification of selected impaired accounts of RM1.51 billion to Financial Assets Held-for-Sale.

4th QTR 2017 FINANCIAL RATIOS



| Key Financial Ratios % | 4Q17 | 3Q17 | 2Q17 | 1Q17 | 4Q16 |
|-------------------------------------|--------|--------|--------|--------|--------|
| Revenue Growth* | -0.46 | -0.59 | -0.78 | -0.92 | 7.37 |
| Gross Financing/Loans Growth | -3.07 | 2.27 | 2.19 | 1.61 | 3.45 |
| Deposit Growth | 7.00 | 8.27 | 5.58 | 4.72 | 7.09 |
| ROE* | 6.02 | 5.69 | 5.65 | 5.98 | 3.48 |
| ROA* | 0.95 | 0.89 | 0.87 | 0.92 | 0.48 |
| Net Profit/Interest Margin | 3.38 | 3.34 | 3.33 | 3.38 | 3.27 |
| Cost to Income Ratio | 22.62 | 21.93 | 21.41 | 19.72 | 20.82 |
| Financing/ Loan Loss Coverage | 139.52 | 109.82 | 113.14 | 113.30 | 109.24 |
| Net Impaired Financing/ Loans Ratio | 2.11 | 3.16 | 2.84 | 2.76 | 2.87 |

* Annualised

BANKING READINESS



| | | | |
|--|---|------------|-------------|
| ASSET & LIABILITY CONVERSION | <ul style="list-style-type: none"> • Conversion has started in 2017 and expected to complete in March 2018 | | |
| DISPOSAL OF NPF | <ul style="list-style-type: none"> • Board has approved disposal of RM1.5 billion worth of NPF | | |
| DISPOSAL OF NON-CORE ASSETS | <ul style="list-style-type: none"> • RM103.9 million worth of non-core assets have been disposed in 2017 with the balance of RM108.6 million to be disposed within 3 years | | |
| ENHANCEMENT OF RETAIL COLLECTION SYSTEM | <ul style="list-style-type: none"> • Started in November and expected to complete in July 2018. | | |
| MEETING PRUDENTIAL REQUIREMENT | As at 31 Dec 2017 | BNM | MBSB |
| | Leverage Ratio | 12.5% | 13.98% |
| | Liquid Asset Ratio | 25% | 31.51% |
| | Loan/Financing to Deposit Base Ratio | 100% | 91.74% |

69%

of employees have undergone the Basic Islamic and Shariah Awareness training

31%

of employees are fully certified in Shariah certification

91%

of employees have been trained in Banking Product Knowledge

100%

Completion of “Introduction To Banking Platform” Roadshows in 2017

MBSB is on track to operate as a New Bank



Legal Day 1 –
7 February 2018

Operational Day 1 –
2 April 2018
(launch of new brand)

Post-SPA Signing

Post-Merger
Integration

- A. Launch Post-Merger Integration Team
- B. Business integration
- C. HR integration
- D. IT integration
- E. Launch Strategic PMO Team

Key Achievements To-Date

- Approval for acquisition of AFB by MBSB shareholders completed
- NewBank target operating model developed and in-line with 3 Year business plan
- Implementation activities for new/enhanced products and operations per target operating model in progress and on schedule
- Enhanced distribution channel (hub and spoke and digital) model to serve existing and new customer segments
- NewBank name and logo name confirmed by Board. Rebranding in progress
- Customer communications for new/enhanced capabilities in progress

Q & A