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PRESS RELEASE
KENYATAAN AKHBAR
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**MBSB ACHIEVES PRE-TAX PROFIT OF RM110 MILLION FOR
FIRST THREE MONTHS OF 2012**

Kuala Lumpur, 11 May 2012. For the first three (3) months ended 31 March 2012, MBSB Group achieved a pre-tax profit of RM110 million, an increase of 21% as compared to the pre-tax profit of RM91 million from the corresponding period in 2011. This contributed to a net earnings per share of 6.53 sen and an annualized return on equity of 27%.

On quarterly basis, the Group pre-tax profit of RM110 million for the first quarter showed an increase of 9% as compared to the 4th quarter pre-tax profit of RM101 million for the year 2011. The higher pretax profit is mainly due to higher net income from Islamic banking operation via personal financing and these were partially set off by higher operating expenses resulting from higher business volume and higher loan loss impairment due to larger loan base.

Dato' Ahmad Zaini Othman, the President and Chief Executive Officer commented, "Our Group's improved performance for the first three (3) months of 2012 is also due to a better net interest margin contribution from corporate business in addition to retail business". He added, "In terms of asset growth, it remains largely contributed by retail business especially Personal Financing-i but the first quarter is seeing a slight decrease in margins as a result of lowering of our financing rates".

As at 31 March 2012, net loan, advances and financing stood at RM17.6 billion, an increase of 16% as compared to RM15.2 billion as at 31 December 2011.

MBSB continues to receive support from its key retail market, the Government servants who have been attracted to new packages launched early this year, which offered lower financing rates and higher disbursement payouts. Income from corporate business has also shown slight improvements due to an increase in loan disbursements for property development financing. These were mostly generated by the loan deals executed last year.

Dato' Zaini said, "The Company had also embarked on a new product, Auto Finance but is currently being offered only for customers in Klang Valley. The introduction of Auto Finance was made to complement existing retail products and to increase our customer base".

On deposits from customers, Dato' Zaini said, "The deposits which stood at RM15.2 billion as at 31 March 2012 grew by 12% from 31 December 2011 of RM13.5 billion."

In the push for greater operational efficiency to better service its customers, the company is also in the midst of implementing a new Core Banking System ("CBS") and is expecting the first of two phases to come into effect by end of September this year. A new CBS is expected to substantially transform the Company's ability to do business and critically, it is a system that is already in the market, which conforms to and meets the requirements of a licensed financial institution.

"Amidst the challenging business environment, MBSB's first quarter results have shown a modest growth rate brought about principally by continued support of our retail customers. Personal Financing portfolio continued to grow by 27% in the first quarter" said Dato' Zaini.

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