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PRESS RELEASE
KENYATAAN AKHBAR
For Immediate Release
15 May 2014

**MBSB REPORTS PRE-TAX PROFIT OF RM267 MILLION
FOR THE FIRST QUARTER OF 2014**

Kuala Lumpur, 15 May 2014 – For the first three (3) months ended **31 March 2014**, MBSB Group achieved a pre-tax profit of RM267 million, an increase of 12.6% as compared to the pre-tax profit of RM237 million from the corresponding period in 2013. This contributed to net earnings per share of RM8.37 sen and an annualized return on equity of 26.2% based on an enlarged shareholders' equity after completion of the RM1.4 billion rights issue in January 2014.

Dato' Ahmad Zaini Othman, the President and Chief Executive Officer commented, "MBSB remain focused on driving consistent profitable growth amidst the challenging business environment with income predominantly acquired from its retail business and increasing asset growth from the corporate segment which showed a positive growth during the first quarter 2014. Overall, the asset growth as at March 2014, net loan, advances and financing stood at RM30.4 billion, an increase of 14.6% as compared to RM26.6 billion as at 31 March 2013."

Deposits continued to support the loan growth with total deposits from corporate and retail clients stood at RM29.1 billion as at 31 March 2014, an increase of 17.1% from RM24.8 billion as at 31 March 2013. This development is supported by a strong growth in the corporate depositors segment and a strong client retention strategy.

The Company also recorded an increased cost to income ratio of 21.7% as at 31 March 2014 in comparison to 18.5% from the first quarter 2013 due to expansion in infrastructure and talent acquisition in bringing the right talent into MBSB and cost associated with the increase in our liquid assets portfolio in meeting our liquidity management targets.

The efforts undertaken to ensure improved asset quality have also borne fruits with the Group's net NPL stood at 5.1% as at 31 March 2014. We continue to strengthen our collection efforts and intensity to bring down the rates at industry best practice. Dato' Ahmad Zaini added "Effective 2014, we have moved to three (3) months non performing loans/financing classification which was one of the 'Closing the Gaps' targets."

Earlier this month, MBSB was awarded for New Structured Finance Benchmark Deal and Outstanding Deal of the Year 2013 by RAM League Awards 2013 from RAM Rating Services Bhd (RAM) for its World's First Structured Covered Sukuk Commodity Murabahah programme. MBSB's covered sukuk is the first in Asia, and also the world's first covered sukuk backed by Islamic personal-financing receivables. This transaction has put Malaysia on the map for innovation and has solidified the country's position as global leader in Islamic finance. The first tranche of this programme was also awarded with the Structured Finance Deal of the Year 2013 Award by The Islamic Finance News award series received earlier this year.

Dato' Ahmad Zaini said that MBSB shall increase its focus on the expansion of corporate business which include Project Financing, Contract Financing, SME Cash Express and Wholesale Banking along with new strategic growth areas. This year, its strategic move will be focusing on Oil Palm Plantation Financing and Industrial Hire Purchase.

He added, "As a GLC, MBSB has established a new portfolio, the Commercial Business and Bumiputera Development Division mainly assisting the Bumiputera entrepreneurs to move up the value chain in supports towards the Bumiputera agenda,"

He further added, "In view of retail financing, MBSB will continue providing competitive and innovative financing packages inline with Bank Negara's responsible financing guidelines."

Dato' Zaini then concluded, "We remain on track to achieve our targets for this financial year barring any unforeseen circumstances."

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About Malaysia Building Society Berhad (MBSB)

The origin of Malaysia Building Society Berhad (MBSB) can be traced back to the Federal and Colonial Building Society Limited incorporated in 1950. In 1956, it changed its name to Malaya Borneo Building Society Limited (MBBS), with the Malaysian government as its major shareholder. MBBS was then listed on the Stock Exchange of Malaysia and Singapore in August 1963. The company became an incorporation in Malaysia under the Companies Act 1965 on 17 March 1970, before it was listed on the Kuala Lumpur Stock Exchange now Bursa Malaysia on 14 March 1972.

The Employees Provident Fund (EPF) is currently the financial holding company of MBSB. MBSB was defined as a Scheduled Institution under the repealed Banking and Financial Institution Act 1989 (BAFIA). The status of an Exempt Finance Company was granted to MBSB on 1 March 1972 by the Ministry of Finance and the status has remained since. This allows MBSB to undertake a financing business in the absence of a banking license. Under Section 272 (a) of the Financial Services Act 2013, exemptions granted under the BAFIA is deemed to have been granted under the corresponding provision of the Financial Services Act 2013 and shall remain in full force and effect until amended or revoked. As a financial provider, MBSB offers a spectrum of innovative financial products and services for both individuals and corporates throughout its branches nationwide.