



**MBSB (9417-K)
CORPORATE COMMUNICATIONS DEPARTMENT**

Level 5, Wisma MBSB,
No. 48, Jalan Dungun,
Damansara Heights,
50490, Kuala Lumpur
Tel. (03) 2096 3000/3230
Fax. (03) 2096 3372
Website: www.mbsb.com.my

PRESS RELEASE

KENYATAAN AKHBAR

For Immediate Release

13 November 2015

**MBSB ACHIEVES RM768 MILLION IN REVENUE
FOR THIRD QUARTER OF 2015**

Kuala Lumpur, 13 November 2015 – For the third quarter ended September 2015 in the current financial year ending December 2015, MBSB Group achieved a pre-tax profit of RM66.8 million on the back of RM768.0 million in revenue. The Group's quarter revenue grew by 0.3% or RM2.2 million compared to RM765.8 million from the preceding second quarter of 2015. However, due to the commencement of the impairment programme in fourth quarter of 2014, the third quarter pre-tax profit of RM66.8 million declined by 48.3% or RM62.5 million from RM129.3 million recorded in the preceding second quarter of 2015.

The Group's net impaired financing ratio stood at 3.2% as at 30 September 2015 compared to 3.9% recorded in the preceding second quarter 2015. It also reflects significant improvement of 1.8% as compared to 5.0% recorded in September 2014.

Dato' Ahmad Zaini Othman, President and Chief Executive Officer commented "The impairment programme, collection recovery strategies and individual assessment of accounts being implemented in December 2014 are contributing factors to the improvement. Hence, we will continue with the impairment programme to ensure the Group's reporting standards are in the direction of the industry's"

The Group's total assets of RM41.1 billion as at 30 September 2015 grew by 9.0% or RM3.4 billion compared to RM37.7 billion as at 31 December 2014. Loan growth shows an upward trend of 0.3% at RM31.7 billion in third quarter 2015 compared to RM31.6 billion in the preceding second quarter 2015.

The Group's cost to income ratio stood at 22.8% as at 30 September 2015, an improvement of 0.6% compared to 23.4% recorded in the preceding second quarter 2015.

Dato' Ahmad Zaini added "In pursuit of sturdier liquidity programmes, we have established a new initiative under the purview of Treasury Division. The Fixed Income Desk is created to further strengthen our liquid assets." MBSB recently made a Sukuk purchase of RM376 million to increase the Company's liquidity coverage under this initiative.

Meanwhile, the corporate segment demonstrated greater momentum with its contribution of 14.1% from the total gross loan and financing as at 30 September 2015 as compared to 10.9% during the same period in 2014.

In support of the government's National Housing Project through Bridging Financing, this sector has borne fruits with an increased growth of 19% or RM300 million recorded at RM1.9 billion for third quarter 2015 as compared to RM1.6 billion in the preceding second quarter 2015. Another sector with high potential in growth, Equipment Financing also saw an increase of 45% or RM78.3 million recorded at RM250.6 million for third quarter 2015 compared to RM 172.3 million in the preceding second quarter 2015.

"Our corporate business lending activities have shown tremendous improvements. We will continue to strengthen these high growth sectors, amongst other strategic growth areas such as Private Funding Initiative and Structured Financing to further expand the Company's business outlook." Dato' Ahmad Zaini said.

As part of the Company's strategic initiative, MBSB continues to build up its capabilities to enhance its business models and initiatives carried out by Compliance and Group Risk Management in ensuring the Company's competitiveness is matched with industry's standards and best practices.

Dato' Ahmad Zaini commented on the planned corporate merger between Bank Muamalat and MBSB, "We will continue with our business growth plans and operational improvements moving into year 2016 as these will only bring value to the new entity."

-END-

For more information or enquiries, please contact:

Azlina Mohd Rashad
Senior Vice President,
Corporate Planning and Communication MBSB
Tel: 03-2096 3000/3230
Fax: 03-2096 3372
Email: corporatecom@mbsb.com.my

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.