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**PRESS RELEASE**  
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## **MBSB REPORTS PRE- TAX PROFIT OF RM 237.11 MILLION FOR THE FIRST QUARTER OF 2013**

**Kuala Lumpur, 3 May 2013** – For the first three (3) months ended 31 March 2013, MBSB Group achieved a pre-tax profit of RM237.11 million, an increase of 114.6% as compared to the pre-tax profit of RM110.47 million from the corresponding period in 2012. This contributed to net earnings per share of 13.08 sen and an annualized return on equity of 37.6%.

On quarterly basis, the Group pre-tax profit of RM237.11 million for the 1st quarter 2013 showed a slight decrease of 3.5% as compared to the 4th quarter 2012 pre-tax profit of RM245.75 million. This was mainly due to the gain of RM55.43 million from the disposal of a property development by a wholly-owned subsidiary of the Company accounted for in the 4th quarter 2012. The Group pre-tax profit would have improved by RM46.79 million or 24.6% after excluding the said gain of RM55.43 million from the last preceding quarter pre-tax profit.

The higher pretax profit of RM237.11 million as compared to corresponding period in 2012 of RM110.47 million was mainly due to higher operating income mainly contributed by Islamic banking operation and lower impairment loss due to write back. The increase was partially set off by higher operating expenses resulting from higher business volume.

Dato' Ahmad Zaini Othman, the President and Chief Executive Officer commented, "We are happy to note that despite the challenging environment in the retail market, we maintained our capabilities to sustain business growth that has resulted in enhanced revenue and profit levels. The efforts undertaken to ensure improved asset quality have also borne fruits with the Group's net NPL stood at 3.4% as at March 2013."

The asset growth continued to be on an upward trend as at March 2013, net loan, advances and financing stood at RM 26.55 billion, an increase of 9.4% as compared to **RM24.27 billion**

as at 31 December 2012. This is mainly driven by the retail financing business that has also generated positive contribution to its fee based income.

Dato' Ahmad Zaini added, "We have also increased our concentration on retail deposits, leveraging on the existing branch network and launching attractive campaigns to further drive the initiatives. While our corporate depositors are the higher contributors in terms of deposit, it remains a well balanced portfolio as deposits have began to come in from the SME market". The Company recorded an increase of RM3.26 billion in deposits from RM21.49 billion as at 31 December 2012 to RM24.75 billion as at 31 March 2013. The Company is continuing looking at funding sources to strengthen its capital and liability programmes to support its business activities.

The Company also recorded an improved cost to income ratio of 18.46% as at 31 March 2013 in comparison to 20.45% for the last preceding 4th quarter 2012. On this, Dato Zaini said, "It is one of our strengths to maintain costs at an acceptable level notwithstanding the impressive business growth. We hope to maintain a healthy level even as we move to Phase 2 implementation of MBSB Integrated Core Banking System (MICoB)."

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. Subsequently, on 15 March 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. Malaysia Building Society Berhad (MBSB) was incorporated on 17 March 1970 in Malaysia to take over the Malaysian operations and was listed on the Kuala Lumpur Stock Exchange on 14 March 1972. MBSB is a Scheduled Institution as defined under the 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 in force since. Employees Provident Fund Board (EPF) and Permodalan Nasional Berhad (PNB) are two major shareholders of MBSB. As a financial provider, MBSB offers a spectrum of innovative financial products and services for both individuals and corporates throughout its branches nationwide.*