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PRESS RELEASE
KENYATAAN AKHBAR
For Immediate Release
22 October 2013

MBSB ANNOUNCES Q3 2013 RESULTS

Kuala Lumpur, 22 October 2013 – For the nine (9) months period ended 30 September 2013, MBSB Group achieved a pre-tax profit of RM680.934 million, an increase of 65.9% or RM270.454 million from RM410.480 million for the same period last year. The current nine (9) months pre-tax profit also exceeded the 2012 full year pre-tax profit of RM656.227 million by 3.8%.

On a quarterly basis, the Group' achieved a pre-tax profit of RM196.235 million, a decline of 20.7% from the 2nd quarter pre-tax profit of RM247.589 million whilst the Group's operating profit before allowance increased by 3.0% or RM9.084 million. The decline in pre-tax profit was mainly due to higher collective impairment allowance following increase in collective allowance made for personal financing and mortgage portfolios. For next two quarters, the collective allowance is expected to be at the same level (or less) as per the current quarter under review. The Group expects the collective allowance to smoothen out after that.

The Group registered an annualised net return on equity of 34.1% for the nine (9) months period ended 30 September 2013.

Dato' Ahmad Zaini Othman, the President and Chief Executive Officer commented, "The financial results remain contributed mainly by retail business although the retail portfolio registered slower growth. The slower retail growth reflected the measures announced by Bank Negara Malaysia in early July this year to further promote a sound and sustainable household sector. Our corporate business lending activities continued to show improvements with disbursements in the 3rd quarter".

He continued, “We are placing a lot more emphasis for continuous improvement in collections and recovery for both retail and corporate loans and refining our strategies on specific groups of assets”. The Group’s net NPL ratio stood at 3.4% as at 30 September 2013 from 4.5% as at 31 December 2012.”

As at 30 September 2013, net loan, advances and financing stood at RM30.140 billion, an increase of 24.2% as compared to RM24.266 billion as at 31 December 2012. The loan and financing assets are supported by both our deposit taking activities and securitisation programmes. The deposits, which stood at RM29.351 billion as at 30 September 2013, grew by 36.6% from 31 December 2012 of RM21.494 billion.

Dato’ Zaini said, “Corporate depositors continued to be supportive of MBSB and the growth of the deposits is the reflection of the strong confidence in MBSB. The A2/P1 rating accorded by Rating Agency Malaysia early May this year has boosted this confidence level and helped to increase our deposit taking activities”.

Dato’ Zaini concluded, “We have further strengthened our corporate business and other new business strategies in anticipation of the expected changes in the operating environment in order to maintain our competitiveness.”

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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.