



MBSB (9417-K)
CORPORATE COMMUNICATIONS DEPARTMENT
Tingkat 7, Wisma MBSB,
No. 48, Jalan Dungun,
Damansara Heights,
50490, Kuala Lumpur
Tel. (03) 2096 3000/2096 3177 Fax. (03) 2095 4260
Website: www.mbsb.com.my

PRESS RELEASE
KENYATAAN AKHBAR
For Immediate Release
2 February 2012

MBSB ACHIEVES HISTORIC PRE-TAX PROFIT OF RM428.3 MILLION FOR FYE 31 DEC 2011

Kuala Lumpur, 2 February 2012. For the twelve (12) months ended 31 December 2011, MBSB Group achieved a record pre-tax profit of RM428.3 million, an increase of 107% as compared to the pre-tax profit of RM207.4 million for the year 2010. This contributed to improved basic net earnings per share of 32.43 sen and return on equity of 43%.

On quarterly basis, the Group recorded a pre-tax profit of RM101.2 million for the 4th quarter an increase of 40% as compared to the 4th quarter pre-tax profit of RM72.4 million for the year 2010. The higher pretax profit is mainly due to higher net income from Islamic banking operation via the expansion of personal financing and these were partly set off by higher operating expenses due to higher business volume and higher loan loss impairment.

Dato' Ahmad Zaini Othman, the Chief Executive Officer commented, "Our Group's improved performance for the twelve (12) months of 2011 is the result of the company's persistent efforts to grow its retail business in the face of stiff market competition. Continuous operational improvements as targeted under the transformation program, Taking MBSB to the Next Level, have also contributed to the exceptional results." He added, "While the asset growth is largely driven by Personal Financing-i, our strategy to diversify asset portfolio beginning early last year has also shown remarkable progress".

As at 31 December 2011, net loan, advances and financing stood at RM15.2 billion, an increase of 42% as compared to RM10.7 billion as at 31 December 2010 which exceeded the banking industry's average growth rate of 13.6%.

The Government servants remain supportive of MBSB's PF-i mainly due to its high affordability and the offer of several financing packages to suit their different needs. MBSB's long-established business - financing to the property development sector has also contributed to the company's improved margins. Portfolio diversification that included Contract Financing and SME Cash Express have gained momentum and have created a niche market for MBSB.

Dato' Zaini said, "Fee-based income has also shown encouraging results, generated by the retail product line. The new venture into the offering of bancassurance products proved rewarding as we managed to draw new customers to MBSB. We are indeed thankful to all our business associates in supporting our renewed efforts to grow this income segment".

On the deposits from customers, Dato' Zaini said, "The deposits which stood at RM13.5 billion as at 31 December 2011 grew by 29% from 31 December 2010 of RM10.5 billion and for this, we extend our heartfelt thanks to our depositors for their esteemed confidence in MBSB. In addition, for FYE 2011 we raised funds via securitization of RM1.0 billion of PF-i assets, an EPF Bai Al-Inah Islamic Financing Facility of RM0.5 billion and a rights issuance of RM0.5 billion. The growth in our loan assets was well-supported by an effective management of the liability program."

The operational improvements realized by the Company have led to an efficient cost control management and the enhancement of customer services. The establishment of a Customer Call Centre, appointment of marketing agents and the inclusion of MBSB into BNM's CCRIS are some key examples. Staff productivity achieved in terms of gross loans per employee also shows an increase of 10.3% for year 2011 as compared to 2010. MBSB also opened an additional full-fledged branch in Shah Alam, Selangor and another Representative Office (REP) in Tanah Merah, Kelantan in the last quarter of 2011.

The company recorded a solid improvement in its total net NPL ratio from 15.7% for FYE 2010 to 8.8% for FYE 2011. This is principally due to the restructuring of major corporate legacy accounts achieved in the same year and an expansion of financing and loan bases.

MBSB has proposed final dividend of 7% less 25% taxation in respect of the FYE 31 December 2011. The payment of the dividends will be subject to shareholders' approval at the forthcoming Annual General Meeting. This will then bring total dividend at 12% for the FYE 2011 in view of the 5% interim dividend paid during the year.

“We have indeed met all our Headline KPIs for year 2011, our utmost appreciation goes to the customers and shareholders. Moving forward, we will re-strategize our business plan in view of the expected slow loan growth in some product lines. Efforts on operational improvements and to reduce turnaround time will also continue to facilitate in achieving our set targets. Barring any unforeseen circumstances, we expect the Group to continue to record satisfactory performance in 2012”, said Dato' Zaini.