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PRESS RELEASE

KENYATAAN AKHBAR

For Immediate Release

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**MBSB'S PRE TAX PROFITS UP BY 80% TO RM157.65 MILLION
FOR FIRST QUARTER OF 2015**

Kuala Lumpur, 7 May 2015 – For the first three (3) months ended 31 March 2015, MBSB Group achieved pre-tax profits of RM157.65 million, an increase of 80.63% from RM87.28 million recorded in the preceding fourth quarter of 2014. This is mainly due to higher net income earned from the Islamic banking operations. Group Revenue also grew by 16.2% or RM96.27 million from RM594.33 million. On a year to year basis, the Group Revenue recorded at RM690.60 million for the first quarter 2015 is also an improvement of 3.52% from RM667.11 million.

Dato' Ahmad Zaini Othman, President and Chief Executive Officer commented, "The revenue performance shown in the first quarter of 2015 is partly due to the company's substantial efforts in penetrating the corporate segment and this has resulted in a slight asset growth amidst a challenging retail banking environment".

However due to the exceptional recognition of deferred tax assets made in the last quarter of 2014, the Group showed a decline in post-tax profits from RM393.07 million to RM124.31 million. The Group had recognized RM366 million as deferred tax assets in that last reporting quarter.

The Group's net impaired financing ratio has trended downwards from 4.05% as at 31 December 2014 to 3.98% as at 31 March 2015. This positive development is due to the improvements in the quality of assets as well as in the collection and recovery strategies. It

is also on the back of an ongoing impairment program that the Group had initiated beginning the fourth quarter last year.

Dato' Ahmad Zaini, added, "We continued with our impairment program to ensure the Group's reporting standards are moving towards the industry's and shall continue to do so."

The Group had also undertaken a second drawdown of its securitization program with Cagamas Berhad amounting to RM500 million with a tenure of three years. This is to further support and strengthen its liability management program. Meanwhile, it recorded a cost to income ratio of 24.5%, which remains below the industry average of 45.5%.

On another front, this year MBSB continued to carve its name as a significant industry player with award recognitions from IFR Asia Awards for Islamic Issue of the Year 2014 and Most Innovative Financier from Property Insight Prestigious Developer Awards 2015. The IFR Asia Awards is part of the Thomson Reuters Awards for Excellence, recognizing corporate and individual success in the global financial industry, meanwhile the Property Insight Prestigious Developer Awards acknowledges and highlights some of Malaysia's best in the property and real estate industry.

Dato' Ahmad Zaini concluded, "We are pleased that the implementation of the new five-year Business Plan 2015-2019 has shown some positive progress. The plan focuses on sustaining profitability and maintaining a Return on Equity (ROE) within the industry level. Barring unforeseen circumstances, we remain optimistic that we are on track to achieve the desired targets."

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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.