



**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

24 February 2016

**MBSB ACHIEVES RM3.05 BILLION IN REVENUE
FOR FYE 31 DEC 2015**

Kuala Lumpur 24 February 2016- MBSB Group today announced its 2015 full year results which posted pre-tax profits of RM355.03 million on the back of RM3.05 billion in revenue for the twelve (12) months ended 31 December 2015. The Group's fourth quarter revenue grew by 7.51% or RM57.66 million as compared to RM768.03 million in the preceding quarter.

Group's total assets of RM41.09 billion as at 31 December 2015 registered a growth of 9.09% or RM3.42 billion from RM37.67 billion for the previous financial year. Gross loans and financing growth also shows an improved trend of 4.38% from RM33.81 billion in the preceding third quarter to RM34.11 billion in the fourth quarter 2015. The company continued to achieve an impressive low cost to income ratio of 22.66% for financial year 2015, which is a further improvement of 0.19% from 22.85% in the preceding quarter.

Dato' Ahmad Zaini Othman, President and Chief Executive Officer commented, "It is visible from our financial results of 2015 that while we have persisted with our efforts to ensure a sustainable asset and revenue growth, the company's bottom line were affected by the impairment program emplaced at the end of 2014. Nonetheless, this should be taken positively as it does mark our serious commitment to meet the industry's impairment standards and close the gap."

The Group's net impaired financing ratio which stood at 2.81% as at 31 December 2015 is a marked reduction from 4.05% recorded in the preceding year 2014. It is also a progress of 0.41% from 3.22% recorded as at 30 September 2015. On this, Dato Ahmad Zaini said, "We are definitely pleased that the company's NPL continued to show a positive trend, which are the results of effective NPL preventive measures as well as strengthened credit underwriting processes".

The company's revenue remains largely contributed by retail financing assets, however Dato Ahmad Zaini informed corporate segment has also increased its income contribution. The company had continued its support for the Government's initiatives to increase supply in affordable housing units and this was achieved by securing financing for several projects nationwide. New business in equipment financing has also shown revenue growth, resulting in the establishment of another two processing hubs, each in Northern and Southern region.

On moving forward plans this year in light of the unfavourable economic conditions, Dato' Ahmad Zaini remained optimistic. He remarked, "The uncertainties have to a certain extent, hampered both retail and corporate sentiments. But for MBSB, we are operating quite efficiently as reflected by a low cost to income ratio and we intend to further reduce that this year, the retail segment largely comprises of government servants indicating stable employment meanwhile growth in corporate segment shall be continued to be sustained via selected government contracts and viable private projects".

-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.