

PRESS RELEASE

For the twelve (12) months ended 31 December 2010, MBSB Group achieved a record pre-tax profit of RM207.4 million, an increase of 158% as compared to the pre-tax profit of RM80.3 million for the year 2009. This contributed to improved net earnings per share of 20.85sen and return on equity of 31%.

On quarterly basis, the Group recorded a pre-tax profit of RM72.4 million for the 4th quarter as compared to the 3rd quarter pre-tax profit of RM42.3 million. The higher pre-tax profit is mainly due to higher loans and financing income and lower loan loss impairment in the current quarter.

Dato' Ahmad Zaini Othman, the Chief Executive Officer commented, "Our Group's improved performance for the twelve (12) months of 2010 is in line with current business strategies on retail products undertaken in Taking MBSB to the Next Level". He added, "This is possible, thanks to the commitment and hard work from our staff and continued support from our business associates".

As at 31 December 2010, net loan, advances and financing stood at RM10.7 billion, an increase of 32% as compared to RM8.1 billion as at 31 December 2009.

MBSB's key retail financial product, the Personal Financing-i ("PF-i") continued to be a major contributor to the Company's loan asset growth. This is due to the effective marketing campaigns being held and attractive rates and packaging being offered. The Government servants remain supportive of MBSB's PF-i product, hence contributing to marked improvement in its sales.

Dato' Zaini said, "Our focus on expansion of the personal financing sector has resulted an impressive growth. Providing funding to the civil servants at reasonable costs would remain part of our business strategies".

MBSB was also able to make inroad to certain market segments especially for mortgage where it began to target the high net worth clientele. Similarly, for contract financing, its corporate business product that was introduced late 2009, MBSB was able to secure financing for government contracts and those in the Oil and Gas sector.

On the deposits from customers, Dato' Zaini said, "The deposits which stood at RM10.5 billion as at 31 December 2010 grew by 39% from 31 December 2009 of RM7.6 billion and we credit our depositors for the confidence level placed on us. To drive our loan expansion, we had in 2010, securitised about RM1.0 billion of mortgage loan assets".

Operationally, MBSB has been able to effectively control its costs, improve efficiency and the service turnaround time due to several key outsourcing exercises being undertaken. MBSB has also increased its reach to customers due to the establishment of Representative Offices (REP) in the East Coast Region functioning only as sales channels for its retail financing products. This innovative set-up differs from a full-fledged Sales and Service Centre (SSC) as it does not undertake deposit-taking activities, hence effectively providing MBSB with a lower set up capital expenditure. MBSB also opened a new Sales and Service Centre (SSC) in Sibuluan.

"The operating environment for the financial sector is competitive and expected to be in tandem with the growth of the Malaysian economy. We would set out new strategies whilst improving on existing strategies to cater for opportunities in such environment. Barring any unforeseen circumstances, we expect the Group to continue to record satisfactory performance in 2011" said Dato' Zaini.