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**PRESS RELEASE  
KENYATAAN AKHBAR  
For Immediate Release  
11 JUNE 2019**

**MBSB'S 49<sup>TH</sup> ANNUAL GENERAL MEETING (AGM)**

**KUALA LUMPUR, 11 June 2019:** Datuk Seri Ahmad Zaini Othman, President and Chief Executive Officer of Malaysia Building Society Berhad (MBSB) presented the financial performance of MBSB Group to the shareholders at its 49<sup>th</sup> Annual General Meeting (AGM) held at Connexion@Nexus, Bangsar South, Kuala Lumpur, today.

Datuk Seri Ahmad Zaini delivered MBSB's financial performance for FYE 31 Dec 2018 where its Profit After Tax (PAT) for FYE18 increased by 54.01% to RM642.40 million compared to RM417.13 million for FYE 31 Dec 2017 ("FYE17"). It is reported that MBSB's Net Impaired Financing Ratio stood at 2.39% (FYE18) compared to 1.76% (3Q18) and 2.11% (FYE17). The increase is due to impairment allowance write backs mainly for corporate portfolio in 4Q18.

Datuk Seri Ahmad Zaini also recapped the results for 1Q19, where MBSB's Profit After Tax (PAT) declined by 28.94% to RM83.83 million compared to RM117.96 million (4Q18) and 73.54% compared to RM316.79 million (1Q18) due to impairment allowance.

MBSB's Profit Before Tax (PBT) experienced a 26.96% decline to RM115.86 million from RM158.62 million q-o-q despite the increase of its Net Operating Income by 9.39% q-o-q to RM268.88 million from RM245.81 million.

MBSB's revenue increased by 4.49% to RM784.04 million from RM750.35 million quarter on quarter ("q-o-q") compared to 4Q18.

Meanwhile, MBSB saw its total assets grew by 2.12% y-o-y and 4.41% q-o-q to RM47.43 billion in the first three months of 2019. Its deposits increased by 5.82% to RM34.70 billion compared to RM32.79 billion q-o-q.

As at 31 March 2019, MBSB's capital position remains strong as CET-1 Capital Ratio stood at 18.41% which is beyond Bank Negara Malaysia's prescribed ratio of 7.0%. Liquidity coverage ratio ("LCR") stood at 228.18% (1Q19) from 210.33% (4Q18).

Datuk Seri Ahmad Zaini announced that MBSB recommended a Single-Tier Final Dividend of 50 sen net per Ordinary Share for the financial year ended 31 December 2018 and also the option to reinvest via the Dividend Reinvestment Plan ("DRP") shall apply to the entire portion of the Proposed Single-Tier Final Dividend.

As for the development of its subsidiary, MBSB Bank Berhad, Datuk Seri Ahmad Zaini elucidated that the full-fledged Islamic bank has embarked on its online banking services and conducted campaigns to reward loyal customers at the same time draw new customers.

During the meeting, Datuk Ahmad Zaini highlighted, “We aim to serve our customers well and attract new customers and we have done that through a range of campaigns. Earlier this year, we launched our term deposit campaign called Prime Fortune and we received very positive response from the customers.”

“In April, we launched our MBSB Bank Visa Debit Card-i alongside our PrimeWin CASA-i campaign which is for our savings and current account holders. We have also equipped our online banking facilities for retail as well as corporate customers and now they are able to do transactions online,” he added.

MBSB Bank, the country’s second largest full-fledged Islamic bank has 46 branches throughout the country. Moving forward, the bank will be transforming several of its branches into digital branches, where the customers will be able to perform transactions conveniently and effectively.

Since obtaining its banking license, MBSB Bank has received accolades from industry players such as Deals of the Year by Islamic Finance News at the IFN Awards 2019 and Best Sukuk Deal 2018 at the Alpha South East Asia Best Deal and Solutions Award.

The AGM was chaired by YBhg Tan Sri Abdul Halim Ali, Chairman of MBSB with the presence of the Board of Directors and shareholders.

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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 Malaya 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 holding entity of MBSB.

#### **MBSB Corporate Highlights**

MBSB has been granted with an exemption under Section 7(4) of the Borrowing Companies Act 1969 (BCA).

- As a result of the change from BCA to Finance Companies Act (FCA), all references to borrowing business and borrowing company were to be construed respectively as finance business and finance company.
- The FCA was later repealed by Banking and Financial Institutions Act 1989 (BAFIA)
- The BAFIA has been repealed and replaced with FSA 2013
- On 6 November 2017, MBSB entered into the Share Purchase Agreement with the shareholders of Asian Finance Bank Berhad (“AFB/Vendors”) for the proposed acquisition by MBSB of the entire equity interest in AFB for an aggregate purchase consideration of RM644,952,807.66 to be satisfied by way of cash amounting to RM396,894,036.26 and the issuance of 225,507,974 Consideration Shares at an issue price of RM1.10 per Consideration Share (“the Acquisition”).
- The Acquisition was approved by the shareholders of MBSB on 23rd January 2018. The shareholders also approved the transfer of Shariah Compliant Assets and Liabilities of MBSB to AFB via a Members’ Scheme of Arrangement.
- Pursuant to the abovesaid approval and upon completion of the transfer of shares and the payment of the balance of the purchase consideration to the Vendors, AFB became a wholly owned subsidiary of MBSB on 7 February 2018.