



MALAYSIA BUILDING SOCIETY BERHAD(MBSB)

Registration No.197001000172 (9417-K)

**STRATEGIC MARKETING AND COMMUNICATIONS
DEPARTMENT**

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PRESS RELEASE

KENYATAAN AKHBAR

For Immediate Release

29 November 2021

**MBSB'S NINE MONTHS' NET PROFIT SURGED TO RM362.25 MILLION AGAINST
RM172.48 MILLION IN THE SAME PERIOD LAST YEAR**

3Q21 Highlights

- Revenue increased slightly to RM681.05 million in 3Q21 against RM664.94 million in 2Q21
- Total Assets stood at RM50.60 billion in 3Q21 against RM50.84 billion in 2Q21
- Deposits stood at RM33.66 billion in 3Q21 against RM35.68 billion in 2Q21
- Cost to Income Ratio (CIR) increased to 27.38% in 3Q21 against 24.01% in 2Q21
- Registered a Loss After Tax of RM104.58 million in 3Q21 against Profit After Tax of RM403.41 million in 2Q21

Petaling Jaya, 29 November 2021: Malaysia Building Society Berhad (MBSB) today announced its financial results for the third quarter of this year ended 30 September 2021.

MBSB registered a Loss After Tax of RM104.58 million in 3Q21, a decline from Profit After Tax (PAT) of RM403.41 million in 2Q21 due to the reimposition of strict Covid-19 containment measures in the third quarter of the year.

An additional modification loss of RM146.97 million was reported in 3Q21 compared to RM13.20 million in 2Q21 as its main subsidiary, MBSB Bank Berhad continued granting moratorium and other repayment assistance to the customers under the government's PEMULIH package.

However, the Group's nine months' net profit surged to RM362.25 million against RM172.48 million in the same period last year due to the lower impact of modification loss compared to year 2020.

The Group posted a revenue of RM681.05 million in 3Q21, a 2.42% increase compared to RM664.94 million in 2Q21 contributed by an increase in financing related revenue. Meanwhile, revenue stood at RM2.03 billion for year to date, a 15.06% decline from RM2.39 billion for the same period last year.

Commenting on the results, MBSB's Acting Chief Executive Officer, Datuk Nor Azam M Taib said, "Covid-19 has adversely affected many industries and individuals and many have not been able to operate within their optimum capacity. Because of that, we provided an extended moratorium to the customers to provide them with some financial breather."

Meanwhile the Group's Total Assets slipped by 0.48% or RM242.82 million to RM50.60 billion from RM50.84 billion in 2Q21 mainly due to a decrease in interbank placements. The Group's deposits declined by 5.67% or RM2.02 billion to RM33.66 billion in 3Q21 from RM35.68 billion in 2Q21.

Moving to the Group's key financial ratios, Cost to Income Ratio (CIR) stood at 27.38% this quarter, an increase compared to 24.01% in the last quarter. The Group's Return on Asset (ROA) dropped 0.9% to

0.98% in 3Q21 against 1.88% in 2Q21 while Return on Equity (ROE) declined to 5.45% in 3Q21 from 10.41% in 2Q21 mainly due to the loss recorded in the current quarter.

Meanwhile, on the Group capital ratio, CET-1 dropped to 21.03% in 3Q21 compared to 21.06% in the last quarter contributed by mark-to-market loss of the financial investments at FVOCI. Datuk Nor Azam also said, “Our key financial ratios remain solid and are within the industry’s requirement despite the net loss experienced for the quarter.”

Datuk Nor Azam shared the Bank’s readiness to continue to assist its customers who are in need of financial support and added, “We began receiving applications for Financial Management and Resilience Programme (URUS) since November 15 and we strongly encourage those who are seeking for financial relief to contact us or apply for URUS on our website.”

In addition to that, Datuk Nor Azam also informed on the Bank’s efforts to strengthen its asset quality where there is close monitoring of its net impaired financing ratio and ample provisions have also been set aside to buffer against potential losses.

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For more information or enquiries, please contact:

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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.

On 6 November 2017, MBSB entered into the Share Purchase Agreement with 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 RM 644,952,807.66 to be satisfied by way of cash amounting to RM396,894,036.26 and the issuance of 255,507,974 Consideration Shares at an issue price of RM1.10 per Consideration Share ("the Acquisition").

The Acquisition was approved by the shareholders of MBSB on 23 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 payment of the balance of the purchase consideration to the Vendors, AFB became a wholly owned subsidiary of MBSB on 7 February 2018. AFB undertook a rebranding exercise and on 2 April 2018 it changed its name to MBSB Bank Berhad ("MBSB Bank").

CORPORATE STRUCTURE



MALAYSIA BUILDING SOCIETY BERHAD

REGISTRATION NO: 197001000172

FINANCIAL HOLDING COMPANY



MBSB BANK BERHAD

REGISTRATION NO: 200501033981

100% OWNED BY MBSB

