



**MALAYSIA BUILDING SOCIETY BERHAD(MBSB)**

Registration No.197001000172 (9417-K)

STRATEGIC MARKETING AND COMMUNICATIONS  
DEPARTMENT

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**9 JUNE 2022**

**MBSB ANNOUNCES PROFIT AFTER TAX OF RM438.71 MILLION FOR FINANCIAL YEAR  
ENDED 31 DECEMBER 2021 AT 52<sup>ND</sup> ANNUAL GENERAL MEETING**

*-MBSB TARGETS GREEN FINANCING DISBURSEMENT TO HIT RM700 MILLION BY 2025*

**Petaling Jaya, 9 June 2022:** Malaysia Building Society Berhad (“MBSB” or “the Group”) held its 52<sup>nd</sup> Annual General Meeting (AGM) at its new head office in PJ Sentral today.

The meeting was conducted as a virtual meeting through live streaming from the broadcast venue at Level 4 of Menara MBSB Bank in PJ Sentral. MBSB’s shareholders passed all resolutions discussed during the meeting.

Acting Chief Executive Officer, YBhg. Datuk Nor Azam M. Taib presented the Group’s main agenda which was the performance for financial year ended 31 December 2021 (FYE21) followed by the Group’s moving forward plans.

### **Key Financial Highlights in 2021**

The Group registered RM438.7 million in Profit After Tax (PAT) in FYE21, 62.9% increase from RM269.3 million in the previous corresponding period. Revenue declined slightly by 16.6% to RM2.6 billion in FYE21 from RM3.2 billion in FYE20.

Elaborating on the results, Datuk Nor Azam said, “Despite the challenging environment in 2021, we were able to improve our performance as we grew our PAT by 62.9% to RM438.7, enhanced our Return on Equity (ROE) from 3.1% in 2020 to 5.0%, while assets rose by 4.6% to RM50.7 billion.”

The Group declared a dividend of 3.0 sen per share for the year 2021 amounting to RM215.1 million, which is higher than 2.0 sen per share paid in 2020.

### **Strong Capital and Liquidity Position**

MBSB’s Common Equity Tier 1 (CET 1) and total capital ratio strengthened to 21.5% and 26.0% respectively, compared to 20.8% and 25.1% in 2020. Liquidity position remains strong with liquidity coverage ratio of 234.7% as opposed to 203.1% in 2020. The strong capital provides plenty of room for future growth and the Group will continue to ensure that its capital and liquidity position remains healthy.

### **Digital Capabilities**

Datuk Nor Azam also touched on the Group’s main subsidiary, MBSB Bank’s most recent development. The Bank has been consistent in enhancing its digital capabilities and is prepared to widen the range of its products and services.

“We remain focused on digital innovation and improved business processes through new and enhanced products and services, for instance, we have recently launched e-KYc and our virtual branch which will significantly benefit our customers as they can perform transactions seamlessly online,” he said.

## **Moving Forward**

He also highlighted on MBSB Bank's moving forward plans and said, "We aim to enhance our existing businesses to improve our competitiveness and meet evolving market expectations. We are currently pursuing new businesses to accelerate growth in order to increase shareholder value."

MBSB Bank is enroute on its Journey 2025 (J25) roadmap as it aims to become a top progressive Islamic bank in Malaysia guided by a two-pronged business strategy of generation of new revenue streams and enhancement of existing businesses.

"We are generating new revenue streams in order to accelerate our growth, which will be undertaken by way of product differentiation and customised solutions," added Datuk Nor Azam.

## **Sustainability Framework**

MBSB is committed in driving the sustainability agenda as part of Malaysia's collective blueprint to achieve a better and more sustainable future for all.

According to Datuk Nor Azam, "We are progressing to adopt sustainability initiatives within the workplace among our employees. We have commenced with the development of a sustainability framework to guide and drive strategic management and reporting of sustainability plans and initiatives and embed sustainability governance and policies within the operations of the Group. We target our green financing disbursement to hit RM700 million by 2025."

The sustainability framework, once developed, will provide MBSB Bank with a guided and holistic approach in identifying, measuring, managing and reporting Environment, Social and Government (ESG) risks and opportunities.

Additionally, MBSB Bank is one of the first few local banks in Malaysia to commence with the development of Scope 3 financed emissions baseline. Measuring financed emissions will allow the Bank to make transparent climate disclosures on its Green House Gas (GHG) emissions

exposure, identify climate-related transition risks and opportunities, and set the baseline emissions for future target setting.

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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**

