

MALAYSIA BUILDING SOCIETY BERHAD
Registration No. 197001000172 (9417-K)
(Incorporated in Malaysia)

MINUTES of the 51st Annual General Meeting of Malaysia Building Society Berhad [Registration No. 197001000172 (9417-K)] held fully virtual through online meeting platform provided by Tricor Investor & Issuing House Services via its website at <https://tjih.online> on Thursday, 17 June 2021 at 10.00 a.m.

<i>Present:</i>	Tan Sri Azlan Mohd Zainol	Chairman / Non-Independent Non-Executive Director
	Encik Lim Tian Huat	Non-Independent Non-Executive Director
	Ir Moslim bin Othman	Independent Non-Executive Director
	Puan Lynette Yeow Su-Yin	Senior Independent Non-Executive Director
	Encik Mohamad Abdul Halim bin Ahmad	Independent Non-Executive Director
	Encik Sazaliza bin Zainuddin	Non-Independent Executive Director
	Dr Loh Leong Hua	Independent Non-Executive Director
<i>In Attendance:</i>	Datuk Seri Ahmad Zaini Othman	President and Chief Executive Officer
	Datuk Nor Azam M. Taib	Deputy Chief Executive Officer
<i>Secretary:</i>	Cik Tina Koh Ai Hoon	Company Secretary
<i>External Auditors:</i>	Cik Ow Peng Li	Audit Partner, Messrs. KPMG PLT
<i>Others</i>	As per Attendance List	

OPENING

Y. Bhg. Tan Sri Azlan Mohd Zainol (“Tan Sri Chairman”) chaired the meeting. Tan Sri Chairman welcomed all present to the 51st Annual General Meeting of the Company and called the Meeting to order at 10.00 a.m.

Tan Sri Chairman informed that, with the current Full Movement Control Order being enforced by the Government, the AGM was conducted fully virtual through the remote participation and electronic voting (“RPV”) application in line with the Guidelines issued by the Securities Commission.

Tan Sri Chairman informed that all the Board members were also participating via live streaming and he then introduced the Board members, the President and Chief Executive Officer, the Company Secretary as well the representative from the external auditors.

Tan Sri Chairman also took the opportunity to place on record, his sincere appreciation to Y.Bhg Tan Sri Abdul Halim Ali, who had served as the Chairman of MBSB over the last 20 years. Under his guidance, MBSB had thrived exceptionally well and had overcome various challenges, to transform from a building society to a bank. Tan Sri Chairman informed that MBSB thanked Tan Sri Abdul Halim Ali for his invaluable contribution and remarkable service to MBSB and wish him all the best for his future endeavours.

QUORUM

Upon the request by Tan Sri Chairman, the Company Secretary confirmed that the quorum was met.

PROXIES

The Secretary informed that a total of 1,110 shareholders and proxy holders, holding 28,262,451 and 4,566,626,586 ordinary shares respectively in MBSB, had registered to participate in this virtual AGM. Together, the shareholders and proxy holders hold 4,594,889,137 shares representing 65.87% of the issued and paid-up capital of MBSB.

Out of this number, 118 shareholders representing 254,762,402 shares had appointed Tan Sri Chairman, as their proxy, to vote in accordance with the instructions as detailed out in the proxy form.

NOTICE

The Notice convening the Meeting having been circulated to shareholders via email or hard copy within the prescribed period was taken as read.

PROCEDURES FOR MEETING / INTRODUCTION TO REMOTE PARTICIPATION AND ELECTRONIC VOTING

1. Tan Sri Chairman briefed that in line with the Movement Control Order (“MCO”) where gatherings are prohibited, Shareholders are to attend, speak (posing questions to the Board via real time submission of typed texts) and vote (collectively, “participate”) remotely at the 51st AGM via the Remote Participation and Voting facilities (“RPV”) provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) via its TIIH Online website at <https://tiih.online>.
2. Tan Sri Chairman informed that there were Ten (10) ordinary resolutions as set out in the Notice of AGM. In line with Para 8.29A of the Main Market Listing Requirements and pursuant to Clause 69 of the Company’s Constitution, all the resolutions set out in the Notice of Meeting would be carried out by poll.
3. Tan Sri Chairman informed that the Company had appointed the share registrar Tricor to act as poll administrator to conduct the polling process.
4. Tan Sri Chairman further informed that the Company had appointed Coopers Professional Scrutineers Sdn Bhd (“Coopers”) to act as Scrutineers to verify the poll results. The poll would be conducted when the deliberations on all items to be transacted at this meeting was completed.
5. Tan Sri Chairman then invited Tricor to brief the meeting, the procedure for remote voting.
6. The presentation for the RPV procedures were played at this juncture.
7. Tan Sri Chairman informed that the voting was already open and shareholders could cast their respective votes at any time until the announcement of the closure of poll voting.

PRESENTATION OF COMPANY PERFORMANCE AND REPLY TO MSWG QUERIES

1. Tan Sri Chairman invited the President and Chief Executive Officer (“PCEO”) of the Company, Datuk Seri Ahmad Zaini bin Othman (“Datuk Seri Zaini”) to present the snapshot of the Company’s performance for the year 2020, which covered the following as per *Annexure 1*:-
 - i. Overview of the year in question – 2020
 - ii. Financial year 2020 performance
 - iii. Forward looking (2021 and beyond)
 - iv. Value distributed – sustainability
 - v. Targeted Repayment Assistance

2. Tan Sri Chairman informed that MBSB had received questions from Minority Shareholder Watchdog Group (“MSWG”) and the questions from the shareholders prior to the AGM. These together with the questions received during the AGM would be addressed.
3. Datuk Seri Zaini then presented the answers to the queries raised by Minority Shareholder Watchdog Group (“MSWG”) and the answers for the list of questions received from the shareholders prior to the AGM as per *Annexure 2*.
4. Datuk Seri Zaini then proceeded to address the questions received via query box from the shareholders, corporate representative and proxies during the meeting, the details of which as per *Annexure 3*.
5. Tan Sri Chairman thanked the shareholders for all the questions posted and he informed that in the event the questions were not answered at the meeting, the Company Secretary would revert to the shareholders via email soonest possible.

ORDINARY BUSINESS

1.0 TO RECEIVE THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY AND OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 AND REPORTS OF THE DIRECTORS AND AUDITORS THEREON

Tan Sri Chairman informed that the Audited Financial Statements for the financial year ended 31 December 2020 were for discussion only and would not be put to vote. As it does not require shareholders’ approval under the provision of Section 340 (1) of the Companies Act. Agenda item 1 was not put forward for voting.

5.0 TO DECLARE A SINGLE-TIER FINAL DIVIDEND OF 2.0 SEN PER ORDINARY SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020.

Tan Sri Chairman informed that the Ordinary Resolution No. 1 was to approve a Single-Tier Final Dividend of 2.0 sen per ordinary share for the financial year ended 31 December 2020.

3.0 TO APPROVE THE PAYMENT OF DIRECTORS’ FEES PAYABLE TO DIRECTORS FOR THE PERIOD FROM THE DATE OF THIS AGM UNTIL THE NEXT AGM OF THE COMPANY IN 2022.

Tan Sri Chairman informed that the Ordinary Resolution No. 2 was to approve the payment of Directors’ Fees payable to Directors for the period from the date of this AGM until the next AGM of the Company in 2022.

4.0 TO APPROVE PAYMENT OF BENEFITS (EXCLUDING DIRECTORS’ FEES) PAYABLE TO DIRECTORS FROM THE DATE OF THIS AGM UNTIL THE NEXT AGM OF THE COMPANY IN 2022.

Tan Sri Chairman informed that the Ordinary Resolution No. 3 was to approve payment of benefits (excluding Directors’ Fees) payable to Directors from the date of this AGM until the next AGM of the Company in 2022.

Tan Sri Chairman informed that to promote Corporate Governance best practices, the Directors who were shareholders of MBSB would abstain from voting on Ordinary Resolution No. 2 and No. 3.

5.0 TO RE-ELECT TAN SRI AZLAN BIN MOHD ZAINOL, WHO RETIRE IN ACCORDANCE WITH CLAUSE 90 OF THE COMPANY'S CONSTITUTION, AND WHO BEING ELIGIBLE OFFER HIMSELF FOR RE-ELECTION.

Tan Sri Chairman informed that the Ordinary Resolution No. 4 was to re-elect himself, who retire in accordance with Clause 90 of the Company's Constitution, and who had offered himself for re-election.

Tan Sri Chairman proposed for Puan Lynette Yeow Su-Yin ("Puan Lynette"), the Senior Independent Director of MBSB, to take over the chair of the meeting for Ordinary Resolution No. 4.

Tan Sri Chairman, being the interested party, handed over the Chair to Puan Lynette, to present Ordinary Resolution No. 4.

Puan Lynette informed that Tan Sri Azlan bin Mohd Zainol was retiring in accordance with Clause 90 of the Company's Constitution. He had offered himself for re-election.

Puan Lynette then handed back the chair to Tan Sri Chairman for next Agenda.

6.0 TO RE-ELECT ENCIK SAZALIZA BIN ZAINUDDIN, WHO RETIRE IN ACCORDANCE WITH CLAUSE 90 OF THE COMPANY'S CONSTITUTION, AND WHO BEING ELIGIBLE OFFER HIMSELF FOR RE-ELECTION.

Tan Sri Chairman informed that the Ordinary Resolution No. 5 was to re-elect Encik Sazaliza bin Zainuddin, who retired in accordance with Clause 90 of the Company's Constitution, and who being eligible offer himself for re-election. He had offered himself for re-election.

7.0 TO RE-ELECT DR. LOH LEONG HUA, WHO RETIRE IN ACCORDANCE WITH CLAUSE 90 OF THE COMPANY'S CONSTITUTION, AND WHO BEING ELIGIBLE OFFER HIMSELF FOR RE-ELECTION.

Tan Sri Chairman informed that the Ordinary Resolution No. 6 was to re-elect Dr. Loh Leong Hua, who retired in accordance with Clause 90 of the Company's Constitution, and who being eligible offer himself for re-election. He had offered himself for re-election.

8.0 TO RE-ELECT IR. MOSLIM BIN OTHMAN, WHO RETIRE IN ACCORDANCE WITH CLAUSE 100 OF THE COMPANY'S CONSTITUTION, AND WHO BEING ELIGIBLE OFFER HIMSELF FOR RE-ELECTION.

Tan Sri Chairman informed that the Ordinary Resolution No. 7 was to consider the re-elect Ir. Moslim bin Othman, who retired in accordance with Clause 100 of the Company's Constitution, and who being eligible offer himself for re-election. He had offered himself for re-election.

9.0 TO APPOINT MESSRS. PRICEWATERHOUSECOOPERS PLT AS AUDITORS OF THE COMPANY IN PLACE OF THE RETIRING AUDITORS, MESSRS. KPMG PLT FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021 AND TO AUTHORISE THE DIRECTORS TO DETERMINE THEIR REMUNERATION.

Tan Sri Chairman informed that the Ordinary Resolution No. 8 was to appoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company in place of the retiring auditors, Messrs. KPMG PLT for the financial year ending 31 December 2021 and to authorise the Directors to determine their remuneration.

Tan Sri Chairman informed that the Audit Committee and the Board had agreed to change the audit firm periodically for MBSB and its subsidiaries as good corporate governance practice and have recommended Messrs. PricewaterhouseCoopers PLT be appointed as the auditors of MBSB and its

subsidiaries in place of the retiring auditors, Messrs. KPMG PLT for the financial year ending 31 December 2021, subject always to the approval from the Shareholders.

Tan Sri Chairman then informed that MBSB had received the approval from the Regulator for the appointment Messrs. PricewaterhouseCoopers PLT.

SPECIAL BUSINESS

10.0 AUTHORITY TO ALLOT AND ISSUE SHARES.

Tan Sri Chairman informed that the Ordinary Resolution No. 9 was to grant authority to the Directors to issue shares pursuant to Section 75 of the Companies Act, 2016, at any time until the conclusion of the next Annual General Meeting, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being.

Tan Sri Chairman informed that the shareholders had granted this mandate to MBSB at the previous AGM in 2020. This option was not exercised during this period. MBSB was seeking a fresh mandate from the shareholders. The mandate would provide MBSB with the flexibility to undertake any share issuance during the financial year which was not material in nature.

11.0 Allotment and issuance of new Ordinary Shares in MBSB (“MBSB Shares”) in relation to the Dividend Reinvestment Plan that allows shareholders of MBSB (“Shareholders”) to reinvest their dividend to which the dividend reinvestment plan applies, in new MBSB Shares (“Dividend Reinvestment Plan”).

Tan Sri Chairman informed that the Ordinary Resolution No. 10 was to grant authority to consider and to approve the allotment and issuance of new MBSB Shares pursuant to the Dividend Reinvestment Plan until the conclusion of the next Annual General Meeting.

12.0 POLL PROCESS

There being no notice received for any other business, Tan Sri Chairman declared that the meeting adjourned at 11.55 a.m. for the poll vote count and to resume the meeting at 12.25 p.m. for declaration of poll results.

13.0 ANNOUNCEMENT OF POLL RESULTS

Tan Sri Chairman called the meeting to order for declaration of results. Tan Sri Chairman informed that he had received the poll results from Tricor and the confirmation from Coopers. A copy of the same was attached as *Annexure 4*.

The details of the results were as follows: -

1. To declare a Single-Tier Final Dividend of 2.0 sen per ordinary share for the financial year ended 31 December 2020 (**Ordinary Resolution 1**)

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 1	4,840,321,960	99.9949	246,732	0.0051

Tan Sri Chairman declared that Ordinary Resolution 1 was duly passed as follows: -

“That the payment of Single-Tier Final Dividend of 2.0 sen per ordinary share for the financial year ended 31 December 2020 be approved.”

2. To approve the payment of Directors' Fees payable to Directors for the period from the date of this AGM until the next AGM of the Company in 2022 (**Ordinary Resolution 2**)

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 2	4,838,136,046	99.9524	2,3044,738	0.00476

Tan Sri Chairman declared that Ordinary Resolution 2 was duly passed as follows: -

“That payment of Directors' Fees payable to Directors for the period from the date of this AGM until the next AGM of the Company in 2022 be approved.”

3. To approve payment of benefits (excluding Directors' Fees) payable to Directors from the date of this AGM until the next AGM of the Company in 2022 (**Ordinary Resolution 3**)

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 3	4,837,642,259	99.9429	2,762,996	0.0571

Tan Sri Chairman declared that Ordinary Resolution 3 was duly passed as follows: -

“That the payment of benefits (excluding Directors' Fees) payable to Directors from the date of this AGM until the next AGM of the Company in 2022 be approved.”

4. To re-elect Tan Sri Azlan bin Mohd Zainol, who retired in accordance with Clause 90 of the Company's Constitution, and who being eligible offer himself for re-election (**Ordinary Resolution 4**)

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 4	4,832,979,453	99.8465	7,431,908	0.1535

Tan Sri Chairman declared that Ordinary Resolution 4 was duly passed as follows: -

“That Tan Sri Azlan bin Mohd Zainol, who retired in accordance with Clause 90 of the Company's Constitution, be re-elected as Non-Independent Non-Executive Director of the Company.”

5. To re-elect Encik Sazaliza bin Zainuddin, who retired in accordance with Clause 90 of the Company's Constitution, and who being eligible offer himself for re-election (**Ordinary Resolution 5**)

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 5	4,836,753,930	99.9376	3,017,955	0.0624

Tan Sri Chairman declared that Ordinary Resolution 5 was duly passed as follows: -

“That Encik Sazaliza bin Zainuddin, who retired in accordance with Clause 90 of the Company's Constitution, be re-elected as Non-Independent Executive Director of the Company.”

6. To re-elect Dr. Loh Leong Hua, who retired in accordance with Clause 90 of the Company's Constitution, and who being eligible offer himself for re-election (**Ordinary Resolution 6**)

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 6	4,838,355,651	99.9695	1,477,092	0.0305

Tan Sri Chairman declared that Ordinary Resolution 6 was duly passed as follows: -

“That Dr. Loh Leong Hua, who retired in accordance with Clause 90 of the Company's Constitution, be re-elected as Independent Non-Executive Director of the Company.”

7. To re-elect Ir. Moslim bin Othman, who retired in accordance with Clause 100 of the Company's Constitution, and who being eligible offer himself for re-election (**Ordinary Resolution 7**)

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 7	4,833,576,330	99.8713	6,227,860	0.1287

Tan Sri Chairman declared that Ordinary Resolution 7 was duly passed as follows: -

“That Ir. Moslim bin Othman, who retired in accordance with Clause 100 of the Company's Constitution, be re-elected as Independent Non-Executive Director of the Company.”

8. To appoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company in place of the retiring auditors, Messrs. KPMG PLT for the financial year ending 31 December 2021 and to authorise the Directors to determine their remuneration (**Ordinary Resolution 8**)

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 8	4,839,137,694	99.9854	705,622	0.0146

Tan Sri Chairman declared that Ordinary Resolution 8 was duly passed as follows: -

“That the appointment of Messrs. PricewaterhouseCoopers PLT as Auditors of the Company in place of the retiring auditors, Messrs. KPMG PLT for the financial year ending 31 December 2021 and the authorisation to the Directors to determine their remuneration be approved.”

9. Authority to allot and issue shares (**Ordinary Resolution 9**)

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 9	4,838,554,439	99.9596	1,953,526	0.0404

Tan Sri Chairman declared that Ordinary Resolution 9 was duly passed as follows: -

“THAT subject always to the Companies Act, 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and

the approvals of the relevant government/regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Section 75 of the Act, to allot and issue shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be also empowered to obtain the approval from the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.”

10. Allotment and issuance of new Ordinary Shares in MBSB (“MBSB Shares”) in relation to the Dividend Reinvestment Plan that allows shareholders of MBSB (“Shareholders”) to reinvest their dividend to which the dividend reinvestment plan applies (**Ordinary Resolution 10**)

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 10	4,838,338,833	99.9554	2,159,956	0.0446

Tan Sri Chairman declared that Ordinary Resolution 10 was duly passed as follows: -

“THAT pursuant to the Dividend Reinvestment Plan as approved by the Shareholders at the Extraordinary General Meeting held on 10 December 2013, approval be and is hereby given to the Company to allot and issue such number of new MBSB Shares from time to time as may be required to be allotted and issued pursuant to the Dividend Reinvestment Plan until the conclusion of the next Annual General Meeting upon such terms and conditions and to such persons as the Directors, may in their absolute discretion, deem fit and in the interest of the Company PROVIDED:-

- i. THAT the issue price of the said new MBSB Shares shall be fixed by the Directors at a discount of not more than ten percent (10%) to the five (5)-day volume weighted average price (“VWAP”) of MBSB Shares immediately prior to the price-fixing date, of which the VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price.

AND THAT the Directors of the Company be and are hereby authorized to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give effect to the Dividend Reinvestment Plan with full power to assent to any conditions, modifications, variations and/or amendments to the terms of the Dividend Reinvestment Plan as the Directors may deem fit, necessary and/or expedient in the best interest of the Company or as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments and to take all steps as it considers necessary in connection with the Dividend Reinvestment Plan.”

CLOSE OF MEETING

There being no notice received for any other business, the Chairman concluded the Meeting at 12.30 p.m. and thanked all present for their attendance.

SIGNED AS A CORRECT RECORD

-SIGNED-

CHAIRMAN



MALAYSIA BUILDING SOCIETY BERHAD
51ST ANNUAL GENERAL MEETING
THURSDAY, 17 JUNE 2021

Presentation by
DATUK SERI AHMAD ZAINI OTHMAN
GROUP PRESIDENT AND CHIEF EXECUTIVE OFFICER



There are 7 parts to the presentation:

01 OVERVIEW
THE YEAR IN QUESTION - 2020

02 FINANCIAL YEAR 2020
PERFORMANCE

03 FORWARD LOOKING
(2021 AND BEYOND)

04 VALUE DISTRIBUTED
- SUSTAINABILITY

05 TARGETED REPAYMENT
ASSISTANCE

06 MSWG QUESTIONS AND
ANSWERS

07 PRE-AGM AND LIVE Q&A



01

OVERVIEW
THE YEAR IN QUESTION - 2020



Covid-19 Pandemic

- The pandemic has caused a devastating impact to the economy and an unprecedented disruption to human lives and businesses.

Business disruptions

- We had to navigate through severe financial and operational challenges while rapidly addressing the needs of our customers and ensure the continued confidence of all our depositors and other stakeholders.

Mandatory Moratorium

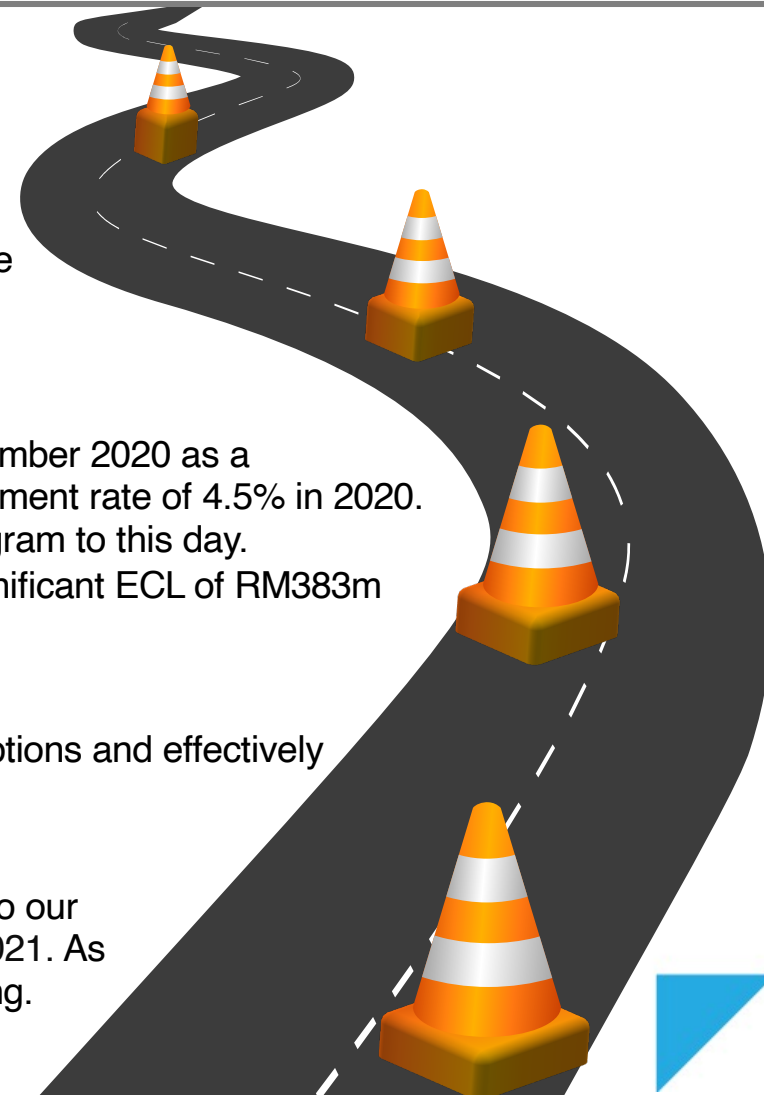
- Compulsory 6-month deferment for all financing repayments from April-September 2020 as a proportionate response as Malaysians struggled with a record high unemployment rate of 4.5% in 2020.
- B40/M40/Micro Enterprise Targeted Repayment Assistance, a continued program to this day.
- These have led to our first ever Modification Loss of over RM500m and a significant ECL of RM383m making a big dent to our profit/loss position.

Revision of Business Plans & Targets

- We revised our Business Plan and targets in June 2020 to adapt to the disruptions and effectively navigate through the pandemic with defined plans and strategies.

Proactive collections / Restructuring / Assistance

- We had rescheduled / restructured financing as well as provided assistance to our customers affected by the pandemic to the tune of over RM9.0b as at May 2021. As at 2020, it was approximately RM6.3b or 70% of the present gross outstanding.

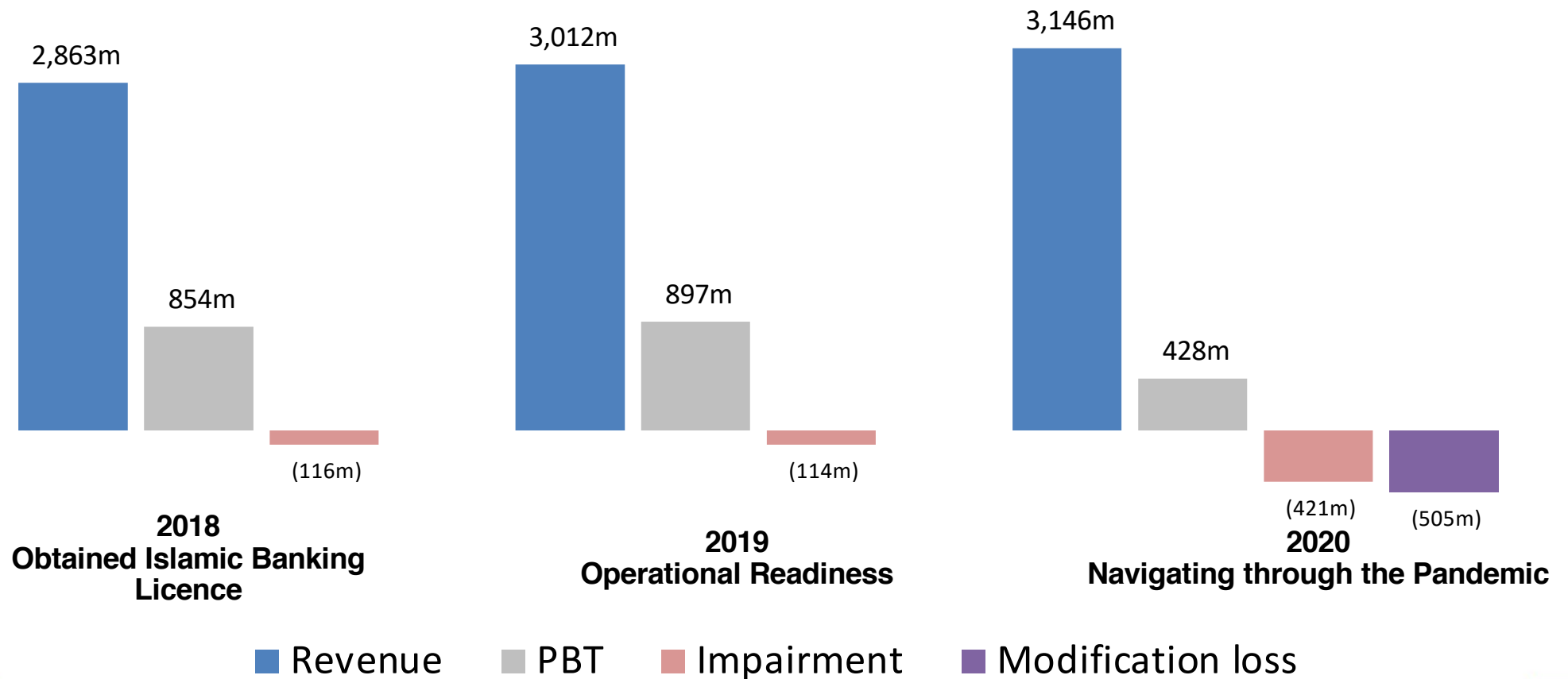


02

FINANCIAL YEAR 2020 PERFORMANCE

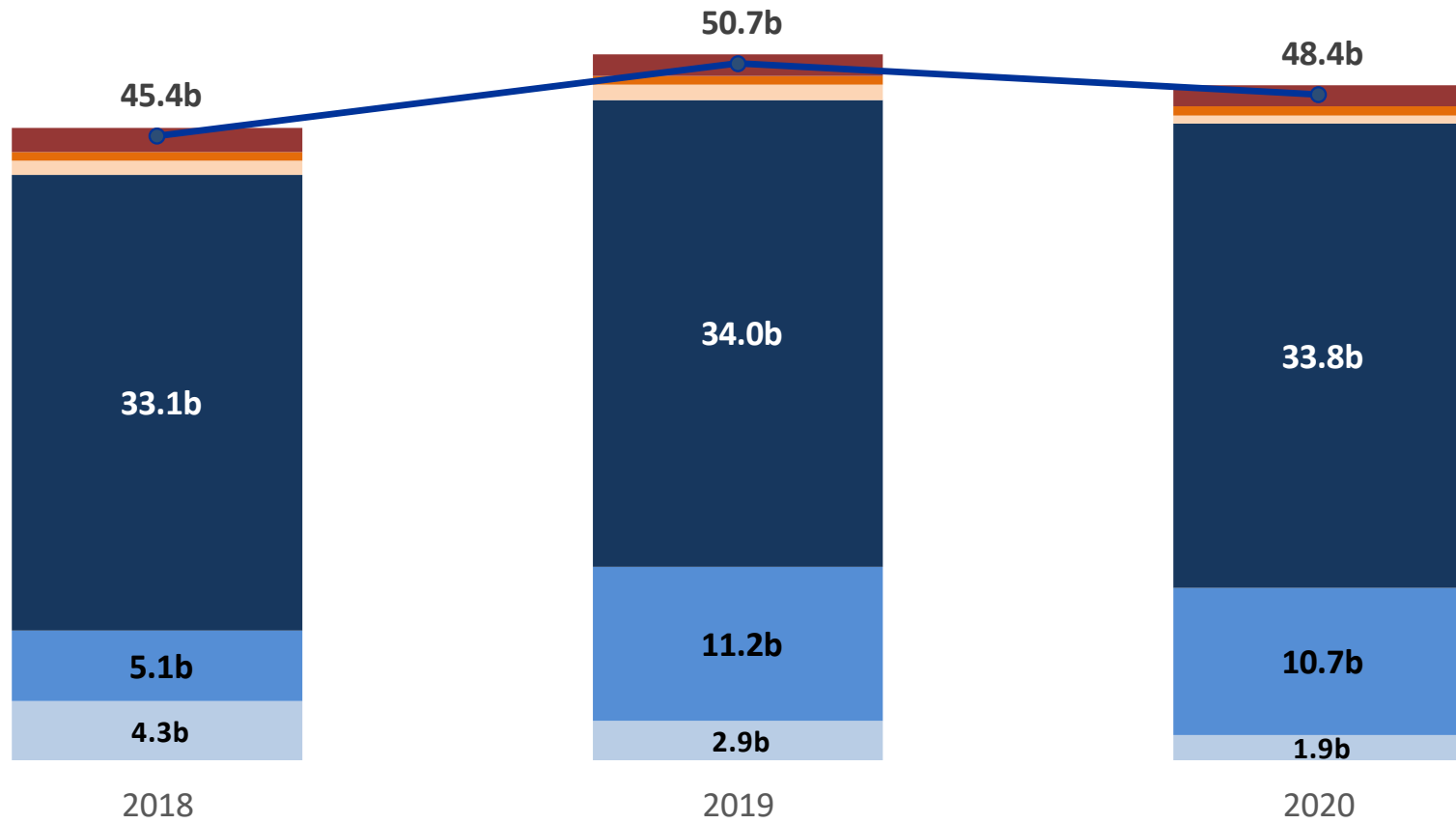


**GROUP REVENUE IMPROVED BY 4.4%
PBT REDUCED BY 53% DUE TO MODIFICATION LOSS AND
HIGHER IMPAIRMENT DUE TO COVID-19 PANDEMIC**



Note: All figures in this presentation are in RM, unless otherwise specified

TOTAL ASSETS REGRESSED BY 4.5%



Cash & equivalents
PPE & Intangibles

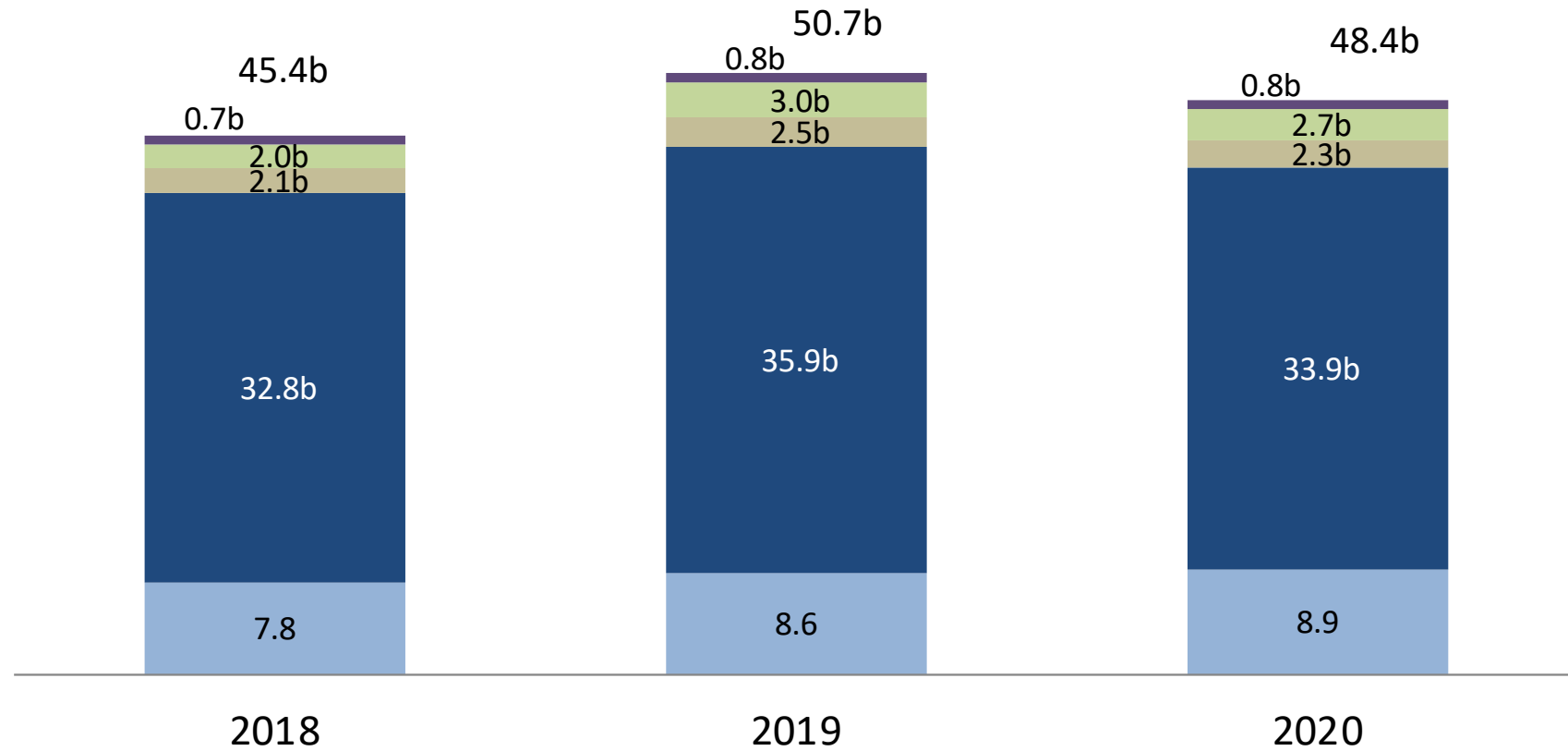
Financial instruments
Others

Net financing
Total assets

Statutory deposit



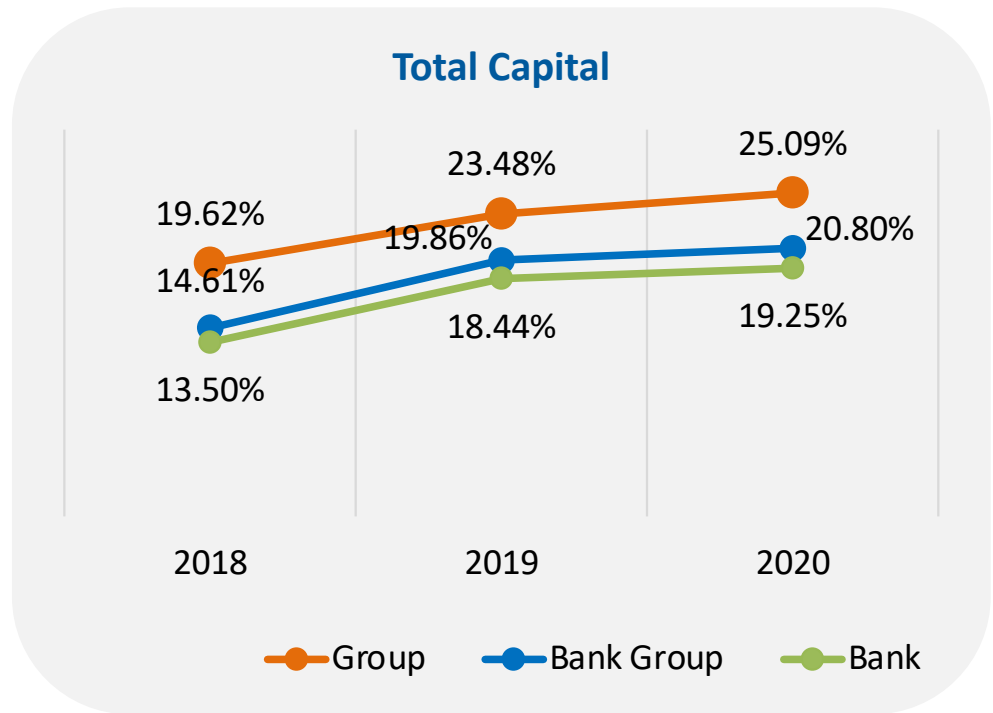
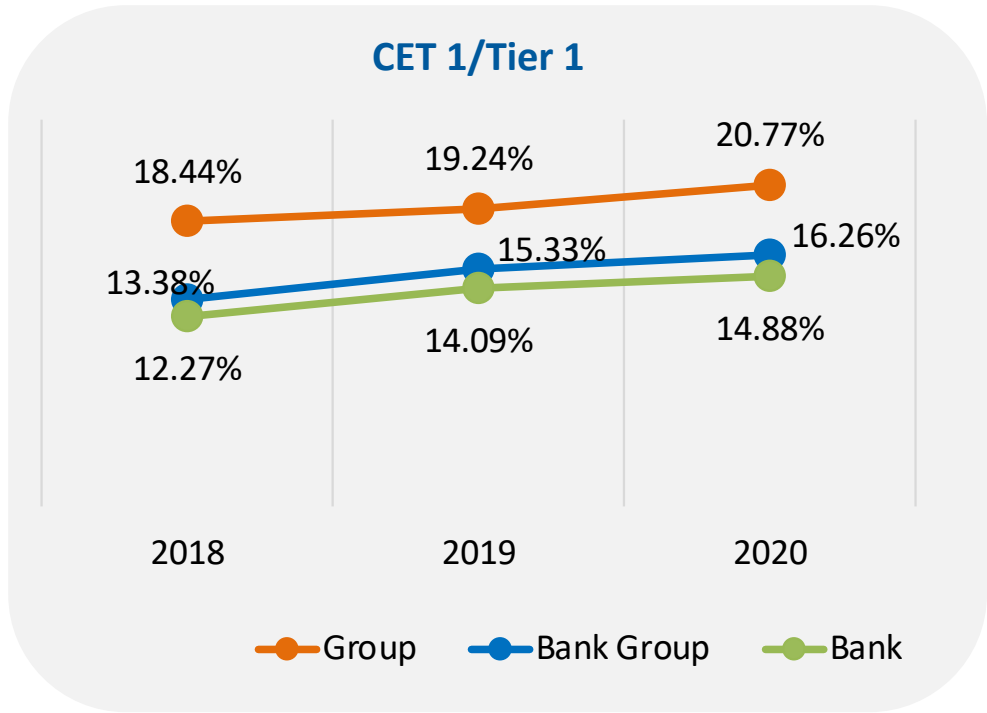
LIABILITIES AND SHAREHOLDERS' EQUITY REDUCED BY 4.5%



■ Total Equity
 ■ Deposits
 ■ Cagamas
 ■ Sukuk (SC Murabahah and Wakalah)
 ■ Others



CAPITAL REMAINS HEALTHY AND WELL ABOVE REGULATORY REQUIREMENTS



Regulatory requirements

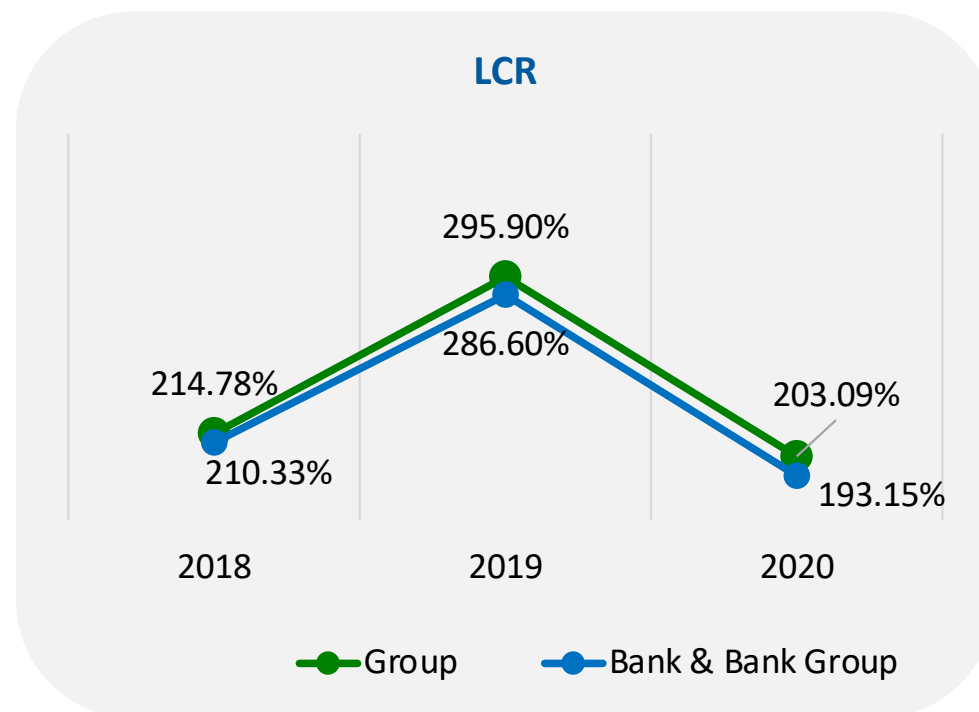
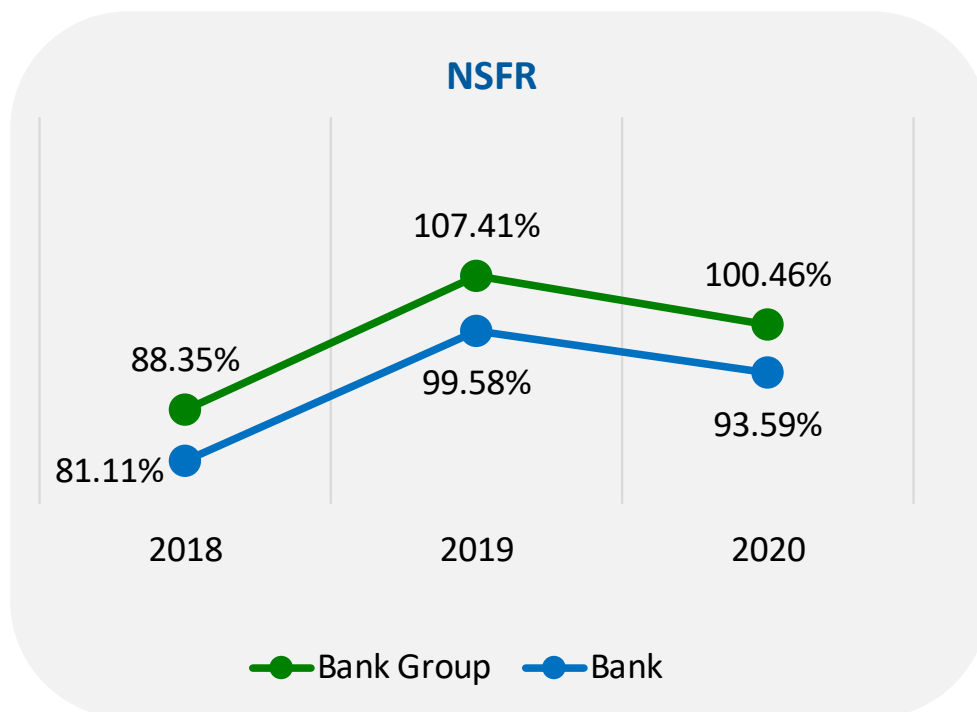
CET 1: 7.0%

Tier 1: 8.5%

Total Capital: 10.5%

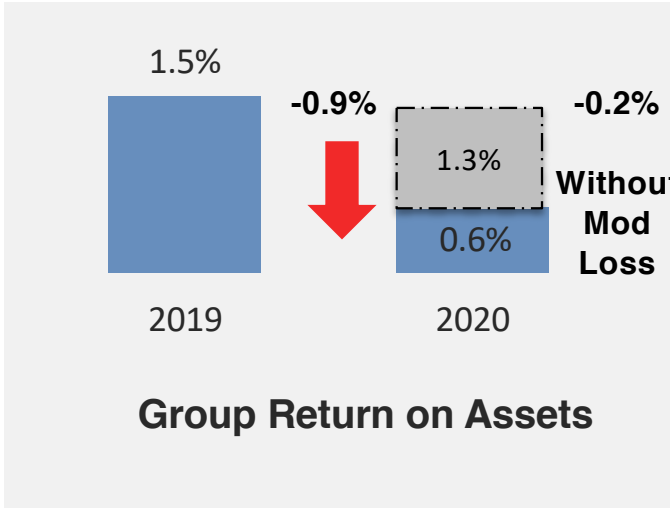
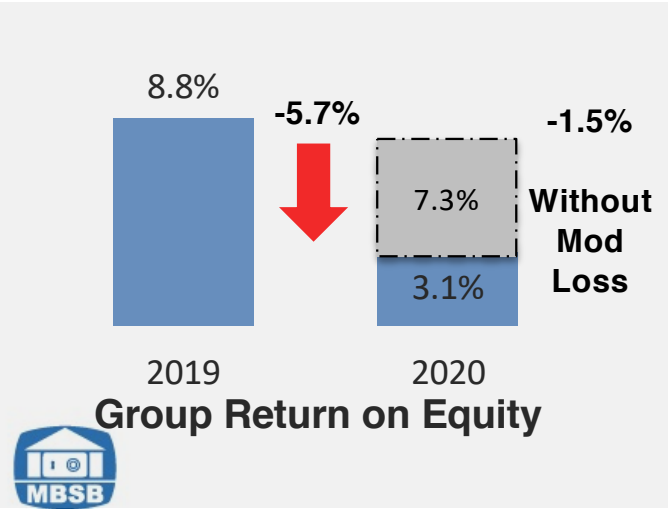
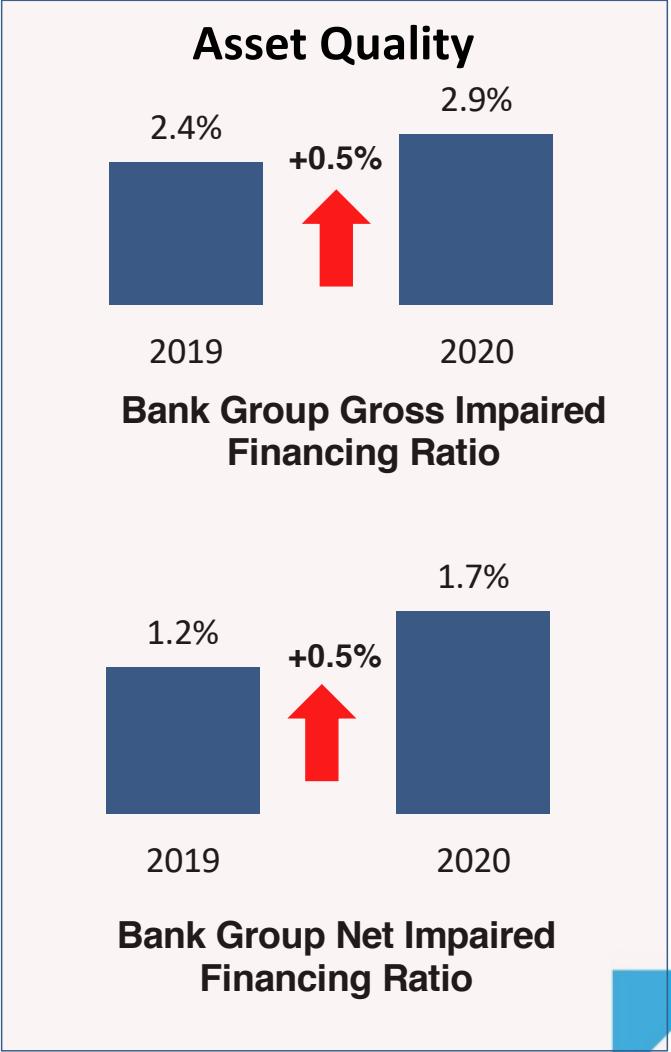
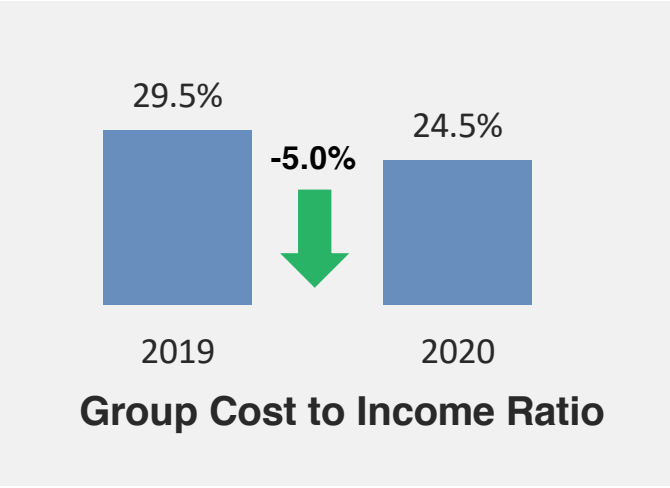
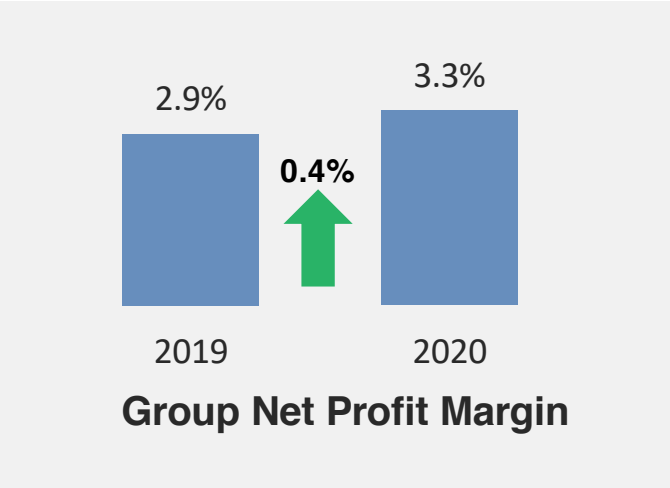


LIQUIDITY DROPPED BUT REMAINS SUFFICIENT



* No NSFR requirement at Group level

FINANCIAL RATIOS

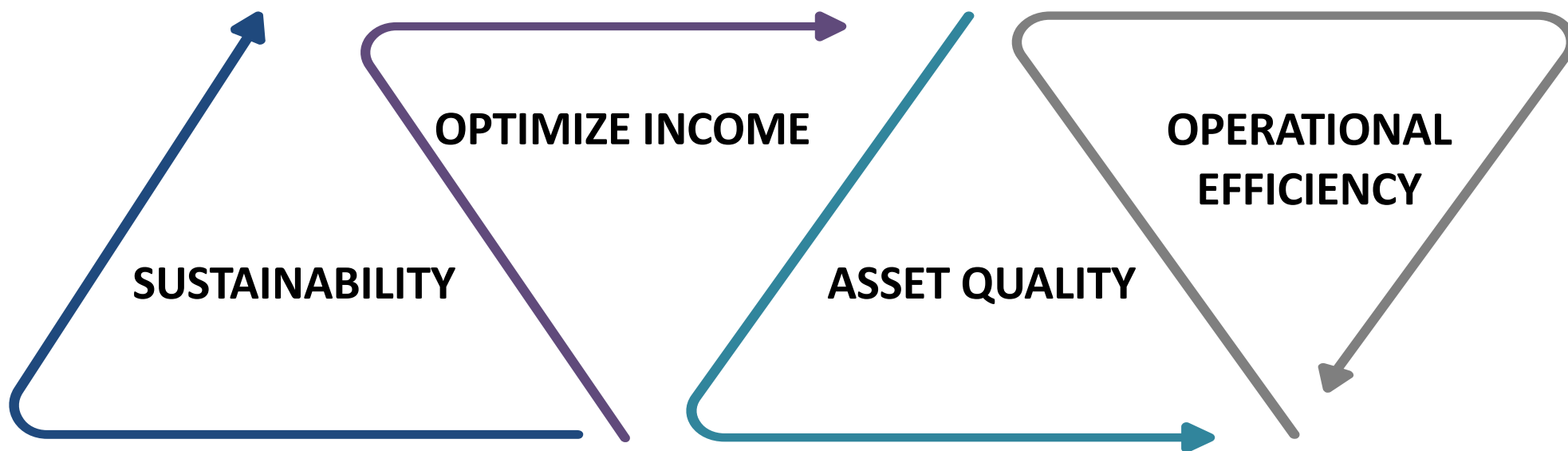


03

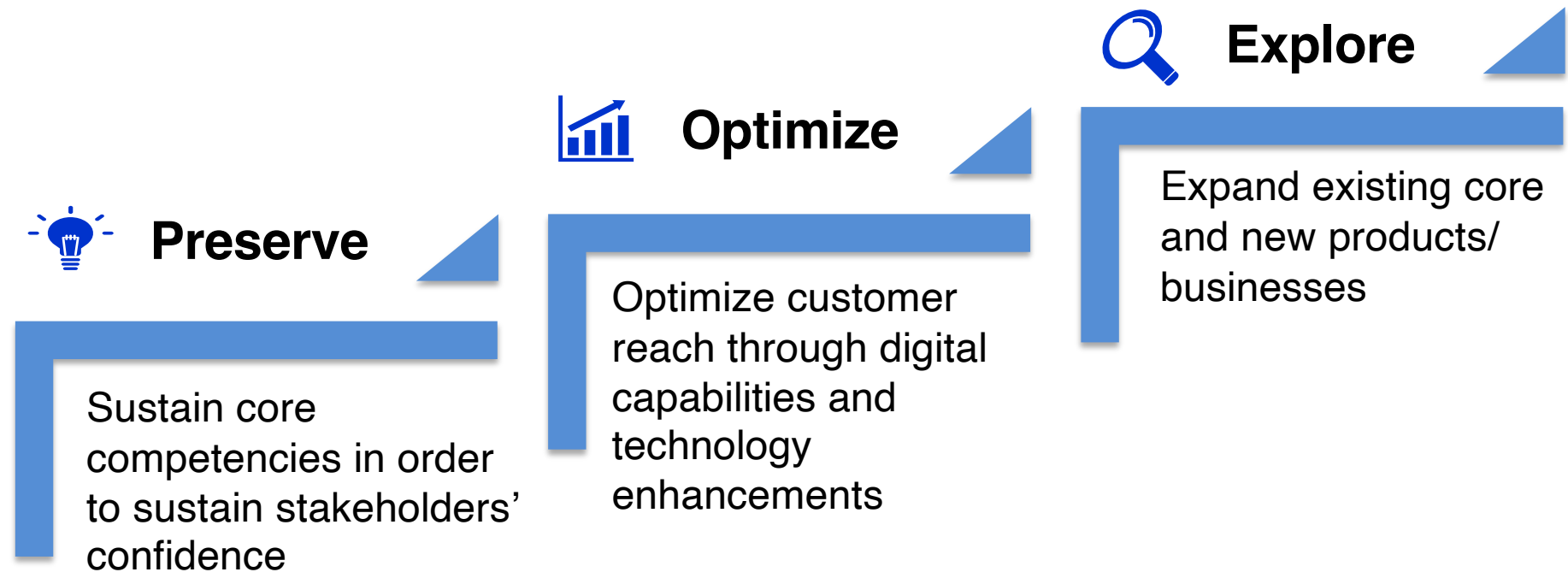
FORWARD LOOKING (2021 AND BEYOND)

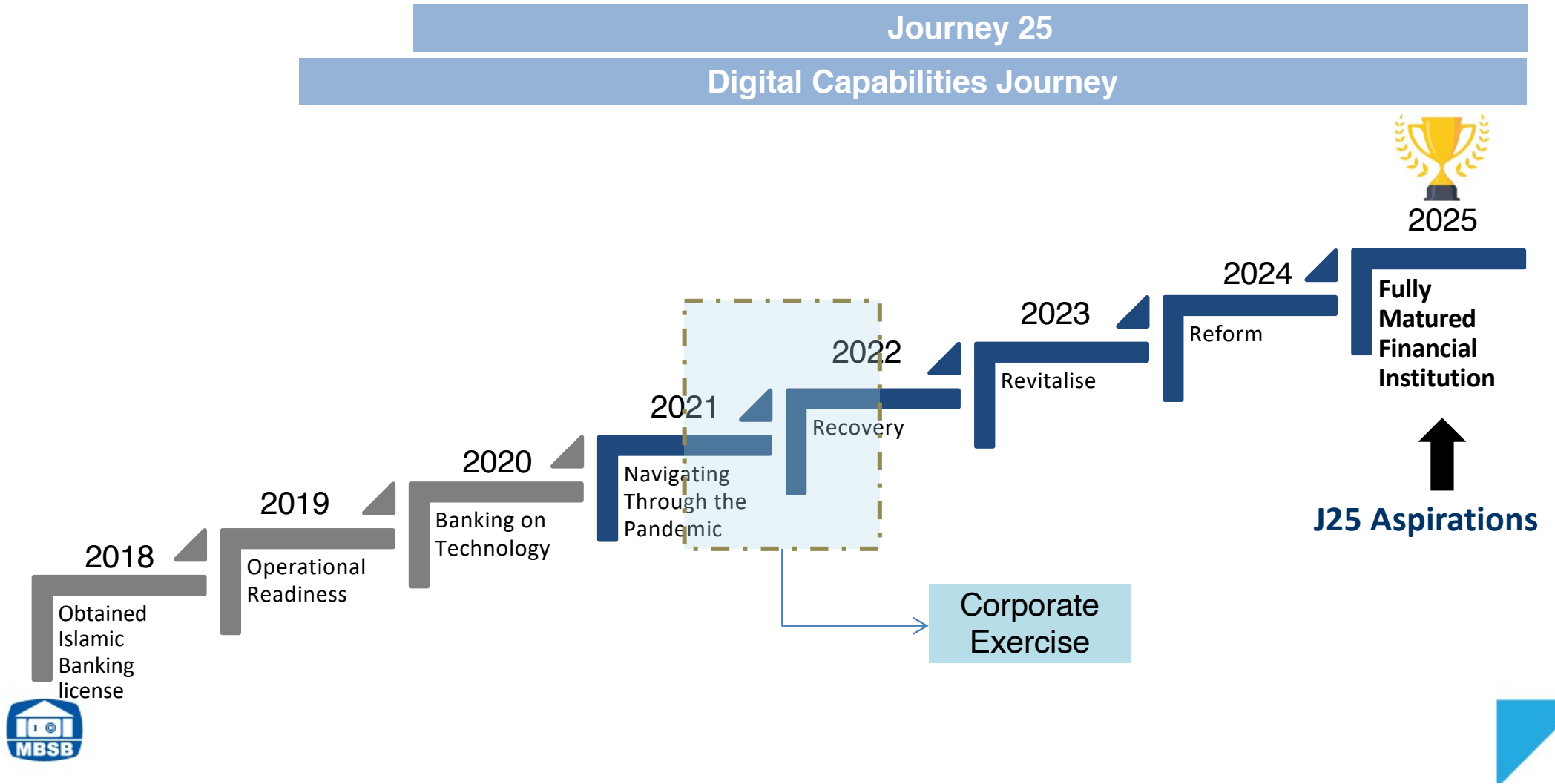


GUIDING PRINCIPLES



STRATEGIC OBJECTIVES





JOURNEY 25 ASPIRATIONS / TARGETS

TO BECOME A FULLY MATURED FINANCIAL INSTITUTION BY 2025

CONTINUED STRATEGIES



BUSINESS

- DELIVERABLES (TECH), VB COLLABORATIONS
- NEW BUSINESS STREAMS
- MARKET/NEW FRONTIERS
- TRADE FINANCE FOCUS

OPERATIONS

- REGIMENTED COST MANAGEMENT
- EFFICIENCY
- PROCESS IMPROVEMENTS

MANAGEMENT/STAFF

- CORPORATE CULTURE / PROFESSIONALISM
- SPIRIT OF OWNERSHIP / TOGETHERNESS
- QUALITY STAFF



TARGETS



RETURN ON EQUITY

- ROE – No less than 10%

BUSINESS

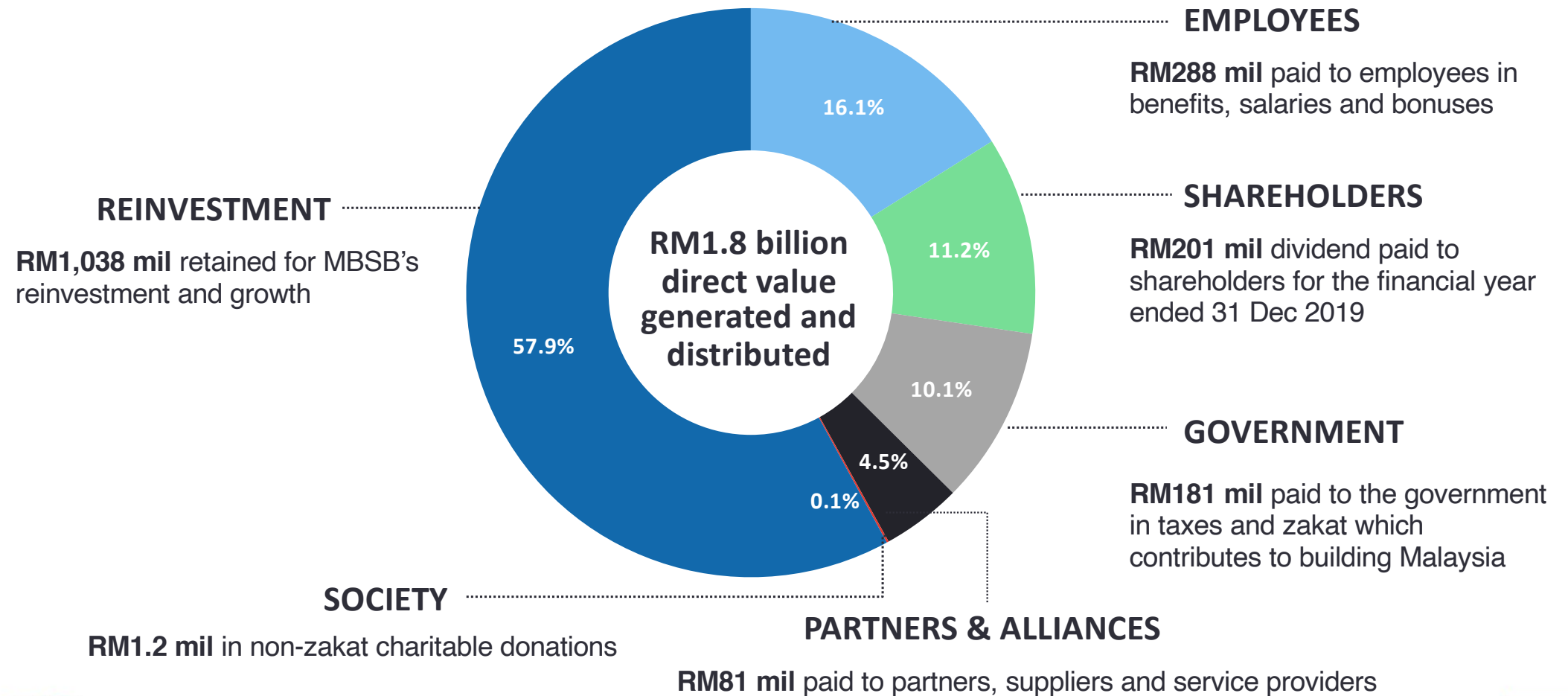
- Islamic trade finance turnover/volume to grow between RM14billion and RM16billion
- Local/Regional player in trade finance
- New business streams
- Collaboration with Islamic Corporation for Development (ICD)
- Frontier to Middle East and North African (MENA) countries
- IMPROVE EXTERNAL RATING**
 - Improve Rating to AA

SUPPORTED BY DIGITAL ENABLEMENT

04

VALUE DISTRIBUTED - SUSTAINABILITY





BOARD OF DIRECTORS

- Gender, skills, qualification and expertise diversity
- Reliable management and systems

5

CUSTOMERS

- 84.4% Customer Satisfaction Index Score
- Cumulatively approved and accepted RM426 mil of green financing
- Expanded sector limit for renewable energy financing from RM1.2bil to RM1.8bil in FY2020

1

SOCIETY

- Clean energy generation of 51.53MW from MBSB's financing portfolios
- Improved energy efficiency with green building headquarters
- Philanthropy and CSR activities with a total contribution of more than RM3.8 mil

4

FY2020 indirect value generated and distributed

2

MEDIA & ANALYSTS

- 220,177 social media reach
- Enhanced brand quality with award winnings such as Highest Growth PAT over Three Years from The Edge Billion Ringgit Club 2020, Best Financial Institution Group Islamic Finance Deal of the Year and Best Islamic Finance Wealth Management Bank by Alpha Southeast Asia Awards 2020

3

REGULATORS

- Zero incidents of confirmed corruption
- Zero fines and non-monetary sanctions for non-compliance with laws and regulations



05



TARGETED REPAYMENT ASSISTANCE



TARGETED REPAYMENT ASSISTANCE

- Establishment of Care Unit (July 2020)
- Chaired by PCEO
- Steering Committee comprises Senior Management team
- Retail: Ensuring effective implementation of the Bank's Targeted Payment Flexibility Programs for customers affected by Covid-19 pandemic
- Corporate: Relationship managers actively engaging with affected corporate customers



Type of Customer	No of Customers
 Individual Personal Financing Property Financing Auto Financing	47,335 (RM5.8b) 42,043 4,765 527
 Corporate/SME SME Corporate	31 (RM733m) 26 5

MCO 3.0

Continued Targeted Repayment Assistance

Individuals & SMEs - Financing moratorium for 3 months; or 50% reduction in instalment payments for 6 months





MALAYSIA BUILDING SOCIETY BERHAD
51ST ANNUAL GENERAL MEETING
THURSDAY, 17 JUNE 2021

THANK YOU



06

**MSWG QUESTIONS
AND
ANSWERS**



MSWG QUESTIONS

Subject	No of questions
Operational & Financial	6
Corporate Governance	1
Total	7



Q1.

MBSB's net profit margin improved by 40 basis points to 3.29% in FY2020 as compared to 2.89% in FY2019 due to lower cost of funds and substantial amount of fixed rate financing (51.38% of total loans) in MBSB's overall loan portfolio (page 49 & 224 of Integrated Annual Report 2020).

- **Is the improvement in net profit margin sustainable?**

A1.

- We expect the net profit margin (NPM) for 2021 to remain within the current level as the composition of our fixed rate financing portfolio continues to remain above 50%.
- Additionally, we also have more than RM10b in financial investments (RM9b in govt bonds and 1b in private debt securities) which would also be able to generate fixed returns.
- Under the present low OPR environment, we are of the view that the composition of our existing portfolio of financing and investments would be able to sustain our NPM.



Q2.

As at the end of FY2020, MBSB had extended COVID-19 customer relief and support measures to RM28.34 billion financing. Of the total relief provided, 4.1% of it was categorized as missed payment and 5.7% was extended and repaying as per revised schedules (page 288, Note 50 – COVID-19 specific disclosures, IAR2020).

a) Based on the assessment on macroeconomic outlook and borrowers' repayment ability, is there an increased default risk for the financing in missed payment as well as the extended and repaying categories?

b) Does the Group do foresee an increase in allowance for credit loss?



A2.

- a) This depends largely on the timing of our economic recovery. If there is continued stress on the economy, then potentially we see challenges faced by customers to resume repayment after the moratorium ends. This is not just unique to MBSB but is felt across the industry. What is key here is our proactive engagement with our corporate customers, to ensure that we are able to assist them before they go into default.
- b) As the Covid-19 pandemic is ongoing, the Group do foresee continuing to provide allowance for credit loss where necessary in 2021. However, as the GDP is expected to perform better this year compared to last year (GDP contracted marginally by 0.5% in Q1 2021 vs a 4.5% contraction in 2020), coupled with repayment assistance for our customers, we expect the allowance for credit loss this year to be at a manageable level.



Q3.

For the first quarter ended 31 March 2021 for FY2021, MBSB's gross impaired financing (GIF) ratio increased to 5.75% from 5.3% in 4QFY2020 (FY2019: 5.19%). MBSB and MBSB Bank had also missed the GIF ratio target of 3.2% and 2% for FY2020 (page 60 of AR2019).

- **In view of current macroeconomic environment and multiple movement controls imposed to contain the COVID-19 pandemic, is the Group on track to achieve the target of lowering GIL ratio by 50 basis points end of FY2021?**
- **Apart from active collection exercise, what are the other measures taken to lower the GIF ratio?**

A3.

- We should take note that the economic environment in 2019 differs substantially than the 2020 environment. Hence, targets for that year had substantially been derailed. The present pandemic has certainly raised significant challenges for MBSB to contain its GIL. This is not just unique to MBSB but is felt across the industry. Nevertheless we are putting in place various initiatives to achieve the targeted improvement in GIL by 50 basis points by year end.
- Apart from the active collection exercise, MBSB is also focusing on the following to improve its GIL:
 - a) Loan growth to increase the base
 - b) Restructuring and rescheduling to assist customers in regularizing their accounts.
 - c) Disposal or write-off financing assets



Q4.

For FY2020, MBSB recorded a marginal 0.4% decline in total gross loans, financing and advances (LFA) to RM35.7 billion. The decrease was due to a 21.1% decline in conventional loans, financing and advances, while a marginal growth of 0.7% was recorded in Islamic financing.

a) The growth of MBSB's Islamic financing in FY2020 was subdued as compared to the 10.5% recorded by Bank Islam Malaysia Berhad. How does the Group plan to improve the growth of Islamic financing?

b) As the Group's focus is to grow the Islamic assets, will the Group phase out from the financing of conventional loans eventually? If yes, when?



A4.

a) Our revenue streams are significantly smaller than those of Bank Islam, which has been in business since 1983. We have put in place various strategic business activities, as presented in the earlier part of the presentation, to improve the growth of our financing during this challenging period, and will be actively and strategically promoting our Personal Financing products (Govt.) and Trade Finance products (SME segment). We do not see growth to be coming only from financing assets but also from income activities from trade and treasury. The Bank has also identified potential growth sectors to ensure that the Bank's asset quality is maintained.

b) Arising from the merger exercise between MBSB and AFB in 2018, MBSB has ceased the financing of any conventional loans since MBSB is required by BNM to convert its conventional loans to Islamic financing. The conversion exercise has started before end of 2018 and is targeted for completion by the end of this year

Q5.

Financing to household sectors accounted for 74.1% of MBSB's RM35.73 billion total gross loans, financing and advances (page 223, Note 10 – Loans, financing and advances, Integrated Annual Report 2020).

- **What does it take for MBSB to attain the corporate-to-retail financing portfolio of 40:60 target by 2025?**

A5.

- The target to achieve a Corporate-to-Retail financing portfolio ratio of 40:60 is not cast in stone. This ratio needs to be reviewed and adapt to the present environment, where the retail business is proving to be more stable.
- That being said, we are also focusing to grow our business/corporate segments especially in Trade Finance. Various strategic business activities have been planned to boost the business portfolio in order to increase our corporate exposure.



Q6.

MBSB earlier targeted to convert all its existing conventional assets to Islamic assets by 2021.

- a) **What is the progress of the asset conversion exercise?**
- b) **When will the Group complete the restructuring exercise that will eventually see MBSB Bank taking on the listing status on Bursa Malaysia?**

A6.

- a) We have converted/disposed half of our conventional assets of RM2.6 billion and will convert/dispose the remaining half by the end of this year.
- b) We have started our engagement with our advisers; i.e. principal adviser, legal counsel and reporting accountants. We will be discussing this proposal with our major shareholders, the shariah council and the regulators and expect to complete the exercise by the second half of 2022, subject to all approvals being obtained.



Q7.

For FY2020, MBSB had applied Practice 4.5 of Malaysian Code on Corporate Governance (MCCG), which states that the Board disclose in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. Under the Practice, the board of Large Companies must have at least 30% women directors. However, with the resignation of Puan Zaidatul Mazwin binti Idrus as a director of MBSB on 6 February 2021, the ratio of women directors is currently at 14.28% (or 1 woman director out of seven directors).

What are the steps taken to apply the Practice?

A7.

The board is fully conscious of the need to ensure it is more gender-diverse and is taking steps towards having at least 30% women directors by the next AGM. We will always consider suitable candidates with the right skill sets and experience regardless of gender to be part of the board.



07 

PRE AGM AND LIVE Q&A



Preamble

- The following questions were sent in by shareholders through Tricor from 19 May to 15 June 2021 10am;
- To ensure a common understanding, the questions have not been redrafted;
- However, some questions do lack clarity, nevertheless answers have been drafted based on the management's best interpretation.



Subject	No of questions
Strategy	7
Business / Products	10
Financials	6
Corporate Governance	2
Stakeholder Management	33
IT Security	2
Total	60

We've received 60 questions from Shareholders before the AGM. 25 of those questions relate to door gifts. We will not be giving out any door gifts to Shareholders and proxies for this AGM.



No	Question	Answers
STRATEGY		
26.	Can you please elaborate further on the listing exercise of the bank proper and how far is the progress of this restructuring?	The Corporate exercise is already at the stage of assessments by the relevant advisors and will be submitted to the regulators / authorities for approval once finalised.
27.	Any plan by management to list its MBSB Bank in KLSE, if yes, any target date set?	
28.	Do you have any plans to takeover Citibank Malaysia business?	There are no plans for now.
29.	Why this year MBSB Bank cannot turn into a full-fledged Islamic Bank as plan?	MBSB Bank is already an Islamic FI since 2018.
30.	Regarding MBSB's roadmap to be fully matured Islamic Financial Institution by 2025 as per stated in Annual Report 2020; how confident the management can execute this plan successfully and meeting the timeline target (2025)? There have been many talks and promises by the management to turn MBSB into a fully matured Islamic Financial Institution but most of the times the execution part is always lagged behind.	MBSB Bank is already an Islamic FI since 2018. The stated roadmap towards a fully matured Financial Institution by 2025 was planned out in 2020 BP.
31.	What are management's long-term goals for the company? How is the company positioned for long-term growth, compared with competitors? What are the company's growth strategies?	The Bank remain focused to be progressive Islamic bank, as we've stated since 2018 (long term vision). After being in the industry for about 3 years, the Bank has managed to grow in some segments like PFI. In terms of the Bank's growth strategies the Bank remains focused to build up on our existing capabilities especially in retail segments, Wealth, Technology/Digital capabilities as one of the key platforms.
32.	Due to the COVID pandemic, will there be any delay in the company's initial plan to fully convert to an Islamic bank by 2025?	The Bank is already an Islamic FI since 2018, and the 2025 aspiration envisions us as fully matured Islamic FI, as have been presented earlier.

No	Question	Answers
BUSINESS/ PRODUCTS		
33.	MBSB targets to have a corporate: retail portfolio of 40:60 by FY25. How does the company intends to achieve this portfolio? Will it be by aggressively increasing asset base to achieve this portfolio or by gradually reducing retail exposure? Based on the company's loan book, the company will require to grow its asset by RM7.8bil over 4 years to achieve this target portfolio.	The target of 40:60 is something not set in stone. The plans have always been to balance the portfolio between exposure of Corporate and Retail. Looking at present economic situation the Bank is more inclined to push more retail business .
34.	<p>1) Does MBSB facing business output perform reduce?</p> <p>2) What caused MBSB Loan Grow Stagnant since Y18 until today while other banks registered average 4% loan grow despite covid19 impact?</p> <p>3) Could MBSB getting online leasing finance better the credit card services?</p> <p>4) Could company increase finance services as modern services like payment platform or fund managing services?</p> <p>5) MBSB is customer major in M40 or B40 services only?</p> <p>6) Could Esos issue?</p>	<p>Questions 1 & 2. The pandemic has impacted all the economic sectors, including the Banking industry. However, the Bank is working on a full recovery plan through identifying new growth areas, and avoiding red flag sectors, increasing presence in sustainable sectors and improving performance to navigate through the pandemic.</p> <p>Question 3. The Bank does not offer credit card services.</p> <p>Question 4. The Bank is already offering Internet and Mobile Banking facilities. Application for opening of CASA and Personal Financing can also now be made via online platform.</p> <p>Question 5. The Bank's retail portfolio consists of B40, M40 and T20 customers.</p> <p>Question 6. There are no plans to issue ESOS in the near future.</p>

No	Question	Answers
BUSINESS/ PRODUCTS		
35. Could MBSB issue bond or investment services?		<p>As of now, MBSB Bank Berhad have already issued 2 Sukuk programme;</p> <p>1) Structured Covered Sukuk Murabahah Programme size of RM3.0 billion which was issued under MBSB in 2013 & later after the merger with Asian Finance Bank Berhad, have been transferred under MBSB Bank Berhad - Sukuk Exchange in April 2018.</p> <p>2) RM10.0 billion Sukuk Wakalah Programme by MBSB Bank Berhad. The 1st issuance of RM1.30 billion was made in December 2019.</p>
36. Are you considering to study the feasibility and possibility to offer credit cards services in Malaysia, especially to EPF members. What is your rational do not offer credit card services as a full license commercial bank? Looking into the performance and the dividends declared by MBSB in the past 3 years continue down trending, expand and offer more variety products probably a good to consider solution.		<p>The Bank is not offering credit card facilities at this moment. The Bank is focusing on promoting the usage of our Debit Card facilities.</p>
37. In the personal segment, MBSB has majority of its loans concentrated on personal loans for the government sector. What are MBSB plans in offering new products to the private sector to grow MBSB loan base and portfolio?		<p>PFI business was primarily concentrated on Government Sectors where repayment is via salary deduction. The Bank will continue to focus on the Government Sectors for this portfolio.</p>
38. What can MBSB do to promote & market its products & services & loans to public more aggressively ? Some people don't know MBSB and its products.		<p>We agree we need to do more to promote our products & services and we acknowledge more strategic efforts need to be done to promote our branding and ultimately our visibility.</p>



No	Question	Answers
BUSINESS/ PRODUCTS		
39.	Do MBSB intend to apply for digital banking license?	Not at this stage but would still be subject to a final decision by the Board.
40.	If company intends to increase the usage of MBSB e-wallet?	Yes. There will be a lot of new features and services introduced in the Bank's e-wallet in 2022. The Bank will also increase the marketing effort and also partnership initiatives to increase the e-wallet base and usage.
41.	<p>1. I have encountered problems accessing the e-wallets. I have visited the branch and contacted the help centers. Till now I still cannot use the RM30 given by the bank last year. I don't have a bad experience with other e-wallets such as Grab, Touch & Go and Big Pay.</p> <p>2. I don't see MBSB e-wallet can compete with other payers in the market with its existing technology and weak market positioning. How the bank is going to resolve its weakness in its e-wallet business?</p>	<p>The shareholder / customer issues has been resolved. The e-wallet account was blocked due to wrong password.</p> <p>As mentioned before, there will be a lot of new features and services introduced in Bank e-wallet this year and through 2022.</p>
42.	<p>Regarding to the installation of ATM and Cheque Deposit Machine:</p> <p>1. When is the expected completion dateline for all branches nationwide?</p> <p>2. How many unit of those machines per branch?</p> <p>Regarding to the MJourney mobile App: At the moment, debit card is compulsory in order to use the App, as it ties with the card number. Will there be any plan to enable users to use that mobile app with option to tie the app with account number, and without the need on Debit Card?</p>	<p>ATM & Cheque Deposit Machine</p> <p>1. Target to complete by end 2022, depending on the progress of branch transformation/upgrading completion</p> <p>2. 2 units of Cash Recycler Machine (CRM) and 1 unit of Cheque Deposit Machine per branch except for the new PJ branch which will have 5 units of CRM and 1 unit of Cheque Deposit Machine.</p> <p>MJourney</p> <p>Yes, there is a plan to enhance the Mobile App to accept registration without debit card. Tentatively in first half of 2022</p>

No	Question	Answers
FINANCIALS		
43.	Based on data, the group estimate this year non-performing loan (NPL) will increase slightly?	Overall, the industry is expecting an increase in the impaired loans/financing position due to the ongoing pandemic. The Bank is taking various proactive measures to manage its impaired position and expect to maintain the impaired ratio.
44.	Why the growth and revenue of MBSB is underperform over years and can't compete with other big local banks	The Bank started as an FI to build up more revenue streams / products/services since beginning 2018. Unfortunately the pandemic had dampened this effort. Nevertheless, plans are underway to create / establish more revenue streams in the future (as presented in the earlier slides).
45.	<p>What is the reason failed to meet target Growth and step to improve in Y21?</p> <p>June 2019 : MBSB is targeting a loan growth of about 5% for the financial year ending Dec 31, 2019 (FY19) From The Star article : MBSB bullish on growth prospects June 2020 : MBSB targets 3% to 4% loan growth in FY20 From theedgemarkets article : MBSB targets 3% to 4% loan growth in FY20</p>	



No	Question	Answers
FINANCIALS		
46.	In the past many years, MBSB share price will continue drop include share reinvestment scheme , any comment of this scheme not benefit MBSB shareholders hold shares	Share price is affected by various factors, including external sentiments. The share reinvestment scheme allows shareholders to hold more shares in MBSB at the current price and they can benefit from returns in the future.
47.	What is the estimated modification loss due to Targeted Repayment Assistance to customers in the B40 Group / M40 Group due to MCO3.0?	We expect a very much lower or subdued modification loss as compared to RM504.8mil incurred in 2020. The Bank has. Been assisting customers through targeted repayment assistance.
48.	1) Does MBSB able increase Dividend pay-out 2) How was overall bad debt customer increasing?	1) The dividend is declared after taking into account capital position and business growth. Nevertheless MBSB will always maximise the dividend payment subject to approval from regulators. 2) Impaired loans/financing increased marginally in 2020 by 0.11%, from gross impaired of 5.19% to 5.30%. The increase in mainly due to the current pandemic which resulted in loss of income, employment and a subdued property market.

No	Question	Answers
CORPORATE GOVERNANCE		
49.	<p>We have tendered for seized items [machinery, equipment] during 2017, 2018 and 2019 from your Collection & Recovery Dept. Despite telephone calls, we were always told there are nothing for tender. Competitive bidding will secure higher sums to offset the loans. We see no reason to limit the bidders [who have the funds and licenses]. As a shareholder, we feel all who qualify to bid should be included and we seek the Board's approval to include us. Your reply is appreciated.</p>	<p>Our tendering process is open / transparent and we do not exclude anyone from submitting any bids be it fixed assets or movable assets. The Bank in fact encourage all to participate.</p>
50.	<p>May I know how much allowances or fees can claim by board members who attend this virtual AGM</p>	<p>There are no allowances / fees paid to the Board members who attend this virtual AGM.</p>



No	Question	Answers
STAKEHOLDER MANAGEMENT		
51.	Give me column to register AGM attendance Not column for question	Guidelines to register and to participate in the AGM are detailed out in the Administrative Guide published on MBSB's website. The Share Registrar has attended to this question before this AGM
52.	Why MBSB IR not reply our email enquiry many times	IR team will further improve their efficiencies in handling enquiries.
53.	Why price not increased while petrol international increased near 71.00 USD?	While we continue the effort to instil confidence to public especially shareholders, the performance of stocks market depends very much on locally and regional sentiment.
54.	When is the company share price expected to achieve par value	
55.	My experience at MBSB Bank was very poor counter service in terms of product knowledge, what is the action taken by management to improve on this?	We do apologize for the poor service the shareholder / customer has experienced. The Bank is continuously improving its Counter Services through training and development plans throughout the year. The Branch Operations team are working closely with the Human Resource Division to upgrade the staff capabilities and competencies.
56.	How much % derived from company's revenue was allocated for community development program and charitable giving to the organization?	In 2020 we have made a total contribution of over RM3.8 million through CSR initiatives. The amount spent translates into 0.12% of total revenue (Revenue: RM3.15bil).
57.	When is the dividend pay-out date if approved by shareholder in the virtual AGM	The dividend pay-out date will be announced after AGM.
58.	What is the company policy on dividend pay-out ratio	The Company has adopted a 30% dividend payment ratio on profit after tax.

No	Question	Answers
IT SECURITY		
<p>59. Regarding MBSB bank M-Journey Online Banking and Cash Recycling Machines (CRM) located at all MBSB Bank branches technical outage from 6/3/2021 to 12/3/2021, what was the root cause of the incident? How much monetary loss incurred to MBSB due to this service interruption? What are the actions taken by the company to prevent such incident from happening again?</p>	<p>Due to technical challenges, both M-Journey Online Banking & CRM services were made unavailable during the said period. The root cause was more of a technical glitch in the system</p> <p>Enhancement to the both services availability & uptime monitoring solutions were deployed to avoid similar occurrences in the future.</p>	
<p>60. Cybersecurity topic is connected to the "S" element of ESG. A company's relationship with its customers can be severely damaged if data becomes public. That then ties into wider issues of privacy and security, including issues about who should be accessing and controlling data. Breaches can have an impact on trust and loyalty, and a high-profile breach can destroy investor confidence. How much annual investment have been allocated to enhance cybersecurity aspect to counter ransomware incidents?</p>	<p>Since 2018, MBSB Bank have invested substantial amount to enhance the Bank's Security & Cyber-Security Infrastructure. The Bank is fully aware of the need to ensure and preserve data of customers' with utmost security.</p> <p>This year the Bank has invested and continue to invest a sizeable sum to further tighten and secure the Bank's Cyber-Security foot print.</p>	



No	Question	Answer
IT SECURITY		
<p>Regarding MBSB bank M-Journey Online Banking and Cash Recycling Machines (CRM) located at all MBSB Bank branches technical outage from 6/3/2021 to 12/3/2021, what was the root cause of the incident? How much monetary loss incurred to MBSB due to this service interruption? What are the actions taken by the company to prevent such incident from happening again?</p>		<p>Due to technical challenges, both M-Journey Online Banking & CRM services were made unavailable during the said period. The root cause was more of a technical glitch in our system</p> <p>Enhancement to the both services availability & uptime monitoring solutions were deployed to avoid similar occurrences in the future.</p>
<p>Cybersecurity topic is connected to the "S" element of ESG. A company's relationship with its customers can be severely damaged if data becomes public. That then ties into wider issues of privacy and security, including issues about who should be accessing and controlling data. Breaches can have an impact on trust and loyalty, and a high-profile breach can destroy investor confidence. How much annual investment have been allocated to enhance cybersecurity aspect to counter ransomware incidents?</p>		<p>Since 2018, MBSB Bank have invested substantial sums to enhance the Bank's Security & Cyber-Security Infrastructure. We are fully aware of the need to ensure and preserve data of customers' with utmost security.</p> <p>This year we have invested and continue to invest a sizeable sum to further tighten and secure the Bank's Cyber-Security foot print.</p>





MALAYSIA BUILDING SOCIETY BERHAD
51ST ANNUAL GENERAL MEETING
THURSDAY, 17 JUNE 2021

LIVE STREAMING QUESTIONS & ANSWERS



No.	Question	Answers
1.	<p>How was sales during pandemic annually? How group to overcome low sales? Thank for answer question from shareholder Mr. Kow.</p>	<p>Business volume has been adversely affected since March 2020 resulting from the movement restrictions and business closure of many segments. The Bank has initiated various digital initiatives to effectively reach our customers e.g. corporate internet banking, retail internet banking, online applications for personal financing and the opening of current accounts. Various other initiatives will be introduced this year and next year.</p>
2.	<p>what is the company dividend payout policy</p>	<p>The company has adopted a 30% dividend payment ratio on profit after tax. This is stated in page 132 of the annual report.</p>
3.	<p>Being the largest shareholder, I believe EPF's main role in MBSB is purely for investment purposes. Does EPF look out for M&A opportunities to maximize its investment return in MBSB?</p>	<p>We will not be able to answer this question as this is meant for the EPF. However, the bank will strive to increase its performance and declare a higher dividend which will ultimately benefit all shareholders, including the EPF.</p>

No.	Question	Answers
4.	The small market capitalisation amongst its peers and its erratic earnings for the last three (3) years mean it wouldn't have much attention of many institutional investors. How the company plans to enhance its credibility in the investment community?	The Bank obtained its banking licence in 2018 and has been embarking on many fronts to improve its earnings. The Group's revenue improved in the past 3 years and barring the pandemic should have improved further.
5.	<p>i. "ECL Impairment Allowance Stage 1, 2 and 3" Which stage need to impair? Those amount in ECL Stage 1, 2 & 3 is already impaired or going to impair?</p> <p>ii. How much of total CAPEX has been invested for since received the bank license?</p> <p>iii. Expected CAPEX for next year and until fully set up the banking system? How much of OPEX for every year?</p> <p>iv. How is the progress of conversion of assets? Expect when can complete the transfer of listing status to MBSB Bank?</p> <p>v. What is the comfortable target of GIL ratio?</p>	<p>i. Impairment is provided at every stage, however the loan is only impaired at stage 3 as per MFRS9 guideline.</p> <p>ii. Total capex incurred since getting the bank license in 2018 is about RM200mil</p> <p>iii. We expect capex to continue until 2022 and can reach up to RM100mil annually. Annual Opex is expected to be more than RM400million.</p> <p>iv. We have converted/disposed half of our conventional assets of RM2.6bil and will convert/dispose the remaining half by the end of this year. As for the Corporate Restructuring Exercise, it is expected to be completed by Q2 2022.</p> <p>v. Our comfortable target of GIL is between 2% to 3%</p>

No.	Question	Answers
6.	<p>i. The Board has approved the disposal of RM 1.5 billion worth of NPL (mentioned in FY17 AR), is this completed? Any more to dispose?</p> <p>ii. Will focus more on Fixed Rate or Variable Rate income in future?</p> <p>iii. Previous business plans, for example “5-Year Business Plan 2015-2019” and “BP 2018 – 2020”, are they fully completed/executed? Possible to have more details explanation regarding the BP2021 and J25 Aspirations (other than those mentioned in annual report)?</p> <p>iv. How much is the target (comfortable) CIR?</p>	<p>i. We have converted/disposed half of our conventional assets of RM2.6 bil and will convert/dispose the remaining half by the end of this year.</p> <p>ii. MBSB Bank has been focusing on Variable rate financing to balance the existing portfolio.</p> <p>iii. Most of the outlined initiatives in previous Business Plan had been completed. The Bank has put in place various strategic business activities, as presented by President & CEO during the AGM, to improve the growth of our financing during this challenging period, and will be actively and strategically promoting our Personal Financing products (Govt.) and Trade Finance products (SME segment). We do not see growth to be coming only from financing assets but also from income activities from trade and treasury. The Bank has also identified potential growth sectors to ensure that the Bank’s asset quality is maintained.</p> <p>iv. Target CIR for 2021 remains within 30%</p>

No.	Question	Answers
6.	<p>i. How much is the ECL growth rate since FY18?</p> <p>ii. How many percent of fee based income now?</p> <p>iii. Will open more branches or targeting more high value customers or targeting GLCs? Future direction?</p> <p>iv. Compared to peers, how to improve the loans growth rate?</p> <p>v. What is the meaning of “industry’s NPL classification of 3 Months-In-Arrears” (3MIA) and CET-1?</p> <p>vi. Any intention to merge with Bank Muamalat, CIMB or RHB?</p> <p>vii. Sorry for the question. The share issue for acquisition of AFB was issued at RM 1.10 or RM 1.18? TQ</p>	<p>i. The net ECL since 2018 is about RM650mil</p> <p>ii. Fee based income is currently a small portion of revenue. We are focusing this area as a means to increase our revenue.</p> <p>iii. At the moment we do not intend to open more branches. We will continue our focus towards the sustainable sectors such as the Government, GLCs, FIs and Essential Services.</p> <p>iv. The Bank has also put in place various strategic business activities, as presented by President & CEO during the AGM, to improve the growth of our financing during this challenging period, and will be actively and strategically promoting our Personal Financing products (Govt.) and Trade Finance products (SME segment). We do not see growth to be coming only from financing assets but also from income activities from trade and treasury. The Bank has also identified potential growth sectors to ensure that the Bank’s asset quality is maintained.</p> <p>v. NPL classification of 3 months-in-arrears refer to loans remain unpaid for 3 months or 90 days i.e. missed 3 monthly instalments. CET 1 refers to Core equity capital which the bank has to maintain above 7%. In the case of MBSB the CET1 comprises mainly shareholders capital and retained earnings.</p> <p>vi. At this stage, no plans as such.</p> <p>vii. On the acquisition date, the share price (based on 7 February 2018) was at RM1.18 per share</p>

No.	Question	Answers
7.	<p>Dear Sir,</p> <p>MBSB gross impaired loan ratio is the highest among bank with 5.3%, what is the strategy to reduce this ratio, and how it impact the net profit?</p> <p>Thank you and regards, Teo</p>	<p>The higher GIL is mainly due the legacy loans brought in before MBSB Bank became a banking institution. Nevertheless, we are actively pursuing the resolution of the impaired loans via:</p> <ul style="list-style-type: none"> - active recovery - restructuring and Rescheduling - disposal to a third party wherever applicable - growing the loan base <p>We do not expect significant impact to the P&L moving forward as a significant portion of the financing and loans are fully provided.</p>
8.	<p>Basically our business is quite similar to that of RCE Capital in that personal financing forms the bulk of our business. For 2020, EPS for RCE Capital was 35 sen while we could only earn 3.95 sen despite us being a bank. Please comment why is our profit from the same type of financing business so low?</p> <p>Despite being a bank for a number of years somehow our banking business is still low. What are our strategies to grow our income from banking? Have we got the right leaders to grow this business?</p>	<p>Capital requirement structure differs between RCE and the Bank. Moreover, the Bank's asset consists of not only Personal Financing, but also Mortgages and various Business Financing as well as various deposits facilities. This resulted in different rate in Return on Asset.</p>

No.	Question	Answers
9.	Now is already 15 months of learning curve from the pandemic, has the Group normalised its costs? What are the opportunities tapped by the Group in the midst of this crisis to turn it into a high performing, institutionalised entity?	Overall our cost has remained manageable, and in fact has improved from a CIR of 29% in 2019 to 24.5% in 2020. We also expect the ratio to be maintained in 2021.
10.	<p>1)What is the staff cost income ratio in 2020 compared to 2019?</p> <p>2) What is the loan loss coverage in 2020 compared to 2019?</p> <p>3) What is the net NPL ratio in 2020 compared to 2019?</p> <p>Thank you</p>	<p>1) The ratio of personnel expenses over total expenditure are as follows: 2019: 60% 2020: 65.8%</p> <p>2) The loan loss coverage are as follows: 2019: 103% 2020: 104%</p> <p>3) The Net NPL ratio are as follows: 2019: 2.34% 2020: 2.81%</p>
11.	What would the company do in response to Blockchain technology?	The blockchain technology is quite new in Malaysia and MBSB is still exploring its usage in the areas of payment and accounting. We have included blockchain technology in our 5-year plan, focusing on internal processes, such as payments, settlements and digital identity verification (e-KYC).

No.	Question	Answers
12.	is the company expected to increase the number of branches throughout the country especially in the klang valley	The bank is enhancing its online presence and embarking on initiatives to reach customers through virtual banking. In line with its approach, the bank has no immediate plans to open new branches unless they are really necessary.
13.	Dear Sir, About the MBSB e-wallet, for F&B so far only applicable in PELITA and TEALIVE. Don't you think it is too limited compare to your competitors? Do you have any plan to enhance the arm of e wallet?	We rolled out our e-wallet in March last year (a week before the first MCO). We are building the number of merchants progressively, currently by using third party acquirers (TPAs) and also by acquiring big merchants directly in the near future. You will see more merchants in our e-wallet within the next 12 months.
14.	How much does the company spend on this virtual Agm ?	The cost of the virtual AGM was about the same as last year.
15.	when is the 2.0 sen final dividend payment date	We will follow the sequence: - approval at the AGM - fixing the ex dividend date - taking into account Dividend Reinvestment plan Based on past experience, payment will be done within 6 to 8 weeks.

No.	Question	Answers
16.	<p>Regarding to ATM and Cheque Deposit Machine: #1. When is the expected completion dateline for all branches nationwide? #2. How many unit of those machine per branch?</p> <p>Regarding MyJourney App. #1. Will there be any plan to enable users to use the App with option to tie with account number instead of Debit Card number?</p>	<p>We expect to complete the installation by end of 2022. Each Branch will have at least 2 Cash Recycling Machines and 1 Cheque Deposit Machine.</p> <p>As for MJourney, that user enhancement is in progress and is targeted for completion by Q1 2022.</p>
17.	<p>For FY2020, have the Group undertaken a cost reduction exercise to reduce overheads across all its business operations in line with current market conditions? What is the projected cost reduction for the next three (3) years?</p>	<p>Several specific initiatives in cost reduction have been and will be embarked by the Company which include but not limited to enhancement in operational effectiveness, higher human capital productivity initiatives, effective business conversion and paperless initiatives in most of our business operations.</p> <p>The above initiatives will continue in years to come.</p>
18.	<p>1) Always see fewer customers in mbsb branch, what can mbsb do to promote & market its products & services especially loans to public?</p> <p>2) what are the competitive advantages of mbsb compete with other big banks</p> <p>3) what growth plan in near future</p> <p>4)mbsb share price will continue drop after share reinvestment scheme , any comment this plan is not benefit shareholders</p>	<p>1, 2 & 3. The bank has been and will continue to introduce various financing as well as deposit packages to our targeted segments. We also offer various digital capabilities to reach the targeted segments more effectively. The bank has identified specific targeted segments both in Retail as well as in Businesses. Various specific product packages will be offered to these segments to increase our market share.</p> <p>4. Share price is affected by various factors, including external sentiments. The share reinvestment scheme allows shareholders to hold more shares in MBSB at the current price and they can benefit from returns in the future.</p>

No.	Question	Answers
19.	How many of the directors has served the company for more than 5 continuous years? Please take note that MBSB is a few banking counters that share price are far below its Net Tangible Asset. Sorry to be blunt, We need young and fresh ideas in 21st century banking.	Only 2 of our board members have served for more than 5 continuous years, Mr Lim Tian Huat (appointed in 2011) and Ir Moslim Othman (appointed in 2015). We note and thank you for your comments.
20.	What are the reasons KPMG external auditor not seeking reappointment in the coming financial year?	KPMG has not sought for reappointment following our proposal to appoint PwC as external auditors. In line with the bank's policy on the appointment of auditors and periodic review to ensure good governance, we have conducted an RFP and proposed the appointment of PwC following evaluation results. Our proposal was submitted to BNM and was approved accordingly.
21.	1) At present what is the statues of the corporate exercise. Have we transfer the assets of MBSB to MBSB Islamic Banking? During the last AGM also informed the same. At present what is the statues.	We have started our engagement with our advisers; i.e. principal adviser, legal counsel and reporting accountants. We will be discussing this proposal with our shariah council, major shareholders and the regulators and expect to complete the exercise by the second half of 2022, subject to all approvals being obtained. We have converted/disposed half of our conventional assets of RM2.6 billion and target to convert/dispose the remaining half by the end of this year.



MALAYSIA BUILDING SOCIETY BERHAD
51ST ANNUAL GENERAL MEETING
THURSDAY, 17 JUNE 2021

THANK YOU



(9417-K)

Annual General Meeting
TIH Online Meeting Platform at <https://TIH.Online>

Annexure 4

On 17-June-2021 at 10:00AM

Result On Voting By Poll

Resolution(s)	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
Ordinary Resolution 1	4,840,321,960	99.9949	246,732	0.0051	4,840,568,692	100.0000
Ordinary Resolution 2	4,838,136,046	99.9524	2,304,738	0.0476	4,840,440,784	100.0000
Ordinary Resolution 3	4,837,642,259	99.9429	2,762,996	0.0571	4,840,405,255	100.0000
Ordinary Resolution 4	4,832,979,453	99.8465	7,431,908	0.1535	4,840,411,361	100.0000
Ordinary Resolution 5	4,836,753,930	99.9376	3,017,955	0.0624	4,839,771,885	100.0000
Ordinary Resolution 6	4,838,355,651	99.9695	1,477,092	0.0305	4,839,832,743	100.0000
Ordinary Resolution 7	4,833,576,330	99.8713	6,227,860	0.1287	4,839,804,190	100.0000
Ordinary Resolution 8	4,839,137,694	99.9854	705,622	0.0146	4,839,843,316	100.0000
Ordinary Resolution 9	4,838,554,439	99.9596	1,953,526	0.0404	4,840,507,965	100.0000
Ordinary Resolution 10	4,838,338,833	99.9554	2,159,956	0.0446	4,840,498,789	100.0000



MALAYSIA BUILDING SOCIETY BERHAD
(9417-K)

Annual General Meeting
TIIH Online Meeting Platform at <https://TIIH.Online>

On 17-June-2021 at 10:00AM

Result On Voting By Poll

Resolution(s)	Vote For				Vote Against				Total Votes			
	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%
Ordinary Resolution 1	4,840,321,960	99.9949	1,017	92.4545	246,732	0.0051	83	7.5455	4,840,568,692	100.0000	1,100	100.0000
Ordinary Resolution 2	4,838,136,046	99.9524	906	83.4254	2,304,738	0.0476	180	16.5746	4,840,440,784	100.0000	1,086	100.0000
Ordinary Resolution 3	4,837,642,259	99.9429	890	82.3312	2,762,996	0.0571	191	17.6688	4,840,405,255	100.0000	1,081	100.0000
Ordinary Resolution 4	4,832,979,453	99.8465	947	86.9605	7,431,908	0.1535	142	13.0395	4,840,411,361	100.0000	1,089	100.0000
Ordinary Resolution 5	4,836,753,930	99.9376	945	86.9365	3,017,955	0.0624	142	13.0635	4,839,771,885	100.0000	1,087	100.0000
Ordinary Resolution 6	4,838,355,651	99.9695	962	88.4191	1,477,092	0.0305	126	11.5809	4,839,832,743	100.0000	1,088	100.0000
Ordinary Resolution 7	4,833,576,330	99.8713	939	86.2259	6,227,860	0.1287	150	13.7741	4,839,804,190	100.0000	1,089	100.0000
Ordinary Resolution 8	4,839,137,694	99.9854	981	89.9175	705,622	0.0146	110	10.0825	4,839,843,316	100.0000	1,091	100.0000
Ordinary Resolution 9	4,838,554,439	99.9596	949	86.9048	1,953,526	0.0404	143	13.0952	4,840,507,965	100.0000	1,092	100.0000
Ordinary Resolution 10	4,838,338,833	99.9554	963	88.2676	2,159,956	0.0446	128	11.7324	4,840,498,789	100.0000	1,091	100.0000

Resolution(s)	Pre-determined Abstain *		Abstain / Spoilt #	
	No of Units	No of P/S	No of Units	No of P/S
Ordinary Resolution 1	22,450	3	327,760	7
Ordinary Resolution 2	22,450	3	455,668	21
Ordinary Resolution 3	37,611	4	476,036	25
Ordinary Resolution 4	22,450	3	485,091	18
Ordinary Resolution 5	37,611	4	1,109,406	19
Ordinary Resolution 6	37,611	4	1,048,548	18
Ordinary Resolution 7	37,611	4	1,077,101	17
Ordinary Resolution 8	37,611	4	1,037,975	15
Ordinary Resolution 9	22,450	3	388,487	15
Ordinary Resolution 10	22,450	3	397,663	16

* These votes refer to holders who have pre-determined abstain from voting in proxy forms or holders refrained from voting due to conflict of interest.

These refer to:

- 1) Holders who have chosen not to vote (e-voting) or
- 2) Abstain - Spoilt votes as reflected in poll slips (poll slip voting)