

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

MINUTES of the 53rd Annual General Meeting of Malaysia Building Society Berhad [Registration No. 197001000172 (9417-K)] held as virtual meeting through live streaming from the broadcast venue at Level 4, Menara MBSB Bank, Lot 12, Persiaran Barat, Seksyen 52, 46200 Petaling Jaya, Selangor (“Broadcast Venue”) on Tuesday, 27 June 2023 at 10.00 a.m.

<i>Present:</i>	Puan Lynette Yeow Su-Yin Encik Sazaliza bin Zainuddin Ir Moslim bin Othman Encik Mohamad Abdul Halim bin Ahmad Dr. Loh Leong Hua Datin Hoi Lai Ping	Senior Independent Non-Executive Director Non-Independent Executive Director Independent Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director
<i>In Attendance:</i>	Datuk Nor Azam M. Taib Encik Ramanathan Rajoo	Group Chief Executive Officer Group Chief Financial Officer
<i>Secretary:</i>	Cik Tina Koh Ai Hoon	Company Secretary
<i>External Auditors:</i>	Encik William Mah Jin Chiek Cik Stefanie Tang	Engagement Partner, Messrs. PricewaterhouseCoopers PLT Engagement Director, Messrs. PricewaterhouseCoopers PLT
<i>Others</i>	As per Attendance List	

CHAIRMAN OF MEETING

In the absence of Chairman of the Board, the Board has elected Puan Lynette Yeow Su-Yin as Chairman of the Meeting pursuant to Clause 65 of the Company’s Constitution.

OPENING

Puan Lynette Yeow Su-Yin (“the Chairman”) chaired the 53rd Annual General Meeting of MBSB of the Company. The Chairman welcomed all present and called the Meeting to order at 10.00 a.m.

The Chairman informed that, although Malaysia was in the transition phase to endemic and with more relaxed SOPs, it was still important to continue to practise social distancing to reduce COVID-19 infection. Hence, the AGM would be conducted virtually through the remote participation and electronic voting (“RPV”) application in line with the Guidelines issued by the Securities Commission.

The Chairman also took the opportunity to pay tribute to the late Chairman, Tan Sri Azlan Zainol, who left unexpectedly in January 2023. The Chairman, on behalf of the Company, thanked the late Tan Sri Azlan Zainol for his immense contribution which the Group has benefited greatly from his wisdom.

The Chairman then introduced the Board members, the Group Chief Executive Officer, the Group Chief Financial Officer, the Company Secretary as well the representatives from the external auditors.

QUORUM

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

PROXIES

The Secretary informed that a total of 1,324 shareholders and proxy holders, holding 4,958,781,909 ordinary shares or 69.13% of the issued and paid up capital of MBSB, have registered to participate in this Virtual AGM.

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. The Chairman briefed that shareholders would be able to attend, speak (posed questions to the Board via real time submission of typed texts) and vote (collectively, “participate”) remotely at the 53rd 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. The Chairman informed that there were five (5) 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. The Chairman informed that none of the directors hold any shares in MBSB and as such, would not be voting on the resolutions for the AGM.
4. The Chairman informed that the Company had appointed the share registrar Tricor to act as poll administrator to conduct the polling process.
5. The 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. Coopers also had been appointed as Independent Observer for the Q&A session.
6. The Chairman then invited Tricor to brief the meeting, the procedure for remote voting.
7. A short video on the RPV procedures were presented at this juncture.
8. The Chairman informed that the voting has been opened 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. The Chairman invited the Group Chief Executive Officer (“GCEO”) of the Company, Datuk Nor Azam M. Taib (“Datuk Azam”) to present the snapshot of the Company’s performance for the year 2022 as follows:-
 - a) 2022 in Review:
 - i. The Group recorded improvements in financial performance, and remains committed to continuing its growth and journey to become a leading Islamic Bank.

- ii. The Group continue to build capabilities to accelerate growth and increase value for the stakeholders via the followings:-
 - Establish a Strong Financial Position
 - *Received MSWG ASEAN Corporate Governance Award 2021 at the 8th Industry Excellence Award for CG Disclosure – Financial Services*
 - Offer Digital Banking and Innovative Solutions
 - *Received Pioneer Sustainable Development Action Recognition 2022 from United Nations Global Network Malaysia & Brunei*
 - Provide Excellent Customer Service
 - Employer of Choice
 - *Awarded Employer of Choice 2022 by The Brandlaureate HR-PDL Award*
 - *Awarded as one of the Best Companies to Work in Asia 2022 – HR Asia Award*
- iii. Key Financial Highlights
 - Revenue increased by 2.7%, driven by financing and investment income due to higher OPR.
 - PBT fell by 3.2% due to higher funding and Operating Expenditure (OPEX). However, Profit After Tax (PAT) rose by 4.9% due to adjustment on under provision of tax
 - Higher Cost-to-Income Ratio (CIR) by 10.0% resulting from investments in technology and personnel to enhance operational efficiency and capabilities.
 - Return on Equity (ROE) increased by 0.2% due to higher PAT.
 - Total assets grew by 8.4% mainly due to growth in net financing and short-term placements while gross financing grew by 6.6% primarily driven from the Corporate segment.
 - The deterioration of GIR was due to large exposure in the construction sector and the impact from the end of moratorium under repayment assistance. Nevertheless, ongoing implementation of necessary measures was expected to drive future improvement.
 - CASA recorded a commendable 60% growth in 2022, with a 162% increase in new CASA-i account openings.
 - Liquidity ratios are maintained above the minimum requirement.
 - Group CET 1 and total capital ratio remain strong at 21.8% and 26.3% respectively, well above minimum requirements, with adequate capacity for future growth.

b) Moving Forward

i. 2023 Business Plan

- MBSB Bank's 2023 business plan is underpinned by two strategic themes; Strengthen the Foundation and Drive Sustainable Business Growth.

ii. 2023 Core Strategies & Programmes

- Core strategies and programmes to intensify growth in 2023 are underpinned on four strategic focus areas; New Growth Area, Innovative Solutions, Strategic Collaborations and Balance Sheet Management.

iii. MBSB – MIDF Merger

- The proposed merger is expected to expand the enlarged group's banking spectrum given the minimal overlap between MBSB Bank and MIDF's customer base and product offerings.

2. Datuk Azam 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 1*.
3. Datuk Azam 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 2*.

4. The Chairman thanked the shareholders for all the questions posted and informed that in the event the questions were not answered at the meeting, the Company Secretary would revert the answers to the shareholders via email soonest possible.

AGENDA OF THE MEETING

1.0 TO RECEIVE THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY AND OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 AND REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Chairman informed that the Audited Financial Statements for the financial year ended 31 December 2022 were for discussion only and would not be put to vote in accordance with the provision of Section 340 (1) of the Companies Act 2016. Agenda item 1 was not put forward for voting.

2.0 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 2024.

The Chairman informed that the Ordinary Resolution No. 1 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 2024.

3.0 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 2024.

The Chairman informed that the Ordinary Resolution No. 2 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 2024.

4.0 TO RE-ELECT ENCIK MOHAMAD ABDUL HALIM BIN AHMAD, WHO RETIRE IN ACCORDANCE WITH CLAUSE 100 OF THE COMPANY'S CONSTITUTION, AND WHO BEING ELIGIBLE OFFER HIMSELF FOR RE-ELECTION.

The Chairman informed that the Ordinary Resolution No. 3 was to re-elect Encik Mohamad Abdul Halim Bin Ahmad, who retired in accordance with Clause 100 of the Company's Constitution, and who being eligible offer himself for re-election.

5.0 TO RE-ELECT DR. LOH LEONG HUA, WHO RETIRE IN ACCORDANCE WITH CLAUSE 100 OF THE COMPANY'S CONSTITUTION, AND WHO BEING ELIGIBLE OFFER HIMSELF FOR RE-ELECTION.

The Chairman informed that the Ordinary Resolution No. 4 was to re-elect Dr. Loh Leong Hua, who retired in accordance with Clause 100 of the Company's Constitution, and who being eligible offer himself for re-election.

6.0 TO REAPPOINT MESSRS. PRICEWATERHOUSECOOPERS PLT AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2023 AND TO AUTHORISE THE DIRECTORS TO DETERMINE THEIR REMUNERATION.

The Chairman informed that the Ordinary Resolution No. 5 was to reappoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to determine their remuneration.

7.0 POLL PROCESS

There being no notice received for any other business, the Chairman declared that the meeting adjourned at 11.55 a.m. for the poll vote count.

8.0 ANNOUNCEMENT OF POLL RESULTS

The Chairman called the meeting to order at 12.20 p.m. for declaration of results. The Chairman informed that she has received the poll results from Tricor and the confirmation from Coopers. A copy of the same was attached as *Annexure 3*.

The details of the results were as follows: -

1. 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 2024 (**Ordinary Resolution 1**)

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 1	4,950,518,662	99.9380	3,070,386	0.0620

The Chairman declared that Ordinary Resolution 1 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 2024 be approved.”

2. 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 2024 (**Ordinary Resolution 2**)

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 2	4,950,671,834	99.9411	2,915,212	0.0589

The Chairman declared that Ordinary Resolution 2 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 2024 be approved.”

3. To re-elect Encik Mohamad Abdul Halim Bin Ahmad, who retire in accordance with Clause 100 of the Company's Constitution, and who being eligible offer himself for re-election (**Ordinary Resolution 3**)

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 3	4,946,494,336	99.9600	1,978,135	0.0400

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

“That Encik Mohamad Abdul Halim Bin Ahmad, who retire in accordance with Clause 100 of the Company's Constitution, be re-elected as Independent Non-Executive Director of the Company.”

4. To re-elect Dr. Loh Leong Hua, who retire in accordance with Clause 100 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	4,952,223,271	99.9718	1,397,166	0.0282

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

“That Dr. Loh Leong Hua, who retire in accordance with Clause 100 of the Company's Constitution, be re-elected as Independent Non-Executive Director of the Company.”

5. To reappoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to determine their remuneration (**Ordinary Resolution 5**)

Resolution	For		Against	
	Number of Shares	%	Number of Shares	%
Ordinary Resolution 5	4,952,068,360	99.9678	1,595,295	0.0322

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

“That the appointment of Messrs. PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2023 and the authorisation to the Directors to determine their remuneration be approved.”

CLOSE OF MEETING

There being no notice received for any other business, the Chairman concluded the Meeting at 12.25 p.m. and thanked all present for their attendance.

SIGNED AS A CORRECT RECORD

-SIGNED-

CHAIRMAN



MALAYSIA BUILDING SOCIETY BERHAD
Registration No. 197001000172 (0417-0)
A Subsidiary of the EPF

MSWG Q&A

OPERATIONAL & FINANCIAL MATTERS



Question 1

On 9 June 2023, MBSB announced that it had entered into a conditional share purchase agreement with Permodalan Nasional Berhad to acquire the entire share capital of Malaysian Industrial Development Finance Berhad (MIDF) for RM1.01 billion via share swap.

- a) **What are the synergies from this acquisition? How will the acquisition benefit MBSB's Commercial and Corporate banking business?**
- b) **Based on current assessment, how long will the post-merger integration process take to enable MBSB to fully reap the benefits of this acquisition?**
- c) **How will the acquisition change MBSB's asset quality, cost and capital structure post-merger?**

OPERATIONAL & FINANCIAL MATTERS



1a) What are the synergies from this acquisition? How will the acquisition benefit MBSB's Commercial and Corporate banking business?

Answer

This acquisition will expand MBSB's banking spectrum. Given the minimal overlap between MBSB Bank and MIDF's product offering and customer base, this acquisition is envisaged to be a merger of scope between the two banking groups.

Commercial & SME banking will be positioned as the Entrepreneur's Bank of Choice, supporting and empowering SMEs from an early stage of their business, by providing advisory and financing solutions throughout their business growth life cycle. Building upon MBSB's Commercial expertise and MIDF's experience as an established development finance institution, the enlarged group will focus on addressing unserved SME pain points, and support transactional banking needs such as cash management, working capital, remittance, foreign exchange, trade finance, and digital financing enabled through both MBSB's and MIDF's digital capabilities.

Corporate banking will strive to be the Financial Partner of Choice to Malaysian corporates, with a continued focus on large corporation financing, leveraging on MBSB Bank's financing and deal capabilities. Customers taking up MBSB Bank's bridging financing, term financing and project financing will also be able to tap on MIDF's business advisory solutions and access the capital market, increasing overall customer stickiness with the enlarged group.

OPERATIONAL & FINANCIAL MATTERS



1b) Based on current assessment, how long will the post-merger integration process take to enable MBSB to fully reap the benefits of this acquisition?

Answer

The integration will be an ongoing process and its positive impact will be felt from the quick wins we aim to achieve targeted at a wider customer base and increased product offerings, to the longer-term benefits of working together to develop new products and penetrate new markets, as follows:

- **Phase 1 - Quick Wins and Capture Cross-Selling Synergies**, which includes the roll out of quick win strategic initiatives targeted at MBSB Bank and MIDF's existing customer base for the synergy uplift.
- **Phase 2 - Penetrate New Markets**, which includes introduction of innovative and differentiated products/solutions, to expand wallet size and acquire new customers, for expansion of the enlarged group's market share.

OPERATIONAL & FINANCIAL MATTERS



1c) How will the acquisition change MBSB's asset quality, cost and capital structure post-merger?

Answer

Post merger, the enlarged Group is expected to produce consistent profitability and will continue to be well capitalised above the minimum regulatory requirements. We do not expect a significant change in MBSB's asset quality, cost and capital structure post-merger.

OPERATIONAL & FINANCIAL MATTERS



Question 2

The size of loans, financing and advances (LAF) classified as impaired jumped to RM1.19 billion during FY2022 compared to RM324.2 million as of 31 December 2021, thus causing MBSB's gross impaired financing ratio (GIR) to deteriorate sharply to 6.76% from 4.6% as of FY2021 (page 201, Note 8(x) – Movements of impaired LAF, IAR2022). The GIR is the highest among all local banks.

As of 31 March 2023, GIR remained elevated at 6.98%.

- a) **What were the causes for the sizeable LAF classified as impaired during FY2022? Were the LAF impaired due to the expiry of the COVID-19 loan moratorium? To what extent can MBSB recover these impaired LAF?**

Please provide the breakdown of the RM1.19 billion impaired LAF by types of customers, economic purpose and sector.

- b) **What are the changes made to strengthen MBSB's credit assessments and risk management to minimise the recurrence of similar sizeable impairment in the future?**
- c) **What is the financing loss coverage ratio and credit cost for MBSB in FY2022 and the years before? Please provide the figures for the past five years.**

OPERATIONAL & FINANCIAL MATTERS



Question 2 (cont.)

- d) The allowance for expected credit losses (ECL) on LAF was higher at RM126.5 million (FY2021: RM30.14 million) (page 238, Note 31 – ECL on LAF and other impairment, IAR2022).

This is against lower provisions made by most of the local banks in FY2022. Why did MBSB take a more conservative approach in making provisions?

What is the breakdown of FY2022's ECL by management overlay, base ECL and macroeconomic variable? What is the size of management overlay and the visibility of write back?

OPERATIONAL & FINANCIAL MATTERS



2a) What were the causes for the sizeable Loans, Advances and Financing (LAF) classified as impaired during FY2022? Were the LAF impaired due to the expiry of the COVID-19 loan moratorium? To what extent can MBSB recover these impaired LAF?

Please provide the breakdown of the RM1.19 billion impaired LAF by types of customers, economic purpose and sector.

Answer

The classification to impairment is partly due to the end of repayment assistance especially in the retail segment.

As for corporate/commercial segment, this is mainly due to deterioration of business which impacted the repayment capacity.

Most of the corporate/commercial LAF are adequately collateralized and currently undergoing the process to recover via second way out.

Breakdown of the RM1.19bil LAF classified as impaired during FY2022 is as per Table 1 on the next page.

OPERATIONAL & FINANCIAL MATTERS



Answer 2a (cont.)

Table 1: Loans, Advances and Financing classified as impaired during the year 2022

(i) By type of customers	RM' million	(iii) By sector	RM' million
Corporate/Commercial	788	Household sector	403
Individuals	403	Construction	407
	1,190	Manufacturing	131
		Wholesale & retail trade and restaurants & hotels	248
		Others e.g mining, quarrying & transportation	2
			1,190
(ii) By economic purpose	RM' million		
Personal use	204		
Construction	369		
Purchase of landed property:			
- Residential	190		
- Non-residential	138		
Working Capital	269		
Others e.g purchase of transport vehicles & other assets	21		
	1,190		

OPERATIONAL & FINANCIAL MATTERS



2b) What are the changes made to strengthen MBSB's credit assessments and risk management to minimise the recurrence of similar sizeable impairment in the future?

Answer

Changes made include revision to the corporate credit scorecard to better identify potentially higher risk customers. Among others:

- Introduction of a Risk Posture to classify sector as 'Grow', 'Selectively Grow' or 'Refrain', whereby any proposals for new exposures from sectors under the 'Refrain' category will need to be escalated to a next level of approving authority
- Revision of sector limits which is in line with the Risk Posture, whereby lower sector limits have been accorded to sectors classified as 'Refrain'
- Revision to Risk Acceptance Criteria for Property Development Sector, which includes frequent assessment of debt service coverage ratio ("DSCR") and assessment of unsecured exposures.
- Engagements and scheduled visitations with customers after onboarding.

OPERATIONAL & FINANCIAL MATTERS



2c) What is the financing loss coverage ratio and credit cost for MBSB in FY2022 and the years before? Please provide the figures for the past five years.

Answer

The financing loss coverage for 2022 is 62.37% and credit cost for 2022 is 33bps. Table 2 below shows the past five years financing loss coverage ratio and credit cost ratio.

Table 2: MBSB Group financing loss coverage ratio and credit cost ratio

Financial Year	Loss Coverage Ratio	Credit Cost (bps)
FY2018	106.03%	50
FY2019	102.64%	14
FY2020	103.73%	105
FY2021	100.68%	8
FY2022	62.37%	33

OPERATIONAL & FINANCIAL MATTERS



2d) The allowance for expected credit losses (ECL) on LAF was higher at RM126.5 million (FY2021: RM30.14 million) (page 238, Note 31 – ECL on LAF and other impairment, IAR2022).

This is against lower provisions made by most of the local banks in FY2022. Why did MBSB take a more conservative approach in making provisions?

What is the breakdown of FY2022's ECL by management overlay, base ECL and macroeconomic variable? What is the size of management overlay and the visibility of write back?

Answer

Our provision was made in accordance with MFRS 9 ECL methodology which takes into account the asset quality to arrive at the total provision. For FY22, our asset quality (as depicted in the impaired LAF) deteriorated which resulted in an overall higher provision.

With regards to the ECL overlay for FY22, this component remains outside the core of MFRS 9 and amounts to approximately 12% of total ECL. The overlay is mainly applied to the base ECL and will be reassessed on yearly basis for any writeback.

OPERATIONAL & FINANCIAL MATTERS



Question 3

The non-audit fee for FY2022 was significantly higher at RM3.03 million compared to RM161,000 in FY2021 (page 105 of IAR2022).

Excluding the RM2.35 million expenses for the proposed acquisition of MIDF, non-audit fees were still higher year-on-year at RM683,000.

a) **Please explain the nature of the non-audit fees incurred for the items below:**

- **Recovery Plan: RM264,000**
- **Tax and accounting advisory: RM160,000**
- **ICAAP review: RM120,000**
- **Tax compliance: RM131,000**

b) **MBSB incurred significantly higher professional fees in FY2022, which jumped by 236% to RM56.7 million from RM16.87 million in FY2021 (page 240, Note 34 – Operating expenses, IAR2022). The professional fees incurred in FY2020 were RM9.06 million (page 233, Note 39 – Operating expenses, IAR2021).**

Please explain the types of professional service sought in FY2022, the objective of seeking these services, the breakdown of fees payable and the service providers.

OPERATIONAL & FINANCIAL MATTERS



3a) Please explain the nature of the non-audit fees incurred for the items below:

- Recovery Plan: RM264,000
- Tax and accounting advisory: RM160,000
- ICAAP review: RM120,000
- Tax compliance: RM131,000

Answer

- **Recovery Plan:** A BNM initiative for all banks to comply with in developing a Recovery Plan framework.
- **Tax and advisory services:** Incurred on advices related to disposal of non-banking assets.
- **ICAAP:** Validation/review on the ICAAP implemented by MBSB bank.
- **Tax compliance:** Represent 2 years tax fees to tax agent for the review and tax filing of all the companies under MBSB.

OPERATIONAL & FINANCIAL MATTERS



3b) MBSB incurred significantly higher professional fees in FY2022, which jumped by 236% to RM56.7 million from RM16.87 million in FY2021 (page 240, Note 34 – Operating expenses, IAR2022). The professional fees incurred in FY2020 were RM9.06 million (page 233, Note 39 – Operating expenses, IAR2021).

Please explain the types of professional service sought in FY2022, the objective of seeking these services, the breakdown of fees payable and the service providers.

Answer

The increase from RM16.9 million to RM56.7 million in 2022 was mainly due to a one-off payment amounting to RM35.3m paid to resolve a legal dispute.

Table 3: Breakdown of the RM56.7 million professional fees:

No	Nature of professional fees	Amount, RM million
1	Out of court settlement on legal dispute (details as per Note 44 of FS)	35.30
2	Fees to Perbadanan Insurance Deposit Malaysia	4.71
3	Fees in relation to proposed merger and acquisition of MIDF	3.34
4	Stamp duty expenses	2.37
5	Other professional fees e.g. valuation fees and ESG framework	6.00
6	Others e.g. for conversion of conventional loans to Islamic financing	4.98
	Total	56.70

OPERATIONAL & FINANCIAL MATTERS



Question 4

MBSB has summarised the “Financial Highlights” section to a one-page table with the performance of the past three years (page 47 of IAR2022), compared to more detailed five-year financial highlights in the form of diagrams in the past (pages 60 – 62 of IAR2021).

Please consider resuming the disclosure of the five-year financial highlights in annual reports, which is aligned with the practice of other banks. Moreover, such disclosure would be more meaningful to shareholders with a better review of past financial performance and trends.

In addition, please consider disclosing more key ratios such as net income margin, dividend yield, dividend payout ratio, financing loss coverage ratio, relevant capital adequacy and asset quality ratio in the “Financial Highlights” section to enable better comparison and assessment by investors.

Answer

We appreciate the comments to have a more detailed financial highlights section in our annual report. We are committed to provide comprehensive information to our shareholders and will consider resuming disclosure of our five-year financial highlights and to disclose more key ratios as suggested.

CORPORATE GOVERNANCE MATTERS



Question 1

The Group has not appointed a new Chairman for the Board since the demise of Tan Sri Azlan Zainol on 12 January 2023.

What is the progress in identifying a new Chairman? When will the appointment be finalised?

Answer

We are in the advanced stages of identifying a candidate for the position of Chairman for MBSB and MBSB Bank. We aim to have the Chairman in place in the next few months.

PRE-AGM QUESTIONS FROM SHAREHOLDERS

The questions are arranged in the following categories:

1. Financials
2. Strategy & Business
3. Ihsan-i
4. MBSB-MIDF Merger
5. Others

Note: Similar questions have been grouped together

FINANCIALS



Question 1

We have received the following questions on dividends:

- i. Is there any special reason why MBSB paid 8.5 cent dividend for the year? What is MBSB's strategy for maintaining a high dividend payout?
- ii. Will there be another dividend to be paid for FY2022?
- iii. Does MBSB have an official dividend policy?
- iv. Will there be any dividend reinvestment scheme?

FINANCIALS



Answer 1

- i. Our decision to pay out 8.5 sen dividend earlier this year was based on last year's financial performance, our strong liquidity and capital position, and future needs for growth.

We aim to provide healthy returns to our shareholders while maintaining sufficient capital to reinvest in our company's expansion and development. By carefully managing our financial resources and maintaining a focus on sustainable growth, we aim to ensure the long-term prosperity of both our shareholders and the organisation as a whole.

Our business strategy to achieve growth for 2023 and beyond has been shared during our earlier presentation.

FINANCIALS



Answer 1

- ii. The 8.5 sen dividend was the full dividend payable for the financial year 2022.
- iii. MBSB has in place a dividend policy to pay a minimum 30% dividend on profit after tax.
- iv. The Dividend Reinvestment Plan (DRP) is a capital management tool. The company will exercise its option to offer DRP, depending on its capital requirements at the material time

STRATEGY & BUSINESS



Question 2

Can your team project performance for the next 5 years from financing for MRT and RTS contractors?

STRATEGY & BUSINESS



Answer 2

The target will be revisited on a yearly basis depending on the bank's appetite. As financing for MRT is new in 2023, our target this year is to achieve between RM100 million to RM200 million

STRATEGY & BUSINESS



Question 3

Please explain why the company does not offer credit cards as part of its banking product portfolio. Given that credit cards are an essential component of a complete banking product, does MBSB have any plans to introduce credit cards in the near future? If not, what are the reasons for this decision and what other strategies does MBSB have in place to remain competitive in the banking industry?

STRATEGY & BUSINESS



Answer 3

We are not planning to offer credit cards at the moment. The credit card market is highly competitive, with numerous card issuers vying for market share. Additionally, digital competitors have emerged, offering alternative payment solutions such as QR codes, point-of-sale (POS) financing, and e-wallets.

Question 4

We have received the following questions on MBSB Bank's e-wallet:

- i. Please provide details on MBSB's e-wallet usage, including revenue generated and profitability. Given the competitive nature of the e-wallet market, what are your strategies to increase market share and remain profitable?
- ii. Additionally, does MBSB plan to continue offering its e-wallet service or discontinue it? If the e-wallet service is to be continued, what steps will MBSB take to differentiate itself from competitors and attract more users?
- iii. Why is the e-wallet not user friendly ? Some Petron Stations such as Petron at Jalan Kuching can't accept it.

STRATEGY & BUSINESS



Answer 4

- i. The Bank currently has over 13,000 active e-wallet users, performing an average of 1,000 transactions per month. There has been a progressive increase of users since the e-wallet's launch in 2020.

We introduced our e-wallet as a seamless channel to attract new-to-bank customers, who would then become familiar with our banking products and services. To grow the e-wallet's user base and transaction volume, the Bank is collaborating with entities with extensive customer databases, such as CelcomDigi (Telco), UiTM (Education), Mydin (Retail), PKNS (Retail), and AFL (Sports). Through these partnerships, we aim to expand our e-wallet user base to 50,000 by the end of 2023.

STRATEGY & BUSINESS



Answer 4

- ii. Building on our plans to increase our user base, we do plan to continue our e-wallet services.

The e-wallet will become the foundation of the Bank's new omnichannel mobile platform. This platform will make customer onboarding more user-friendly and offer exciting features, including rewards, referral programs, and individual financial management tools.

We expect usage for the e-wallet to increase as more users are attracted to the omnichannel platform, driven by its attractive features and convenient banking experience.

STRATEGY & BUSINESS



Answer 4

- iii. Petron is already our merchant. Currently, we are in the process of registering individual Petron outlets in stages, including Petron Jalan Kuching, to accept our e-wallet.

Our team is also continuing to onboard more merchants to our e-wallet platform.

STRATEGY & BUSINESS



Question 5

We have received the following questions on MBSB Bank's strategy:

- i. What can shareholders expect on the future growth of the company?
- ii. What are MBSB's current and future plans for diversifying their income sources? Are there any new products or services in development, or plans to expand into new markets? How does MBSB plan to improve the growth of its main income source?
- iii. In terms of competition with BIMB, what is the direction and strategy for MBSB to be more competitive?
- iv. MBSB's revenue, net profit growth and share price is underperforming compared to other banks. What is MBSB's strategic plan to improve revenue, net profit growth and share price? Are there any specific initiatives or areas of focus that MBSB will prioritize to achieve better financial performance?

STRATEGY & BUSINESS



Answer 5 (i – iv)

In the earlier part of our presentation, we have presented the strategic initiatives that are currently being implemented to enhance the Bank's business and ultimately generate better returns for our shareholders.

In summary, MBSB's 2023 business plan is underpinned by 4 core strategies – New Growth Areas, Innovative Solutions, Strategic Collaborations and Balance Sheet Management. Under these strategies, we have rolled out various business programmes in our corporate, commercial, consumer, and digital segments to drive business growth.

Our share price is expected to improve as our financial performance improves, subject to market forces and sentiments.

STRATEGY & BUSINESS



Question 6

We have received the following questions on MBSB Bank's branches:

- i. Why MBSB does not have ATM and deposit machines in your branches ? Are there any specific challenges or regulatory issues that are preventing the implementation of these services?
- ii. It's great to see that MBSB is still expanding new branches, as seen in the news. Which department is in charge of MBSB's branch expansion, and can you provide their email address and contact number? We would like to propose a location as part of MBSB's expansion plan and would like to reach out to the appropriate department directly.

STRATEGY & BUSINESS



Answer 6

- i. Currently, 60% of our branches are equipped with Cash Recycling Machines (CRM) which include ATMs and deposit machines. We do not plan to add a substantial number of CRMs given that our customers are able to use any MEPS ATM at Zero fees. In effect, our customers can treat any local bank's ATM as an MBSB Bank ATM.
- ii. The Branch Transformation department is responsible for transforming our branches from being operations-oriented to becoming more sales-centric and customer focused as well as to increase their market presence. You may submit your proposal or inquiry to ir@mbsbbank.com.

STRATEGY & BUSINESS



Question 7

We have received the following questions on MBSB as a Shariah-compliant security:

- i. What is the added advantage attributed to MBSB bank recently being classified as a Shariah-compliant security ?
- ii. Has MBSB obtained any investment /funds from Shariah-compliant security?

STRATEGY & BUSINESS



Answer 7

- i. As a Shariah-compliant security, MBSB now has a wider appeal to a growing list of Shariah-only funds. This classification further strengthens our ability to create long-term value for our stakeholders.

It is worth noting that there are only two banking groups approved by the Shariah Advisory Council of Securities Commission Malaysia as Shariah-compliant.

- ii. Since becoming a Shariah-compliant security, we have observed an increased interest from Islamic investment funds. Our Investor Relations (IR) team actively engages with interested investors to foster relationships and potentially secure investments.

STRATEGY & BUSINESS



Question 8

How does MBSB ensure that its salespersons are adequately trained and motivated to be more aggressive in their sales approach? Any Sales target KPI ?

STRATEGY & BUSINESS



Answer 8

Our financial advisors are required to undergo regular training programmes covering among others, product training, process training, and effective sales training.

Our financial advisors are expected to provide exceptional service to our customers and drive growth. To achieve this, our financial advisors are assigned robust sales targets that are reviewed periodically.

Question 9

We have received the following questions on Ihsan-i:

- i. Can you provide a projection of the next 5 years for the extra profit gained from Ihsan-i FSA2? And what is the estimated potential impact on MBSB from the latest EPF iFSA2?
- ii. Can you provide an overview of MBSB's revenue streams and business segments, and how does the EPF personal financing contribute to MBSB's overall performance?
- iii. Do the borrowers of the Ihsan-i scheme repay the financing on time?
- iv. What are the action plans to manage delayed repayments, and will bankruptcy proceedings apply for the financing scheme?
- v. What are the alternative solutions for individuals who are unable to repay their financing commitments? Will AKPK assist these individuals?

IHSAN-i



Answer 9

- i. MBSB Bank is targeting a gross financing of RM3 bil from EPF's FSA2 programme, which we refer to as Ihsan-i at MBSB Bank. Based on this target, MBSB Bank expects to generate a financing income of approximately RM 60-70 mil.

Answer 9

- ii. MBSB's main operating subsidiary is MBSB Bank, which operates as an Islamic bank focusing on Consumer Banking, Commercial Banking and Corporate Banking. 72% of the Bank's income is generated by its Consumer Banking segment with the remaining 28% derives from its Commercial and Corporate Banking.

Under the EPF's FSA2 programme, which we refer to as Ihsan-i at MBSB Bank, we are targeting a gross financing of RM3 bil and financing income of approximately RM 60-70 mil.

Answer 9

- iii. So far, the repayment for the first batch of disbursements has been encouraging, with close to 80% of Ihsan-i customers are on time in serving their repayments.
- iv. If the customer fails to meet their repayment obligations, we will initiate our standard collection activities and they may be subject to penalties imposed by the Bank, which will impact their financial records in CCRIS and CTOS.

The outstanding financing amount will be recouped from the member's EPF Account 2 once they reach the withdrawal age.

- v. Customers who are facing financial difficulties will be offered rescheduling and restructuring options, along with Agensi Kounseling dan Pengurusan Kredit's assistance.

MBSB-MIDF MERGER



Question 10

We have received the following questions on MBSB-MIDF merger:

- i. What is the estimated EPS from the acquisition of MIDF?
- ii. Can your team specially project performance and illustrate potential business development after the successful merger with MIDF?
- iii. MBSB recently acquired 100% shareholding in MIDF. What are the main benefits that MBSB expects to gain from this acquisition? How does MBSB plan to leverage this acquisition to improve its business performance and achieve its strategic goals? Are there any potential risks or challenges that MBSB has identified and how does it plan to mitigate them?

MBSB-MIDF MERGER



Question 10

- iv. EPF made the share swap with PNB for the merger of MBSB with MIDF at the price of RM 0.9652 per shares, which is higher to the prevalent share price early June 2023.

How can MBSB benefit from this merger and what are the projected profits to be foreseen from the revenue contributed by MIDF to MBSB?

MBSB-MIDF MERGER



Answer 10

- i. Based on our Bursa announcement made on 9 June 2023, MBSB expects a one-time gain from the acquisition of MIDF amounting to approx. RM500 mil. Based on pro forma using the audited financial results as at 31 December 2022, the Group's EPS is 13 sen (including the one-off gain) and 6.5 sen (excluding the one-off gain).

Our future EPS will depend on our business performance, including the synergies generated from the acquisition.

Answer 10 (ii – iv)

We have explained the rationale and potential synergies from the merger with MIDF in our answer to MSWG's question earlier.

OTHERS



Question 11

Please provide us with an update regarding the lawsuit against Bintai Kinden Corp Bhd for alleged defaulting on a RM109 million Islamic financing facility?

OTHERS



Answer 11

The Bank has commenced legal action against the borrower, Optimal Property Sdn Bhd and the corporate guarantor, Bintai Kinden Corp Bhd and the litigation is currently in the early stages where parties are in the midst of filing their respective pleadings.

The relevant provision has been made in our first quarter financial results.

OTHERS



Question 12

Is the company providing any door gifts to shareholders attending this AGM?

OTHERS



Answer 12

The company has a no-gift policy. We believe in rewarding all shareholders equally and meaningfully. To achieve this, available funds will be channeled back to shareholders in terms of dividends.

OTHERS

Question 13

Why does MBSB continue to hold virtual AGM this year?



OTHERS



Answer 13

This year's AGM is held virtually in line with the practice of other banks. The virtual format allows us to reach a wider audience and encourages higher shareholder participation. We are, however, open to reviewing the format of future AGMs, considering the advantages of both virtual and hybrid approaches.

No	Question	Answer
1	Please send me printed annual report	We will send the annual report to you within 4 working days.
2	Now that the acquisition of MIDF has completed, what is the projected financial contribution of MIDF to the MBSB Group?	[1] To clarify, the acquisition of MIDF has not been completed. We plan to hold an EGM in July/Aug for shareholders to approve the acquisition and expect to complete the exercise in Aug/September. As addressed in the MSWG query, we expect synergy from expansion of MBSB's banking spectrum. [2] Projected MIDF financial contribution will be better assessed after merger completes. However based on proforma announced on 9 June 2023, MIDF contribution of PAT for year 2022 is RM76.4 mil.
3	May i know whether the bank still practicing hybrid working environment?	No hybrid at the moment. We are planning to roll out hybrid in 3Q, subject to infra readiness.
4	In the 2020 - 2022 Business Plan we are expected to convert all existing conventional assets into Islamic assets by end 2021 according to the timeline given by BNM. Once all assets have been moved into MBSB Bank, MBSB will be restructured to make MBSB Bank the holding company taking over the listed status on Bursa. This will make us a full fledged Islamic financial institution which will allow us to unlock more opportunities being a Shariah compliant stock. Pls update on progress	[1] We target to complete conversion / disposal of conventional assets into Islamic assets by April 2024, not end of 2021, as required by BNM. [2] MBSB bank will continue to be an Islamic bank, whilst the acquisition of MIDF will result in an enlarged banking group that is able to provide a broader range of products, services and solutions. Further details will be made available in a circular to be dispatched and an EGM to be held in July/Aug.
5	WILL 2023 BE WORSE THAN 2022 DUE TO NEW CHALLENGES?	2023 is expected to be a more challenging year as we will be : 1) Bracing for a global economic slowdown. 2) Msia GDP slower GDP 4.5% vs 6% 2022 3) OPR up +125 bps over the past year 4) Deposits repricing 5) industry loan growth around 5%
6	To elaborate oncoming digital transformation program	- Our digital transformation focuses on customer experience and further improvements to our current digital offerings. - New mobile app to be introduced which will be the combination of e-wallet offerings, on-boarding with e-KYC and subscription to all our products online, besides the normal transactional activities. - The digital transformation also focuses on digitalisation of the current processes to improve the overall customer experience.
7	What are Malaysia Building Society Berhad's planned strategies for the next five years to increase revenue and profit for shareholders?	[1] As mentioned in AGM presentation, our 2023 two strategic themes are 'Strengthen the Foundation and' Drive Sustainable Business Growth' [2] The strategies also focus to create new business and enhance existing business, and essentially enhance return on equity and stakeholder value for 2023 and beyond.
8	How would the recent and anticipating interest hike affect the company? How would the company handle the impacts?	[1] We have a sizeable fixed rate portfolio assets and the hike in OPR will not be passed to them. [2] Increase in OPR also increase funding costs which can negatively impact the bank. However we are managing this via efforts to obtain cheaper funding e.g. CASA growth . [3] We now focus to give out variable rate financing i.e. not focus on fixed rate portfolio.
9	What is the bank main focus area on this year?	The bank's focus and strategy for this year has been elaborated during the earlier presentation.
10	Will Malaysia Building Society Berhad be offering any special products or benefits for EPF members, considering EPF's ownership of over 50% in the company? If so, could you provide details about these offerings?	Following the successful rollout of Ihsan-i, management will continue to explore new products to be offered in future.
11	Why the MBSB share price so low ? @Bursa market	Including dividends of 8.5 sen per share paid in March 2023, MBSB shares generated a Total Shareholder Return (TSR) of approx. +14% for YTD 2023. TSR comprises dividends paid and share price appreciation. MBSB's TSR of +14% is better than the performance of the KLCI of -7% and Bursa Finance Index of -8% during the same period.
12	Please improve your e-wallet, not friendly use for public and merchants. A wallet cannot use everywhere, how to utilise our money freely?	- We are improving the e-wallet with new features and additional services will be introduced soon. - The team is aggressively on-boarding more merchants on regular basis and continue to improve the acceptance at our merchant's outlet. - Customers may check the list of new added merchants and outlet in our e-wallet app.
13	Please mandated annual health screening to all board members. As we are aware that Tan Sri Chairman demised during Tan Sri appointed tenure. This will impact company daily business operation and huge sum of medical costs involved. Prevention is better than cure. With mandated annual health screening, management can plan things ahead.	All BOD members are provided with annual health screening benefits during their tenure. The Chairman has annual health screening benefits that are fully borne by the Company
14	Any M&A plan for the Bank in the near future?	At this juncture, we are focused on working towards the completion of the acquisition of MIDF and post-completion integration, where appropriate.

15	Our loans both retail and commercial do not seem to be growing fast enough? Why is this so and what is being done to grow our loans faster? Strangely enough RCE Capital who are in almost the same type of retail loans as ourselves seem to be growing steadily each year with profits growing in tandem but we seem to be stagnant and even dropping	Our financing growth for both our retail and commercial portfolios in 2022 are higher compared to the previous year. The growth in 2022 for retail and commercial/corporate was at 2.3% and 19.3% respectively compared to our 2021 growth of 1.9% and -0.7%. Our moving forward strategy for this year and beyond have been presented earlier. [1] 2022 growth vs 2021 : Retail segment = 2.3% Commercial/Corporate segment = 19.3% [2] 2021 growth vs 2020 Retail segment = 1.9% Commercial/Corporate segment = -0.7%
16	What's the Bank's market share for the retail customers?	Our retail portfolio stands at approx. RM29 billion, which is approximately 7% of the total retail market.
17	May i know what is distinctive value proposition can En Mohamed Rafe Mohamed Haneef bring in to the bank? Any shortlisted candidates / interview process went through?	We have undertaken a structured and thorough process to ensure we find the most suitable candidate for the position of MBSB's Group CEO. A Group Leadership Ctee was established, comprising selected board members as well as reps from our shareholders. This Ctee engaged a reputable executive search firm, which scanned the market for top-tier candidates. Shortlisted candidates then went through a rigorous screening and interview process, which culminated in the selection of En Rafe Haneef. En Rafe is an experienced leader in the banking industry, and the Board is confident he will drive the Group towards sustainable growth and enhance shareholder value.
18	Mr. Chairman, why the share prize always stagnant around 60 sens n above for more than three years. I still remember I bought them around adollar	[1] Earnings is the largest driver of share price. [2] To sustain a higher share price, MBSB needs to continue improving its profitability and ROE that can drive a higher valuation for the stock. 3) Share price showing improvement and giving TSR of 20% in 2022. [3] Whilst we are seeing improvement in our fundamentals, we have also increased our visibility via frequent engagements with investors and stakeholders, e.g. investor roadshows and briefings for both institutional and retail investors, as well as higher presence in the media.
19	Good morning to the BoD, What is the group 's strategy to add value to the company, moving forward? Any bonus issues in the near future? Please give shareholders e vouchers as a token of appreciation for attending this agm remotely .tq	(+) MBSB is always looking at all avenues to enhance value and will consider all corporate exercises that benefit both the Bank and shareholders. Should there be any updates or decisions regarding a bonus issue or other corporate matters, the Bank will make the relevant announcements accordingly The company has a no-gift policy. We believe in rewarding all shareholders equally and meaningfully. To achieve this, available funds will be channeled back to shareholders in terms of dividends.
20	Is MBSB plan to open new Branches especially around Sri Petaling and kuchai lama	[1] We are not planning to open any new branches as we consider our number of branches to be sufficient to cater to our customers' needs. [2] We are focusing on enhancing our virtual branch functions, in line with an increasing customer preference to perform banking operations online.
21	1)The previous plan to convert MBSB to become a second standalone	[1] MBSB Bank will continue to be an Islamic bank, whilst the acquisition of MIDF
22	How the bank conduct media briefing?	we have corp comm dept. They conduct media briefings based on key events. Post-AGM we will have a media conference attended by major media.
23	Post M&A between MBSB and MIDF, will the management announce a special dividend?	Any declaration of dividends would need to take into consideration working capital requirements, applicable legal requirements and is also subject to BNM's approval. We remain committed to deliver a good investment return to our shareholders.
24	The staffs are polite and service are good but the efficiency at the back partition of the front counter needs to improve	We are continually working on improving our processes across the bank which includes improving our services at the branch through the branch transformation initiative.
25	Hi BOD. The performance of the company leave much to be desired. The rot has been festering in many years due to incompetency. Bring out the axe and remove the dead wood.	One of the 2023 focus areas presented earlier by the GCEO during the AGM is to build Competent Talent to Support Strong Work Culture. Will continue to recruit fresh talent and equip existing talent with adequate requisite competencies.
26	Please explain (again) how the 4 increases in BLR affected the bank negatively and when will these higher interest rates be passed on to the customers	[1] We have a sizeable fixed rate portfolio assets and the hike in OPR will not be passed to them. [2] Increase in OPR also increase funding costs which can negatively impact the bank. However we are managing this via efforts to obtain cheaper funding e.g. CASA growth . [3] We now focus to give out variable rate financing i.e. not focus on fixed rate portfolio.
27	My prayer is good health and well being of chairman. Directors and staff of MBSB, May this year will be a good year to shareholders	Thank you for the kind wishes and prayers. We wish you the same.
28	What happens to the mbsb share price after the merger? will it goes up or down for mbsb shareholders? or will the number of shares be reduced?	Market forces will determine MBSB's share price post-merger. The number of shares will not be reduced. In fact, there will be approx 1 billion new MBSB shares issued for the acquisition in addition to the 7.1 billion existing shares, bringing the total number of shares to approx 8.1 billion MBSB shares.
29	What measures (e.g. promotion for customer) taken by the company to improve the CASA rate?	Strategies on the CASA business programmes have been explained during the AGM.

30	Can the SPA for MIDF merger available upon request over IR's email contact, instead of at the registered office of MBSB only ?	As required under the Main Market Listing Requirements, the SPA is made available as a document for inspection for shareholders of MBSB. Salient terms would also be presented in the Circular to be dispatched to seek shareholders' approval. If there are specific questions regarding the terms of the SPA, it can be submitted formally through the EGM forum for the proposed acquisition at a later date.
31	If the work from home arrangement is so feasible, then the Bank might as well close down all branches and save on costs. Let all staff work from home and customers interact with the Bank virtually. Relook, rethink and re-evaluate this move on hybrid work arrangement.	We will move towards hybrid working arrangement in Q3 and will continue to evaluate the best option in serving our customers. Our branches will continue to be open to serve the needs to customers who prefer going to the branch
32	There are already cost savings in holding this meeting virtually. No savings is passed back to us? I cannot imagine how hybrid work environment works for a bank as you are customer oriented. Could the Bank be overstaffed? Cybersecurity may be at risk here as data is transmitted (albeit via VPN) and the information is all highly sensitive and private. The staff working from home can access the Bank's system remotely? A bit risky, right?	We have put the necessary security measures to safeguard our data and environment from any threats, be it working from office or remotely. We are continuously monitoring 24/7 with the latest cyber security solutions to ensure that our environment is always safe and secure.
33	are the fixed rate products legacy products ? or MBSB will continuously be offering fixed rate product to customers ? can you share fixed rate products are mostly from consumer banking or corporate banking ?	[1] Fixed rate products are mostly legacy (PFi disbursed before we obtained banking license). [2] Now onwards, most of the financing will be offered at variable rates. [3] Fixed rate financing are mostly from consumer banking (personal financing)
34	I think as a forefront banking provider, MBSB should abolished Lunch Hour.	Employment Act 1955 : An employee who works more than 5 consecutive hours is entitled to an unpaid break of not less than 30 minutes. Any break of fewer than 30 minutes in the 5 consecutive hours shall not break the continuity of that 5 consecutive hours.
35	Hi Chairman, with your robust plans and ideals, the company is still underperformed. Have a training program to bring out the talent of the staff. Incompetent staff be rotated or deployed. SOAR HIGH Reward the shareholders attending this virtual with a door gift. Thank you	We offer a comprehensive training program for all our employees, based on the 70:20:10 principles. This program covers on-the-job training, mentoring, and classroom learnings that is specifically tailored to their training needs and individual development plans. These plans are created in consultation with their supervisor. In addition to this, we also provide mandatory e-learning courses for all employees to ensure that we have a skilled and capable workforce.
36	If credit card market is to competitive why not MBSB consider debit card market e.g. provide a fewer benefit similar to credit card, the may attracting more new customer as well as boosting CASA ratio.	We do have Debit Card in our list of products and provide similar benefit like other competitors, in addition, our debit card can be used in all CRMs/ATMs across the nation regardless of banks without any charges.
37	Starting from Jan 2023 til today BNM raised 1.25% OPR to 3%, does this impact to the borrowing repayment due to domestic and international uncertainty market?	Thus far the numbers of customers impacted are small, however in any circumstances the bank continue to engage with our customers and provide financial assistance to those in-need.
38	What are the mitigation plans by MBSB to manage the exposure of impairment mainly from the loans to boost the growth?	We have a comprehensive approach to manage our impaired and non-performing accounts. For impaired accounts, our focus is on maximizing recovery through strategies such as restructuring, asset and collateral disposal, and legal action. We also provide repayment assistance and write off fully exhausted financing. To address non-performing accounts, we employ early identification measures and monitor payment conduct, market news, and legal actions. Constant engagements, site visits, and discussions between teams ensure timely resolutions and proactive management. Regular portfolio analysis and customer profiling are conducted to assist us in making informed decision. Our goal is to minimize risks, foster financial stability, and provide tailored solutions to meet customer needs.
39	Are there any plans for Malaysia Building Society Berhad to expand its business to include credit cards? If not, could you please provide a justification or explanation for this decision? Alternatively, if there are plans for expansion, could you share any key initiatives or timelines associated with this potential expansion into the credit card market?	This already has been addressed in pre-AGM questions.

MALAYSIA BUILDING SOCIETY BERHAD

(9417-K)

53rd Annual General Meeting

Level 4, Menara MBSB Bank, PJ Sentral, Lot 12, Persiaran Barat, Seksyen 52,

46200 Petaling Jaya, Selangor

On 27-June-2023 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	4,950,518,662	99.9380	3,070,386	0.0620	4,953,589,048	100.0000
Ordinary Resolution 2	4,950,671,834	99.9411	2,915,212	0.0589	4,953,587,046	100.0000
Ordinary Resolution 3	4,946,494,336	99.9600	1,978,135	0.0400	4,948,472,471	100.0000
Ordinary Resolution 4	4,952,223,271	99.9718	1,397,166	0.0282	4,953,620,437	100.0000
Ordinary Resolution 5	4,952,068,360	99.9678	1,595,295	0.0322	4,953,663,655	100.0000



MALAYSIA BUILDING SOCIETY BERHAD
(9417-K)


53rd Annual General Meeting

Level 4, Menara MBSB Bank, PJ Sentral, Lot 12, Persiaran Barat, Seksyen 52,
46200 Petaling Jaya, Selangor
On 27-June-2023 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	4,950,518,662	99.9380	1,003	81.6111	3,070,386	0.0620	226	18.3889	4,953,589,048	100.0000	1,229	100.0000
Ordinary Resolution 2	4,950,671,834	99.9411	978	79.5769	2,915,212	0.0589	251	20.4231	4,953,587,046	100.0000	1,229	100.0000
Ordinary Resolution 3	4,946,494,336	99.9600	1,077	87.2771	1,978,135	0.0400	157	12.7229	4,948,472,471	100.0000	1,234	100.0000
Ordinary Resolution 4	4,952,223,271	99.9718	1,089	88.1781	1,397,166	0.0282	146	11.8219	4,953,620,437	100.0000	1,235	100.0000
Ordinary Resolution 5	4,952,068,360	99.9678	1,100	88.9968	1,595,295	0.0322	136	11.0032	4,953,663,655	100.0000	1,236	100.0000

Jun H.





Resolution(s)	Pre-determined Abstain *		Abstain / Spoilt #	
	No of Units	No of P/S	No of Units	No of P/S
Ordinary Resolution 1	37,800	5	533,649	20
Ordinary Resolution 2	37,800	5	535,651	20
Ordinary Resolution 3	34,900	4	5,653,126	16
Ordinary Resolution 4	34,900	4	505,160	15
Ordinary Resolution 5	34,900	4	461,942	14

* 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)

Jun 4

