



MALAYSIA BUILDING SOCIETY BERHAD (MBSB)
Registration No.197001000172 (9417-K)

MEDIA RELEASE

For Immediate Release

MBSB EXPANDS BANKING SPECTRUM WITH SPA TO ACQUIRE MIDF

PETALING JAYA, 9 June 2023 - Malaysia Building Society Berhad (“**MBSB**”) is expanding its banking spectrum with the signing of a conditional share purchase agreement (“**SPA**”) today to acquire Malaysian Industrial Development Finance (“**MIDF**”). Through the SPA signed with Permodalan Nasional Berhad (“**PNB**”), MBSB will acquire PNB’s entire equity interest in **MIDF** (“**Proposed Acquisition**”). The Proposed Acquisition will create an enlarged banking group with end-to-end banking services comprising consumer banking, commercial & SME banking, development finance, corporate banking, investment banking and asset management, servicing a wider customer base that extends beyond MBSB Bank Berhad (“**MBSB Bank**”) and MIDF group’s pool of existing customers.

The purchase consideration of approximately RM1.01 billion will be satisfied through the issuance and allotment of approximately 1.05 billion new MBSB shares at an issue price of approximately RM0.9652 per consideration share in favour of PNB. Upon completion, MIDF will become a wholly-owned subsidiary of MBSB while Employees Provident Fund Board and PNB’s interests in MBSB will be approximately 57.45% and 12.78%, respectively.

The purchase consideration represents a price-to-book ratio (“**PBR**”) of approximately 0.85 times on MIDF’s adjusted net assets as at 31 December 2022.

The final issue price of approximately RM0.9652 per consideration share represents a PBR of approximately 0.83 times based on MBSB’s adjusted net assets as at 31 December 2022.

Datuk Nor Azam Bin M. Taib, Group Chief Executive Officer of MBSB said “The potential synergies between MBSB Bank and MIDF would enable the enlarged group to serve a wider group of customers through tailored financing, structuring and advisory solutions. Our combined strength and expertise puts us in a better position to support the business needs and growth of consumer and corporate clients.”

The enlarged group would have an expanded network and complementary businesses which would strengthen its footprint in the banking sector with customer centricity as its core focus. This in turn, would help the group build a more diversified and sustainable business, and profitable growth

moving forward. The enlarged group's consumer banking, commercial & SME banking, development finance, and corporate banking businesses will help cushion the more volatile market for fee-based income, while the investment banking business will become more scalable with a larger capital base.

The Proposed Acquisition would also provide an impetus for a transformational change and common strategy across the enlarged group under the stewardship of an experienced leadership and management team.

Barring unforeseen circumstances and subject to the relevant approvals being obtained, MBSB anticipates to table the Proposed Acquisition for shareholders' consideration by August 2023.

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About Malaysia Building Society Berhad (MBSB)

Malaysia Building Society Berhad (MBSB) has been at the forefront of the nation's financial services industry and economic development for more than 70 years. MBSB's story began in the 1950s where MBSB was one of the first financial institutions to extend home financing that helped Malaysians own their homes. MBSB is instrumental in the development of many residential areas, including Petaling Jaya, where the head office is currently located. For more information, please visit www.mbsb.com.my

MBSB is also the financial holding company of MBSB Bank Berhad (MBSB Bank), a progressive Islamic Bank that offers Shariah compliant banking facilities to retail, SME and corporate customers. To know more about MBSB Bank, please visit www.mbsbbank.com

CORPORATE STRUCTURE



MALAYSIA BUILDING SOCIETY BERHAD

REGISTRATION NO: 197001000172

FINANCIAL HOLDING COMPANY



MBSB BANK BERHAD

REGISTRATION NO: 200501033981

100% OWNED BY MBSB