

MBSB BANK BERHAD
STRATEGIC COMMUNICATIONS DEPARTMENT

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PRESS RELEASE
KENYATAAN AKHBAR
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From Left to Right:

Tan Sri Abdul Halim bin Ali, Chairman of MBSB Bank

Datuk Seri Ahmad Zaini bin Othman, Group President and Chief Executive Officer of MBSB Bank

Datuk Chung Chee Leong, President/Chief Executive Officer of Cagamas Berhad and Director of Cagamas SRP Berhad

Encik Nik Mohd Hasyudeen bin Yusoff, Chairman of Cagamas Holdings Berhad

SIGNING CEREMONY BETWEEN MBSB BANK BERHAD AND CAGAMAS SRP BERHAD

KUALA LUMPUR, 17 APRIL 2018: MBSB Bank Berhad and Cagamas SRP Berhad inked an agreement in relation to the Mortgage Guarantee Programme offered by Cagamas SRP and the Participation of MBSB in the Skim Rumah Pertamaku at The St. Regis, Kuala Lumpur.

The signing ceremony was graced by the President/Chief Executive Officer of MBSB Bank Berhad, Datuk Seri Ahmad Zaini Othman and the President/Chief Executive Officer of Cagamas Berhad, Datuk Chung Chee Leong, who is also a Director of Cagamas SRP Berhad. Cagamas Berhad is the National Mortgage Corporation of Malaysia. The event was witnessed by the Chairman of Cagamas Holdings Berhad and MBSB Bank.

The agreement is timely and significant to MBSB Bank as the bank has been one of the main financiers for affordable housing in the country. It is also MBSB Bank's first significant agreement signing since launching its new name and brand.

The agreement is deemed beneficial to MBSB Bank as it is involved in 9 projects under PR1MA with gross development value worth RM1.61 billion, 15 projects under PPA1M worth RM7.5 billion and 6 projects under RUMAWIP worth RM600 million.

In his speech during the ceremony, MBSB Bank's President and Chief Executive Officer, Datuk Seri Ahmad Zaini highlighted the benefits of the signing and said, "The guarantee by Cagamas SRP can also help to improve the bank's capital adequacy ratio (CAR), serves as an alternative venue to alleviate the impact of MFRS 9 as well as free up more capital for financing. Under the Skim Rumah Pertamaku, MBSB Bank will be able to provide up to 100% financing to the young adults below 40 years of age and obtain guarantee from Cagamas SRP Berhad for the first 10% of the financing originated.

He also acknowledged the strong business relation Cagamas and MBSB have together and said "I am pleased to inform you that prior to the corporate exercise, MBSB and Cagamas have always had a strong business relationship."

Meanwhile, Datuk Chung Chee Leong said, “We are pleased to mark this new phase in our initiatives with MBSB whereby MBSB Bank will now have access to the Mortgage Guarantee Programme offered by Cagamas SRP Berhad and become a valued partner in the Skim Rumah Pertamaku. Under the Mortgage Guarantee Programme, MBSB Bank can obtain guarantee coverage from Cagamas SRP for its home financing portfolio to facilitate MBSB Bank’s efficient capital management”.

The Skim Rumah Pertamaku was launched on 8 March 2011 by the Government of Malaysia. The Scheme was established to assist young adults with a gross income not exceeding RM5,000 per month and joint borrowers with a gross individual income not exceeding RM10,000 per month, to obtain up to 100% financing from participating banks to own their first home. To date, 23 financial institutions in Malaysia including MBSB Bank, participate in the Skim Rumah Pertamaku. The participating banks process and approve the loans/financings based on their respective banks’ underwriting standards and the Scheme’s eligibility criteria.

Since the launch of the Scheme, 7,920 loans/financing amounting to RM1.6 billion were approved by the participating banks and guaranteed by Cagamas SRP Berhad.

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About MBSB Bank Berhad

MBSB Bank Berhad formerly known as Asian Finance Bank (AFB) has been granted a license by Bank Negara Malaysia to undertake Islamic Banking business. MBSB Bank is regulated and supervised by Bank Negara Malaysia under the Islamic Financial Services Act, 2013(ISFA).

MBSB Bank Berhad, a full-fledged Islamic Bank was incorporated on 28 November 2005 is a wholly owned subsidiary of Malaysia Building Society Berhad (MBSB).

On November 2017, MBSB entered into a Share & Purchase Agreement with the shareholders of Asian Finance Bank Berhad (AFB/Vendors) for the proposed acquisition by MBSB of the entire equity interest in AFB for an aggregate purchase consideration of RM644,952,807.66 to be satisfied by way of cash amounting of RM396,894,036.26 and the issuance of 225,507,974 Consideration Shares at an issue price of RM1.10 per Consideration Share ("The Acquisition").

The Acquisition was approved by the shareholders of MBSB on 23rd January 2018. The shareholders also approved the transfer of Shariah Compliant Assets and Liabilities of MBSB to AFB via a Member's Scheme of Arrangement.

Pursuant to the above said approval and upon completion of the transfer of shares and the payment of the balance of the purchase consideration to the Vendors, AFB became a wholly owned subsidiary of Malaysia Building Society Berhad on 7 February 2018.

AFB undertook a rebranding exercise and on 2 April 2018 it changed its name to MBSB Bank.

About Cagamas SRP Berhad

Cagamas SRP Berhad was incorporated on 7 January 2011 to undertake the guarantee of residential mortgages under the Skim Rumah Pertamaku – My First Home Scheme (SRP) announced by the Government in the 2011 Malaysia Budget and the Skim Perumahan Belia - Youth Housing Scheme (SPB) announced by the Government on 1 October 2015. The provision of guarantee under both schemes is in accordance to the Mortgage Guarantee Programme (MGP) offered to financial institutions.
