

**MBSB BANK BERHAD  
STRATEGIC MARKETING  
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DEPARTMENT**

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**PRESS RELEASE  
KENYATAAN AKHBAR**

**For Immediate Release**

**14 April 2022**

**MBSB BANK'S MAIDEN RM300 MILLION SUSTAINABILITY SUKUK WAKALAH ISSUANCE  
PURSUANT TO ITS NEWLY ESTABLISHED RM5.0 BILLION SUSTAINABILITY SUKUK  
WAKALAH PROGRAMME OVERSUBSCRIBED BY 10 TIMES**

**PETALING JAYA, 14 April 2022** – MBSB Bank Berhad (“**MBSB Bank**”) has successfully priced its inaugural RM300 million Sustainability Sukuk Wakalah offering (“**Offering**”) under its dedicated RM5 Billion Sustainability Sukuk Wakalah Programme. The Offering was priced amidst the volatile market conditions and selling pressures seen on the domestic government securities in response to the rising global yield. The Offering marks MBSB Bank’s first ever Sustainability Sukuk issuance and the first by an Islamic bank locally, in its continued effort to grow its sustainable assets which underscores its commitment towards its sustainability agenda.

MBSB Bank will use the proceeds received from the Offering to finance its green and social related projects which is in line with the Bank’s strategic plan to actively participate in renewable energy and essential services.

The Offering, which was priced on 4 April 2022 received overwhelming demand from diversified investors ranging from institutional investors, insurance and takaful companies, fund and asset management companies, financial institutions and high net worth investors with a final order book received amounting to RM2.9 billion, giving the transaction a strong bid to cover ratio of 10 times.

Interest from investors remained strong throughout the book-building process, allowing the Sustainability Sukuk Wakalah pricing to be further tightened by 30 basis points across the tenures from the high end of the initial price guidance. The dual-tranche Offering — RM200 million 5-year tranche and a RM100 million 7-year tranche — were finally priced at Malaysian Government Securities + 95 basis points or a final yield of 4.36% per annum and 4.73% per annum respectively.

Maybank Investment Bank Berhad is the Sole Lead Manager and Bookrunner for this transaction as well as the Sole Principal Adviser, Sole Lead Arranger and Sole Sustainability Structuring Advisor for the Sustainability Sukuk Wakalah Programme.

Commenting on the transaction, MBSB Bank's Acting Chief Executive Officer, Datuk Nor Azam M Taib, said "The Offering marks our first Sustainability Sukuk issuance in the domestic capital markets which demonstrates MBSB Bank's strong commitment towards supporting the government's sustainability agenda and initiatives. We are indeed very pleased with investors' strong response and the outcome of the transaction."

He also expressed his gratitude towards United Kingdom government's Foreign, Commonwealth and Development Office for its UK-ASEAN Low Carbon Energy Programme and said, "We would like to express our sincere gratitude to the UK Government's ASEAN Low Carbon Energy Programme (LCEP) for the support towards the development of MBSB Bank's Sustainability Sukuk Framework. The programme promotes inclusive economic growth in Southeast Asia through increased green finance flows for low carbon energy and energy efficiency."

Meanwhile, Maybank Investment Bank's Chief Executive Officer, Dato' Fad'l Mohamed said, "Maybank Investment Bank is honoured to have supported MBSB Bank in its debut Sustainability Sukuk Offering. The final pricing and strong demand clearly reflects investors' confidence in MBSB Bank, as well as an endorsement of its sustainability commitments. The supply scarcity of sustainability offerings in the market further helped to drive demand."

MBSB Bank and Maybank Investment Bank signed the agreement on the RM5 billion Sustainability Sukuk Wakalah Programme on 22 February 2022.

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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 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

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