

IFN Deals of the Year 2023

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M&A: MALAYSIA BUILDING SOCIETY'S RM1.01 BILLION ACQUISITION OF MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE

Size:	RM1.01 billion (US\$215.57 million)
Issuer:	Malaysia Building Society
Deal originator & advisor to MBSB	CIMB Investment Bank
Principal advisor to MIDF (Target):	MIDF Amanah Investment Bank
Advisor to PNB (Vendor):	Maybank Investment Bank
Legal counsel to PNB (Vendor):	Abdullah Chan & Co
Independent advisor to MBSB (Acquirer):	Kenanga Investment Bank
Principal advisor to MBSB (Acquirer):	AmInvestment Bank
Advisor to MBSB (Acquirer):	CIMB Investment Bank
Legal counsel to MBSB (Acquirer):	Zaid Ibrahim & Co in association with KPMG Law
Date:	October 2023

Contenders: Not only is Entertainment Opportunities Investment Company's combination of Gissah for Perfumes, Teeb and Oud Company WLL (Kuwait), The Creations for Perfumes Factory (Kuwait) and Gissah for Perfumes (KSA) an example of our tidal wave of M&A activity, Malaysia Building Society (MBSB) continued its growth by acquisition by acquiring the full equity interest of Malaysian Industrial Development Finance (MIDF) from Permodalan Nasional (PNB). Bahrain-based Solidarity took over Ahli United Bank's life and Takaful operations as part of its ongoing growth through the acquisition model.

Bahrain-based **Solidarity** continued to grow with the acquisition of Al Hilal Life which owns Al Hilal Takaful from Ahli United Bank Group. The deal increases Solidarity's market presence in Bahrain and expands its product offerings. Leading Bahrain law firm Hassan Al Radhi & Associates advised on this transaction.

Under the stewardship of Rafe Hanif, **MBSB** continues to expand its capacity with the acquisition of MIDF from PNB. The deal was two years in the making. The purchase consideration of RM1.01 billion (US\$215.57 million) was settled by the issuance of 1.05 billion new MBSB shares at RM0.97 per share (final consideration shares), which were allotted to PNB on the 2nd October 2023. The merger makes MIDF a wholly-owned subsidiary of the bank and PNB a substantial shareholder of MBSB with an equity stake of 12.78%. The Employees Provident Fund's



shareholding in MBSB is reduced from 65.78% to 57.45%. AmInvestment Bank was the principal advisor to MBSB.

Bait Al Aseel and Bashar Al Ameer sold their 35% stake in Gissah Perfumes Company. Founded in Kuwait, the firm joins The Gissah for Perfumes, Teeb and Oud Company WLL (Kuwait) and The Creations for Perfumes Factory (Kuwait) as a key component of the combined fragrance company's planned IPO in Saudi Arabia. Supported by Jadwa Investment, the guarantor of the acquisition by Jadwa subsidiary **Entertainment Opportunities Investment Company**, the IPO is expected to give the company greater capacity in the competitive GCC fragrance market.

Winner: According to MBSB's group CEO, Rafe Haneef: "The completion of this merger is strategically compelling as the enlarged group would emerge more financially resilient and as a major player in Islamic banking, with a strengthened capacity through a bigger balance sheet, a wider reach and a whole range of new offerings from

consumer banking, commercial and SME banking to corporate and investment banking businesses." He added: "By combining the strengths, we are well-positioned to provide customers with better service, innovative products, personalized experiences and even greater sustainability."

"As we move forward as a united front, our mission is to create an environment where everyone thrives. We are dedicated to a high-performance culture, built on our core values of humility, professionalism, ethics, empathy and passion", concluded Rafe.

Meanwhile, MBSB's Islamic banking subsidiary, MBSB Bank, provides a wide range of Shariah compliant banking facilities to retail, SME and corporate customers. These solutions include bridging financing, term financing, trade financing, personal financing, home financing and a variety of savings and deposit options.

Honorable mention: Solidarity and Entertainment Opportunities Investment Company

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