

**MBSB BANK BERHAD (200501033981 / 716122-P)**  
(Incorporated in Malaysia)

**BASEL II PILLAR 3 -  
CAPITAL ADEQUACY FRAMEWORK FOR ISLAMIC BANKS ("CAFIB") DISCLOSURES  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

**MBSB BANK BERHAD (200501033981 / 716122-P)**  
(Incorporated in Malaysia)

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## **MBSB BANK BERHAD (200501033981 / 716122-P)**

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### **BASEL II PILLAR 3 - CAPITAL ADEQUACY FRAMEWORK FOR ISLAMIC BANKS ("CAFIB") DISCLOSURES**

#### **Overview**

The purpose of this disclosure is to provide the information in accordance with Bank Negara Malaysia ("BNM") Capital Adequacy Framework for Islamic Bank (CAFIB – BASEL II) – Disclosure Requirements (Pillar 3) Guideline. This supplements the related information in the Note 31 to the Financial Statements for the financial period ended 30 June 2022 for MBSB Bank Berhad.

The Pillar 3 disclosure requirements aim to enhance transparency by setting the minimum requirements for disclosure of information on risk management practices and capital adequacy of Islamic Banks. In compliance with the disclosure requirements by BNM, the Pillar 3 disclosure of the Bank Group is prepared for 2 periods: 30 June and 31 December. This disclosure is also made available under the Financial Statements section of the Bank's website at [www.mbsbbank.com](http://www.mbsbbank.com).

#### **Capital Adequacy**

The capital adequacy ratios of MBSB Bank Berhad ("Bank") and its subsidiary ("Bank Group") and the Financial Holding Company and its subsidiaries ("Group") are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) guideline.

The Group and the Bank Group have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk.

The capital adequacy ratios of the Group and the Bank Group consist of capital base and risk-weighted assets derived from consolidated balances of the Group and its subsidiaries. The Group's capital requirements are generally based on the principles of consolidation adopted in the preparation of the financial statements, as discussed in Note 1 to the Financial Statements for the financial period ended 30 June 2022.

During the financial year, the Group and the Bank Group did not experience any restrictions or other major impediments on the transfer of funds or regulatory capital within the Group.

#### **Capital management**

The Group's and the Bank Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To comply with the capital requirements set by the regulators of the banking markets where the entities within the Group and the Bank operate;
- To safeguard the Group's and the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

### **Transitional Arrangement For Regulatory Capital Treatment of Expected Credit Loss**

On 9 December 2020, BNM issued a revised Policy Document on the Capital Adequacy Framework for Islamic Banks (Capital Components) (“CAFIB”) with immediate effect, superseding the version previously issued on 5 February 2020. The key change in the revised CAFIB from its earlier version is the incorporation of requirements on the transitional arrangement for regulatory capital treatment of expected credit losses (“ECL”) provisions under Part G Transitional Arrangements from Sections 38 to 39 of CAFIB.

This new optional transitional arrangement allows Islamic financial institutions an election, to add back the amount of loss allowance measured at an amount equal to 12-month and lifetime ECL to the extent they are ascribed to non-credit impaired exposures (hereinafter referred to as Stage 1 and Stage 2 provisions) to CET1 capital on a gradual phase-out basis either over a four-year period from the financial year beginning 2020, or over a three-year period from the financial year beginning 2021.

The Group and the Bank Group have elected to apply the transitional arrangement (“TA”) for regulatory capital treatment of ECL for four financial years from the financial year beginning 1 January 2020 to 31 December 2023. The intended first reporting period of the application of the TA is the financial year ending 31 December 2020.

The amount of Stage 1 and Stage 2 provisions to be added back to CET1 Capital shall be calculated as follows:

$$\text{Add-back} = \max \{0; [(Provisions_{\text{Current}} - Provisions_{\text{Base}}) \times F]\}$$

where—

**Add-back** amount of Stage 1 and Stage 2 provisions eligible to be added back to CET1 Capital as at the reporting date

**Provision<sub>Current</sub>** total Stage 1 and Stage 2 provisions as at the reporting date

**Provision<sub>Base</sub>** total Stage 1 and Stage 2 provisions as at the base reference date 1 January 2020 where the transitional arrangements are applied over a four-financial year period

**F** add-back factor as at the reporting financial year, as follows:

<b>Financial year beginning on or after 1 January</b>	<b>Add-back factor (%)</b>
2020	100
2021	100
2022	75
2023	50
2024 onwards	0

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**Capital Adequacy**

	MBSB Bank Group			
	with TA 30-Jun-22 RM'000	without TA 30-Jun-22 RM'000	with TA 31-Dec-21 RM'000	without TA 31-Dec-21 RM'000
<b><u>Common Equity Tier 1 ("CET 1") Capital</u></b>				
Ordinary share capital	5,427,972	5,427,972	5,427,972	5,427,972
Retained profits exclude merger reserve	1,003,781	1,003,781	1,166,619	1,166,619
Fair value reserves	(484,442)	(484,442)	(160,950)	(160,950)
Regulatory reserve	5,234	5,234	5,234	5,234
	<b>5,952,545</b>	<b>5,952,545</b>	6,438,875	6,438,875
Less : Regulatory adjustments				
Deferred tax assets	(131,426)	(131,426)	(17,292)	(17,292)
Intangible assets	(97,992)	(97,992)	(101,184)	(101,184)
55% of cumulative gains on FVOCI instruments	(12,314)	(12,314)	(57,882)	(57,882)
Regulatory reserve attributable to financing	(5,234)	(5,234)	(5,234)	(5,234)
Other CET1 regulatory adjustments	-	-	144,121	-
Total CET1 capital	<b>5,705,579</b>	<b>5,705,579</b>	6,401,404	6,257,283
<b><u>Tier 1 Capital</u></b>				
Additional Tier 1 capital instruments	-	-	-	-
Less: Tier 1 regulatory adjustments	-	-	-	-
Total Tier 1 capital	<b>5,705,579</b>	<b>5,705,579</b>	6,401,404	6,257,283
<b><u>Tier 2 Capital</u></b>				
Stage 1 & Stage 2 expected credit loss allowances <sup>^</sup>	432,060	432,060	433,618	433,618
Additional Tier 2 capital instruments	1,294,438	1,294,438	1,294,247	1,294,247
Total Tier 2 capital	<b>1,726,498</b>	<b>1,726,498</b>	1,727,865	1,727,865
Total capital base	<b>7,432,077</b>	<b>7,432,077</b>	8,129,269	7,985,148
<sup>^</sup> Expected credit loss allowance on non-credit impaired exposure and regulatory reserves is subject to a maximum of 1.25% of total credit risk-weighted assets.				
Breakdown of risk weighted assets in various categories of risk weights are as follows:				
	30-Jun-22 RM'000	30-Jun-22 RM'000	31-Dec-21 RM'000	31-Dec-21 RM'000
<b><u>Total risk weighted assets ("RWA")</u></b>				
Credit risk	34,564,812	34,564,812	34,689,443	34,689,443
Market risk	190,806	190,806	62,619	62,619
Operational risk	2,693,996	2,693,996	2,547,591	2,547,591
Total RWA	<b>37,449,614</b>	<b>37,449,614</b>	37,299,653	37,299,653
<b><u>Capital adequacy ratios</u></b>				
CET1 capital ratio	15.235%	15.235%	17.162%	16.776%
Tier 1 capital ratio	15.235%	15.235%	17.162%	16.776%
Total capital ratio	<b>19.846%</b>	<b>19.846%</b>	21.794%	21.408%

In accordance with BNM's Guidelines on Investment Account paragraph 31.1, the credit and market risk weighted assets funded by Unrestricted Investment Accounts (URIA) shall be recognised as risk absorbent and excluded from the calculation of capital adequacy ratio of the Bank. As at 30 June 2022, URIA risk weighted assets excluded from the Total Capital Ratio calculation amounted to RM1,793.9 million (31 Dec 2021: RM2,080.8 million).

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**Capital Adequacy (continued)**

	<b>MBSB Bank</b>			
	<b>with TA</b>	<b>without TA</b>	<b>with TA</b>	<b>without TA</b>
	<b>30-Jun-22</b>	<b>30-Jun-22</b>	<b>31-Dec-21</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Common Equity Tier 1 ("CET 1") Capital</u></b>				
Ordinary share capital	5,427,972	5,427,972	5,427,972	5,427,972
Retained profits exclude merger reserve	1,079,372	1,079,372	1,242,215	1,242,215
Fair value reserves	(484,442)	(484,442)	(160,950)	(160,950)
Regulatory reserve	5,234	5,234	5,234	5,234
	<b>6,028,136</b>	<b>6,028,136</b>	<b>6,514,471</b>	<b>6,514,471</b>
Less : Regulatory adjustments				
Deferred tax assets	(131,426)	(131,426)	(17,292)	(17,292)
Intangible assets	(97,992)	(97,992)	(101,184)	(101,184)
55% of cumulative gains on FVOCI instruments	(12,314)	(12,314)	(57,882)	(57,882)
Regulatory reserve attributable to financing	(5,234)	(5,234)	(5,234)	(5,234)
Other CET1 regulatory adjustments	-	-	144,121	-
Total CET1 capital	<b>5,781,170</b>	<b>5,781,170</b>	<b>6,477,000</b>	<b>6,332,879</b>
<b><u>Tier 1 Capital</u></b>				
Additional Tier 1 capital instruments	-	-	-	-
Less: Tier 1 regulatory adjustments	-	-	-	-
Total Tier 1 capital	<b>5,781,170</b>	<b>5,781,170</b>	<b>6,477,000</b>	<b>6,332,879</b>
<b><u>Tier 2 Capital</u></b>				
Stage 1 & Stage 2 expected credit loss allowances^	460,275	460,275	462,503	462,503
Additional Tier 2 capital instruments	1,294,438	1,294,438	1,294,247	1,294,247
Total Tier 2 capital	<b>1,754,713</b>	<b>1,754,713</b>	<b>1,756,750</b>	<b>1,756,750</b>
Total capital base	<b>7,535,883</b>	<b>7,535,883</b>	<b>8,233,750</b>	<b>8,089,629</b>
^ Expected credit loss allowance on non-credit impaired exposure and regulatory reserves is subject to a maximum of 1.25% of total credit risk-weighted assets.				
Breakdown of risk weighted assets in various categories of risk weights are as follows:				
	<b>30-Jun-22</b>	<b>30-Jun-22</b>	<b>31-Dec-21</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Total risk weighted assets ("RWA")</u></b>				
Credit risk	36,822,003	36,822,003	37,000,275	37,000,275
Market risk	190,806	190,806	62,619	62,619
Operational risk	2,780,246	2,780,246	2,615,184	2,615,184
Total RWA	<b>39,793,055</b>	<b>39,793,055</b>	<b>39,678,078</b>	<b>39,678,078</b>
<b><u>Capital adequacy ratios</u></b>				
CET1 capital ratio	14.528%	14.528%	16.324%	15.961%
Tier 1 capital ratio	14.528%	14.528%	16.324%	15.961%
Total capital ratio	18.938%	18.938%	20.751%	20.388%

In accordance with BNM's Guidelines on Investment Account paragraph 31.1, the credit and market risk weighted assets funded by Unrestricted Investment Accounts (URIA) shall be recognised as risk absorbent and excluded from the calculation of capital adequacy ratio of the Bank. As at 30 June 2022, URIA risk weighted assets excluded from the Total Capital Ratio calculation amounted to RM1,793.9 million (31 Dec 2021: RM2,080.8 million).

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**Table 1: Risk-Weighted Assets ("RWA") and Capital Requirements**
**MBSB Bank Group**

MBSB Bank Group			Risk			
30-Jun-22			Risk	Weighted	Total Risk	
<u>Exposure Class</u>	Exposures Pre CRM	Exposures	Weighted	Assets	Assets after	Capital
	RM'000	Post CRM	Assets	Absorbed	effects of PSIA	Requirements
		RM'000	RM'000	by PSIA	RM'000	RM'000
<u>Credit Risk</u>				RM'000		
<i>On-Balance Sheet Exposures</i>						
Sovereigns & Central Banks	9,621,523	9,621,523	-	-	-	-
Public Sector Entities	696,260	696,260	27,119	-	27,119	2,170
Banks, MDBs and FDIs	980,367	980,367	190,029	-	190,029	15,202
Insurance Companies, Securities						
Firms & Fund Managers	240,345	240,345	240,345	-	240,345	19,228
Corporates	8,622,876	8,622,876	7,051,736	-	7,051,736	564,139
Regulatory Retail	24,718,215	24,718,215	24,387,552	-	24,387,552	1,951,004
Residential Real Estate Financing	2,939,970	2,939,970	1,112,098	-	1,112,098	88,968
Other Assets	738,777	738,777	586,520	-	586,520	46,922
Total for On-Balance Sheet						
Exposures	48,558,333	48,558,333	33,595,399	-	33,595,399	2,687,632
<i>Off-Balance Sheet Exposures</i>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	1,071,682	1,071,682	969,413	-	969,413	77,553
Total for Off-Balance Sheet						
Exposures	1,071,682	1,071,682	969,413	-	969,413	77,553
Total On and Off-Balance Sheet						
Exposures	49,630,015	49,630,015	34,564,812	-	34,564,812	2,765,185
<u>Market Risk</u>	Long Position	Short Position				
Benchmark Rate Risk	218,376	-	218,376	96,502	-	96,502
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	38,990	(94,304)	94,304	94,304	-	94,304
<u>Operational Risk</u>	-	-	-	2,693,996	-	2,693,996
Total RWA and Capital Requirements	49,887,381	49,535,711	49,942,695	37,449,614	-	37,449,614
						2,995,969

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**Table 1: Risk-Weighted Assets ("RWA") and Capital Requirements (continued)**
**MBSB Bank Group**

<b>31-Dec-21 Exposure Class</b>	<b>Exposures Pre CRM RM'000</b>	<b>Exposures Post CRM RM'000</b>	<b>Risk Weighted Assets RM'000</b>	<b>Risk Weighted Assets Absorbed by PSIA RM'000</b>	<b>Total Risk Weighted Assets after effects of PSIA RM'000</b>	<b>Capital Requirements RM'000</b>
<b><u>Credit Risk</u></b>						
<b><i>On-Balance Sheet Exposures</i></b>						
Sovereigns & Central Banks	9,527,624	9,527,624	-	-	-	-
Public Sector Entities	771,334	771,334	26,915	-	26,915	2,153
Banks, MDBs and FDIs	1,078,259	1,078,259	198,266	-	198,266	15,861
Insurance Companies, Securities Firms & Fund Managers	240,209	240,209	240,209	-	240,209	19,217
Corporates	9,034,880	9,034,880	7,237,501	-	7,237,501	579,000
Regulatory Retail	24,694,570	24,694,570	24,395,655	-	24,395,655	1,951,652
Residential Real Estate Financing	2,266,221	2,266,221	841,174	-	841,174	67,294
Other Assets	788,640	788,640	699,751	-	699,751	55,980
<b>Total for On-Balance Sheet Exposures</b>	<b>48,401,737</b>	<b>48,401,737</b>	<b>33,639,471</b>	<b>-</b>	<b>33,639,471</b>	<b>2,691,158</b>
<b><i>Off-Balance Sheet Exposures</i></b>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	3,253,339	1,146,427	1,049,972	-	1,049,972	83,998
<b>Total for Off-Balance Sheet Exposures</b>	<b>3,253,339</b>	<b>1,146,427</b>	<b>1,049,972</b>	<b>-</b>	<b>1,049,972</b>	<b>83,998</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>51,655,076</b>	<b>49,548,164</b>	<b>34,689,443</b>	<b>-</b>	<b>34,689,443</b>	<b>2,775,155</b>
<b><u>Market Risk</u></b>	<b>Long Position</b>	<b>Short Position</b>				
Benchmark Rate Risk	-	-	-	-	-	-
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	62,619	(172)	62,619	62,619	62,619	5,010
<b><u>Operational Risk</u></b>	-	-	-	2,547,591	2,547,591	203,807
<b>Total RWA and Capital Requirements</b>	<b>51,717,695</b>	<b>51,654,904</b>	<b>49,610,783</b>	<b>37,299,653</b>	<b>37,299,653</b>	<b>2,983,972</b>



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**Table 2: Credit Risk Exposure by Risk Weight**
**MBSB Bank Group**
**30-Jun-22**
**Risk Weights**

	<b>Sovereigns &amp; Central Banks</b>		<b>Public Sector Entities</b>		<b>Banks, MDBs and FDIs</b>		<b>Insurance Companies, Securities Firms &amp; Fund Managers</b>		<b>Corporates</b>	
	Exposures after Netting & CRM RM'000	<i><b>Risk Weighted Asset RM'000</b></i>	Exposures after Netting & CRM RM'000	<i><b>Risk Weighted Asset RM'000</b></i>	Exposures after Netting & CRM RM'000	<i><b>Risk Weighted Asset RM'000</b></i>	Exposures after Netting & CRM RM'000	<i><b>Risk Weighted Asset RM'000</b></i>	Exposures after Netting & CRM RM'000	<i><b>Risk Weighted Asset RM'000</b></i>
<b>Performing Exposures</b>										
0%	9,621,523	-	560,665	-	101,967	-	-	-	1,289,153	-
20%	-	-	135,596	27,119	850,415	170,082	-	-	622,284	124,457
35%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	47,828	23,914	-	-	50,172	25,086
75%	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	240,345	240,345	6,543,600	6,543,600
150%	-	-	-	-	-	-	-	-	285,481	428,222
<b>Total</b>	<b>9,621,523</b>	<b>-</b>	<b>696,261</b>	<b>27,119</b>	<b>1,000,210</b>	<b>193,996</b>	<b>240,345</b>	<b>240,345</b>	<b>8,790,690</b>	<b>7,121,365</b>
<b>Defaulted Exposures</b>										
0%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	-	-	43,773	21,887
100%	-	-	-	-	-	-	-	-	255,238	255,238
150%	-	-	-	-	-	-	-	-	240,144	360,216
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>539,155</b>	<b>637,341</b>
<b>Total Performing and Defaulted Exposures</b>	<b>9,621,523</b>	<b>-</b>	<b>696,261</b>	<b>27,119</b>	<b>1,000,210</b>	<b>193,996</b>	<b>240,345</b>	<b>240,345</b>	<b>9,329,845</b>	<b>7,758,706</b>

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**Table 2: Credit Risk Exposure by Risk Weight (continued)**
**MBSB Bank Group**

30-Jun-22	Residential Real Estate				Total		Total Risk
<u>Risk Weights</u>	<u>Regulatory Retail*</u>		<u>Financing</u>		<u>Exposure</u>		<u>Weighted Assets</u>
	Exposures after Netting & CRM RM'000	<i>Risk Weighted Asset RM'000</i>	Exposures after Netting & CRM RM'000	<i>Risk Weighted Asset RM'000</i>	Exposures after Netting & CRM RM'000	<i>Risk Weighted Asset RM'000</i>	<i>Risk Weighted Asset RM'000</i>
<b>Performing Exposures</b>							
0%	-	-	-	-	152,257	-	-
20%	-	-	-	-	-	-	1,608,295
35%	-	-	2,385,914	835,070	-	-	2,385,914
50%	-	-	546,363	273,182	-	-	644,363
75%	2,148,291	1,611,218	-	-	-	-	2,148,291
100%	22,365,286	22,365,286	-	-	586,520	586,520	29,735,751
150%	-	-	-	-	-	-	285,481
<b>Total</b>	<b>24,513,577</b>	<b>23,976,504</b>	<b>2,932,277</b>	<b>1,108,252</b>	<b>738,777</b>	<b>586,520</b>	<b>48,533,660</b>
<b>Defaulted Exposures</b>							
0%	-	-	-	-	-	-	-
50%	149,174	74,587	7,693	3,847	-	-	200,639
100%	11,129	11,129	-	-	-	-	266,367
150%	389,205	583,808	-	-	-	-	629,349
<b>Total</b>	<b>549,508</b>	<b>669,524</b>	<b>7,693</b>	<b>3,847</b>	<b>-</b>	<b>-</b>	<b>1,096,355</b>
<b>Total Performing and Defaulted Exposures</b>	<b>25,063,085</b>	<b>24,646,028</b>	<b>2,939,970</b>	<b>1,112,099</b>	<b>738,777</b>	<b>586,520</b>	<b>49,630,015</b>
							<b>34,564,812</b>

\* Property financing exposures are included herein.

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**Table 2: Credit Risk Exposure by Risk Weight (continued)**
**MBSB Bank Group**
**31-Dec-21**
**Risk Weights**

	<b>Sovereigns &amp; Central Banks</b>		<b>Public Sector Entities</b>		<b>Banks, MDBs and FDIs</b>		<b>Insurance Companies, Securities Firms &amp; Fund Managers</b>		<b>Corporates</b>	
	Exposures after Netting & CRM RM'000	<b>Risk Weighted Asset RM'000</b>	Exposures after Netting & CRM RM'000	<b>Risk Weighted Asset RM'000</b>	Exposures after Netting & CRM RM'000	<b>Risk Weighted Asset RM'000</b>	Exposures after Netting & CRM RM'000	<b>Risk Weighted Asset RM'000</b>	Exposures after Netting & CRM RM'000	<b>Risk Weighted Asset RM'000</b>
<b>Performing Exposures</b>										
<b>0%</b>	9,527,624	-	636,759	-	105,150	-	-	-	1,611,786	-
<b>20%</b>	-	-	134,575	26,915	963,064	192,613	-	-	542,151	108,430
<b>35%</b>	-	-	-	-	-	-	-	-	-	-
<b>50%</b>	-	-	-	-	12,148	6,074	-	-	50,179	25,090
<b>75%</b>	-	-	-	-	-	-	-	-	-	-
<b>100%</b>	-	-	-	-	-	-	240,209	240,209	6,922,430	6,922,430
<b>150%</b>	-	-	-	-	-	-	-	-	350,777	526,165
<b>Total</b>	9,527,624	-	771,334	26,915	1,080,362	198,687	240,209	240,209	9,477,322	7,582,114
<b>Defaulted Exposures</b>										
<b>0%</b>	-	-	-	-	-	-	-	-	-	-
<b>50%</b>	-	-	-	-	-	-	-	-	38,215	19,107
<b>100%</b>	-	-	-	-	-	-	-	-	51,601	51,601
<b>150%</b>	-	-	-	-	-	-	-	-	233,871	350,807
<b>Total</b>	-	-	-	-	-	-	-	-	323,687	421,515
<b>Total Performing and Defaulted Exposures</b>	9,527,624	-	771,334	26,915	1,080,362	198,687	240,209	240,209	9,801,009	8,003,630

**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 2: Credit Risk Exposure by Risk Weight (continued)**
**MBSB Bank Group**

31-Dec-21	Residential Real Estate				Total		Total Risk
<b>Risk Weights</b>	<b>Regulatory Retail*</b>		<b>Financing</b>		<b>Exposure</b>		<b>Weighted Assets</b>
	Exposures after Netting & CRM RM'000	<b>Risk Weighted Asset RM'000</b>	Exposures after Netting & CRM RM'000	<b>Risk Weighted Asset RM'000</b>	Exposures after Netting & CRM RM'000	<b>Risk Weighted Asset RM'000</b>	<b>Risk Weighted Asset RM'000</b>
<b>Performing Exposures</b>							
<b>0%</b>	-	-	-	-	88,889	-	-
<b>20%</b>	-	-	-	-	-	-	327,958
<b>35%</b>	-	-	1,946,242	681,185	-	-	681,185
<b>50%</b>	-	-	313,780	156,890	-	-	188,054
<b>75%</b>	1,814,338	1,360,754	-	-	-	-	1,360,754
<b>100%</b>	22,978,399	22,978,399	-	-	699,751	699,751	30,840,789
<b>150%</b>	-	-	-	-	-	-	526,165
<b>Total</b>	<b>24,792,738</b>	<b>24,339,153</b>	<b>2,260,022</b>	<b>838,075</b>	<b>788,640</b>	<b>699,751</b>	<b>33,924,903</b>
<b>Defaulted Exposures</b>							
<b>0%</b>	-	-	-	-	-	-	-
<b>50%</b>	79,574	39,787	6,200	3,100	-	-	61,994
<b>100%</b>	1,087	1,087	-	-	-	-	52,688
<b>150%</b>	199,366	299,050	-	-	-	-	649,856
<b>Total</b>	<b>280,027</b>	<b>339,924</b>	<b>6,200</b>	<b>3,100</b>	<b>-</b>	<b>-</b>	<b>764,539</b>
<b>Total Performing and Defaulted Exposures</b>	<b>25,072,765</b>	<b>24,679,077</b>	<b>2,266,221</b>	<b>841,174</b>	<b>788,640</b>	<b>699,751</b>	<b>34,689,443</b>

\* Property financing exposures are included herein.

**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 3: Gross Credit Exposures by Geographic Distribution**

<b><u>MBSB Bank Group</u></b>	<b>Inside Malaysia RM'000</b>	<b>Outside Malaysia RM'000</b>	<b>Total RM'000</b>
<b>30-Jun-22</b>			
<b><u>Exposure Class</u></b>			
<b><u>Gross Credit Exposures</u></b>			
<b><i>On-Balance Sheet Exposures</i></b>			
Sovereigns & Central Banks	9,621,523	-	9,621,523
Public Sector Entities	696,260	-	696,260
Banks, MDBs and FDIs	923,953	56,414	980,367
Insurance Companies, Securities Firms & Fund Managers	240,345	-	240,345
Corporates	8,622,876	-	8,622,876
Regulatory Retail	24,718,215	-	24,718,215
Residential Real Estate Financing	2,939,970	-	2,939,970
Other Assets	738,777	-	738,777
<b>Total for On-Balance Sheet Exposures</b>	<b>48,501,919</b>	<b>56,414</b>	<b>48,558,333</b>
<b><i>Off-Balance Sheet Exposures</i></b>			
Off balance sheet exposures other than OTC derivatives or credit derivatives	1,071,682	-	1,071,682
<b>Total for Off-Balance Sheet Exposures</b>	<b>1,071,682</b>	<b>-</b>	<b>1,071,682</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>49,573,601</b>	<b>56,414</b>	<b>49,630,015</b>

**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 3: Gross Credit Exposures by Geographic Distribution (continued)**

<b><u>MBSB Bank Group</u></b>	<b>Inside Malaysia RM'000</b>	<b>Outside Malaysia RM'000</b>	<b>Total RM'000</b>
<b>31-Dec-21</b>			
<b><u>Exposure Class</u></b>			
<b><u>Gross Credit Exposures</u></b>			
<b><i>On-Balance Sheet Exposures</i></b>			
<b>Sovereigns &amp; Central Banks</b>	9,527,624	-	9,527,624
<b>Public Sector Entities</b>	771,334	-	771,334
<b>Banks, MDBs and FDIs</b>	1,064,693	13,566	1,078,259
<b>Insurance Companies, Securities Firms &amp; Fund Managers</b>	240,209	-	240,209
<b>Corporates</b>	9,014,581	20,299	9,034,880
<b>Regulatory Retail</b>	24,694,570	-	24,694,570
<b>Residential Real Estate Financing</b>	2,266,221	-	2,266,221
<b>Other Assets</b>	788,640	-	788,640
<b>Total for On-Balance Sheet Exposures</b>	<u>48,367,872</u>	<u>33,865</u>	<u>48,401,737</u>
<b><i>Off-Balance Sheet Exposures</i></b>			
<b>Off balance sheet exposures other than OTC derivatives or credit derivatives</b>	3,232,659	20,680	3,253,339
<b>Total for Off-Balance Sheet Exposures</b>	<u>3,232,659</u>	<u>20,680</u>	<u>3,253,339</u>
<b>Total On and Off-Balance Sheet Exposures</b>	<u><u>51,600,531</u></u>	<u><u>54,545</u></u>	<u><u>51,655,076</u></u>

**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 4: Gross Credit Exposures by Residual Contractual Maturity**

<b><u>MBSB Bank Group</u></b>	<b>One Year or Less RM'000</b>	<b>Over One Year to Five Years RM'000</b>	<b>Over Five Years RM'000</b>	<b>Total RM'000</b>
<b>30-Jun-22</b>				
<b><u>Exposure Class</u></b>				
<b><u>Gross Credit Exposures</u></b>				
<b><i>On-Balance Sheet Exposures</i></b>				
Sovereigns & Central Banks	527,874	2,140,038	6,953,611	9,621,523
Public Sector Entities	5,113	382,233	308,914	696,260
Banks, MDBs and FDIs	809,171	106,637	64,559	980,367
Insurance Companies, Securities Firms & Fund Managers	240,345	-	-	240,345
Corporates	2,255,710	2,438,851	3,928,315	8,622,876
Regulatory Retail	636,273	1,694,460	22,387,482	24,718,215
Residential Real Estate Financing	1,574	50,265	2,888,131	2,939,970
Other Assets	731,634	-	7,143	738,777
<b>Total for On-Balance Sheet Exposures</b>	<b>5,207,694</b>	<b>6,812,484</b>	<b>36,538,155</b>	<b>48,558,333</b>
<b><i>Off-Balance Sheet Exposures</i></b>				
Off balance sheet exposures other than OTC derivatives or credit derivatives	274,987	796,695	-	1,071,682
<b>Total for Off-Balance Sheet Exposures</b>	<b>274,987</b>	<b>796,695</b>	<b>-</b>	<b>1,071,682</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>5,482,681</b>	<b>7,609,179</b>	<b>36,538,155</b>	<b>49,630,015</b>

**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 4: Gross Credit Exposures by Residual Contractual Maturity (continued)**

<b><u>MBSB Bank Group</u></b>	<b>One Year or Less RM'000</b>	<b>Over One Year to Five Years RM'000</b>	<b>Over Five Years RM'000</b>	<b>Total RM'000</b>
<b>31-Dec-21</b>				
<b><u>Exposure Class</u></b>				
<b><u>Gross Credit Exposures</u></b>				
<b><i>On-Balance Sheet Exposures</i></b>				
<b>Sovereigns &amp; Central Banks</b>	672,347	2,280,541	6,574,736	9,527,624
<b>Public Sector Entities</b>	60,877	380,507	329,950	771,334
<b>Banks, MDBs and FDIs</b>	901,605	83,061	93,593	1,078,259
<b>Insurance Companies, Securities Firms &amp; Fund Managers</b>	-	-	240,209	240,209
<b>Corporates</b>	2,182,035	2,821,562	4,031,283	9,034,880
<b>Regulatory Retail</b>	633,459	1,640,358	22,420,753	24,694,570
<b>Residential Real Estate Financing</b>	1,204	39,083	2,225,934	2,266,221
<b>Other Assets</b>	787,820	-	820	788,640
<b>Total for On-Balance Sheet Exposures</b>	<u>5,239,347</u>	<u>7,245,112</u>	<u>35,917,278</u>	<u>48,401,737</u>
<b><i>Off-Balance Sheet Exposures</i></b>				
<b>Off balance sheet exposures other than OTC derivatives or credit derivatives</b>	1,485,105	1,762,690	5,544	3,253,339
<b>Total for Off-Balance Sheet Exposures</b>	<u>1,485,105</u>	<u>1,762,690</u>	<u>5,544</u>	<u>3,253,339</u>
<b>Total On and Off-Balance Sheet Exposures</b>	<u>6,724,452</u>	<u>9,007,802</u>	<u>35,922,822</u>	<u>51,655,076</u>



**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 1: Risk-Weighted Assets ("RWA") and Capital Requirements**
**MBSB Bank**

<u>MBSB Bank</u>			Risk	Weighted Assets	Total Risk	
30-Jun-22			Weighted	Absorbed	Weighted	Capital
<u>Exposure Class</u>	Exposures Pre CRM	Exposures	Assets	by PSIA	Assets after	Requirements
	RM'000	Post CRM	RM'000	RM'000	effects of PSIA	RM'000
		RM'000			RM'000	
<u>Credit Risk</u>						
<i>On-Balance Sheet Exposures</i>						
Sovereigns & Central Banks	9,621,523	9,621,523	-	-	-	-
Public Sector Entities	696,260	696,260	27,119	-	27,119	2,170
Banks, MDBs and FDIs	227,737	227,737	39,503	-	39,503	3,160
Insurance Companies, Securities						
Firms & Fund Managers	240,345	240,345	240,345	-	240,345	19,228
Corporates	10,966,893	10,966,893	9,395,752	-	9,395,752	751,660
Regulatory Retail	24,718,215	24,718,215	24,387,552	-	24,387,552	1,951,004
Residential Real Estate Financing	2,939,970	2,939,970	1,112,098	-	1,112,098	88,968
Other Assets	737,689	737,689	650,221	-	650,221	52,018
Total for On-Balance Sheet						
Exposures	50,148,632	50,148,632	35,852,590	-	35,852,590	2,868,207
<i>Off-Balance Sheet Exposures</i>						
Off balance sheet exposures other						
than OTC derivatives or credit						
derivatives	1,071,682	1,071,682	969,413	-	969,413	77,553
Total for Off-Balance Sheet						
Exposures	1,071,682	1,071,682	969,413	-	969,413	77,553
Total On and Off-Balance Sheet						
Exposures	51,220,314	51,220,314	36,822,003	-	36,822,003	2,945,760
<u>Market Risk</u>						
	Long Position	Short Position				
Benchmark Rate Risk	218,376	-	218,376	96,502	-	96,502
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	38,990	(94,304)	94,304	94,304	-	94,304
			</			

**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 1: Risk-Weighted Assets ("RWA") and Capital Requirements (continued)**
**MBSB Bank**

<b>31-Dec-21 Exposure Class</b>	<b>Exposures Pre CRM RM'000</b>	<b>Exposures Post CRM RM'000</b>	<b>Risk Weighted Assets RM'000</b>	<b>Risk Weighted Assets Absorbed by PSIA RM'000</b>	<b>Total Risk Weighted Assets after effects of PSIA RM'000</b>	<b>Capital Requirements RM'000</b>
<b><u>Credit Risk</u></b>						
<b><i>On-Balance Sheet Exposures</i></b>						
Sovereigns & Central Banks	9,527,624	9,527,624	-	-	-	-
Public Sector Entities	771,334	771,334	26,915	-	26,915	2,153
Banks, MDBs and FDIs	334,496	334,496	49,513	-	49,513	3,961
Insurance Companies, Securities Firms & Fund Managers	240,209	240,209	240,209	-	240,209	19,217
Corporates	11,439,511	11,439,511	9,642,131	-	9,642,131	771,370
Regulatory Retail	24,694,570	24,694,570	24,395,655	-	24,395,655	1,951,652
Residential Real Estate Financing	2,266,221	2,266,221	841,174	-	841,174	67,294
Other Assets	823,018	823,018	754,706	-	754,706	60,376
<b>Total for On-Balance Sheet Exposures</b>	<b>50,096,983</b>	<b>50,096,983</b>	<b>35,950,303</b>	<b>-</b>	<b>35,950,303</b>	<b>2,876,024</b>
<b><i>Off-Balance Sheet Exposures</i></b>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	3,253,339	1,146,427	1,049,972	-	1,049,972	83,998
<b>Total for Off-Balance Sheet Exposures</b>	<b>3,253,339</b>	<b>1,146,427</b>	<b>1,049,972</b>	<b>-</b>	<b>1,049,972</b>	<b>83,998</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>53,350,322</b>	<b>51,243,410</b>	<b>37,000,275</b>	<b>-</b>	<b>37,000,275</b>	<b>2,960,022</b>
<b><u>Market Risk</u></b>	<b>Long Position</b>	<b>Short Position</b>				
Benchmark Rate Risk	-	-	-	-	-	-
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	62,619	(172)	62,619	-	62,619	5,010
<b><u>Operational Risk</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,615,184</b>	<b>2,615,184</b>	<b>209,215</b>
<b>Total RWA and Capital Requirements</b>	<b>53,412,941</b>	<b>(172)</b>	<b>51,306,029</b>	<b>39,678,078</b>	<b>39,678,078</b>	<b>3,174,246</b>

**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 2: Credit Risk Exposure by Risk Weight**
**MBSB Bank**
**30-Jun-22**
**Risk Weights**
**Insurance Companies,  
Securities Firms &  
Fund Managers**

	<b>Sovereigns &amp; Central Banks</b>		<b>Public Sector Entities</b>		<b>Banks, MDBs and FDIs</b>		<b>Insurance Companies, Securities Firms &amp; Fund Managers</b>		<b>Corporates</b>	
	Exposures after Netting & CRM RM'000	<b><i>Risk Weighted Asset RM'000</i></b>	Exposures after Netting & CRM RM'000	<b><i>Risk Weighted Asset RM'000</i></b>	Exposures after Netting & CRM RM'000	<b><i>Risk Weighted Asset RM'000</i></b>	Exposures after Netting & CRM RM'000	<b><i>Risk Weighted Asset RM'000</i></b>	Exposures after Netting & CRM RM'000	<b><i>Risk Weighted Asset RM'000</i></b>
<b>Performing Exposures</b>										
0%	9,621,523	-	560,665	-	101,967	-	-	-	1,289,153	-
20%	-	-	135,596	27,119	97,785	19,557	-	-	622,284	124,457
35%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	47,828	23,914	-	-	50,172	25,086
75%	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	240,345	240,345	8,887,617	8,887,617
150%	-	-	-	-	-	-	-	-	285,481	428,222
<b>Total</b>	<b>9,621,523</b>	<b>-</b>	<b>696,261</b>	<b>27,119</b>	<b>247,580</b>	<b>43,471</b>	<b>240,345</b>	<b>240,345</b>	<b>11,134,707</b>	<b>9,465,382</b>
<b>Defaulted Exposures</b>										
0%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	-	-	43,773	21,887
100%	-	-	-	-	-	-	-	-	255,238	255,238
150%	-	-	-	-	-	-	-	-	240,144	360,216
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>539,155</b>	<b>637,341</b>
<b>Total Performing and Defaulted Exposures</b>	<b>9,621,523</b>	<b>-</b>	<b>696,261</b>	<b>27,119</b>	<b>247,580</b>	<b>43,471</b>	<b>240,345</b>	<b>240,345</b>	<b>11,673,862</b>	<b>10,102,723</b>

**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 2: Credit Risk Exposure by Risk Weight (continued)**
**MBSB Bank**

30-Jun-22	Residential Real Estate				Total		Total Risk
<u>Risk Weights</u>	<u>Regulatory Retail*</u>		<u>Financing</u>		<u>Exposure</u>		<u>Weighted Assets</u>
	Exposures after Netting & CRM RM'000	<i>Risk Weighted Asset RM'000</i>	Exposures after Netting & CRM RM'000	<i>Risk Weighted Asset RM'000</i>	Exposures after Netting & CRM RM'000	<i>Risk Weighted Asset RM'000</i>	<i>Risk Weighted Asset RM'000</i>
<b>Performing Exposures</b>							
0%	-	-	-	-	87,469	-	-
20%	-	-	-	-	-	-	855,665
35%	-	-	2,385,914	835,070	-	-	2,385,914
50%	-	-	546,363	273,181	-	-	644,363
75%	2,148,291	1,611,218	-	-	-	-	2,148,291
100%	22,365,286	22,365,286	-	-	650,221	650,221	32,143,469
150%	-	-	-	-	-	-	285,481
<b>Total</b>	<b>24,513,577</b>	<b>23,976,504</b>	<b>2,932,277</b>	<b>1,108,251</b>	<b>737,690</b>	<b>650,221</b>	<b>50,123,959</b>
<b>Defaulted Exposures</b>							
0%	-	-	-	-	-	-	-
50%	149,174	74,587	7,693	3,847	-	-	200,639
100%	11,129	11,129	-	-	-	-	266,367
150%	389,205	583,807	-	-	-	-	629,349
<b>Total</b>	<b>549,508</b>	<b>669,523</b>	<b>7,693</b>	<b>3,847</b>	<b>-</b>	<b>-</b>	<b>1,096,355</b>
<b>Total Performing and Defaulted Exposures</b>	<b>25,063,085</b>	<b>24,646,027</b>	<b>2,939,970</b>	<b>1,112,098</b>	<b>737,690</b>	<b>650,221</b>	<b>51,220,314</b>
							<b>36,822,003</b>

\* Property financing exposures are included herein.

**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 2: Credit Risk Exposure by Risk Weight (continued)**
**MBSB Bank**
**31-Dec-21**
**Risk Weights**

	<b>Sovereigns &amp; Central Banks</b>		<b>Public Sector Entities</b>		<b>Banks, MDBs and FDIs</b>		<b>Insurance Cos, Securities Firms &amp; Fund Managers</b>		<b>Corporates</b>	
	Exposures after Netting & CRM RM'000	<b>Risk Weighted Asset RM'000</b>	Exposures after Netting & CRM RM'000	<b>Risk Weighted Asset RM'000</b>	Exposures after Netting & CRM RM'000	<b>Risk Weighted Asset RM'000</b>	Exposures after Netting & CRM RM'000	<b>Risk Weighted Asset RM'000</b>	Exposures after Netting & CRM RM'000	<b>Risk Weighted Asset RM'000</b>
<b>Performing Exposures</b>										
<b>0%</b>	9,527,624	-	636,759	-	105,150	-	-	-	1,611,786	-
<b>20%</b>	-	-	134,575	26,915	219,301	43,860	-	-	542,151	108,430
<b>35%</b>	-	-	-	-	-	-	-	-	-	-
<b>50%</b>	-	-	-	-	12,148	6,074	-	-	50,179	25,090
<b>75%</b>	-	-	-	-	-	-	-	-	-	-
<b>100%</b>	-	-	-	-	-	-	240,209	240,209	9,327,060	9,327,060
<b>150%</b>	-	-	-	-	-	-	-	-	350,777	526,165
<b>Total</b>	9,527,624	-	771,334	26,915	336,599	49,934	240,209	240,209	11,881,953	9,986,745
<b>Defaulted Exposures</b>										
<b>0%</b>	-	-	-	-	-	-	-	-	-	-
<b>50%</b>	-	-	-	-	-	-	-	-	38,215	19,107
<b>100%</b>	-	-	-	-	-	-	-	-	51,601	51,601
<b>150%</b>	-	-	-	-	-	-	-	-	233,871	350,807
<b>Total</b>	-	-	-	-	-	-	-	-	323,687	421,515
<b>Total Performing and Defaulted Exposures</b>	9,527,624	-	771,334	26,915	336,599	49,934	240,209	240,209	12,205,640	10,408,260

**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 2: Credit Risk Exposure by Risk Weight (continued)**
**MBSB Bank**

31-Dec-21	Residential Real Estate				Total		Total Risk
<u>Risk Weights</u>	<u>Regulatory Retail*</u>		<u>Financing</u>		<u>Exposure</u>		<u>Weighted Assets</u>
	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>	<i>Risk Weighted Asset</i>
<b>Performing Exposures</b>							
0%	-	-	-	-	68,313	-	-
20%	-	-	-	-	-	-	896,027
35%	-	-	1,946,242	681,185	-	-	1,946,242
50%	-	-	313,780	156,890	-	-	376,107
75%	1,814,338	1,360,754	-	-	-	-	1,814,338
100%	22,978,399	22,978,399	-	-	754,706	754,706	33,300,374
150%	-	-	-	-	-	-	350,777
<b>Total</b>	<b>24,792,738</b>	<b>24,339,153</b>	<b>2,260,022</b>	<b>838,075</b>	<b>823,018</b>	<b>754,706</b>	<b>50,633,496</b>
<b>Defaulted Exposures</b>							
0%	-	-	-	-	-	-	-
50%	79,574	39,787	6,200	3,100	-	-	123,988
100%	1,087	1,087	-	-	-	-	52,688
150%	199,366	299,050	-	-	-	-	433,237
<b>Total</b>	<b>280,027</b>	<b>339,923</b>	<b>6,200</b>	<b>3,100</b>	<b>-</b>	<b>-</b>	<b>609,914</b>
<b>Total Performing and Defaulted Exposures</b>	<b>25,072,765</b>	<b>24,679,077</b>	<b>2,266,221</b>	<b>841,174</b>	<b>823,018</b>	<b>754,706</b>	<b>51,243,410</b>
							<b>37,000,275</b>

\* Property financing exposures are included herein.

**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 3: Gross Credit Exposures by Geographic Distribution****MBSB Bank****30-Jun-22****Exposure Class****Gross Credit Exposures*****On-Balance Sheet Exposures*****Sovereigns & Central Banks**

Inside Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
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9,621,523	-	9,621,523
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**Public Sector Entities**

696,260	-	696,260
---------	---	---------

**Banks, MDBs and FDIs**

171,323	56,414	227,737
---------	--------	---------

**Insurance Companies, Securities Firms & Fund Managers**

240,345	-	240,345
---------	---	---------

**Corporates**

10,966,893	-	10,966,893
------------	---	------------

**Regulatory Retail**

24,718,215	-	24,718,215
------------	---	------------

**Residential Real Estate Financing**

2,939,970	-	2,939,970
-----------	---	-----------

**Other Assets**

737,689	-	737,689
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**Total for On-Balance Sheet Exposures**

50,092,218	56,414	50,148,632
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***Off-Balance Sheet Exposures*****Off balance sheet exposures other than OTC derivatives  
or credit derivatives**

1,071,682	-	1,071,682
-----------	---	-----------

**Total for Off-Balance Sheet Exposures**

1,071,682	-	1,071,682
-----------	---	-----------

**Total On and Off-Balance Sheet Exposures**

51,163,900	56,414	51,220,314
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**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 3: Gross Credit Exposures by Geographic Distribution (continued)**

<b><u>MBSB Bank</u></b>	<b>Inside Malaysia RM'000</b>	<b>Outside Malaysia RM'000</b>	<b>Total RM'000</b>
<b>31-Dec-21</b>			
<b><u>Exposure Class</u></b>			
<b><u>Gross Credit Exposures</u></b>			
<b><i>On-Balance Sheet Exposures</i></b>			
<b>Sovereigns &amp; Central Banks</b>	9,527,624	-	9,527,624
<b>Public Sector Entities</b>	771,334	-	771,334
<b>Banks, MDBs and FDIs</b>	320,929	13,567	334,496
<b>Insurance Companies, Securities Firms &amp; Fund Managers</b>	240,209	-	240,209
<b>Corporates</b>	11,419,212	20,299	11,439,511
<b>Regulatory Retail</b>	24,694,570	-	24,694,570
<b>Residential Real Estate Financing</b>	2,266,221	-	2,266,221
<b>Other Assets</b>	823,018	-	823,018
<b>Total for On-Balance Sheet Exposures</b>	<u>50,063,117</u>	<u>33,866</u>	<u>50,096,983</u>
<b><i>Off-Balance Sheet Exposures</i></b>			
<b>Off balance sheet exposures other than OTC derivatives or credit derivatives</b>	3,232,659	20,680	3,253,339
<b>Total for Off-Balance Sheet Exposures</b>	<u>3,232,659</u>	<u>20,680</u>	<u>3,253,339</u>
<b>Total On and Off-Balance Sheet Exposures</b>	<u><u>53,295,776</u></u>	<u><u>54,546</u></u>	<u><u>53,350,322</u></u>



**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 4: Gross Credit Exposures by Residual Contractual Maturity**

<b><u>MBSB Bank</u></b>	<b>One Year or Less RM'000</b>	<b>Over One Year to Five Years RM'000</b>	<b>Over Five Years RM'000</b>	<b>Total RM'000</b>
<b>30-Jun-22</b>				
<b><u>Exposure Class</u></b>				
<b><u>Gross Credit Exposures</u></b>				
<b><i>On-Balance Sheet Exposures</i></b>				
Sovereigns & Central Banks	527,874	2,140,038	6,953,611	9,621,523
Public Sector Entities	5,113	382,233	308,914	696,260
Banks, MDBs and FDIs	56,541	106,637	64,559	227,737
Insurance Companies, Securities Firms & Fund Managers	240,345	-	-	240,345
Corporates	2,627,601	3,750,846	4,588,446	10,966,893
Regulatory Retail	636,273	1,694,460	22,387,482	24,718,215
Residential Real Estate Financing	1,574	50,265	2,888,131	2,939,970
Other Assets	730,546	-	7,143	737,689
<b>Total for On-Balance Sheet Exposures</b>	<b>4,825,867</b>	<b>8,124,479</b>	<b>37,198,286</b>	<b>50,148,632</b>
<b><i>Off-Balance Sheet Exposures</i></b>				
Off balance sheet exposures other than OTC derivatives or credit derivatives	274,987	796,695	-	1,071,682
<b>Total for Off-Balance Sheet Exposures</b>	<b>274,987</b>	<b>796,695</b>	<b>-</b>	<b>1,071,682</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>5,100,854</b>	<b>8,921,174</b>	<b>37,198,286</b>	<b>51,220,314</b>

**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 4: Gross Credit Exposures by Residual Contractual Maturity (continued)**

<b><u>MBSB Bank</u></b>	<b>One Year or Less RM'000</b>	<b>Over One Year to Five Years RM'000</b>	<b>Over Five Years RM'000</b>	<b>Total RM'000</b>
<b>31-Dec-21</b>				
<b><u>Exposure Class</u></b>				
<b><u>Gross Credit Exposures</u></b>				
<b><i>On-Balance Sheet Exposures</i></b>				
<b>Sovereigns &amp; Central Banks</b>	672,347	2,280,541	6,574,736	9,527,624
<b>Public Sector Entities</b>	60,877	380,507	329,950	771,334
<b>Banks, MDBs and FDIs</b>	157,842	83,061	93,593	334,496
<b>Insurance Companies, Securities Firms &amp; Fund Managers</b>	-	-	240,209	240,209
<b>Corporates</b>	2,653,378	4,359,609	4,426,524	11,439,511
<b>Regulatory Retail</b>	633,458	1,640,358	22,420,754	24,694,570
<b>Residential Real Estate Financing</b>	1,204	39,083	2,225,934	2,266,221
<b>Other Assets</b>	822,198	-	820	823,018
<b>Total for On-Balance Sheet Exposures</b>	<u>5,001,304</u>	<u>8,783,159</u>	<u>36,312,520</u>	<u>50,096,983</u>
<b><i>Off-Balance Sheet Exposures</i></b>				
<b>Off balance sheet exposures other than OTC derivatives or credit derivatives</b>	1,485,105	1,762,690	5,544	3,253,339
<b>Total for Off-Balance Sheet Exposures</b>	<u>1,485,105</u>	<u>1,762,690</u>	<u>5,544</u>	<u>3,253,339</u>
<b>Total On and Off-Balance Sheet Exposures</b>	<u><u>6,486,409</u></u>	<u><u>10,545,849</u></u>	<u><u>36,318,064</u></u>	<u><u>53,350,322</u></u>

**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 5: Interest Rate Risk/Rate of Return Risk ("IRR"/"RORR") in the Banking Book**

At the reporting date, if interest/profit rates had been 100 basis points lower/higher, with all other variables held constant, the Bank Group's and the Bank's net profit and shareholders' equity would have been as per the following table, arising mainly as a result of changes in interest expenses from floating rate borrowings and fixed deposits placed by customers and interest income from floating rate loans, financing and advances.

		<b>MBSB Bank Group</b>		<b>MBSB Bank</b>	
		<b>+100 basis points</b>	<b>-100 basis points</b>	<b>+100 basis points</b>	<b>-100 basis points</b>
	<b>Tax rate</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30-Jun-22</b>					
<b>Impact to profit before tax</b>		(126,285)	126,285	(130,396)	130,396
<b>Impact to profit after tax and equity</b>	24%	(475,660)	515,839	(475,660)	515,839
<b>31-Dec-21</b>					
<b>Impact to profit before tax</b>		(136,480)	136,480	(140,345)	140,345
<b>Impact to profit after tax and equity</b>	24%	(466,657)	507,743	(466,657)	507,743

**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 6: Disclosures on Rated Exposures according to Rating by ECAIs****MBSB Bank Group****30-Jun-22****Disclosures Expressed in nearest RM thousand (RM'000)**

Exposure Class		Rating of Corporate by approved ECAIs				
	MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<b><u>On and Off Balance Sheet Exposures</u></b>						
<b><u>Credit exposure (using Corporate Risk Weights)</u></b>						
Public Sector Entity (applicable for entities risk weighted based on their external rating as corporate)		696,261	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers		-	-	-	-	240,345
Corporates		2,196,918	50,172	-	-	7,082,756
<b>Total</b>		<b>2,893,179</b>	<b>50,172</b>	<b>-</b>	<b>-</b>	<b>7,323,101</b>

**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 6: Disclosures on Rated Exposures according to Rating by ECAs (continued)****MBSB Bank Group****30-Jun-22****Disclosures Expressed in nearest RM thousand (RM'000)**

Exposure Class		Rating of Sovereign Central Banks by approved ECAs				
	MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<b><u>On and Off Balance Sheet Exposures</u></b>						
<b>Sovereign Central Banks</b>		9,621,523	-	-	-	-
<b>Total</b>		9,621,523	-	-	-	-

Exposure Class		Rating of Banking Institutions by approved ECAs				
	MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<b><u>On and Off Balance Sheet Exposures</u></b>						
<b>Banks, MDBs and FDI</b>		952,382	43,236	4,546	-	46
<b>Total</b>		952,382	43,236	4,546	-	46

**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 6: Disclosures on Rated Exposures according to Rating by ECAs (continued)****MBSB Bank Group****31-Dec-21****Disclosures Expressed in nearest RM thousand (RM'000)**

Exposure Class		Rating of Corporate by approved ECAs				
	MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<b><u>On and Off Balance Sheet Exposures</u></b>						
<b><u>Credit exposure (using Corporate Risk Weights)</u></b>						
Public Sector Entity (applicable for entities risk weighted based on their external rating as corporate)		771,334	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers		-	-	-	-	240,209
Corporates		2,504,713	50,179	-	-	7,246,118
<b>Total</b>		<b>3,276,047</b>	<b>50,179</b>	<b>-</b>	<b>-</b>	<b>7,486,327</b>

**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 6: Disclosures on Rated Exposures according to Rating by ECAs (continued)**
**MBSB Bank Group**
**31-Dec-21**
**Disclosures Expressed in nearest RM thousand (RM'000)**

Exposure Class		Rating of Sovereign Central Banks by approved ECAs				
	MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<b><u>On and Off Balance Sheet Exposures</u></b>						
<b>Sovereign Central Banks</b>		9,527,624	-	-	-	-
<b>Total</b>		9,527,624	-	-	-	-

Exposure Class		Rating of Banking Institutions by approved ECAs				
	MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<b><u>On and Off Balance Sheet Exposures</u></b>						
<b>Banks, MDBs and FDI</b>		1,067,260	12,837	222	-	43
<b>Total</b>		1,067,260	12,837	222	-	43

**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 6: Disclosures on Rated Exposures according to Rating by ECAs****MBSB Bank****30-Jun-22****Disclosures Expressed in nearest RM thousand (RM'000)**

Exposure Class		Rating of Corporate by approved ECAs				
	MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<b><u>On and Off Balance Sheet Exposures</u></b>						
<b><u>Credit exposure (using Corporate Risk Weights)</u></b>						
Public Sector Entity (applicable for entities risk weighted based on their external rating as corporate)		696,261	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers		-	-	-	-	240,345
Corporates		2,196,918	50,172	-	-	9,426,772
<b>Total</b>		<b>2,893,179</b>	<b>50,172</b>	<b>-</b>	<b>-</b>	<b>9,667,117</b>



**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 6: Disclosures on Rated Exposures according to Rating by ECAs (continued)****MBSB Bank****30-Jun-22****Disclosures Expressed in nearest RM thousand (RM'000)**

Exposure Class		Rating of Sovereign Central Banks by approved ECAs				
	MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<b><u>On and Off Balance Sheet Exposures</u></b>						
<b>Sovereign Central Banks</b>		9,621,523	-	-	-	-
<b>Total</b>		9,621,523	-	-	-	-

Exposure Class		Rating of Banking Institutions by approved ECAs				
	MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<b><u>On and Off Balance Sheet Exposures</u></b>						
<b>Banks, MDBs and FDI</b>		199,752	43,236	4,546	-	46
<b>Total</b>		199,752	43,236	4,546	-	46

**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 6: Disclosures on Rated Exposures according to Rating by ECAs (continued)****MBSB Bank****31-Dec-21****Disclosures Expressed in nearest RM thousand (RM'000)**

Exposure Class		Rating of Corporate by approved ECAs				
	MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<b><u>On and Off Balance Sheet Exposures</u></b>						
<b><u>Credit exposure (using Corporate Risk Weights)</u></b>						
Public Sector Entity (applicable for entities risk weighted based on their external rating as corporate)		771,334	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers		-	-	-	-	240,209
Corporates		2,504,713	50,179	-	-	9,650,748
<b>Total</b>		<b>3,276,047</b>	<b>50,179</b>	<b>-</b>	<b>-</b>	<b>9,890,957</b>

**MBSB BANK BERHAD (200501033981 / 716122-P)**

(Incorporated in Malaysia)

**Table 6: Disclosures on Rated Exposures according to Rating by ECAs (continued)**

**MBSB Bank**

**31-Dec-21**

**Disclosures Expressed in nearest RM thousand (RM'000)**

Exposure Class		Rating of Sovereign Central Banks by approved ECAs				
	MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<b><u>On and Off Balance Sheet Exposures</u></b>						
<b>Sovereign Central Banks</b>		9,527,624	-	-	-	-
<b>Total</b>		9,527,624	-	-	-	-

Exposure Class		Rating of Banking Institutions by approved ECAs				
	MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<b><u>On and Off Balance Sheet Exposures</u></b>						
<b>Banks, MDBs and FDI</b>		323,497	12,837	222	-	43
<b>Total</b>		323,497	12,837	222	-	43

**MBSB BANK BERHAD (200501033981 / 716122-P)**  
(Incorporated in Malaysia)

**Pillar 3, Basel II - Capital Adequacy Framework for Islamic Banks (CAFIB) Disclosures -  
Chief Executive Officer Attestation**

In accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Bank (CAFIB) Pillar 3 Disclosure Requirement, it is hereby attested that the disclosures as set forth in the accompanying notes to the financial statements related to significant business and operations risks of MBSB Bank Berhad for the financial period ended 30 June 2022 are consistent with the manner in which the Bank assesses and manages its risks, and are not misleading in any particular way.

A handwritten signature in black ink, consisting of a large loop and a horizontal stroke.

DATUK NOR AZAM M. TAIB  
CHIEF EXECUTIVE OFFICER