

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

**BASEL II PILLAR 3 -  
CAPITAL ADEQUACY FRAMEWORK FOR ISLAMIC BANKS ("CAFIB") DISCLOSURES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**MBSB BANK BERHAD (200501033981 / 716122-P)**  
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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 40 to the Financial Statements for the financial year ended 31 December 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 year ended 31 December 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**

	<b>MBSB Bank Group</b>			
	<b>with TA</b>	<b>without TA</b>	<b>with TA</b>	<b>without TA</b>
	<b>31-Dec-22</b>	<b>31-Dec-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	6,427,972	6,427,972	5,427,972	5,427,972
Retained profits exclude merger reserve	1,483,063	1,483,063	1,166,619	1,166,619
Fair value reserves	(341,367)	(341,367)	(160,950)	(160,950)
Regulatory reserve	-	-	5,234	5,234
	<b>7,569,668</b>	<b>7,569,668</b>	<b>6,438,875</b>	<b>6,438,875</b>
Less : Regulatory adjustments				
Deferred tax assets	(107,238)	(107,238)	(17,292)	(17,292)
Intangible assets	(96,157)	(96,157)	(101,184)	(101,184)
55% of cumulative gains on FVOCI instruments	(10,856)	(10,856)	(57,882)	(57,882)
Regulatory reserve attributable to financing	-	-	(5,234)	(5,234)
Other CET1 regulatory adjustments	-	-	144,121	-
Total CET1 capital	<b>7,355,417</b>	<b>7,355,417</b>	<b>6,401,404</b>	<b>6,257,283</b>
<b><u>Tier 1 Capital</u></b>				
Additional Tier 1 capital instruments	-	-	-	-
Less: Tier 1 regulatory adjustments	-	-	-	-
Total Tier 1 capital	<b>7,355,417</b>	<b>7,355,417</b>	<b>6,401,404</b>	<b>6,257,283</b>
<b><u>Tier 2 Capital</u></b>				
Stage 1 & Stage 2 expected credit loss allowances <sup>^</sup>	443,911	443,911	433,618	433,618
Additional Tier 2 capital instruments	1,300,000	1,300,000	1,294,247	1,294,247
Total Tier 2 capital	<b>1,743,911</b>	<b>1,743,911</b>	<b>1,727,865</b>	<b>1,727,865</b>
Total capital base	<b>9,099,328</b>	<b>9,099,328</b>	<b>8,129,269</b>	<b>7,985,148</b>
<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:				
	<b>31-Dec-22</b>	<b>31-Dec-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	35,512,865	35,512,865	34,689,443	34,689,443
Market risk	90,857	90,857	62,619	62,619
Operational risk	2,733,427	2,733,427	2,547,591	2,547,591
Total RWA	<b>38,337,149</b>	<b>38,337,149</b>	<b>37,299,653</b>	<b>37,299,653</b>
<b><u>Capital adequacy ratios</u></b>				
CET1 capital ratio	19.186%	19.186%	17.162%	16.776%
Tier 1 capital ratio	19.186%	19.186%	17.162%	16.776%
Total capital ratio	<b>23.735%</b>	<b>23.735%</b>	<b>21.794%</b>	<b>21.408%</b>

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 31 December 2022, URIA risk weighted assets excluded from the Total Capital Ratio calculation amounted to RM2,012.5 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>31-Dec-22</b>	<b>31-Dec-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	6,427,972	6,427,972	5,427,972	5,427,972
Retained profits exclude merger reserve	1,555,371	1,555,371	1,242,215	1,242,215
Fair value reserves	(341,367)	(341,367)	(160,950)	(160,950)
Regulatory reserve	-	-	5,234	5,234
	<b>7,641,976</b>	<b>7,641,976</b>	<b>6,514,471</b>	<b>6,514,471</b>
Less : Regulatory adjustments				
Deferred tax assets	(107,238)	(107,238)	(17,292)	(17,292)
Intangible assets	(96,157)	(96,157)	(101,184)	(101,184)
55% of cumulative gains on FVOCI instruments	(10,860)	(10,860)	(57,882)	(57,882)
Regulatory reserve attributable to financing	-	-	(5,234)	(5,234)
Other CET1 regulatory adjustments	-	-	144,121	-
Total CET1 capital	<b>7,427,721</b>	<b>7,427,721</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>7,427,721</b>	<b>7,427,721</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 <sup>^</sup>	469,580	469,580	462,503	462,503
Additional Tier 2 capital instruments	1,300,000	1,300,000	1,294,247	1,294,247
Total Tier 2 capital	<b>1,769,580</b>	<b>1,769,580</b>	<b>1,756,750</b>	<b>1,756,750</b>
Total capital base	<b>9,197,301</b>	<b>9,197,301</b>	<b>8,233,750</b>	<b>8,089,629</b>

<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:

	<b>31-Dec-22</b>	<b>31-Dec-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	37,566,371	37,566,371	37,000,275	37,000,275
Market risk	90,857	90,857	62,619	62,619
Operational risk	2,693,139	2,693,139	2,615,184	2,615,184
Total RWA	<b>40,350,367</b>	<b>40,350,367</b>	<b>39,678,078</b>	<b>39,678,078</b>
<b><u>Capital adequacy ratios</u></b>				
CET1 capital ratio	18.408%	18.408%	16.324%	15.961%
Tier 1 capital ratio	18.408%	18.408%	16.324%	15.961%
Total capital ratio	<b>22.794%</b>	<b>22.794%</b>	<b>20.751%</b>	<b>20.388%</b>

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 31 December 2022, URIA risk weighted assets excluded from the Total Capital Ratio calculation amounted to RM2,012.5 million (31 Dec 2021: RM2,080.8 million).

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

31-Dec-22 <u>Exposure Class</u>	Exposures Pre CRM RM'000	Exposures Post CRM RM'000	Risk Weighted Assets RM'000	Risk Weighted Assets Absorbed by PSIA RM'000	Total Risk Weighted Assets after effects of PSIA RM'000	Capital Requirements RM'000
<b><u>Credit Risk</u></b>						
<b><i>On-Balance Sheet Exposures</i></b>						
Sovereigns & Central Banks	11,306,925	11,306,925	-	-	-	-
Public Sector Entities	758,623	758,623	34,387	-	34,387	2,751
Banks, MDBs and DFIs	1,068,257	1,068,257	235,938	-	235,938	18,875
Insurance Companies, Securities Firms & Fund Managers	240,357	240,357	240,357	-	240,357	19,229
Corporates	10,459,029	10,459,029	7,536,291	-	7,536,291	602,903
Regulatory Retail	24,904,274	24,904,274	24,479,244	-	24,479,244	1,958,340
Residential Real Estate Financing	2,907,571	2,907,571	1,104,790	-	1,104,790	88,383
Other Assets	828,226	828,226	632,787	-	632,787	50,623
<b>Total for On-Balance Sheet Exposures</b>	<b>52,473,262</b>	<b>52,473,262</b>	<b>34,263,794</b>	<b>-</b>	<b>34,263,794</b>	<b>2,741,104</b>
<b><i>Off-Balance Sheet Exposures</i></b>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	1,376,434	1,376,434	1,249,071	-	1,249,071	99,926
<b>Total for Off-Balance Sheet Exposures</b>	<b>1,376,434</b>	<b>1,376,434</b>	<b>1,249,071</b>	<b>-</b>	<b>1,249,071</b>	<b>99,926</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>53,849,696</b>	<b>53,849,696</b>	<b>35,512,865</b>	<b>-</b>	<b>35,512,865</b>	<b>2,841,029</b>
<b><u>Market Risk</u></b>	<b>Long Position</b>	<b>Short Position</b>				
Benchmark Rate Risk	-	-	-	-	-	-
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	90,857	-	90,857	90,857	90,857	7,269
<b><u>Operational Risk</u></b>	-	-	-	2,733,427	2,733,427	218,674
<b>Total RWA and Capital Requirements</b>	<b>53,940,553</b>	<b>53,849,696</b>	<b>53,940,553</b>	<b>38,337,149</b>	<b>38,337,149</b>	<b>3,066,972</b>

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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 DFIs	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**
**31-Dec-22**
**Risk Weights**

	<b>Sovereigns &amp; Central Banks</b>		<b>Public Sector Entities</b>		<b>Banks, MDBs and DFIs</b>		<b>Insurance Companies, Securities Firms &amp; Fund Managers</b>		<b>Corporates</b>	
	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>	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>
<b>Performing Exposures</b>										
0%	11,306,925	-	586,689	-	102,173	-	-	-	1,267,702	-
20%	-	-	171,934	34,387	857,644	171,527	-	-	2,414,267	482,853
35%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	142,403	71,202	-	-	61,105	30,553
75%	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	240,357	240,357	6,737,713	6,737,713
150%	-	-	-	-	-	-	-	-	299,880	449,820
<b>Total</b>	<b>11,306,925</b>	<b>-</b>	<b>758,623</b>	<b>34,387</b>	<b>1,102,220</b>	<b>242,729</b>	<b>240,357</b>	<b>240,357</b>	<b>10,780,667</b>	<b>7,700,939</b>
<b>Defaulted Exposures</b>										
0%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	-	-	104,189	52,095
100%	-	-	-	-	-	-	-	-	99,572	99,572
150%	-	-	-	-	-	-	-	-	418,169	627,254
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>621,930</b>	<b>778,921</b>
<b>Total Performing and Defaulted Exposures</b>	<b>11,306,925</b>	<b>-</b>	<b>758,623</b>	<b>34,387</b>	<b>1,102,220</b>	<b>242,729</b>	<b>240,357</b>	<b>240,357</b>	<b>11,402,597</b>	<b>8,479,860</b>

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

31-Dec-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%	-	-	-	-	195,439	-	-
20%	-	-	-	-	-	-	688,767
35%	-	-	2,326,633	814,322	-	-	814,322
50%	-	-	556,126	278,063	-	-	379,818
75%	2,839,148	2,129,361	-	-	-	-	2,129,361
100%	21,777,560	21,777,560	-	-	632,787	632,787	29,388,417
150%	-	-	-	-	-	-	449,820
<b>Total</b>	<b>24,616,708</b>	<b>23,906,921</b>	<b>2,882,759</b>	<b>1,092,385</b>	<b>828,226</b>	<b>632,787</b>	<b>33,850,505</b>
<b>Defaulted Exposures</b>							
0%	-	-	-	-	-	-	-
50%	71,110	35,555	24,812	12,406	-	-	100,056
100%	175,122	175,122	-	-	-	-	274,694
150%	440,238	660,357	-	-	-	-	1,287,610
<b>Total</b>	<b>686,470</b>	<b>871,034</b>	<b>24,812</b>	<b>12,406</b>	<b>-</b>	<b>-</b>	<b>1,662,360</b>
<b>Total Performing and Defaulted Exposures</b>	<b>25,303,178</b>	<b>24,777,955</b>	<b>2,907,571</b>	<b>1,104,791</b>	<b>828,226</b>	<b>632,787</b>	<b>35,512,865</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 DFIs</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>										
<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 Risk	
<u>Risk Weights</u>	Regulatory Retail*		Financing		Other Assets		Exposure	Weighted Assets
	Exposures after Netting & CRM RM'000	Risk Weighted Asset RM'000	Exposures after Netting & CRM RM'000	Risk Weighted Asset RM'000	Exposures after Netting & CRM RM'000	Risk Weighted Asset RM'000	Exposures after Netting & CRM RM'000	Risk Weighted Asset RM'000
Performing Exposures								
0%	-	-	-	-	88,889	-	11,970,207	-
20%	-	-	-	-	-	-	1,639,790	327,958
35%	-	-	1,946,242	681,185	-	-	1,946,242	681,185
50%	-	-	313,780	156,890	-	-	376,107	188,054
75%	1,814,338	1,360,754	-	-	-	-	1,814,338	1,360,754
100%	22,978,399	22,978,399	-	-	699,751	699,751	30,840,789	30,840,789
150%	-	-	-	-	-	-	350,777	526,165
Total	24,792,738	24,339,153	2,260,022	838,075	788,640	699,751	48,938,250	33,924,903
Defaulted Exposures								
0%	-	-	-	-	-	-	-	-
50%	79,574	39,787	6,200	3,100	-	-	123,988	61,994
100%	1,087	1,087	-	-	-	-	52,688	52,688
150%	199,366	299,050	-	-	-	-	433,237	649,856
Total	280,027	339,924	6,200	3,100	-	-	609,914	764,539
Total Performing and Defaulted Exposures	25,072,765	24,679,077	2,266,221	841,174	788,640	699,751	49,548,164	34,689,443

\* 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 Group****31-Dec-22****Exposure Class****Gross Credit Exposures*****On-Balance Sheet Exposures*****Sovereigns & Central Banks****Public Sector Entities****Banks, MDBs and DFIs****Insurance Companies, Securities Firms & Fund Managers****Corporates****Regulatory Retail****Residential Real Estate Financing****Other Assets****Total for On-Balance Sheet Exposures*****Off-Balance Sheet Exposures*****Off balance sheet exposures other than OTC derivatives  
or credit derivatives****Total for Off-Balance Sheet Exposures****Total On and Off-Balance Sheet Exposures**

	Inside Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
Sovereigns & Central Banks	11,306,925	-	11,306,925
Public Sector Entities	758,623	-	758,623
Banks, MDBs and DFIs	911,283	156,974	1,068,257
Insurance Companies, Securities Firms & Fund Managers	240,357	-	240,357
Corporates	10,459,029	-	10,459,029
Regulatory Retail	24,904,274	-	24,904,274
Residential Real Estate Financing	2,907,571	-	2,907,571
Other Assets	828,226	-	828,226
<b>Total for On-Balance Sheet Exposures</b>	<b>52,316,288</b>	<b>156,974</b>	<b>52,473,262</b>
<b>Off balance sheet exposures other than OTC derivatives or credit derivatives</b>	<b>1,376,368</b>	<b>66</b>	<b>1,376,434</b>
<b>Total for Off-Balance Sheet Exposures</b>	<b>1,376,368</b>	<b>66</b>	<b>1,376,434</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>53,692,656</b>	<b>157,040</b>	<b>53,849,696</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 DFIs</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>No Specific Maturity RM'000</b>	<b>Total RM'000</b>
<b>31-Dec-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	2,815,584	2,883,695	5,607,646	-	11,306,925
Public Sector Entities	66,226	369,006	323,391	-	758,623
Banks, MDBs and DFIs	806,485	180,590	81,182	-	1,068,257
Insurance Companies, Securities Firms & Fund Managers	240,357	-	-	-	240,357
Corporates	3,660,529	3,253,503	3,544,997	-	10,459,029
Regulatory Retail	782,426	1,863,017	22,258,831	-	24,904,274
Residential Real Estate Financing	2,420	53,857	2,851,294	-	2,907,571
Other Assets	-	-	-	828,226	828,226
<b>Total for On-Balance Sheet Exposures</b>	<b>8,374,027</b>	<b>8,603,668</b>	<b>34,667,341</b>	<b>828,226</b>	<b>52,473,262</b>
<b><i>Off-Balance Sheet Exposures</i></b>					
Off balance sheet exposures other than OTC derivatives or credit derivatives	253,728	947,224	175,482	-	1,376,434
<b>Total for Off-Balance Sheet Exposures</b>	<b>253,728</b>	<b>947,224</b>	<b>175,482</b>	<b>-</b>	<b>1,376,434</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>8,627,755</b>	<b>9,550,892</b>	<b>34,842,823</b>	<b>828,226</b>	<b>53,849,696</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>No Specific Maturity 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 DFIs</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>	-	-	-	788,640	788,640
<b>Total for On-Balance Sheet Exposures</b>	<u>4,451,527</u>	<u>7,245,112</u>	<u>35,916,458</u>	<u>788,640</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>-</u>	<u>3,253,339</u>
<b>Total On and Off-Balance Sheet Exposures</b>	<u>5,936,632</u>	<u>9,007,802</u>	<u>35,922,002</u>	<u>788,640</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**

<b>31-Dec-22 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	11,306,925	11,306,925	-	-	-	-
Public Sector Entities	758,623	758,623	34,387	-	34,387	2,751
Banks, MDBs and DFIs	470,510	470,510	116,388	-	116,388	9,311
Insurance Companies, Securities Firms & Fund Managers	240,357	240,357	240,357	-	240,357	19,229
Corporates	12,563,528	12,563,528	9,640,790	-	9,640,790	771,263
Regulatory Retail	24,904,274	24,904,274	24,479,244	-	24,479,244	1,958,340
Residential Real Estate Financing	2,907,571	2,907,571	1,104,790	-	1,104,790	88,383
Other Assets	783,220	783,220	701,344	-	701,344	56,108
<b>Total for On-Balance Sheet Exposures</b>	<b>53,935,008</b>	<b>53,935,008</b>	<b>36,317,300</b>	<b>-</b>	<b>36,317,300</b>	<b>2,905,384</b>
<b><i>Off-Balance Sheet Exposures</i></b>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	1,376,434	1,376,434	1,249,071	-	1,249,071	99,926
<b>Total for Off-Balance Sheet Exposures</b>	<b>1,376,434</b>	<b>1,376,434</b>	<b>1,249,071</b>	<b>-</b>	<b>1,249,071</b>	<b>99,926</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>55,311,442</b>	<b>55,311,442</b>	<b>37,566,371</b>	<b>-</b>	<b>37,566,371</b>	<b>3,005,310</b>
<b><u>Market Risk</u></b>						
	<b>Long Position</b>	<b>Short Position</b>				
Benchmark Rate Risk	-	-	-	-	-	-
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	90,857	-	90,857	-	90,857	7,269
<b><u>Operational Risk</u></b>	-	-	-	-	-	-
<b>Total RWA and Capital Requirements</b>	<b>55,402,299</b>	<b>55,311,442</b>	<b>55,402,299</b>	<b>40,350,367</b>	<b>40,350,367</b>	<b>3,228,029</b>

**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 DFIs	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**
**31-Dec-22**
**Risk Weights**

	<b>Sovereigns &amp; Central Banks</b>		<b>Public Sector Entities</b>		<b>Banks, MDBs and DFIs</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%	11,306,926	-	586,689	-	102,173	-	-	-	1,267,702	-
20%	-	-	171,935	34,387	259,896	51,979	-	-	2,414,267	482,853
35%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	142,403	71,202	-	-	61,105	30,553
75%	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	240,357	240,357	8,842,211	8,842,211
150%	-	-	-	-	-	-	-	-	299,880	449,820
<b>Total</b>	<b>11,306,926</b>	<b>-</b>	<b>758,624</b>	<b>34,387</b>	<b>504,472</b>	<b>123,181</b>	<b>240,357</b>	<b>240,357</b>	<b>12,885,165</b>	<b>9,805,437</b>
<b>Defaulted Exposures</b>										
0%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	-	-	104,189	52,095
100%	-	-	-	-	-	-	-	-	99,572	99,572
150%	-	-	-	-	-	-	-	-	418,169	627,254
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>621,930</b>	<b>778,921</b>
<b>Total Performing and Defaulted Exposures</b>	<b>11,306,926</b>	<b>-</b>	<b>758,624</b>	<b>34,387</b>	<b>504,472</b>	<b>123,181</b>	<b>240,357</b>	<b>240,357</b>	<b>13,507,095</b>	<b>10,584,358</b>

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

(Incorporated in Malaysia)

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

31-Dec-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>	Exposures after Netting & CRM RM'000
<b>Performing Exposures</b>							
0%	-	-	-	-	81,876	-	13,345,365
20%	-	-	-	-	-	-	2,846,098
35%	-	-	2,326,633	814,322	-	-	2,326,633
50%	-	-	556,126	278,062	-	-	759,634
75%	2,839,148	2,129,361	-	-	-	-	2,839,148
100%	21,777,560	21,777,560	-	-	701,345	701,345	31,561,473
150%	-	-	-	-	-	-	299,880
<b>Total</b>	<b>24,616,708</b>	<b>23,906,921</b>	<b>2,882,759</b>	<b>1,092,384</b>	<b>783,221</b>	<b>701,345</b>	<b>53,978,231</b>
<b>Defaulted Exposures</b>							
0%	-	-	-	-	-	-	-
50%	71,110	35,555	24,812	12,406	-	-	200,110
100%	175,122	175,122	-	-	-	-	274,694
150%	440,238	660,356	-	-	-	-	858,407
<b>Total</b>	<b>686,470</b>	<b>871,033</b>	<b>24,812</b>	<b>12,406</b>	<b>-</b>	<b>-</b>	<b>1,333,211</b>
<b>Total Performing and Defaulted Exposures</b>	<b>25,303,178</b>	<b>24,777,954</b>	<b>2,907,571</b>	<b>1,104,790</b>	<b>783,221</b>	<b>701,345</b>	<b>55,311,442</b>
							<b>37,566,371</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 DFIs</b>		<b>Insurance Cos, 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>										
<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>	Regulatory Retail*		Financing		Other Assets		Exposure	Weighted Assets
	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>	Exposures after Netting & CRM	<i>Risk Weighted Asset</i>
Performing Exposures								
0%	-	-	-	-	68,313	-	11,949,631	-
20%	-	-	-	-	-	-	896,027	179,205
35%	-	-	1,946,242	681,185	-	-	1,946,242	681,185
50%	-	-	313,780	156,890	-	-	376,107	188,054
75%	1,814,338	1,360,754	-	-	-	-	1,814,338	1,360,754
100%	22,978,399	22,978,399	-	-	754,706	754,706	33,300,374	33,300,374
150%	-	-	-	-	-	-	350,777	526,165
Total	24,792,738	24,339,153	2,260,022	838,075	823,018	754,706	50,633,496	36,235,736
Defaulted Exposures								
0%	-	-	-	-	-	-	-	-
50%	79,574	39,787	6,200	3,100	-	-	123,988	61,994
100%	1,087	1,087	-	-	-	-	52,688	52,688
150%	199,366	299,050	-	-	-	-	433,237	649,856
Total	280,027	339,923	6,200	3,100	-	-	609,914	764,539
Total Performing and Defaulted Exposures	25,072,765	24,679,077	2,266,221	841,174	823,018	754,706	51,243,410	37,000,275

\* Property financing exposures are included herein.

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

<u>MBSB Bank</u>	Inside	Outside	
31-Dec-22	Malaysia	Malaysia	Total
<u>Exposure Class</u>	RM'000	RM'000	RM'000
<u>Gross Credit Exposures</u>			
<i>On-Balance Sheet Exposures</i>			
Sovereigns & Central Banks	11,306,925	-	11,306,925
Public Sector Entities	758,623	-	758,623
Banks, MDBs and DFIs	313,536	156,974	470,510
Insurance Companies, Securities Firms & Fund Managers	240,357	-	240,357
Corporates	12,563,528	-	12,563,528
Regulatory Retail	24,904,274	-	24,904,274
Residential Real Estate Financing	2,907,571	-	2,907,571
Other Assets	783,220	-	783,220
Total for On-Balance Sheet Exposures	53,778,034	156,974	53,935,008
<i>Off-Balance Sheet Exposures</i>			
Off balance sheet exposures other than OTC derivatives or credit derivatives	1,376,368	66	1,376,434
Total for Off-Balance Sheet Exposures	1,376,368	66	1,376,434
Total On and Off-Balance Sheet Exposures	55,154,402	157,040	55,311,442

**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 DFIs</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)**

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**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>No Specific Maturity RM'000</b>	<b>Total RM'000</b>
<b>31-Dec-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	2,815,584	2,883,695	5,607,646	-	11,306,925
Public Sector Entities	66,226	369,006	323,391	-	758,623
Banks, MDBs and DFIs	208,739	180,590	81,181	-	470,510
Insurance Companies, Securities Firms & Fund Managers	240,357	-	-	-	240,357
Corporates	3,901,709	5,116,822	3,544,997	-	12,563,528
Regulatory Retail	782,426	1,863,017	22,258,831	-	24,904,274
Residential Real Estate Financing	2,420	53,857	2,851,294	-	2,907,571
Other Assets	-	-	-	783,220	783,220
<b>Total for On-Balance Sheet Exposures</b>	<b>8,017,461</b>	<b>10,466,987</b>	<b>34,667,340</b>	<b>783,220</b>	<b>53,935,008</b>
<b><i>Off-Balance Sheet Exposures</i></b>					
Off balance sheet exposures other than OTC derivatives or credit derivatives	253,728	947,224	175,482	-	1,376,434
<b>Total for Off-Balance Sheet Exposures</b>	<b>253,728</b>	<b>947,224</b>	<b>175,482</b>	<b>-</b>	<b>1,376,434</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>8,271,189</b>	<b>11,414,211</b>	<b>34,842,822</b>	<b>783,220</b>	<b>55,311,442</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>No Specific Maturity 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 DFIs</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>	-	-	-	823,018	823,018
<b>Total for On-Balance Sheet Exposures</b>	<u>4,179,106</u>	<u>8,783,159</u>	<u>36,311,700</u>	<u>823,018</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>-</u>	<u>3,253,339</u>
<b>Total On and Off-Balance Sheet Exposures</b>	<u><u>5,664,211</u></u>	<u><u>10,545,849</u></u>	<u><u>36,317,244</u></u>	<u><u>823,018</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>31-Dec-22</b>					
<b>Impact to profit before tax</b>		(59,903)	59,903	(63,467)	63,467
<b>Impact to profit after tax and equity</b>	24%	<u>(423,324)</u>	<u>457,866</u>	<u>(423,324)</u>	<u>457,866</u>
<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%	<u>(466,657)</u>	<u>507,743</u>	<u>(466,657)</u>	<u>507,743</u>

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

(Incorporated in Malaysia)

**Table 6: Disclosures on Rated Exposures according to Rating by ECAIs**

**MBSB Bank Group**

**31-Dec-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)		758,623	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers		-	-	-	-	240,357
Corporates		2,502,465	50,179	-	-	8,849,953
<b>Total</b>		<b>3,261,088</b>	<b>50,179</b>	<b>-</b>	<b>-</b>	<b>9,090,310</b>

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

(Incorporated in Malaysia)

**Table 6: Disclosures on Rated Exposures according to Rating by ECAIs (continued)**
**MBSB Bank Group**

31-Dec-22

Disclosures Expressed in nearest RM thousand (RM'000)

Exposure Class		Rating of Sovereign Central Banks 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>						
Sovereign Central Banks		11,306,925	-	-	-	-
<b>Total</b>		<b>11,306,925</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Exposure Class		Rating of Banking Institutions 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>						
Banks, MDBs and DFIs		958,713	132,307	10,764	-	437
<b>Total</b>		<b>958,713</b>	<b>132,307</b>	<b>10,764</b>	<b>-</b>	<b>437</b>

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

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**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>		3,276,047	50,179	-	-	7,486,327

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

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**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 DFIs</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****31-Dec-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)		758,623	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers		-	-	-	-	240,357
Corporates		2,502,465	50,179	-	-	10,954,451
<b>Total</b>		<b>3,261,088</b>	<b>50,179</b>	<b>-</b>	<b>-</b>	<b>11,194,808</b>



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

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**Table 6: Disclosures on Rated Exposures according to Rating by ECAs (continued)**
**MBSB Bank**
**31-Dec-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>						
Sovereign Central Banks		11,306,926	-	-	-	-
<b>Total</b>		<b>11,306,926</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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>						
Banks, MDBs and DFIs		360,964	132,307	10,764	-	437
<b>Total</b>		<b>360,964</b>	<b>132,307</b>	<b>10,764</b>	<b>-</b>	<b>437</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 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 ECAIs (continued)**
**MBSB Bank**
**31-Dec-21**
**Disclosures Expressed in nearest RM thousand (RM'000)**

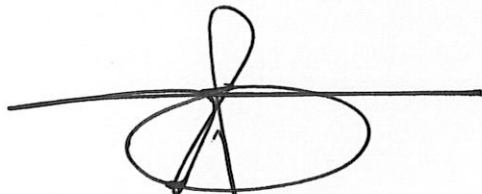
Exposure Class		Rating of Sovereign Central Banks by approved ECAIs				
	MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-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

Exposure Class		Rating of Banking Institutions 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>Banks, MDBs and DFIs</b>		323,497	12,837	222	-	43
<b>Total</b>		323,497	12,837	222	-	43

**MBSB BANK BERHAD (200501033981 / 716122-P)**  
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**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 year ended 31 December 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, stylized loop with a horizontal line crossing through it, and a vertical line extending downwards from the center of the loop.

DATUK NOR AZAM M. TAIB  
CHIEF EXECUTIVE OFFICER