

**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 2021**

**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 43 to the Financial Statements for the financial year ended 31 December 2021 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 31 December 2021.

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.

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### 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:

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

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**Capital adequacy (continued)**

	<b>MBSB Bank Group</b>				
	<b>with TA</b>	without TA	Restated		Restated
			<b>with TA</b>	without TA	
<b>31-Dec-21</b>	31-Dec-21	<b>31-Dec-20</b>	31-Dec-20	01-Jan-20	
<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000	RM'000	
<b>Common Equity Tier 1 ("CET 1") Capital</b>					
Ordinary share capital	5,427,972	5,427,972	5,159,859	5,159,859	5,159,859
Retained profits exclude merger reserve	1,166,619	1,166,619	944,501	944,501	814,217
Fair value reserves	(160,950)	(160,950)	234,762	234,762	155,090
Regulatory reserve	5,234	5,234	5,234	5,234	5,234
	<b>6,438,875</b>	6,438,875	<b>6,344,356</b>	6,344,356	6,134,400
Less : Regulatory adjustments					
Deferred tax assets	(17,292)	(17,292)	-	-	-
Intangible assets	(101,184)	(101,184)	(111,449)	(111,449)	(115,559)
Cumulative gains of FVOCI financial instruments	(57,882)	(57,882)	(191,046)	(191,046)	(114,082)
Regulatory reserve attributable to financing	(5,234)	(5,234)	(5,234)	(5,234)	(5,234)
Other CET1 regulatory adjustments	144,121	-	153,372	-	-
Total CET1 capital	<b>6,401,404</b>	6,257,283	<b>6,189,999</b>	6,036,627	5,899,525
<b>Tier 1 Capital</b>					
Additional Tier 1 capital instruments	-	-	-	-	-
Less: Tier 1 regulatory adjustments	-	-	-	-	-
Total Tier 1 capital	<b>6,401,404</b>	6,257,283	<b>6,189,999</b>	6,036,627	5,899,525
<b>Tier 2 Capital</b>					
Stage 1 & Stage 2 expected credit loss allowances <sup>^</sup>	433,618	433,618	452,856	452,856	468,137
Additional Tier 2 capital instruments	1,294,247	1,294,247	1,293,335	1,293,335	1,293,075
Total Tier 2 capital	<b>1,727,865</b>	1,727,865	<b>1,746,191</b>	1,746,191	1,761,212
Total capital base	<b>8,129,269</b>	7,985,148	<b>7,936,190</b>	7,782,818	7,660,737

<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-21</b>	31-Dec-21	<b>31-Dec-20</b>	31-Dec-20	01-Jan-20
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000	RM'000
<b>Total risk weighted assets ("RWA")</b>					
- Credit risk	34,689,443	34,689,443	36,228,467	36,228,467	37,450,945
- Market risk	62,619	62,619	36,226	36,226	33,759
- Operational risk	2,547,591	2,547,591	2,188,152	2,188,152	1,331,960
Total RWA	<b>37,299,653</b>	37,299,653	<b>38,452,845</b>	38,452,845	38,816,664
<b>Capital adequacy ratios</b>					
CET1 capital ratio	17.162%	16.776%	16.098%	15.699%	15.198%
Tier 1 capital ratio	17.162%	16.776%	16.098%	15.699%	15.198%
Total capital ratio	21.794%	21.408%	20.639%	20.240%	19.736%

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**Capital adequacy (continued)**

	<b>MBSB Bank</b>				
	<b>with TA</b>	without TA	Restated		Restated
			<b>with TA</b>	without TA	
<b>31-Dec-21</b>	31-Dec-21	<b>31-Dec-20</b>	31-Dec-20	01-Jan-20	
	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Common Equity Tier 1 ("CET 1") Capital</u></b>					
Ordinary share capital	<b>5,427,972</b>	5,427,972	<b>5,159,859</b>	5,159,859	5,159,859
Retained profits exclude merger reserve	<b>1,242,215</b>	1,242,215	<b>1,032,715</b>	1,032,715	921,294
Fair value reserves	<b>(160,950)</b>	(160,950)	<b>234,762</b>	234,762	155,090
Regulatory reserve	<b>5,234</b>	5,234	<b>5,234</b>	5,234	5,234
	<b>6,514,471</b>	6,514,471	<b>6,432,570</b>	6,432,570	6,241,477
Less : Regulatory adjustments					
Deferred tax assets	<b>(17,292)</b>	(17,292)	-	-	-
Intangible assets	<b>(101,184)</b>	(101,184)	<b>(111,449)</b>	(111,449)	(115,559)
Cumulative gains of FVOCI financial instruments	<b>(57,882)</b>	(57,882)	<b>(191,046)</b>	(191,046)	(114,082)
Regulatory reserve attributable to financing	<b>(5,234)</b>	(5,234)	<b>(5,234)</b>	(5,234)	(5,234)
Other CET1 regulatory adjustments	<b>144,121</b>	-	<b>153,372</b>	-	-
Total CET1 capital	<b>6,477,000</b>	6,332,879	<b>6,278,213</b>	6,124,841	6,006,602
<b><u>Tier 1 Capital</u></b>					
Additional Tier 1 capital instruments	-	-	-	-	-
Less: Tier 1 regulatory adjustments	-	-	-	-	-
Total Tier 1 capital	<b>6,477,000</b>	6,332,879	<b>6,278,213</b>	6,124,841	6,006,602
<b><u>Tier 2 Capital</u></b>					
Stage 1 & Stage 2 expected credit loss allowances <sup>^</sup>	<b>462,503</b>	462,503	<b>484,442</b>	484,442	502,335
Additional Tier 2 capital instruments	<b>1,294,247</b>	1,294,247	<b>1,293,335</b>	1,293,335	1,293,075
Total Tier 2 capital	<b>1,756,750</b>	1,756,750	<b>1,777,777</b>	1,777,777	1,795,410
Total capital base	<b>8,233,750</b>	8,089,629	<b>8,055,990</b>	7,902,618	7,802,012

<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-21</b>	31-Dec-21	<b>31-Dec-20</b>	31-Dec-20	01-Jan-20
	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Total risk weighted assets ("RWA")</u></b>					
- Credit risk	<b>37,000,275</b>	37,000,275	<b>38,755,362</b>	38,755,362	40,186,817
- Market risk	<b>62,619</b>	62,619	<b>36,226</b>	36,226	33,759
- Operational risk	<b>2,615,184</b>	2,615,184	<b>2,223,447</b>	2,223,447	1,385,991
Total RWA	<b>39,678,078</b>	39,678,078	<b>41,015,035</b>	41,015,035	41,606,567
<b><u>Capital adequacy ratios</u></b>					
CET1 capital ratio	<b>16.324%</b>	15.961%	<b>15.307%</b>	14.933%	14.437%
Tier 1 capital ratio	<b>16.324%</b>	15.961%	<b>15.307%</b>	14.933%	14.437%
Total capital ratio	<b>20.751%</b>	20.388%	<b>19.642%</b>	19.268%	18.752%

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**Capital adequacy (continued)**

**MBSB Bank Group**

31-Dec-21 <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	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	198,294	-	198,294	15,864
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	821,671	821,671	734,597	-	734,597	58,768
<b>Total for On-Balance Sheet Exposures</b>	<b>48,434,768</b>	<b>48,434,768</b>	<b>33,674,345</b>	<b>-</b>	<b>33,674,345</b>	<b>2,693,948</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>51,688,107</b>	<b>49,581,195</b>	<b>34,724,317</b>	<b>-</b>	<b>34,724,317</b>	<b>2,777,945</b>
<b><u>Market Risk</u></b>						
	Long Position	Short Position				
Benchmark Rate Risk	-	-	-	-	-	-
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	62,619	(172)	62,619	-	62,619	5,010
Operational Risk	-	-	2,547,591	-	2,547,591	203,807
<b>Total RWA and Capital Requirements</b>	<b>51,750,726</b>	<b>51,687,935</b>	<b>49,643,814</b>	<b>37,334,527</b>	<b>37,334,527</b>	<b>2,986,762</b>

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**Capital adequacy (continued)**

**MBSB Bank Group**

31-Dec-21

Disclosures on Risk Weights - Expressed in nearest RM thousand (RM'000)

<b><u>Risk Weights</u></b>	<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	<b><i>Risk Weighted Asset</i></b>	Exposures after Netting & CRM	<b><i>Risk Weighted Asset</i></b>	Exposures after Netting & CRM	<b><i>Risk Weighted Asset</i></b>	Exposures after Netting & CRM	<b><i>Risk Weighted Asset</i></b>	Exposures after Netting & CRM	<b><i>Risk Weighted Asset</i></b>
<b>Performing Exposures</b>										
0%	9,527,624	-	636,759	-	105,150	-	-	-	1,611,786	-
20%	-	-	134,575	26,915	963,041	192,608	-	-	542,151	108,430
35%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	12,128	6,064	-	-	50,179	25,090
75%	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	43	43	240,209	240,209	6,922,430	6,922,430
150%	-	-	-	-	-	-	-	-	350,777	526,165
<b>Total</b>	<b>9,527,624</b>	<b>-</b>	<b>771,334</b>	<b>26,915</b>	<b>1,080,362</b>	<b>198,715</b>	<b>240,209</b>	<b>240,209</b>	<b>9,477,322</b>	<b>7,582,114</b>
<b>Defaulted Exposures</b>										
0%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	-	-	38,215	19,106.50
100%	-	-	-	-	-	-	-	-	51,601	51,601
150%	-	-	-	-	-	-	-	-	233,871	350,807
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>323,687</b>	<b>421,515</b>
<b>Total Performing and Defaulted Exposures</b>	<b>9,527,624</b>	<b>-</b>	<b>771,334</b>	<b>26,915</b>	<b>1,080,362</b>	<b>198,715</b>	<b>240,209</b>	<b>240,209</b>	<b>9,801,009</b>	<b>8,003,630</b>



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**Capital adequacy (continued)**

**MBSB Bank Group**

31-Dec-21

Disclosures on Risk Weights - Expressed in nearest RM thousand (RM'000)

<b>Risk Weights</b>	<b>Regulatory Retail*</b>		<b>Residential Real Estate Financing</b>		<b>Other Assets</b>		<b>Total Exposure</b>	<b>Total Risk Weighted Assets</b>
	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>
<b>Performing Exposures</b>								
0%	-	-	-	-	87,074	-	11,968,392	-
20%	-	-	-	-	-	-	1,639,767	327,953
35%	-	-	1,946,242	681,185	-	-	1,946,242	681,185
50%	-	-	313,780	156,890	-	-	376,087	188,044
75%	1,814,338	1,360,754	-	-	-	-	1,814,338	1,360,754
100%	22,978,399	22,978,399	-	-	734,597	734,597	30,875,678	30,875,678
150%	-	-	-	-	-	-	350,777	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>821,671</b>	<b>734,597</b>	<b>48,971,281</b>	<b>33,959,778</b>
<b>Defaulted Exposures</b>								
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
<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>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>821,671</b>	<b>734,597</b>	<b>49,581,195</b>	<b>34,724,318</b>

\* Property financing exposures are included herein.

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**Capital adequacy (continued)****Geographic Distribution of Gross Credit Exposures**

	Inside Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
<b><u>MBSB Bank Group</u></b>			
31-Dec-21			
<b><u>Exposure Class</u></b>			
<b><u>Gross Credit Exposures</u></b>			
<i>On-Balance Sheet Exposures</i>			
Sovereigns & Central Banks	9,527,624	-	9,527,624
Public Sector Entities	771,334	-	771,334
Banks, MDBs and FDIs	1,064,693	13,566	1,078,259
Insurance Companies, Securities Firms & Fund Managers	240,209	-	240,209
Corporates	9,014,581	20,299	9,034,880
Regulatory Retail	24,694,570	-	24,694,570
Residential Real Estate Financing	2,266,221	-	2,266,221
Other Assets	821,671	-	821,671
<b>Total for On-Balance Sheet Exposures</b>	<b>48,400,903</b>	<b>33,865</b>	<b>48,434,768</b>
<i>Off-Balance Sheet Exposures</i>			
Off balance sheet exposures other than OTC derivatives or credit derivatives	3,232,659	20,680	3,253,339
<b>Total for Off-Balance Sheet Exposures</b>	<b>3,232,659</b>	<b>20,680</b>	<b>3,253,339</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>51,633,562</b>	<b>54,545</b>	<b>51,688,107</b>

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Capital adequacy (continued)

Contractual Maturity of Gross Credit Exposures

	One Year or Less RM'000	Over One Year to Five Years RM'000	Over Five Years RM'000	Total RM'000
<b><u>MBSB Bank Group</u></b>				
31-Dec-21				
<b><u>Exposure Class</u></b>				
<b><u>Gross Credit Exposures</u></b>				
<b><i>On-Balance Sheet Exposures</i></b>				
Sovereigns & Central Banks	672,347	2,280,541	6,574,736	9,527,624
Public Sector Entities	60,877	380,507	329,950	771,334
Banks, MDBs and FDIs	901,605	83,061	93,593	1,078,259
Insurance Companies, Securities Firms & Fund Managers	-	-	240,209	240,209
Corporates	2,182,035	2,821,562	4,031,283	9,034,880
Regulatory Retail	633,459	1,640,358	22,420,753	24,694,570
Residential Real Estate Financing	1,204	39,083	2,225,934	2,266,221
Other Assets	820,851	-	820	821,671
<b>Total for On-Balance Sheet Exposures</b>	<b>5,272,378</b>	<b>7,245,112</b>	<b>35,917,278</b>	<b>48,434,768</b>
<b><i>Off-Balance Sheet Exposures</i></b>				
Off balance sheet exposures other than OTC derivatives or credit derivatives	1,485,105	1,762,690	5,544	3,253,339
<b>Total for Off-Balance Sheet Exposures</b>	<b>1,485,105</b>	<b>1,762,690</b>	<b>5,544</b>	<b>3,253,339</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>6,757,483</b>	<b>9,007,802</b>	<b>35,922,822</b>	<b>51,688,107</b>

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**Capital adequacy (continued)**

**MBSB Bank Group**

31-Dec-20			Risk	Risk	Total Risk	Capital
<u>Exposure Class</u>	Exposures Pre CRM	Exposures	Weighted	Weighted	Assets after	Requirements
	RM'000	Post CRM	Assets	Assets	effects of PSIA	RM'000
		RM'000	RM'000	by PSIA	RM'000	
			RM'000	RM'000		
<b><u>Credit Risk</u></b>						
<b><i>On-Balance Sheet Exposures</i></b>						
Sovereigns & Central Banks	8,789,558	8,789,558	-	-	-	-
Public Sector Entities	55,226	55,226	11,045	-	11,045	884
Banks, MDBs and FDIs	1,047,482	1,047,482	188,933	-	188,933	15,115
<b><i>Insurance Companies, Securities</i></b>						
<b><i>Firms &amp; Fund Managers</i></b>						
Corporates	8,810,035	8,810,035	7,125,240	-	7,125,240	570,019
Regulatory Retail	27,843,993	27,843,993	27,245,191	-	27,245,192	2,179,615
Residential Real Estate Financing	-	-	-	-	-	-
Other Assets	756,421	756,421	672,672	-	672,672	53,814
<b>Total for On-Balance Sheet</b>						
<b>Exposures</b>	<b>47,302,715</b>	<b>47,302,715</b>	<b>35,243,081</b>	<b>-</b>	<b>35,243,082</b>	<b>2,819,446</b>
<b><i>Off-Balance Sheet Exposures</i></b>						
<b><i>Off balance sheet exposures other than OTC derivatives or credit derivatives</i></b>						
	2,724,749	1,064,524	985,386	-	985,386	78,831
<b>Total for Off-Balance Sheet</b>						
<b>Exposures</b>	<b>2,724,749</b>	<b>1,064,524</b>	<b>985,386</b>	<b>-</b>	<b>985,386</b>	<b>78,831</b>
<b>Total On and Off-Balance Sheet</b>						
<b>Exposures</b>	<b>50,027,464</b>	<b>48,367,239</b>	<b>36,228,467</b>	<b>-</b>	<b>36,228,468</b>	<b>2,898,277</b>
<b><u>Market Risk</u></b>						
	<b>Long Position</b>	<b>Short Position</b>				
Benchmark Rate Risk	-	-	-	-	-	-
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	36,226	-	36,226	36,226	36,226	2,898
Operational Risk	-	-	2,188,152	-	2,188,152	175,052
<b>Total RWA and Capital</b>						
<b>Requirements</b>	<b>50,063,690</b>	<b>50,027,464</b>	<b>48,403,465</b>	<b>38,452,845</b>	<b>38,452,846</b>	<b>3,076,228</b>

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

(Incorporated in Malaysia)

**Capital adequacy (continued)**

**MBSB Bank Group**

31-Dec-20

Disclosures on Risk Weights - Expressed in nearest RM thousand (RM'000)

<b>Risk Weights</b>	<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	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>
<b>Performing Exposures</b>										
0%	8,789,558	-	-	-	141,230	-	-	-	1,410,079	-
20%	-	-	55,226	11,045	883,903	176,781	-	-	628,539	125,708
35%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	25,497	12,749	-	-	-	-
75%	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	42	42	-	-	6,967,743	6,967,743
150%	-	-	-	-	-	-	-	-	310,460	465,690
<b>Total</b>	<b>8,789,558</b>	<b>-</b>	<b>55,226</b>	<b>11,045</b>	<b>1,050,672</b>	<b>189,571</b>	<b>-</b>	<b>-</b>	<b>9,316,821</b>	<b>7,559,141</b>
<b>Defaulted Exposures</b>										
0%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	-	-	33,613	16,807
100%	-	-	-	-	-	-	-	-	35,731	35,731
150%	-	-	-	-	-	-	-	-	179,383	269,075
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>248,727</b>	<b>321,612</b>
<b>Total Performing and Defaulted Exposures</b>	<b>8,789,558</b>	<b>-</b>	<b>55,226</b>	<b>11,045</b>	<b>1,050,672</b>	<b>189,571</b>	<b>-</b>	<b>-</b>	<b>9,565,548</b>	<b>7,880,753</b>

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

(Incorporated in Malaysia)

**Capital adequacy (continued)**

**MBSB Bank Group**

31-Dec-20

Disclosures on Risk Weights - Expressed in nearest RM thousand (RM'000)

<b>Risk Weights</b>	<b>Regulatory Retail*</b>		<b>Residential Real Estate Financing</b>		<b>Other Assets</b>		<b>Total Exposure</b>	<b>Total Risk Weighted Assets</b>
	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>
<b>Performing Exposures</b>								
0%	-	-	-	-	83,748	-	10,424,615	-
20%	-	-	-	-	-	-	1,567,668	313,534
35%	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	25,497	12,749
75%	2,784,253	2,088,189	-	-	-	-	2,784,253	2,088,189
100%	25,052,122	25,052,122	-	-	672,672	672,672	32,692,579	32,692,579
150%	-	-	-	-	-	-	310,460	465,690
<b>Total</b>	<b>27,836,375</b>	<b>27,140,311</b>	<b>-</b>	<b>-</b>	<b>756,420</b>	<b>672,672</b>	<b>47,805,072</b>	<b>35,572,740</b>
<b>Defaulted Exposures</b>								
0%	-	-	-	-	-	-	-	-
50%	121,571	60,785	-	-	-	-	155,184	77,592
100%	28,947	28,947	-	-	-	-	64,678	64,678
150%	162,922	244,383	-	-	-	-	342,305	513,458
<b>Total</b>	<b>313,440</b>	<b>334,115</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>562,167</b>	<b>655,727</b>
<b>Total Performing and Defaulted Exposures</b>	<b>28,149,815</b>	<b>27,474,426</b>	<b>-</b>	<b>-</b>	<b>756,420</b>	<b>672,672</b>	<b>48,367,239</b>	<b>36,228,467</b>

\* Property financing exposures are included herein.

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

(Incorporated in Malaysia)

## Capital adequacy (continued)

## Geographic Distribution of Gross Credit Exposures

	Inside Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
<b><u>MBSB Bank Group</u></b>			
31-Dec-20			
<b><u>Exposure Class</u></b>			
<b><u>Gross Credit Exposures</u></b>			
<i>On-Balance Sheet Exposures</i>			
Sovereigns & Central Banks	8,789,558	-	8,789,558
Public Sector Entities	55,226	-	55,226
Banks, MDBs and FDIs	1,021,658	25,824	1,047,482
Insurance Companies, Securities Firms & Fund Managers	-	-	-
Corporates	8,769,304	40,731	8,810,035
Regulatory Retail	27,843,993	-	27,843,993
Residential Real Estate Financing	-	-	-
Other Assets	756,421	-	756,421
<b>Total for On-Balance Sheet Exposures</b>	<b>47,236,160</b>	<b>66,555</b>	<b>47,302,715</b>
<i>Off-Balance Sheet Exposures</i>			
Off balance sheet exposures other than OTC derivatives or credit derivatives	2,724,749	-	2,724,749
<b>Total for Off-Balance Sheet Exposures</b>	<b>2,724,749</b>	<b>-</b>	<b>2,724,749</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>49,960,909</b>	<b>66,555</b>	<b>50,027,464</b>

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

Capital adequacy (continued)

Contractual Maturity of Gross Credit Exposures

	One Year or Less RM'000	Over One Year to Five Years RM'000	Over Five Years RM'000	Total RM'000
<b><u>MBSB Bank Group</u></b>				
31-Dec-20				
<b><u>Exposure Class</u></b>				
<b><u>Gross Credit Exposures</u></b>				
<b><i>On-Balance Sheet Exposures</i></b>				
Sovereigns & Central Banks	674,643	1,766,331	6,348,584	8,789,558
Public Sector Entities	-	-	55,226	55,226
Banks, MDBs and FDIs	841,804	100,999	104,679	1,047,482
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-
Corporates	1,427,319	3,046,720	4,335,996	8,810,035
Regulatory Retail	515,998	1,674,046	25,653,949	27,843,993
Residential Real Estate Financing	-	-	-	-
Other Assets	755,601	-	820	756,421
<b>Total for On-Balance Sheet Exposures</b>	<b>4,215,365</b>	<b>6,588,096</b>	<b>36,499,254</b>	<b>47,302,715</b>
<b><i>Off-Balance Sheet Exposures</i></b>				
Off balance sheet exposures other than OTC derivatives or credit derivatives	1,083,489	1,632,952	8,308	2,724,749
<b>Total for Off-Balance Sheet Exposures</b>	<b>1,083,489</b>	<b>1,632,952</b>	<b>8,308</b>	<b>2,724,749</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>5,298,854</b>	<b>8,221,048</b>	<b>36,507,562</b>	<b>50,027,464</b>



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

(Incorporated in Malaysia)

**Capital adequacy (continued)**

**MBSB Bank Group**

<b>01-Jan-20</b>			<b>Risk</b>	<b>Risk</b>	<b>Total Risk</b>	<b>Capital</b>
<b><u>Exposure Class</u></b>	<b>Exposures Pre CRM</b>	<b>Exposures</b>	<b>Weighted</b>	<b>Weighted</b>	<b>Weighted</b>	<b>Requirements</b>
	<b>RM'000</b>	<b>Post CRM</b>	<b>Assets</b>	<b>Assets</b>	<b>Assets after</b>	<b>RM'000</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>by PSIA</b>	<b>effects of PSIA</b>	
				<b>RM'000</b>	<b>RM'000</b>	
<b><u>Credit Risk</u></b>						
<b><i>On-Balance Sheet Exposures</i></b>						
<b>Sovereigns &amp; Central Banks</b>	10,773,852	10,773,852	-	-	-	-
<b>Public Sector Entities</b>	-	-	-	-	-	-
<b>Banks, MDBs and FDIs</b>	1,084,703	1,084,703	200,657	-	200,657	16,053
<b><i>Insurance Companies, Securities</i></b>						
<b><i>Firms &amp; Fund Managers</i></b>						
<b>Corporates</b>	11,496,099	11,496,099	9,869,298	-	9,869,298	789,544
<b>Regulatory Retail</b>	25,099,153	25,099,153	24,602,389	-	24,602,389	1,968,191
<b>Residential Real Estate Financing</b>	-	-	-	-	-	-
<b>Other Assets</b>	820,554	820,554	712,151	-	712,151	56,972
<b>Total for On-Balance Sheet</b>						
<b>Exposures</b>	49,274,361	49,274,361	35,384,495	-	35,384,495	2,830,760
<b><i>Off-Balance Sheet Exposures</i></b>						
<b><i>Off balance sheet exposures other</i></b>						
<b><i>than OTC derivatives or credit</i></b>						
<b><i>derivatives</i></b>						
	5,069,104	2,127,039	2,066,450	-	2,066,450	165,316
<b>Total for Off-Balance Sheet</b>						
<b>Exposures</b>	5,069,104	2,127,039	2,066,450	-	2,066,450	165,316
<b>Total On and Off-Balance Sheet</b>						
<b>Exposures</b>	54,343,465	51,401,400	37,450,945	-	37,450,945	2,996,076
<b><u>Market Risk</u></b>						
	<b>Long Position</b>	<b>Short Position</b>				
<b>Benchmark Rate Risk</b>	-	-	-	-	-	-
<b>Equity Position Risk</b>	-	-	-	-	-	-
<b>Foreign Currency Risk</b>	33,759	(7,330)	33,759	33,759	33,759	2,701
<b>Operational Risk</b>	-	-	-	1,331,960	1,331,960	106,557
<b>Total RWA and Capital</b>						
<b>Requirements</b>	54,377,224	54,336,135	51,435,159	38,816,664	38,816,664	3,105,333

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

(Incorporated in Malaysia)

**Capital adequacy (continued)**

**MBSB Bank Group**

01-Jan-20

Disclosures on Risk Weights - Expressed in nearest RM thousand (RM'000)

<b>Risk Weights</b>	<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	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>
<b>Performing Exposures</b>										
0%	10,773,852	-	-	-	93,824	-	-	-	1,479,312	-
20%	-	-	-	-	989,785	197,957	-	-	583,141	116,628
35%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	8,270	4,135	-	-	-	-
75%	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	10,604,156	10,604,156
150%	-	-	-	-	-	-	-	-	458,506	687,759
<b>Total</b>	10,773,852	-	-	-	1,091,879	202,092	-	-	13,125,115	11,408,543
<b>Defaulted Exposures</b>										
0%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	-	-	28,040	14,020
100%	-	-	-	-	-	-	-	-	36,681	36,681
150%	-	-	-	-	-	-	-	-	207,581	311,372
<b>Total</b>	-	-	-	-	-	-	-	-	272,302	362,073
<b>Total Performing and Defaulted Exposures</b>	10,773,852	-	-	-	1,091,879	202,092	-	-	13,397,417	11,770,616

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

(Incorporated in Malaysia)

**Capital adequacy (continued)**

**MBSB Bank Group**

01-Jan-20

Disclosures on Risk Weights - Expressed in nearest RM thousand (RM'000)

<b>Risk Weights</b>	<b>Regulatory Retail*</b>		<b>Residential Real Estate Financing</b>		<b>Other Assets</b>		<b>Total Exposure</b>	<b>Total Risk Weighted Assets</b>
	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>
<b>Performing Exposures</b>								
0%	-	-	-	-	108,404	-	12,455,392	-
20%	-	-	-	-	-	-	1,572,926	314,585
35%	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	8,270	4,135
75%	1,941,327	1,455,996	-	-	-	-	1,941,327	1,455,996
100%	23,242,177	23,242,177	-	-	712,151	712,151	34,558,484	34,558,484
150%	-	-	-	-	-	-	458,506	687,759
<b>Total</b>	<b>25,183,504</b>	<b>24,698,173</b>	<b>-</b>	<b>-</b>	<b>820,555</b>	<b>712,151</b>	<b>50,994,905</b>	<b>37,020,959</b>
<b>Defaulted Exposures</b>								
0%	-	-	-	-	-	-	-	-
50%	132,659	66,330	-	-	-	-	160,699	80,350
100%	1,435	1,435	-	-	-	-	38,116	38,116
150%	99	149	-	-	-	-	207,680	311,520
<b>Total</b>	<b>134,193</b>	<b>67,913</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>406,495</b>	<b>429,986</b>
<b>Total Performing and Defaulted Exposures</b>	<b>25,317,697</b>	<b>24,766,086</b>	<b>-</b>	<b>-</b>	<b>820,555</b>	<b>712,151</b>	<b>51,401,400</b>	<b>37,450,945</b>

\* Property financing exposures are included herein.

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

Capital adequacy (continued)

Geographic Distribution of Gross Credit Exposures

	Inside Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
<b><u>MBSB Bank Group</u></b>			
01-Jan-20			
<b><u>Exposure Class</u></b>			
<b><u>Gross Credit Exposures</u></b>			
<i>On-Balance Sheet Exposures</i>			
Sovereigns & Central Banks	10,773,852	-	10,773,852
Public Sector Entities	-	-	-
Banks, MDBs and FDIs	1,075,904	8,799	1,084,703
Insurance Companies, Securities Firms & Fund Managers	-	-	-
Corporates	11,455,151	40,948	11,496,099
Regulatory Retail	25,099,153	-	25,099,153
Residential Real Estate Financing	-	-	-
Other Assets	820,554	-	820,554
<b>Total for On-Balance Sheet Exposures</b>	<b>49,224,614</b>	<b>49,747</b>	<b>49,274,361</b>
<i>Off-Balance Sheet Exposures</i>			
Off balance sheet exposures other than OTC derivatives or credit derivatives	5,069,104	-	5,069,104
<b>Total for Off-Balance Sheet Exposures</b>	<b>5,069,104</b>	<b>-</b>	<b>5,069,104</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>54,293,718</b>	<b>49,747</b>	<b>54,343,465</b>

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

Capital adequacy (continued)

Contractual Maturity of Gross Credit Exposures

	One Year or Less RM'000	Over One Year to Five Years RM'000	Over Five Years RM'000	Total RM'000
<b><u>MBSB Bank Group</u></b>				
01-Jan-20				
<b><u>Exposure Class</u></b>				
<b><u>Gross Credit Exposures</u></b>				
<b><i>On-Balance Sheet Exposures</i></b>				
Sovereigns & Central Banks	2,832,969	2,446,436	5,494,447	10,773,852
Public Sector Entities	-	-	-	-
Banks, MDBs and FDIs	922,739	135,017	26,947	1,084,703
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-
Corporates	2,472,140	4,317,615	4,706,344	11,496,099
Regulatory Retail	26,811	940,044	24,132,298	25,099,153
Residential Real Estate Financing	-	-	-	-
Other Assets	820,554	-	-	820,554
<b>Total for On-Balance Sheet Exposures</b>	<b>7,075,213</b>	<b>7,839,112</b>	<b>34,360,036</b>	<b>49,274,361</b>
<b><i>Off-Balance Sheet Exposures</i></b>				
Off balance sheet exposures other than OTC derivatives or credit derivatives	1,815,550	3,181,554	72,000	5,069,104
<b>Total for Off-Balance Sheet Exposures</b>	<b>1,815,550</b>	<b>3,181,554</b>	<b>72,000</b>	<b>5,069,104</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>8,890,763</b>	<b>11,020,666</b>	<b>34,432,036</b>	<b>54,343,465</b>

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

(Incorporated in Malaysia)

**Capital adequacy (continued)**

**MBSB Bank**

31-Dec-21 <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	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	49,542	-	49,542	3,963
<b><i>Insurance Companies, Securities Firms &amp; Fund Managers</i></b>						
	240,209	240,209	240,209	-	240,209	19,217
Corporates	11,055,596	11,055,596	9,258,217	-	9,258,217	740,657
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	856,050	856,050	789,551	-	789,551	63,164
<b>Total for On-Balance Sheet Exposures</b>	<b>49,746,100</b>	<b>49,746,100</b>	<b>35,601,263</b>	<b>-</b>	<b>35,601,263</b>	<b>2,848,101</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>52,999,439</b>	<b>50,892,527</b>	<b>36,651,235</b>	<b>-</b>	<b>36,651,235</b>	<b>2,932,099</b>
<b><u>Market Risk</u></b>						
	Long Position	Short Position				
Benchmark Rate Risk	-	-	-	-	-	-
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	62,619	(172)	62,619	62,619	62,619	5,010
Operational Risk	-	-	-	2,615,184	2,615,184	209,215
<b>Total RWA and Capital Requirements</b>	<b>53,062,058</b>	<b>52,999,267</b>	<b>50,955,146</b>	<b>39,329,038</b>	<b>39,329,038</b>	<b>3,146,323</b>

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

(Incorporated in Malaysia)

**Capital adequacy (continued)**

**MBSB Bank**  
31-Dec-21

Disclosures on Risk Weights - Expressed in nearest RM thousand (RM'000)

<b>Risk Weights</b>	<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	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>
<b>Performing Exposures</b>										
0%	9,527,624	-	636,759	-	105,150	-	-	-	1,611,786	-
20%	-	-	134,575	26,915	219,278	43,856	-	-	542,151	108,430
35%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	12,128	6,064	-	-	50,179	25,090
75%	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	43	43	240,209	240,209	8,943,146	8,943,146
150%	-	-	-	-	-	-	-	-	350,777	526,165
<b>Total</b>	<b>9,527,624</b>	<b>-</b>	<b>771,334</b>	<b>26,915</b>	<b>336,599</b>	<b>49,963</b>	<b>240,209</b>	<b>240,209</b>	<b>11,498,039</b>	<b>9,602,831</b>
<b>Defaulted Exposures</b>										
0%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	-	-	38,215	19,107
100%	-	-	-	-	-	-	-	-	51,601	51,601
150%	-	-	-	-	-	-	-	-	233,871	350,807
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>323,687</b>	<b>421,515</b>
<b>Total Performing and Defaulted Exposures</b>	<b>9,527,624</b>	<b>-</b>	<b>771,334</b>	<b>26,915</b>	<b>336,599</b>	<b>49,963</b>	<b>240,209</b>	<b>240,209</b>	<b>11,821,726</b>	<b>10,024,346</b>

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

(Incorporated in Malaysia)

**Capital adequacy (continued)**

**MBSB Bank**

31-Dec-21

Disclosures on Risk Weights - Expressed in nearest RM thousand (RM'000)

<b><u>Risk Weights</u></b>	<b>Regulatory Retail*</b>		<b>Residential Real Estate Financing</b>		<b>Other Assets</b>		<b>Total Exposure</b>	<b>Total Risk Weighted Assets</b>
	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>
<b>Performing Exposures</b>								
0%	-	-	-	-	66,498	-	11,947,816	-
20%	-	-	-	-	-	-	896,004	179,201
35%	-	-	1,946,242	681,185	-	-	1,946,242	681,185
50%	-	-	313,780	156,890	-	-	376,087	188,044
75%	1,814,338	1,360,754	-	-	-	-	1,814,338	1,360,754
100%	22,978,399	22,978,399	-	-	789,551	789,551	32,951,348	32,951,348
150%	-	-	-	-	-	-	350,777	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>856,048</b>	<b>789,551</b>	<b>50,282,612</b>	<b>35,886,696</b>
<b>Defaulted Exposures</b>								
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
<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>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>856,048</b>	<b>789,551</b>	<b>50,892,526</b>	<b>36,651,235</b>

\* Property financing exposures are included herein.



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

Capital adequacy (continued)

Geographic Distribution of Gross Credit Exposures

	Inside Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
<b><u>MBSB Bank</u></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>			
Sovereigns & Central Banks	9,527,624	-	9,527,624
Public Sector Entities	771,334	-	771,334
Banks, MDBs and FDIs	320,929	13,567	334,496
Insurance Companies, Securities Firms & Fund Managers	240,209	-	240,209
Corporates	11,035,298	20,299	11,055,597
Regulatory Retail	24,694,570	-	24,694,570
Residential Real Estate Financing	2,266,221	-	2,266,221
Other Assets	856,050	-	856,050
<b>Total for On-Balance Sheet Exposures</b>	<b>49,712,235</b>	<b>33,866</b>	<b>49,746,101</b>
<b><i>Off-Balance Sheet Exposures</i></b>			
Off balance sheet exposures other than OTC derivatives or credit derivatives	3,232,659	20,680	3,253,339
<b>Total for Off-Balance Sheet Exposures</b>	<b>3,232,659</b>	<b>20,680</b>	<b>3,253,339</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>52,944,894</b>	<b>54,546</b>	<b>52,999,440</b>

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

Capital adequacy (continued)

Contractual Maturity of Gross Credit Exposures

	One Year or Less RM'000	Over One Year to Five Years RM'000	Over Five Years RM'000	Total RM'000
<b><u>MBSB Bank</u></b>				
<b>31-Dec-21</b>				
<b><u>Exposure Class</u></b>				
<b><u>Gross Credit Exposures</u></b>				
<i>On-Balance Sheet Exposures</i>				
Sovereigns & Central Banks	672,347	2,280,541	6,574,736	9,527,624
Public Sector Entities	60,877	380,507	329,950	771,334
Banks, MDBs and FDIs	157,842	83,061	93,593	334,496
Insurance Companies, Securities Firms & Fund Managers	-	-	240,209	240,209
Corporates	2,653,378	4,359,609	4,426,524	11,439,511
Regulatory Retail	633,458	1,640,358	22,420,754	24,694,570
Residential Real Estate Financing	1,204	39,083	2,225,934	2,266,221
Other Assets	855,230	-	820	856,050
<b>Total for On-Balance Sheet Exposures</b>	<b>5,034,336</b>	<b>8,783,159</b>	<b>36,312,520</b>	<b>50,130,015</b>
<i>Off-Balance Sheet Exposures</i>				
Off balance sheet exposures other than OTC derivatives or credit derivatives	1,485,105	1,762,690	5,544	3,253,339
<b>Total for Off-Balance Sheet Exposures</b>	<b>1,485,105</b>	<b>1,762,690</b>	<b>5,544</b>	<b>3,253,339</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>6,519,441</b>	<b>10,545,849</b>	<b>36,318,064</b>	<b>53,383,354</b>

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

(Incorporated in Malaysia)

**Capital adequacy (continued)**

**MBSB Bank**

31-Dec-20						
<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	8,789,558	8,789,558	-	-	-	-
Public Sector Entities	55,226	55,226	11,045	-	11,045	884
Banks, MDBs and FDIs	265,800	265,800	32,596	-	32,596	2,608
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	-	-
Corporates	11,444,182	11,444,182	9,759,388	-	9,759,388	780,751
Regulatory Retail	27,843,993	27,843,993	27,245,191	-	27,245,191	2,179,615
Residential Real Estate Financing	-	-	-	-	-	-
Other Assets	801,341	801,341	721,756	-	721,756	57,740
<b>Total for On-Balance Sheet Exposures</b>	<b>49,200,100</b>	<b>49,200,100</b>	<b>37,769,976</b>	<b>-</b>	<b>37,769,976</b>	<b>3,021,598</b>
<b><i>Off-Balance Sheet Exposures</i></b>						
Off balance sheet exposures other than OTC derivatives or credit derivatives	2,724,749	1,064,524	985,386	-	985,386	78,831
<b>Total for Off-Balance Sheet Exposures</b>	<b>2,724,749</b>	<b>1,064,524</b>	<b>985,386</b>	<b>-</b>	<b>985,386</b>	<b>78,831</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>51,924,849</b>	<b>50,264,624</b>	<b>38,755,362</b>	<b>-</b>	<b>38,755,362</b>	<b>3,100,429</b>
<b><u>Market Risk</u></b>						
	<b>Long Position</b>	<b>Short Position</b>				
Benchmark Rate Risk	-	-	-	-	-	-
Equity Position Risk	-	-	-	-	-	-
Foreign Currency Risk	36,226	-	36,226	36,226	36,226	2,898
Operational Risk	-	-	-	2,223,447	2,223,447	177,876
<b>Total RWA and Capital Requirements</b>	<b>51,961,075</b>	<b>-</b>	<b>50,300,850</b>	<b>41,015,035</b>	<b>41,015,035</b>	<b>3,281,203</b>

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

(Incorporated in Malaysia)

**Capital adequacy (continued)**

**MBSB Bank**  
31-Dec-20

Disclosures on Risk Weights - Expressed in nearest RM thousand (RM'000)

<b>Risk Weights</b>	<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	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>
<b>Performing Exposures</b>										
0%	8,789,558	-	-	-	141,230	-	-	-	1,410,079	-
20%	-	-	55,226	11,045	102,221	20,444	-	-	628,539	125,708
50%	-	-	-	-	25,498	12,749	-	-	-	-
75%	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	42	42	-	-	9,601,890	9,601,890
150%	-	-	-	-	-	-	-	-	310,460	465,690
<b>Total</b>	<b>8,789,558</b>	<b>-</b>	<b>55,226</b>	<b>11,045</b>	<b>268,991</b>	<b>33,235</b>	<b>-</b>	<b>-</b>	<b>11,950,968</b>	<b>10,193,288</b>
<b>Defaulted Exposures</b>										
0%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	-	-	33,613	16,807
100%	-	-	-	-	-	-	-	-	35,731	35,731
150%	-	-	-	-	-	-	-	-	179,383	269,075
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>248,727</b>	<b>321,612</b>
<b>Total Performing and Defaulted Exposures</b>	<b>8,789,558</b>	<b>-</b>	<b>55,226</b>	<b>11,045</b>	<b>268,991</b>	<b>33,235</b>	<b>-</b>	<b>-</b>	<b>12,199,695</b>	<b>10,514,900</b>

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

(Incorporated in Malaysia)

**Capital adequacy (continued)**

**MBSB Bank**  
31-Dec-20

Disclosures on Risk Weights - Expressed in nearest RM thousand (RM'000)

<b>Risk Weights</b>	<b>Regulatory Retail*</b>		<b>Residential Real Estate Financing</b>		<b>Other Assets</b>		<b>Total Exposure</b>	<b>Total Risk Weighted Assets</b>
	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>
<b>Performing Exposures</b>								
0%	-	-	-	-	79,584	-	10,420,451	-
20%	-	-	-	-	-	-	785,986	157,197
50%	-	-	-	-	-	-	25,498	12,749
75%	2,784,253	2,088,190	-	-	-	-	2,784,253	2,088,190
100%	25,052,122	25,052,122	-	-	721,756	721,756	35,375,810	35,375,810
150%	-	-	-	-	-	-	310,460	465,690
<b>Total</b>	<b>27,836,375</b>	<b>27,140,312</b>	<b>-</b>	<b>-</b>	<b>801,340</b>	<b>721,756</b>	<b>49,702,458</b>	<b>38,099,636</b>
<b>Defaulted Exposures</b>								
0%	-	-	-	-	-	-	-	-
50%	121,570	60,785	-	-	-	-	155,183	77,592
100%	28,947	28,947	-	-	-	-	64,678	64,678
150%	162,922	244,382	-	-	-	-	342,305	513,457
<b>Total</b>	<b>313,439</b>	<b>334,114</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>562,166</b>	<b>655,726</b>
<b>Total Performing and Defaulted Exposures</b>	<b>28,149,814</b>	<b>27,474,426</b>	<b>-</b>	<b>-</b>	<b>801,340</b>	<b>721,756</b>	<b>50,264,624</b>	<b>38,755,362</b>

\* Property financing exposures are included herein.

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

Capital adequacy (continued)

Geographic Distribution of Gross Credit Exposures

	Inside Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
<b><u>MBSB Bank</u></b>			
<b>31-Dec-20</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	8,789,558	-	8,789,558
Public Sector Entities	55,226	-	55,226
Banks, MDBs and FDIs	239,976	25,824	265,800
Insurance Companies, Securities Firms & Fund Managers	-	-	-
Corporates	11,403,452	40,730	11,444,182
Regulatory Retail	27,843,993	-	27,843,993
Residential Real Estate Financing	-	-	-
Other Assets	801,341	-	801,341
<b>Total for On-Balance Sheet Exposures</b>	<b>49,133,546</b>	<b>66,554</b>	<b>49,200,100</b>
<b><i>Off-Balance Sheet Exposures</i></b>			
Off balance sheet exposures other than OTC derivatives or credit derivatives	2,724,749	-	2,724,749
<b>Total for Off-Balance Sheet Exposures</b>	<b>2,724,749</b>	<b>-</b>	<b>2,724,749</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>51,858,295</b>	<b>66,554</b>	<b>51,924,849</b>

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

Capital adequacy (continued)

Contractual Maturity of Gross Credit Exposures

	One Year or Less RM'000	Over One Year to Five Years RM'000	Over Five Years RM'000	Total RM'000
<b>MBSB Bank</b>				
31-Dec-20				
<b>Exposure Class</b>				
<b>Gross Credit Exposures</b>				
<i>On-Balance Sheet Exposures</i>				
Sovereigns & Central Banks	674,643	1,766,331	6,348,584	8,789,558
Public Sector Entities	-	-	55,226	55,226
Banks, MDBs and FDIs	60,122	100,999	104,679	265,800
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-
Corporates	1,803,784	4,353,874	5,286,524	11,444,182
Regulatory Retail	515,998	1,674,046	25,653,949	27,843,993
Residential Real Estate Financing	-	-	-	-
Other Assets	800,521	-	820	801,341
<b>Total for On-Balance Sheet Exposures</b>	<b>3,855,068</b>	<b>7,895,250</b>	<b>37,449,782</b>	<b>49,200,100</b>
<i>Off-Balance Sheet Exposures</i>				
Off balance sheet exposures other than OTC derivatives or credit derivatives	1,083,488	1,632,953	8,308	2,724,749
<b>Total for Off-Balance Sheet Exposures</b>	<b>1,083,488</b>	<b>1,632,953</b>	<b>8,308</b>	<b>2,724,749</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>4,938,556</b>	<b>9,528,203</b>	<b>37,458,090</b>	<b>51,924,849</b>

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

(Incorporated in Malaysia)

**Capital adequacy (continued)**

**MBSB Bank**

<b>01-Jan-20</b>						
<b><u>Exposure Class</u></b>	<b>Exposures Pre CRM</b>	<b>Exposures</b>	<b>Risk</b>	<b>Risk</b>	<b>Total Risk</b>	<b>Capital</b>
	<b>RM'000</b>	<b>Post CRM</b>	<b>Weighted</b>	<b>Weighted</b>	<b>Weighted</b>	<b>Requirements</b>
		<b>RM'000</b>	<b>Assets</b>	<b>Assets</b>	<b>Assets after</b>	<b>RM'000</b>
			<b>RM'000</b>	<b>by PSIA</b>	<b>effects of PSIA</b>	
				<b>RM'000</b>	<b>RM'000</b>	
<b><u>Credit Risk</u></b>						
<b><i>On-Balance Sheet Exposures</i></b>						
<b>Sovereigns &amp; Central Banks</b>	10,773,852	10,773,852	-	-	-	-
<b>Public Sector Entities</b>	-	-	-	-	-	-
<b>Banks, MDBs and FDIs</b>	211,187	211,187	25,954	-	25,954	2,076
<b>Insurance Companies, Securities</b>	-	-	-	-	-	-
<b>Firms &amp; Fund Managers</b>	-	-	-	-	-	-
<b>Corporates</b>	14,368,155	14,368,155	12,741,354	-	12,741,354	1,019,308
<b>Regulatory Retail</b>	25,099,153	25,099,153	24,602,389	-	24,602,389	1,968,191
<b>Residential Real Estate Financing</b>	-	-	-	-	-	-
<b>Other Assets</b>	856,817	856,817	750,670	-	750,670	60,054
<b>Total for On-Balance Sheet</b>						
<b>Exposures</b>	51,309,164	51,309,164	38,120,367	-	38,120,367	3,049,629
<b><i>Off-Balance Sheet Exposures</i></b>						
<b>Off balance sheet exposures other than OTC derivatives or credit derivatives</b>	5,069,104	2,127,039	2,066,450	-	2,066,450	165,316
<b>Total for Off-Balance Sheet</b>						
<b>Exposures</b>	5,069,104	2,127,039	2,066,450	-	2,066,450	165,316
<b>Total On and Off-Balance Sheet</b>						
<b>Exposures</b>	56,378,268	53,436,203	40,186,817	-	40,186,817	3,214,945
<b><u>Market Risk</u></b>						
	<b>Long Position</b>	<b>Short Position</b>				
<b>Benchmark Rate Risk</b>	-	-	-	-	-	-
<b>Equity Position Risk</b>	-	-	-	-	-	-
<b>Foreign Currency Risk</b>	33,759	(7,330)	33,759	33,759	33,759	2,701
<b>Operational Risk</b>	-	-	-	1,385,991	1,385,991	110,879
<b>Total RWA and Capital Requirements</b>	56,412,027	56,370,938	53,469,962	41,606,567	41,606,567	3,328,525



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

(Incorporated in Malaysia)

**Capital adequacy (continued)**

**MBSB Bank**  
01-Jan-20

Disclosures on Risk Weights - Expressed in nearest RM thousand (RM'000)

<b>Risk Weights</b>	<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	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>
<b>Performing Exposures</b>										
0%	10,773,852	-	-	-	93,824	-	-	-	1,479,312	-
20%	-	-	-	-	116,270	23,254	-	-	583,141	116,628
50%	-	-	-	-	8,270	4,135	-	-	-	-
75%	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	13,476,212	13,476,212
150%	-	-	-	-	-	-	-	-	458,506	687,759
<b>Total</b>	<b>10,773,852</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>218,364</b>	<b>27,389</b>	<b>-</b>	<b>-</b>	<b>15,997,171</b>	<b>14,280,599</b>
<b>Defaulted Exposures</b>										
0%	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	-	-	28,040	14,020
100%	-	-	-	-	-	-	-	-	36,681	36,681
150%	-	-	-	-	-	-	-	-	207,581	311,372
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>272,302</b>	<b>362,073</b>
<b>Total Performing and Defaulted Exposures</b>	<b>10,773,852</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>218,364</b>	<b>27,389</b>	<b>-</b>	<b>-</b>	<b>16,269,473</b>	<b>14,642,672</b>

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

(Incorporated in Malaysia)

**Capital adequacy (continued)**

**MBSB Bank**  
01-Jan-20

Disclosures on Risk Weights - Expressed in nearest RM thousand (RM'000)

<b>Risk Weights</b>	<b>Regulatory Retail*</b>		<b>Residential Real Estate Financing</b>		<b>Other Assets</b>		<b>Total Exposure</b>	<b>Total Risk Weighted Assets</b>
	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>	Exposures after Netting & CRM	<b>Risk Weighted Asset</b>
<b>Performing Exposures</b>								
0%	-	-	-	-	106,148	-	12,453,136	-
20%	-	-	-	-	-	-	699,411	139,882
50%	-	-	-	-	-	-	8,270	4,135
75%	1,941,326	1,455,996	-	-	-	-	1,941,326	1,455,996
100%	23,242,177	23,242,177	-	-	750,670	750,670	37,469,059	37,469,059
150%	-	-	-	-	-	-	458,506	687,759
<b>Total</b>	<b>25,183,503</b>	<b>24,698,173</b>	<b>-</b>	<b>-</b>	<b>856,818</b>	<b>750,670</b>	<b>53,029,708</b>	<b>39,756,831</b>
<b>Defaulted Exposures</b>								
0%	-	-	-	-	-	-	-	-
50%	132,659	66,330	-	-	-	-	160,699	80,350
100%	1,435	1,435	-	-	-	-	38,116	38,116
150%	99	149	-	-	-	-	207,680	311,520
<b>Total</b>	<b>134,193</b>	<b>67,913</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>406,495</b>	<b>429,986</b>
<b>Total Performing and Defaulted Exposures</b>	<b>25,317,696</b>	<b>24,766,086</b>	<b>-</b>	<b>-</b>	<b>856,818</b>	<b>750,670</b>	<b>53,436,203</b>	<b>40,186,817</b>

\* Property financing exposures are included herein.

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

Capital adequacy (continued)

Geographic Distribution of Gross Credit Exposures

	Inside Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
<b><u>MBSB Bank</u></b>			
<b>01-Jan-20</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	10,773,852	-	10,773,852
Public Sector Entities	-	-	-
Banks, MDBs and FDIs	202,388	8,799	211,187
Insurance Companies, Securities Firms & Fund Managers	-	-	-
Corporates	14,327,207	40,948	14,368,155
Regulatory Retail	25,099,153	-	25,099,153
Residential Real Estate Financing	-	-	-
Other Assets	856,817	-	856,817
<b>Total for On-Balance Sheet Exposures</b>	<b>51,259,417</b>	<b>49,747</b>	<b>51,309,164</b>
<b><i>Off-Balance Sheet Exposures</i></b>			
Off balance sheet exposures other than OTC derivatives or credit derivatives	5,069,104	-	5,069,104
<b>Total for Off-Balance Sheet Exposures</b>	<b>5,069,104</b>	<b>-</b>	<b>5,069,104</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>56,328,521</b>	<b>49,747</b>	<b>56,378,268</b>

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

Capital adequacy (continued)

Contractual Maturity of Gross Credit Exposures

	One Year or Less RM'000	Over One Year to Five Years RM'000	Over Five Years RM'000	Total RM'000
<b>MBSB Bank</b>				
<b>01-Jan-20</b>				
<b>Exposure Class</b>				
<b>Gross Credit Exposures</b>				
<b>On-Balance Sheet Exposures</b>				
Sovereigns & Central Banks	2,832,969	2,446,436	5,494,447	10,773,852
Public Sector Entities	-	-	-	-
Banks, MDBs and FDIs	49,224	135,017	26,946	211,187
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-
Corporates	2,830,296	5,557,397	5,980,462	14,368,155
Regulatory Retail	26,811	940,044	24,132,298	25,099,153
Residential Real Estate Financing	-	-	-	-
Other Assets	856,817	-	-	856,817
<b>Total for On-Balance Sheet Exposures</b>	<b>6,596,117</b>	<b>9,078,894</b>	<b>35,634,153</b>	<b>51,309,164</b>
<b>Off-Balance Sheet Exposures</b>				
<b>Off balance sheet exposures other than OTC derivatives or credit derivatives</b>				
	1,815,549	3,181,555	72,000	5,069,104
<b>Total for Off-Balance Sheet Exposures</b>	<b>1,815,549</b>	<b>3,181,555</b>	<b>72,000</b>	<b>5,069,104</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>8,411,666</b>	<b>12,260,449</b>	<b>35,706,153</b>	<b>56,378,268</b>

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

(Incorporated in Malaysia)

**Capital adequacy (continued)****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.

	Tax rate	MBSB Bank Group		MBSB Bank	
		+100 basis points RM'000	-100 basis points RM'000	+100 basis points RM'000	-100 basis points RM'000
<b>31-Dec-21</b>					
Impact to profit before tax		(163,829)	163,829	(171,266)	171,266
Impact to profit after tax and equity	24%	(124,510)	124,510	(130,162)	130,162
<b>31-Dec-20</b>					
Impact to profit before tax		(180,342)	180,342	(188,158)	188,158
Impact to profit after tax and equity	24%	(137,060)	137,060	(143,000)	143,000
<b>01-Jan-20</b>					
Impact to profit before tax		(207,615)	207,615	(216,351)	216,351
Impact to profit after tax and equity	24%	(157,788)	157,788	(164,426)	164,426

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

(Incorporated in Malaysia)

**Capital adequacy (continued)**

**Disclosure of rated and unrated exposures according to rating by ECAIs**

**MBSB Bank Group**

**31-Dec-21**

**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)		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)

**Capital adequacy (continued)**

**Disclosure of rated and unrated exposures according to rating by ECAIs (continued)**

**MBSB Bank Group**

**31-Dec-21**

**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		9,527,624	-	-	-	-
Total		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>						
Banks, MDBs and FDI		1,067,238	12,837	222	43	23
Total		1,067,238	12,837	222	43	23

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

(Incorporated in Malaysia)

**Capital adequacy (continued)**

**Disclosure of rated and unrated exposures according to rating by ECAs**

**MBSB Bank Group**

31-Dec-20

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)		55,226	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers		-	-	-	-	-
Corporates		2,349,078	-	-	-	7,216,469
<b>Total</b>		<b>2,404,304</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,216,469</b>



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

(Incorporated in Malaysia)

**Capital adequacy (continued)**

**Disclosure of rated and unrated exposures according to rating by ECAIs (continued)**

**MBSB Bank Group**

31-Dec-20

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		8,789,558	-	-	-	-
Total		8,789,558	-	-	-	-

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 FDI		1,025,133	25,251	233	42	12
Total		1,025,133	25,251	233	42	12

**Capital adequacy (continued)**

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

**Disclosure of rated and unrated exposures according to rating by ECAs**

**MBSB Bank Group**

01-Jan-20

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)		-	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers		-	-	-	-	-
Corporates		2,520,959	-	-	-	10,876,458
<b>Total</b>		<b>2,520,959</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,876,458</b>

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

**Capital adequacy (continued)**

**Disclosure of rated and unrated exposures according to rating by ECAIs (continued)**

**MBSB Bank Group**

01-Jan-20

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		10,773,852	-	-	-	-
Total		10,773,852	-	-	-	-

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 FDI		210,093	7,959	244	-	873,583
Total		210,093	7,959	244	-	873,583

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

**Capital adequacy (continued)**

**Disclosure of rated and unrated exposures according to rating by ECAs**

**MBSB Bank**  
**31-Dec-21**  
**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	-	-	9,266,834
<b>Total</b>		<b>3,276,047</b>	<b>50,179</b>	<b>-</b>	<b>-</b>	<b>9,507,043</b>

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

(Incorporated in Malaysia)

**Capital adequacy (continued)**

**Disclosure of rated and unrated exposures according to rating by ECAIs (continued)**

**MBSB Bank**

**31-Dec-21**

**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		9,527,624	-	-	-	-
Total		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>						
Banks, MDBs and FDI		323,474	12,837	222	43	23
Total		323,474	12,837	222	43	23

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

(Incorporated in Malaysia)

**Capital adequacy (continued)**

**Disclosure of rated and unrated exposures according to rating by ECAs**

**MBSB Bank**

31-Dec-20

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)		55,226	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers		-	-	-	-	-
Corporates		2,349,078	-	-	-	9,850,617
<b>Total</b>		<b>2,404,304</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,850,617</b>

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

(Incorporated in Malaysia)

**Capital adequacy (continued)**

**Disclosure of rated and unrated exposures according to rating by ECAIs (continued)**

**MBSB Bank**

31-Dec-20

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		8,789,558	-	-	-	-
Total		8,789,558	-	-	-	-

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 FDI		243,451	25,251	233	42	12
Total		243,451	25,251	233	42	12

**Capital adequacy (continued)**

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

**Disclosure of rated and unrated exposures according to rating by ECAs**

**MBSB Bank**

01-Jan-20

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)		-	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers		-	-	-	-	-
Corporates		2,520,959	-	-	-	13,748,514
<b>Total</b>		<b>2,520,959</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,748,514</b>



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

**Capital adequacy (continued)**

**Disclosure of rated and unrated exposures according to rating by ECAIs (continued)**

**MBSB Bank**

01-Jan-20

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		10,773,852	-	-	-	-
Total		10,773,852	-	-	-	-

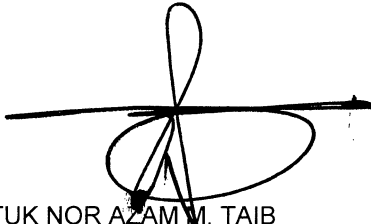
Exposure Class	Rating of Banking Institutions by approved ECAIs					
	MOODY'S	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	FITCH	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<b><u>On and Off Balance Sheet Exposures</u></b>						
Banks, MDBs and FDI		210,093	7,959	244	-	67
Total		210,093	7,959	244	-	67

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

(Incorporated in Malaysia)

**Pillar 3, Basel II - Capital Adequacy Framework for Islamic Banks (CAFIB) Disclosures -  
Acting 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 2021 are consistent with the manner in which the Bank assesses and manages its risks, and are not misleading in any particular way.



DATUK NOR AZAM M. TAIB  
ACTING CHIEF EXECUTIVE OFFICER