

PRICING SUPPLEMENT

MBSB BANK BERHAD
(Registration No. 200501033981 (716122-P))

Issue of Tier-2 Sukuk Wakalah pursuant to the Sukuk Programme of up to RM10.0 billion in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar for the issuance of Senior Sukuk Wakalah and/or Tier-2 Sukuk Wakalah and/or Additional Tier-1 Capital Sukuk Wakalah

Tranche 1 and Tranche 2

RM1,300,000,000.00 in nominal value

(“Tier-2 Sukuk Wakalah”)

Joint Principal Adviser(s) / Joint Lead Arranger(s) / Joint Lead Manager(s)



AmInvestment Bank Berhad
(Registration No. 197501002220
(23742-V))



RHB Investment Bank Berhad
(Registration No. 197401002639
(19663-P))

The date of this Pricing Supplement is 12 December 2019

This document is issued to give details of an issue of two Tranches of Tier-2 Sukuk Wakalah by MBSB Bank Berhad (the “**Issuer**”) pursuant to the Sukuk Programme of up to RM10.0 billion in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar for the issuance of Senior Sukuk Wakalah and/or Tier-2 Sukuk Wakalah and/or Additional Tier-1 Capital Sukuk Wakalah (collectively referred to as “**Sukuk Wakalah**”) (the “**Sukuk Wakalah Programme**”).

Full information on the Issuer and the offer of the Sukuk Wakalah is only available on the basis of a combination of this Pricing Supplement and the information memorandum dated 22 November 2019 (“**Information Memorandum**”) as may be supplemented from time to time.

Unless otherwise defined in this Pricing Supplement, capitalised terms used herein have the same meaning as in the Information Memorandum. In case of any conflict between the terms of the Pricing Supplement and the Information Memorandum, the terms set forth in this Pricing Supplement shall govern.

The establishment of the Sukuk Wakalah Programme has been duly authorised by the Issuer by way of the resolution of its board of directors dated 25 April 2019.

The Issuer hereby acknowledges that it has authorised AmInvestment Bank Berhad (Registration No. 197501002220 (23742-V)) and RHB Investment Bank Berhad (Registration No. 197401002639 (19663-P)) as the Joint Lead Manager(s) for the Sukuk Wakalah Programme to circulate or distribute this Pricing Supplement on their behalf in respect of or in connection with the proposed offer or invitation to subscribe for and issue of the Tier-2 Sukuk Wakalah **only to prospective Investors who fall within the ambit of the Selling Restriction** (defined below) for the purpose of the sale of this two Tranches of Tier-2 Sukuk Wakalah described herein pursuant to the Sukuk Wakalah Programme and that no further evidence of authorisation is required.

The Selling Restriction for the Tier-2 Sukuk Wakalah is as follows:

(a) Selling Restrictions at issuance

The Tier-2 Sukuk Wakalah may not be issued, offered, sold or delivered, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within Part I of Schedule 6 (or Section 229(1)(b)) and Part I of Schedule 7 (or Section 230(1)(b)) read together with Schedule 9 (or Section 257(3)) of the Capital Markets and Services Act (“**CMSA**”).

(b) Selling Restrictions after issuance

The Tier-2 Sukuk Wakalah may not be issued, offered, sold or delivered, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within Part I of Schedule 6 (or Section 229(1)(b)) read together with Schedule 9 (or Section 257(3)) of the CMSA.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Tier-2 Sukuk Wakalah or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

THERE ARE RESTRICTIONS ON THE DISTRIBUTION OF THIS PRICING SUPPLEMENT AND THE OFFERING OR SALE OF THE TIER-2 SUKUK WAKALAH IN MALAYSIA. PERSONS INTO WHOSE POSSESSION THIS PRICING SUPPLEMENT COMES ARE REQUIRED BY THE ISSUER, THE JOINT LEAD ARRANGER(S) AND THE JOINT LEAD MANAGER(S) TO INFORM THEMSELVES ABOUT AND TO OBSERVE SUCH RESTRICTIONS. FOR A DESCRIPTION OF THE RESTRICTIONS ON THE OFFERING AND SALE OF THE TIER-2 SUKUK WAKALAH AND ON DISTRIBUTION OF THIS PRICING SUPPLEMENT IN MALAYSIA, PLEASE REFER TO SECTION 3.0 OF THE INFORMATION MEMORANDUM DATED 22 NOVEMBER 2019 FOR THE SUKUK WAKALAH PROGRAMME.

This Pricing Supplement is sent to selected persons who fall within the ambit of the Selling Restrictions. Any person who receives this Pricing Supplement who does not fall within the ambit of the Selling Restrictions must immediately notify the Joint Lead Manager(s) and return this Pricing Supplement to the Joint Lead Manager(s) or the Issuer.

The recipient must return this Pricing Supplement and any other information in connection therewith to the Joint Lead Manager(s) promptly upon the Joint Lead Manager(s)'s request.

Tier-2 Sukuk Wakalah

1. Issuer:	MBSB Bank Berhad
2. Tranche No:	1 and 2
3. Nominal Value:	Tranche 1: RM650,000,000.00 Tranche 2: RM650,000,000.00
4. Issue Price:	Tranche 1: RM650,000,000.00 Tranche 2: RM650,000,000.00
5. Specified Denominations: <i>(this means the minimum integral amount in which transfers can be made)</i>	The denomination of the Sukuk Wakalah shall be RM1,000.00 or in multiples of RM1,000.00 at the time of issuance
6. Issue Date:	20 December 2019
7. Tenure of Tier-2 Sukuk Wakalah to	Tranche 1: 10 Non-call 5

be issued (years):	Tranche 2: 12 Non-call 7
8. Maturity Date:	Tranche 1: 20 December 2029 Tranche 2: 19 December 2031
9. First Call Date:	Tranche 1: 20 December 2024 Tranche 2: 21 December 2026
10. Yield (<i>up to the First Call Date</i>):	Tranche 1: 5.05% p.a. Tranche 2: 5.25% p.a. <i>The yield is calculated at the Issue Date up to the First Call Date on the basis of the Issue Price. It is not an indication of future yield.</i>
11. Fixed/Floating Rate:	Fixed
12. Periodic Distribution Rate:	Tranche 1: 5.05% p.a. Tranche 2: 5.25% p.a.
13. Periodic Distribution frequency:	Semi-annual
14. First Periodic Distribution Date:	22 June 2020
15. Rating & Rating Agency:	A3/Stable by RAM Rating Services Berhad
16. Utilisation of Proceeds:	The proceeds from the issuance of the Tier-2 Sukuk Wakalah under the Sukuk Wakalah Programme will be utilised by the Issuer for its Shariah-compliant general banking purposes
17. Loss absorption mechanism:	Write-off mechanism in the case of a non-viability event
18. Callable (with first call date):	Tranche 1: Callable on 5 th anniversary date from the Issue Date and on every coupon payment date thereafter with the first call date on 20 December 2024. Tranche 2: Callable on 7 th anniversary date from the Issue Date and on every coupon payment date thereafter with the first call date on 21 December 2026.
19. Other conditions	Please refer to the Information

	Memorandum dated 22 November 2019 in relation to the Sukuk Wakalah Programme for the other terms and conditions applicable to the Sukuk Wakalah Programme.
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PURPOSE OF FINAL TERMS

This Pricing Supplement comprise the final terms required for the issue of the two Tranches of Tier-2 Sukuk Wakalah described herein pursuant to the Sukuk Wakalah Programme.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. The Issuer confirms that having made all enquiries as were reasonable, the information contained in this Pricing Supplement is in accordance with the facts and is not false, misleading or contain any material omission as at the date of this Pricing Supplement.

Signed on behalf of MBSB Bank Berhad:

By: 
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Authorised Signatory
YANG YOW SAI
Chief Financial Officer
Finance Division
MBSB Bank