



**MALAYSIA BUILDING SOCIETY BERHAD**  
(Incorporated in Malaysia)  
(Company No. 9417-K)

To: Bursa Malaysia Securities Berhad (“Bursa”)

Dear Sir/ Madam

**AMENDMENT TO THE INTERIM FINANCIAL STATEMENTS OF MALAYSIA BUILDING SOCIETY BERHAD GROUP AND OF THE COMPANY FOR THE 1ST QUARTER ENDED 31 MARCH 2019 (“INTERIM FINANCIAL STATEMENTS”)**

Reference is made to the interim financial statements announced to Bursa on 15 May 2019.

We wish to highlight that the following amendments (in bold) made to the interim financial statements which shall by this amendment, be amended and corrected as shown herein instead of as announced to Bursa on 15 May 2019.

The amendment is to reflect consistency of credit risk and market risk applied in the audited financial statements of the Group and of the Company for the financial year ended 31 December 2018.

The capital adequacy ratios have been computed in accordance with BNM’s Capital Adequacy Framework (Capital Components and Basel II – Risk Weighted Assets) since 7 February 2018 upon completion of the acquisition of the Banking subsidiary, MBSB Bank Berhad. The total risk weighted assets are computed based on Standardised Approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk.

The abovementioned amendments do not have any impact on the financial results of the Group and the Company for the 1<sup>st</sup> quarter ended 31 March 2019.

**NOTE A29 – CAPITAL ADEQUACY (Page 29 of the interim financial statements)**

**1.1 Note A29 (before amendment)**

	<b>Group</b>		<b>Bank Group</b>		<b>Bank</b>	
	<b>31-Mar-19</b>	<b>31-Dec-18</b>	<b>31-Mar-19</b>	<b>31-Dec-18</b>	<b>31-Mar-19</b>	<b>31-Dec-18</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Common Equity Tier 1 Capital</u></b>						
Ordinary share capital	6,682,102	6,682,102	4,625,859	4,625,859	4,625,859	4,625,859
Retained earnings	1,086,629	1,086,629	324,226	324,224	259,542	259,543
Other reserve	47,104	16,873	46,174	15,942	46,174	15,942
	<u>7,815,835</u>	<u>7,785,604</u>	<u>4,996,259</u>	<u>4,966,025</u>	<u>4,931,575</u>	<u>4,901,344</u>
Less: Common Equity Tier 1 regulatory adjustments						
Goodwill and bargain purchase gains	-	(188,790)	-	-	-	-
Cumulative gains of investment securities at FVOCI	(25,810)	(8,134)	(25,810)	(8,152)	(25,810)	(8,152)
Regulatory reserve attributable to financing	-	-	(5,234)	(5,234)	(5,234)	(5,234)
Other intangibles	(108,742)	(104,723)	(108,715)	(104,692)	(108,715)	(104,692)
Total Common Equity Tier 1 Capital	<u>7,681,283</u>	<u>7,483,957</u>	<u>4,856,500</u>	<u>4,847,947</u>	<u>4,791,816</u>	<u>4,783,266</u>
<b><u>Tier 1 Capital</u></b>						
Additional Tier 1 capital instruments	-	-	-	-	-	-
Less: Tier 1 regulatory adjustments	-	-	-	-	-	-
Total Tier 1 capital	<u>7,681,283</u>	<u>7,483,957</u>	<u>4,856,500</u>	<u>4,847,947</u>	<u>4,791,816</u>	<u>4,783,266</u>
<b><u>Tier II Capital</u></b>						
Collective impairment allowance and regulatory reserve	427,804	415,057	393,615	381,268	428,589	416,225
Total Tier II capital	<u>427,804</u>	<u>415,057</u>	<u>393,615</u>	<u>381,268</u>	<u>428,589</u>	<u>416,225</u>
Total capital base	<u>8,109,087</u>	<u>7,899,014</u>	<u>5,250,115</u>	<u>5,229,215</u>	<u>5,220,405</u>	<u>5,199,491</u>

## 1. NOTE A29 – CAPITAL ADEQUACY (Page 29 of the interim financial statements) (continued)

### 1.1 Note A29 (before amendment) (continued)

Breakdown of risk weighted assets in various categories of risk weights are as follows:

	Group		Bank Group		Bank	
	31-Mar-19 RM'000	31-Dec-18 RM'000	31-Mar-19 RM'000	31-Dec-18 RM'000	31-Mar-19 RM'000	31-Dec-18 RM'000
<u>Total risk weighted assets ("RWA")</u>						
- Credit risk	34,224,330	33,204,567	31,489,084	30,501,441	34,287,147	33,297,969
- Market risk	29,252	2,136	29,252	2,136	29,252	2,136
- Operational risk	2,407,148	2,268,538	898,226	619,526	837,057	573,889
Total RWA	<u>36,660,730</u>	<u>35,475,241</u>	<u>32,416,562</u>	<u>31,123,103</u>	<u>35,153,456</u>	<u>33,873,994</u>
Capital ratios						
Common equity tier 1 capital	20.952%	21.096%	14.982%	15.577%	13.631%	14.121%
Tier 1 capital	20.952%	21.096%	14.982%	15.577%	13.631%	14.121%
Total capital ratio	<u>22.119%</u>	<u>22.266%</u>	<u>16.196%</u>	<u>16.802%</u>	<u>14.850%</u>	<u>15.350%</u>

### 1.2 Note A29 (after amendment)

	Group		Bank Group		Bank	
	31-Mar-19 RM'000	31-Dec-18 RM'000	31-Mar-19 RM'000	31-Dec-18 RM'000	31-Mar-19 RM'000	31-Dec-18 RM'000
<u>Common Equity Tier 1 Capital</u>						
Ordinary share capital	6,682,102	6,682,102	4,625,859	4,625,859	4,625,859	4,625,859
Retained earnings	1,086,629	1,086,629	324,226	324,224	259,542	259,543
Other reserve	47,104	16,873	46,174	15,942	46,174	15,942
	<u>7,815,835</u>	<u>7,785,604</u>	<u>4,996,259</u>	<u>4,966,025</u>	<u>4,931,575</u>	<u>4,901,344</u>
Less: Common Equity Tier 1 regulatory adjustments						
Goodwill and bargain purchase gains	(188,790)	(188,790)	-	-	-	-
Cumulative gains of investment securities at FVOCI	(25,810)	(8,134)	(25,810)	(8,152)	(25,810)	(8,152)
Regulatory reserve attributable to financing	-	-	(5,234)	(5,234)	(5,234)	(5,234)
Other intangibles	(108,742)	(104,723)	(108,715)	(104,692)	(108,715)	(104,692)
Total Common Equity Tier 1 Capital	<u>7,492,493</u>	<u>7,483,957</u>	<u>4,856,500</u>	<u>4,847,947</u>	<u>4,791,816</u>	<u>4,783,266</u>
<u>Tier 1 Capital</u>						
Additional Tier 1 capital instruments	-	-	-	-	-	-
Less: Tier 1 regulatory adjustments	-	-	-	-	-	-
Total Tier 1 capital	<u>7,492,493</u>	<u>7,483,957</u>	<u>4,856,500</u>	<u>4,847,947</u>	<u>4,791,816</u>	<u>4,783,266</u>
<u>Tier II Capital</u>						
Collective impairment allowance and regulatory reserve	491,107	478,878	456,916	445,089	491,892	480,046
Total Tier II capital	<u>491,107</u>	<u>478,878</u>	<u>456,916</u>	<u>445,089</u>	<u>491,892</u>	<u>480,046</u>
Total capital base	<u>7,983,600</u>	<u>7,962,835</u>	<u>5,313,416</u>	<u>5,293,036</u>	<u>5,283,708</u>	<u>5,263,312</u>

**1. NOTE A29 – CAPITAL ADEQUACY (Page 29 of the interim financial statements) (continued)**

**1.2 Note A29 (after amendment) (continued)**

Breakdown of risk weighted assets in various categories of risk weights are as follows:

	Group		Bank Group		Bank	
	31-Mar-19 RM'000	31-Dec-18 RM'000	31-Mar-19 RM'000	31-Dec-18 RM'000	31-Mar-19 RM'000	31-Dec-18 RM'000
<u>Total risk weighted assets ("RWA")</u>						
- Credit risk	39,288,538	38,310,259	36,553,293	35,607,133	39,351,355	38,403,661
- Market risk	5,582	2,136	5,582	2,136	5,582	2,136
- Operational risk	2,407,148	2,268,538	898,226	619,526	837,057	573,889
Total RWA	<u>41,701,268</u>	<u>40,580,933</u>	<u>37,457,101</u>	<u>36,228,795</u>	<u>40,193,994</u>	<u>38,979,686</u>
Capital ratios						
Common equity tier 1 capital	17.967%	18.442%	12.965%	13.381%	11.922%	12.271%
Tier 1 capital	17.967%	18.442%	12.965%	13.381%	11.922%	12.271%
Total capital ratio	<u>19.145%</u>	<u>19.622%</u>	<u>14.185%</u>	<u>14.610%</u>	<u>13.146%</u>	<u>13.503%</u>

We apologise for the above amendments and regret any inconveniences caused.

Thank you

By Order of the Board

KOH AI HOON (MAICSA 7006997)  
 TONG LEE MEE (MAICSA 7053445)  
 Company Secretaries  
 Kuala Lumpur  
 24 June 2019