

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

Page 1 of 5

Quarterly report on consolidated financial statements for the third quarter ended 30 September 2013.
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | 3rd quarter ended | | 9 months ended | |
|---|-------------------|----------|----------------|-----------|
| | 30 September | | 30 September | |
| | 2013 | 2012 | 2013 | 2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 644,033 | 520,680 | 1,815,349 | 1,344,035 |
| Interest income | 107,952 | 102,421 | 329,284 | 295,524 |
| Interest expenses | (70,046) | (48,468) | (211,814) | (121,589) |
| Net interest income | 37,906 | 53,953 | 117,470 | 173,935 |
| Net income from Islamic banking operations | 297,461 | 205,503 | 849,454 | 510,092 |
| Operating income | 335,367 | 259,456 | 966,924 | 684,027 |
| Other income | 40,759 | 34,233 | 80,553 | 86,299 |
| Total income | 376,126 | 293,689 | 1,047,477 | 770,326 |
| Other operating expenses | (65,225) | (58,174) | (181,150) | (156,081) |
| Operating profit | 310,901 | 235,515 | 866,327 | 614,245 |
| Allowance for impairment losses on loans, advances and financing | (114,666) | (58,134) | (185,393) | (203,765) |
| Profit before taxation and zakat | 196,235 | 177,381 | 680,934 | 410,480 |
| Taxation | (63,514) | (87,404) | (216,314) | (145,767) |
| Zakat | - | - | (600) | (1,668) |
| Profit for the period | 132,721 | 89,977 | 464,020 | 263,045 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | 132,721 | 89,977 | 464,020 | 263,045 |
| Earnings per share (sen): | | | | |
| Basic | 7.64 | 7.40 | 29.61 | 21.64 |
| Diluted | 7.57 | 5.99 | 29.32 | 17.53 |

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As at 30 September 2013 (RM'000) | As at 31 December 2012 (RM'000) |
|---|--|---------------------------------------|
| ASSETS | | |
| Cash and short term funds | 4,432,264 | 1,275,431 |
| Deposits and placements with financial institutions | 7,431 | 5,354 |
| Trade receivables | 567 | 407 |
| Other receivables | 192,051 | 362,213 |
| Inventories | 28,899 | 60,908 |
| Loans, advances and financing | 30,140,828 | 24,265,570 |
| Investments held-to maturity | - | 200,000 |
| Investment properties | 451 | 467 |
| Property, plant and equipment | 98,577 | 130,532 |
| Land use rights | 6,109 | 9,456 |
| Intangible assets | 43,345 | 47,392 |
| TOTAL ASSETS | 34,950,522 | 26,357,730 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Deposits from customers | 29,351,551 | 21,494,099 |
| Bank borrowings | 490,300 | 350,217 |
| Other borrowings | 275,914 | 351,203 |
| Trade payables | 175 | 195 |
| Other payables | 324,220 | 235,975 |
| Provision for taxation and zakat | 72,279 | 55,972 |
| Recourse obligation on loans sold to Cagamas Berhad | 2,293,837 | 2,361,997 |
| Deferred tax liabilities | 11,370 | 11,426 |
| TOTAL LIABILITIES | 32,819,646 | 24,861,084 |
| Share capital | 1,742,098 | 1,240,361 |
| Share premium | 628,627 | 514,098 |
| Other reserve | 35,261 | 131,330 |
| Accumulated losses | (275,110) | (389,143) |
| Shareholders' equity | 2,130,876 | 1,496,646 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 34,950,522 | 26,357,730 |

The condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FINANCIAL YEAR ENDED 30 SEPTEMBER 2013

<----- Non Distributable ----->

| | Ordinary Shares RM'000 | Share Premium RM'000 | Capital Reserve ^{#1} RM'000 | Share Option Reserve RM'000 | Warrants Reserve RM'000 | Capital Redemption Reserve ^{#2} RM'000 | Accumulated Losses RM'000 | Total Equity RM'000 |
|---|------------------------------|----------------------------|--|--------------------------------------|-------------------------------|--|---------------------------------|---------------------------|
| At 1 January 2012 | 1,215,501 | 498,498 | 17,838 | 2,410 | 99,246 | 12,486 | (715,830) | 1,130,149 |
| Total comprehensive income for the period | - | - | - | - | - | - | 263,045 | 263,045 |
| Dividend | - | - | - | - | - | - | (64,640) | (64,640) |
| Share options granted under ESOS recognised in profit or loss | - | - | - | 4,403 | - | - | - | 4,403 |
| Issue of ordinary shares pursuant to ESOS | 22,089 | 9,610 | - | (5,208) | - | - | - | 26,491 |
| Issue of ordinary shares pursuant to warrants | 274 | - | - | - | - | - | - | 274 |
| Transfer of share option reserve to accumulated losses upon forfeiture of share options | - | - | - | (120) | - | - | 120 | - |
| At 30 September 2012 | 1,237,864 | 508,108 | 17,838 | 1,485 | 99,246 | 12,486 | (517,305) | 1,359,722 |
| At 1 January 2013 | 1,240,361 | 514,098 | 17,838 | 2,799 | 98,207 | 12,486 | (389,143) | 1,496,646 |
| Total comprehensive income for the period | - | - | - | - | - | - | 464,020 | 464,020 |
| Dividend | - | - | - | - | - | - | (350,865) | (350,865) |
| Share options granted under ESOS recognised in income statement | - | - | - | - | - | - | - | - |
| Issue of ordinary shares pursuant to ESOS | 17,415 | 19,691 | - | (6,075) | - | - | - | 31,031 |
| Issue of ordinary shares pursuant to warrants | 484,322 | 94,838 | - | - | (94,635) | - | - | 484,525 |
| Issue of ordinary shares pursuant to rights issue | - | - | - | 5,519 | - | - | - | 5,519 |
| Transfer of share option reserve to accumulated losses upon forfeiture of share options | - | - | - | (878) | - | - | 878 | - |
| At 30 September 2013 | 1,742,098 | 628,627 | 17,838 | 1,365 | 3,572 | 12,486 | (275,110) | 2,130,876 |

^{#1} Capital reserve arose out of the transfer of the Malaya Borneo Building Society Limited as at 29 February 1972 to the Company on 1 March 1972 via a Scheme of Arrangement and is not distributable as cash dividends.

^{#2} Capital redemption reserve arose out of the redemption of redeemable cumulative preference shares and is not distributable as cash dividends.

The condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statement for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

| | 30 September 2013 RM'000 | 30 September 2012 RM'000 |
|--|---|---|
| Cash flows from operating activities | | |
| Profit before taxation | 680,934 | 410,480 |
| Adjustments for : | | |
| Depreciation | | |
| - Investment properties | 16 | 18 |
| - Property, plant and equipment | 9,823 | 6,887 |
| Amortisation | | |
| - land use rights | 122 | 123 |
| - Intangible assets | 8,135 | 2,084 |
| Gain on disposal of property, plant and equipment | (4) | - |
| Gain on disposal of inventory | (15,001) | - |
| Gain on disposal of investment properties | (2,931) | (112) |
| Gain on disposal of foreclosed properties | (448) | (2,241) |
| Allowance for impairment of receivables | 20,092 | 17,438 |
| Allowance for impairment losses on loans and financing | 185,393 | 203,765 |
| Share options granted under ESOS | 5,520 | 4,403 |
| Operating profit before working capital changes | 891,651 | 642,845 |
| Increase in deposits with financial institutions | (2,077) | - |
| Increase in loans, advances and financing | (6,039,053) | (8,155,849) |
| Decrease/(Increase) in inventories | 32,009 | (82) |
| Increase in receivables | (97,652) | (30,413) |
| Decrease in investments held-to maturity | 200,000 | 4,354 |
| Increase in deposits from customers | 7,857,452 | 6,537,822 |
| Increase in payables | 88,226 | 49,815 |
| Proceeds from disposal of foreclosed properties | 4,400 | 23,300 |
| Cash generated from/(used in) operations | 2,934,956 | (928,208) |
| Tax paid | (187,549) | (117,177) |
| Zakat paid | (760) | (825) |
| Net cash generated from/(used) in operating activities | 2,746,647 | (1,046,210) |

(Contd.)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (CONTD.)

| | 30 September 2013 RM'000 | 30 September 2012 RM'000 |
|--|---|---|
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (8,320) | (36,276) |
| Purchase of intangible assets | (3,908) | (29,214) |
| Proceeds from disposal of inventory | 47,000 | - |
| Proceeds from disposal of investment properties | 36,600 | 500 |
| Net cash generated from/(used in) investing activities | <u>71,372</u> | <u>(64,990)</u> |
| Cash flows from financing activities | | |
| Proceeds from bank borrowings | 140,083 | 250,193 |
| Long term financing facility | (75,289) | (75,442) |
| Recourse obligation on loans sold to Cagamas Berhad | (68,160) | 450,090 |
| Dividend paid - ordinary shares | (350,865) | (64,640) |
| Net proceeds from issuance of ordinary shares | 693,045 | 22,363 |
| Net cash generated from financing activities | <u>338,814</u> | <u>582,564</u> |
| Net increase/(decrease) in cash and cash equivalents | 3,156,833 | (528,636) |
| Cash and cash equivalents at beginning of financial period | 1,275,431 | 1,355,599 |
| Cash and cash equivalents at end of financial period | <u><u>4,432,264</u></u> | <u><u>826,963</u></u> |
| Cash and cash equivalents comprise : | | |
| Cash and short term funds | <u><u>4,432,264</u></u> | <u><u>826,963</u></u> |

The condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying notes attached to the interim financial statements.