

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

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Quarterly report on consolidated financial statements for the fourth quarter ended 31 December 2013.

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	4th quarter ended		12 months ended	
	31 December		31 December	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Revenue	695,470	487,525	2,510,819	1,831,560
Interest income	136,487	99,697	465,771	395,221
Interest expenses	(62,313)	(50,653)	(274,127)	(172,243)
Net interest income	74,174	49,044	191,644	222,978
Net income from Islamic banking operations	321,635	236,778	1,171,089	746,871
Operating income	395,809	285,822	1,362,733	969,849
Other income	34,661	39,361	115,214	125,660
Total income	430,470	325,183	1,477,947	1,095,509
Other operating expenses	(88,875)	(67,990)	(270,025)	(224,071)
Operating profit	341,595	257,193	1,207,922	871,438
Allowance for impairment losses on loans, advances and financing	(90,180)	(11,446)	(275,573)	(215,211)
Profit before taxation and zakat	251,415	245,747	932,349	656,227
Taxation	(114,790)	(61,073)	(331,104)	(206,840)
Zakat	(3,077)	(1,068)	(3,677)	(2,736)
Profit for the year	133,548	183,606	597,568	446,651
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	133,548	183,606	597,568	446,651
Earnings per share (sen):				
Basic	7.66	7.40	37.07	21.64
Diluted	7.59	5.99	36.71	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**

	<b>As at</b>	<b>As at</b>
	<b>31 December 2013</b>	<b>31 December 2012</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>ASSETS</b>		
Cash and short term funds	4,573,353	1,275,431
Deposits and placements with financial institutions	10,311	5,354
Trade receivables	524	407
Other receivables	187,893	362,213
Inventories	28,906	60,908
Loans, advances and financing	30,296,222	24,265,570
Investments held-to maturity	-	200,000
Sukuk receivables	56	-
Investment properties	446	467
Property, plant and equipment	98,850	130,532
Land use rights	6,068	9,456
Intangible assets	42,979	47,392
<b>TOTAL ASSETS</b>	<b>35,245,608</b>	<b>26,357,730</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Deposits from customers	28,192,669	21,494,099
Bank borrowings	1,440,319	350,217
Other borrowings	250,869	351,203
Trade payables	224	195
Other payables	323,983	235,975
Provision for taxation and zakat	79,448	55,972
Recourse obligation on loans sold to Cagamas Berhad	2,267,224	2,361,997
Structured Covered Sukuk Commodity Murabahah	492,696	-
Deferred tax liabilities	11,967	11,426
<b>TOTAL LIABILITIES</b>	<b>33,059,399</b>	<b>24,861,084</b>
Share capital	1,747,867	1,240,361
Share premium	631,189	514,098
Other reserve	36,670	131,330
Accumulated losses	(229,517)	(389,143)
<b>Shareholders' equity</b>	<b>2,186,209</b>	<b>1,496,646</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>35,245,608</b>	<b>26,357,730</b>

**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 31 DECEMBER 2013**

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

	Ordinary Shares <i>RM'000</i>	Share Premium <i>RM'000</i>	Capital Reserve <sup>#1</sup> <i>RM'000</i>	Share Option Reserve <i>RM'000</i>	Warrants Reserve <i>RM'000</i>	Capital Redemption Reserve <sup>#2</sup> <i>RM'000</i>	Accumulated Losses <i>RM'000</i>	Total Equity <i>RM'000</i>
<b>At 1 January 2012</b>	1,215,501	498,498	17,838	2,410	99,246	12,486	(715,830)	1,130,149
Total comprehensive income for the year	-	-	-	-	-	-	446,651	446,651
Dividend	-	-	-	-	-	-	(120,293)	(120,293)
Share options granted under ESOS recognised in profit or loss	-	-	-	10,416	-	-	-	10,416
Issue of ordinary shares pursuant to ESOS	21,054	14,561	-	(9,698)	-	-	-	25,917
Issue of ordinary shares pursuant to warrants	3,806	1,039	-	-	(1,039)	-	-	3,806
Transfer of share option reserve to accumulated losses upon forfeiture of share options	-	-	-	(329)	-	-	329	-
<b>At 31 December 2012</b>	1,240,361	514,098	17,838	2,799	98,207	12,486	(389,143)	1,496,646
<b>At 1 January 2013</b>	1,240,361	514,098	17,838	2,799	98,207	12,486	(389,143)	1,496,646
Total comprehensive income for the year	-	-	-	-	-	-	597,568	597,568
Dividend	-	-	-	-	-	-	(438,127)	(438,127)
Share options granted under ESOS recognised in income statement	-	-	-	7,786	-	-	-	7,786
Issue of ordinary shares pursuant to ESOS	20,808	21,672	-	(6,842)	-	-	-	35,638
Issue of ordinary shares pursuant to warrants	486,698	95,419	-	-	(95,419)	-	-	486,698
Transfer of share option reserve to accumulated losses upon lapse of share options	-	-	-	(1,030)	-	-	1,030	-
Cost of warrants issuance	-	-	-	-	845	-	(845)	-
<b>At 31 December 2013</b>	1,747,867	631,189	17,838	2,713	3,633	12,486	(229,517)	2,186,209

<sup>#1</sup> 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.

<sup>#2</sup> 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**

	<b>31 December 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	932,349	656,227
Adjustments for :		
Depreciation		
- Investment properties	21	22
- Property, plant and equipment	13,159	10,280
Amortisation		
- land use rights	165	165
- Intangible assets	10,989	3,968
Gain on disposal of property, plant and equipment	(4)	(26)
Gain on disposal of investment properties	(2,931)	(112)
Gain on disposal of foreclosed properties	(448)	(2,241)
Gain on disposal of inventories	(15,001)	-
Gain on disposal of property development cost	-	(55,433)
Loss on disposal of subsidiary	-	4,829
Allowance for impairment of receivables	45,524	29,753
Allowance for impairment of foreclosed properties	-	215
Allowance for impairment losses on loans and financing	275,573	215,211
Share options granted under ESOS	7,786	10,416
Operating profit before working capital changes	1,267,182	873,274
Increase in deposits with financial institutions	(4,957)	(404)
Increase in loans, advances and financing	(6,306,225)	(9,296,150)
Decrease in inventories	32,002	60,931
Decrease/(Increase) in receivables	74,241	(203,656)
Decrease in investments held-to maturity	200,000	4,354
Decrease in property development costs	-	124,548
Increase sukuk receivables	(56)	-
Increase in deposits from customers	6,698,570	7,982,151
Increase in payables	88,036	97,499
Proceeds from disposal of foreclosed properties	4,400	23,300
Cash generated from/(used in) operations	2,053,193	(334,153)
Tax paid	(297,400)	(220,563)
Zakat paid	(1,708)	(836)
Net cash generated from/(used in) operating activities	1,754,085	(555,552)

(Contd.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (CONTD.)**

	<b>31 December 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(11,929)	(25,147)
Purchase of intangible assets	(6,576)	(48,702)
Proceeds from disposal of property, plant and equipment	36,600	26
Proceeds from disposal of investment properties	-	500
Proceeds from disposal of inventories	47,000	-
Net cash inflow from disposal of subsidiary	-	56,172
Net cash generated from/(used in) investing activities	<u>65,095</u>	<u>(17,151)</u>
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	1,090,102	250,173
Long term financing facility	(100,334)	(100,429)
Recourse obligation on loans sold to Cagamas Berhad	(94,773)	428,613
Structured Covered Sukuk Commodity Murabahah	492,696	-
Dividend paid - ordinary shares	(438,127)	(120,293)
Net proceeds from issuance of ordinary shares	529,178	39,421
Net cash generated from financing activities	<u>1,478,742</u>	<u>497,485</u>
Net increase/(decrease) in cash and cash equivalents	3,297,922	(75,218)
Cash and cash equivalents at beginning of financial year	1,275,431	1,350,649
Cash and cash equivalents at end of financial year	<u><u>4,573,353</u></u>	<u><u>1,275,431</u></u>
Cash and cash equivalents comprise :		
Cash and short term funds	<u><u>4,573,353</u></u>	<u><u>1,275,431</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.**