

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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014

	As at	As at
	30 September 2014	31 December 2013
	(RM'000)	(RM'000)
ASSETS		
Cash and short term funds	5,344,849	4,576,711
Deposits and placements with financial institutions	82,345	6,953
Trade receivables	527	524
Other receivables	213,134	187,949
Inventories	28,825	28,906
Loans, advances and financing	31,000,668	30,296,222
Investment properties	-	446
Property, plant and equipment	96,301	98,850
Land use rights	5,948	6,068
Intangible assets	43,387	42,979
Deferred tax assets	3,426	3,426
	36,819,410	35,249,034
TOTAL ASSETS	36,819,410	35,249,034
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits from customers	28,667,593	28,192,669
Bank borrowings	1,099,104	1,440,319
Other borrowings	175,608	250,869
Trade payables	202	224
Other payables	268,720	323,982
Provision for taxation and zakat	47,837	79,448
Recourse obligation on loans sold to Cagamas Berhad	1,800,425	2,267,224
Sukuk - MBSB SC Murabahah	497,991	492,696
Deferred tax liabilities	15,296	15,393
	32,572,776	33,062,824
TOTAL LIABILITIES	32,572,776	33,062,824
Share capital	2,688,573	1,747,868
Share premium	1,254,598	631,189
Other reserve	39,544	36,670
Accumulated profit/(losses)	263,919	(229,517)
	4,246,634	2,186,210
Shareholders' equity	4,246,634	2,186,210
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	36,819,410	35,249,034
COMMITMENTS AND CONTINGENCIES	6,379,808	5,014,098
Net assets per share attributable to shareholders (RM)	1.58	1.25

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2013.

MALAYSIA BUILDING SOCIETY BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD
ENDED 30 SEPTEMBER 2014

	3rd quarter ended 30 September		Nine months ended 30 September	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	678,990	644,033	2,018,182	1,815,349
Interest income	132,592	107,952	394,169	329,284
Interest expenses	(70,148)	(70,046)	(206,181)	(211,814)
Net interest income	62,444	37,906	187,988	117,470
Net income from Islamic banking operations	287,122	297,461	840,180	849,454
Operating income	349,566	335,367	1,028,168	966,924
Other income	18,802	40,759	65,007	80,553
Total income	368,368	376,126	1,093,175	1,047,477
Other operating expenses	(74,870)	(65,225)	(221,822)	(181,150)
Operating profit	293,498	310,901	871,353	866,327
Allowance for impairment losses on loans, advances and financing	(26,080)	(114,666)	(26,079)	(185,393)
Profit before taxation and zakat	267,418	196,235	845,274	680,934
Taxation	(75,050)	(63,514)	(222,702)	(216,314)
Zakat	-	-	(615)	(600)
Profit for the year	192,368	132,721	621,957	464,020
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	192,368	132,721	621,957	464,020
Earnings per share (sen):				
Basic	7.19	7.64	24.33	29.61
Diluted	7.15	7.57	24.22	29.32

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CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2014

<----- 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 Profit/(Losses) RM'000	Total Equity RM'000
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 year	-	-	-	-	-	-	464,020	464,020
Dividend	-	-	-	-	-	-	(350,865)	(350,865)
Share options granted under ESOS recognised in profit or loss	-	-	-	-	-	-	-	-
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
At 1 January 2014	1,747,868	631,189	17,838	2,713	3,633	12,486	(229,517)	2,186,210
Total comprehensive income for the year	-	-	-	-	-	-	621,957	621,957
Dividend	-	-	-	-	-	-	(131,240)	(131,240)
Share options granted under ESOS recognised in profit or loss	-	-	-	10,823	-	-	-	10,823
Issue of ordinary shares pursuant to rights issue	873,929	558,562	-	-	-	-	1,028	1,433,519
Issue of ordinary shares pursuant to ESOS	17,080	14,040	-	(6,258)	-	-	-	24,862
Issue of ordinary shares pursuant to warrants	369	-	-	-	-	-	-	369
Issue of ordinary shares pursuant to DRP	49,327	50,807	-	-	-	-	-	100,134
Transfer of share option reserve to accumulated losses upon expiry of share options	-	-	-	(1,691)	-	-	1,691	-
At 30 September 2014	2,688,573	1,254,598	17,838	5,587	3,633	12,486	263,919	4,246,634

^{#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.

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	30 September 2014 RM'000	30 September 2013 RM'000
Cash flows from operating activities		
Profit before taxation	845,274	680,934
Adjustments for :		
Depreciation		
- Investment properties	12	16
- Property, plant and equipment	10,768	9,823
Amortisation		
- land use rights	121	122
- Intangible assets	9,468	8,135
Gain on disposal of property, plant and equipment	(2)	(4)
Gain on disposal of inventory	-	(15,001)
Gain on disposal of investment properties	(166)	(2,931)
Gain on disposal of foreclosed properties	-	(448)
Allowance for impairment of receivables	22,329	20,092
Allowance for impairment losses on loans and financing	26,079	185,393
Share options granted under ESOS	10,823	5,520
Operating profit before working capital changes	924,706	891,651
Increase in deposits with financial institutions	(75,392)	(2,077)
Increase in loans, advances and financing	(663,467)	(6,039,053)
Decrease in inventories	81	32,009
Increase in receivables	(67,893)	(97,652)
Decrease in investments held-to maturity	-	200,000
Increase in deposits from customers	474,924	7,857,452
(Decrease)/Increase in trade payables	(22)	20
(Decrease)/Increase in other payables	(55,262)	88,206
Proceeds from disposal of foreclosed properties	-	4,400
Cash generated from operations	537,675	2,934,956
Tax paid	(211,619)	(187,549)
Tax refund	103	-
Zakat paid	-	(760)
Net cash generated from operating activities	326,159	2,746,647

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UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	30 September 2014 RM'000	30 September 2013 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,221)	(8,320)
Purchase of intangible assets	(9,875)	(3,908)
Proceeds from disposal of inventory	-	47,000
Proceeds from disposal of investment properties	600	36,600
Net cash used in investing activities	<u>(17,496)</u>	<u>71,372</u>
Cash flows from financing activities		
(Drawdown)/Proceeds from bank borrowings	(341,215)	140,083
Repayment of other borrowings	(75,261)	(75,289)
Repayment of recourse obligation on loans sold to Cagamas Berhad	(466,799)	(68,160)
Proceeds from Sukuk - MBSB SC Murabahah	5,295	-
Dividend paid - ordinary shares	(31,106)	(350,865)
Dividends paid for Dividend Reinvestment Plan	(100,134)	-
Net proceeds from issuance of ordinary shares	1,468,695	693,045
Net cash generated from financing activities	<u>459,475</u>	<u>338,814</u>
Net increase in cash and cash equivalents	768,138	3,156,833
Cash and cash equivalents at beginning of financial period	4,576,711	1,275,431
Cash and cash equivalents at end of financial period	<u><u>5,344,849</u></u>	<u><u>4,432,264</u></u>
Cash and cash equivalents comprise :		
Cash and short term funds	<u><u>5,344,849</u></u>	<u><u>4,432,264</u></u>