

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 2015

	As at 30 Sept 2015 (RM'000)	As at 31 Dec 2014 (RM'000)
ASSETS		
Cash and short term funds	7,630,313	5,683,939
Deposits and placements with financial institutions	403,135	83,418
Trade receivables	532	365
Other receivables	223,509	213,564
Inventories	103,267	103,233
Loans, advances and financing	31,747,686	31,032,148
Financial investments available-for-sale	375,667	-
Property, plant and equipment	138,149	137,773
Land use rights	5,786	5,908
Intangible assets	32,012	36,129
Deferred tax assets	466,470	369,426
TOTAL ASSETS	41,126,526	37,665,903
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits from customers	29,676,046	27,530,858
Bank borrowings	1,280,466	1,415,844
Other borrowings	75,261	150,544
Trade payables	177	184
Other payables	323,126	313,753
Provision for taxation and zakat	10,074	33,867
Recourse obligation on loans/financing sold	2,796,374	2,373,039
Sukuk - MBSB Structured Covered ("SC") Murabahah	2,073,640	1,150,124
Deferred tax liabilities	15,661	15,277
TOTAL LIABILITIES	36,250,825	32,983,490
Share capital	2,838,551	2,709,623
Share premium	1,392,980	1,278,873
Other reserves	39,236	36,810
Accumulated profit	604,933	657,107
Shareholders' equity	4,875,701	4,682,413
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	41,126,526	37,665,903
COMMITMENTS AND CONTINGENCIES	7,395,789	8,138,212
Net assets per share attributable to shareholders (RM)	1.72	1.73

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014.

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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	3rd quarter ended 30 September		Nine months ended 30 September	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	768,025	678,990	2,224,410	2,018,182
Interest income	117,365	132,592	363,696	394,169
Interest expenses	(70,103)	(70,148)	(208,762)	(206,181)
Net interest income	47,262	62,444	154,934	187,988
Net income from Islamic banking operations	273,949	287,122	816,830	840,180
Operating income	321,211	349,566	971,764	1,028,168
Other income	14,298	18,802	45,576	65,007
Total income	335,509	368,368	1,017,340	1,093,175
Other operating expenses	(73,148)	(74,870)	(232,483)	(221,822)
Operating profit	262,361	293,498	784,857	871,353
Allowance for impairment losses on loans, advances and financing	(195,571)	(26,080)	(431,145)	(26,079)
Profit before taxation and zakat	66,790	267,418	353,712	845,274
Taxation	(3,256)	(75,050)	(80,312)	(222,702)
Zakat	-	-	-	(615)
Profit for the period	63,534	192,368	273,400	621,957
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	63,534	192,368	273,400	621,957
Earnings per share (sen):				
Basic	2.24	7.19	9.87	24.33
Diluted	2.23	7.15	9.84	24.22

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014.

MALAYSIA BUILDING SOCIETY BERHAD
(Company No. 9417-K)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2015

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

	Ordinary Shares <i>RM'000</i>	Share Premium <i>RM'000</i>	Capital Reserve ^{#1} <i>RM'000</i>	Share Option Reserve <i>RM'000</i>	Warrants Reserve <i>RM'000</i>	Capital Redemption Reserve ^{#2} <i>RM'000</i>	Revaluation Reserve <i>RM'000</i>	Accumulated Profit/(Losses) <i>RM'000</i>	Total Equity <i>RM'000</i>
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 exercise of rights issue	873,929	558,562	-	-	-	-	-	1,028	1,433,519
Issue of ordinary shares pursuant to exercise of ESOS	17,080	14,040	-	(6,258)	-	-	-	-	24,862
Issue of ordinary shares pursuant to exercise of warrants	369	-	-	-	-	-	-	-	369
Issue of ordinary shares pursuant to exercise of DRP	49,327	50,807	-	-	-	-	-	-	100,134
Transfer of share option reserve to retained profits 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
At 1 January 2015	2,709,623	1,278,873	17,838	2,853	3,633	12,486	-	657,107	4,682,413
Total comprehensive income for the year	-	-	-	-	-	-	-	273,400	273,400
Other comprehensive income for the year	-	-	-	-	-	-	(82)	-	(82)
Dividend	-	-	-	-	-	-	-	(326,002)	(326,002)
Share options granted under ESOS recognised in profit or loss	-	-	-	5,001	-	-	-	-	5,001
Issue of ordinary shares pursuant to rights issue	-	-	-	-	-	-	-	-	-
Issue of ordinary shares pursuant to exercise of ESOS	3,691	3,816	-	(2,065)	-	-	-	-	5,442
Issue of ordinary shares pursuant to exercise of warrants	4,027	-	-	-	-	-	-	-	4,027
Issue of ordinary shares pursuant to DRP	121,210	110,291	-	-	-	-	-	-	231,502
Transfer of share option reserve to retained profits upon expiry of share options	-	-	-	(428)	-	-	-	428	-
At 30 September 2015	2,838,551	1,392,980	17,838	5,361	3,633	12,486	(82)	604,933	4,875,701

^{#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 interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014.

MALAYSIA BUILDING SOCIETY BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	30 September 2015	30 September 2014
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	353,712	845,274
Adjustments for :		
Depreciation		
- Investment properties	-	12
- Property, plant and equipment	11,044	10,768
Amortisation		
- land use rights	121	121
- Intangible assets	9,984	9,468
Gain on disposal of property, plant and equipment and land use rights	(13)	(2)
Gain on disposal of investment properties	-	(166)
Gain on disposal of foreclosed properties	(75)	-
Allowance for impairment of:		
- unsecured advances in respect of certain projects	24,790	22,329
Allowance for impairment losses on loans, advances and financing	431,145	26,079
Reversal made during the year	(12,535)	(10,197)
Interest/profit income adjustment on:		
- loans, advances and financing	75,263	136,279
- Sukuk - MBSB SC Murabahah	(29,866)	(5,725)
Share options granted under ESOS	-	10,823
Operating profit before working capital changes	863,570	1,045,063
Increase in deposits with financial institutions		
with maturity of more than one month	(319,717)	(75,392)
Increase in loans, advances and financing	(1,181,104)	(783,824)
(Increase)/decrease in inventories	(34)	81
Increase in trade receivables	(167)	(3)
Increase in other receivables	(35,815)	(67,890)
Increase in financial investments available-for-sale	(375,667)	-
Increase in deposits from customers	2,145,188	474,924
Decrease in trade payables	(7)	(22)
Increase/(decrease) in other payables	9,373	(55,262)
Cash generated from operations	1,105,620	537,675
Tax paid	(192,129)	(211,619)
Tax refund	-	103
Zakat paid	(2,777)	-
Net cash generated from operating activities	910,714	326,159

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	30 September 2015 RM'000	30 September 2014 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,419)	(8,221)
Purchase of intangible assets	(6,233)	(9,875)
Proceeds from disposal of property, plant and equipment and land use rights	13	-
Proceeds from disposal of investment properties	-	600
Proceeds from disposal of foreclosed properties	75	-
	<hr/>	<hr/>
Net cash used in investing activities	(17,564)	(17,496)
	<hr/>	<hr/>
Cash flows from financing activities		
Repayment of bank borrowings	(135,378)	(341,215)
Repayment of other borrowings	(75,283)	(75,261)
Proceeds from/(repayment of) recourse obligation on loans/financing sold	423,335	(466,799)
Proceeds from Sukuk - MBSB SC Murabahah	923,516	5,295
Dividend paid - ordinary shares	(94,490)	(31,106)
Dividends paid for Dividend Reinvestment Plan	(231,512)	(100,134)
Net proceeds from issuance of ordinary shares	243,036	1,468,695
	<hr/>	<hr/>
Net cash generated from financing activities	1,053,224	459,475
	<hr/>	<hr/>
Net increase in cash and cash equivalents	1,946,374	768,138
Cash and cash equivalents at beginning of financial period	5,683,939	4,576,711
	<hr/>	<hr/>
Cash and cash equivalents at end of financial period	7,630,313	5,344,849
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Cash and cash equivalents comprise :		
Cash and short term funds	7,630,313	5,344,849
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The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014.

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A1. Basis of Preparation

The unaudited condensed interim financial statements for the financial quarter ended 30 September 2015 have been prepared under the historical cost convention except for the following financial assets and financing liabilities which are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method: Loans and financing, trade and other payables, bank borrowings and recourse obligations on financing/loans sold.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The unaudited interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2014. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year 2014.

The unaudited interim financial statements incorporated those activities relating to the Islamic banking business which have been undertaken by the Group. Islamic banking business refers generally to the acceptance of deposits and granting of financing under the principles of Shariah.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31 December 2014.

The following MFRSs and Amendments to MFRSs have been issued by the MASB but are not yet effective to the Group:

Effective for annual periods commencing on or after 1 January 2016

- Equity Method in Separate Financial Statements (Amendments to MFRS 127)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)
- Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRSs 2012-2014 Cycle”
- Disclosure Initiative (Amendments to MFRS 101)
- Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 10, MFRS 12 and MFRS 128)

Effective for annual periods commencing on or after 1 January 2017

- MFRS 15 Revenue from Contracts with Customers

Effective for annual periods commencing on or after 1 January 2018

- MFRS 9 Financial Instruments (2014)

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A1. Basis of Preparation (continued)

The directors expect that the new MFRSs and Amendments to MFRSs which have been issued by the MASB but are yet to be effective to the Group do not have any material impact on the financial statements of the Group for the current financial quarter. The financial effects of the above MFRSs are still being assessed due to the complexity of these new MFRSs and Amendments to MFRSs, and their proposed changes.

The preparation of the audited condensed interim financial statements in conformity with the MFRS requires the use of certain critical accounting estimates and assumptions that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the audited condensed interim financial statements, and the reported amounts of income and expenses during the reported period. It also requires directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and assumptions are based on the directors' best knowledge of current events and actions, actual results may differ from those estimates.

A2. Audit Report of Preceding Financial Year Ended 31 December 2014

The audit report on the financial statements of the preceding year was not qualified.

A3. Seasonality and Cyclicity of Operation

The Group's operations have not been affected by any seasonal or cyclical factors.

A4. Exceptional or Unusual Items

There were no items of exceptional or unusual nature that affect the assets, liabilities, equity, net income or cash flows of the Group in the current financial quarter.

A5. Changes in Estimates of Amounts Reported Previously

There were no changes in estimates of amounts reported in prior financial years that may have a material effect in the current quarter.

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A6. Debts and Equity Securities

Other than the issuance of new shares as shown below pursuant to the Company's Employee Share Option Scheme ("ESOS") and warrants, there were no issuance and repayment of debt and equity securities, share buy backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter.

	No of ordinary shares of RM1.00 each '000	Ordinary shares RM'000	Share premium RM'000
At 1 January 2015	2,709,623	2,709,623	1,278,873
Issued at RM1.01 per share pursuant to ESOS	891	891	9
Issued at RM1.44 per share pursuant to ESOS	1,942	1,942	855
Issued at RM2.01 per share pursuant to ESOS	707	707	714
Issued at RM2.15 per share pursuant to ESOS	151	151	173
Issued at RM1.91 per share pursuant to DRP #	121,210	121,210	110,291
Issued at RM1.00 per share pursuant to warrants	4,027	4,027	-
Transfer from share option reserve	-	-	2,065
As at 30 September 2015	<u>2,838,551</u>	<u>2,838,551</u>	<u>1,392,980</u>

A7. Dividend Paid

None.

A8. Loans, Advances and Financing**(i) By type**

	30-09-15 RM'000	31-12-14 RM'000
Personal financing	23,218,090	23,395,418
Mortgage loans and financing	5,406,847	5,279,788
Corporate loans and financing	4,775,539	3,677,660
Auto Financing	361,307	280,344
Staff loans	52,665	45,364
Gross loans, advances and financing	<u>33,814,448</u>	<u>32,678,574</u>
Allowance for impairment:		
- Collectively assessed	(1,844,170)	(1,437,747)
- Individually assessed	(222,592)	(208,679)
Net loans, advances and financing	<u>31,747,686</u>	<u>31,032,148</u>

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A8. Loans, Advances and Financing (continued)**(ii) By maturity structure**

	30-09-15	31-12-14
	RM'000	RM'000
Maturing within one year	849,233	1,691,198
One year to three years	1,216,857	592,130
Three years to five years	883,650	769,799
Over five years	30,864,708	29,625,447
	<u>33,814,448</u>	<u>32,678,574</u>

(iii) By economic purpose

	30-09-15	31-12-14
	RM'000	RM'000
Purchase of residential properties	5,147,648	5,011,516
Purchase of non-residential properties	287,269	291,085
Personal use	23,240,804	23,416,107
Property development	2,401,976	2,070,967
Working capital	1,592,597	817,857
Purchase of transport vehicles	363,189	282,202
Others	780,965	788,840
	<u>33,814,448</u>	<u>32,678,574</u>

(iv) By type of customers

	30-09-15	31-12-14
	RM'000	RM'000
Domestic business enterprises:		
- Small medium enterprises	2,329,321	1,318,941
- Others	2,563,119	2,474,248
Individuals	28,922,008	28,885,385
	<u>33,814,448</u>	<u>32,678,574</u>

(v) By interest/profit rate sensitivity

	30-09-15	31-12-14
	RM'000	RM'000
Fixed rate:		
Personal financing	23,210,009	23,401,781
Auto finance	363,189	282,202
Mortgage and property islamic	887,855	937,824
Bridging, structured and term loans and financing	583,923	540,241
Variable rate:		
Cost of fund plus	8,769,472	7,516,526
	<u>33,814,448</u>	<u>32,678,574</u>

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A8. Loans, Advances and Financing (continued)**(vi) Movements in impaired loans, advances and financing**

	30-09-15	31-12-14
	RM'000	RM'000
Balance as at 1 January	2,145,793	1,648,383
Increase in balance due to change from 6 months to 3 months classification for impaired loans/financing	-	873,487
	<u>2,145,793</u>	<u>2,521,870</u>
Classified as impaired during the period	1,773,276	2,606,390
Reclassified as non-impaired	(1,527,921)	(2,744,898)
Amount recovered	(32,498)	(168,422)
Amount written off	(1,298)	(69,147)
	<u>2,357,352</u>	<u>2,145,793</u>
Balance as at end of period	(1,250,202)	(839,425)
Collective allowance	(83,838)	(48,774)
Individual allowance	<u>(1,334,040)</u>	<u>(888,199)</u>
Net impaired loans, advances and financing	<u>1,023,312</u>	<u>1,257,594</u>
Net impaired loans as per percentage of net loans, advances and financing	<u>3.2%</u>	<u>4.1%</u>

(vii) Movements in the allowance for impaired loans, advances and financing

	30-09-15	31-12-14
	RM'000	RM'000
Collective Impairment		
Opening balance	1,437,747	1,318,453
Impairment during the period	406,423	119,294
Closing balance	<u>1,844,170</u>	<u>1,437,747</u>
As of % of gross loans, advances and financing less individual allowance	5.6%	4.4%
Individual Impairment		
Opening balance	208,679	300,865
Impairment during the period	22,583	7,824
Written off	(300)	(94,032)
Transfer to subsidiaries	-	(5,978)
Transfer to impairment for foreclosed properties	(8,370)	-
Closing balance	<u>222,592</u>	<u>208,679</u>

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A9. Deposits from customers

	30-09-15	31-12-14
	RM'000	RM'000
By type of products:		
Savings	86,400	117,323
Fixed deposits	29,589,646	27,413,535
	<u>29,676,046</u>	<u>27,530,858</u>
By type of customers:		
Government and statutory bodies	20,765,863	19,318,499
Business enterprises	6,678,758	5,906,404
Individuals	2,231,425	2,305,955
	<u>29,676,046</u>	<u>27,530,858</u>
Maturity of deposits from customers:		
Within one year	26,923,343	25,159,654
More than one year	2,752,703	2,371,204
	<u>29,676,046</u>	<u>27,530,858</u>

A10. Interest Income

	3rd quarter ended		9 months ended	
	30 September		30 September	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	103,728	117,616	327,569	350,424
Deposits and placements with banks and other financial institutions	13,637	14,976	36,127	43,745
	<u>117,365</u>	<u>132,592</u>	<u>363,696</u>	<u>394,169</u>

A11. Interest Expenses

	3rd quarter ended		9 months ended	
	30 September		30 September	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Bank borrowings	4,092	3,653	9,696	9,397
Deposits from customers	66,011	66,495	199,066	196,784
	<u>70,103</u>	<u>70,148</u>	<u>208,762</u>	<u>206,181</u>

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A12. Net Income from Islamic Banking Operations

	3rd quarter ended		9 months ended	
	30 September		30 September	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Financing	512,997	486,835	1,503,699	1,440,484
Profit income from				
Sukuk Commodity Murabahah	44,894	15,705	115,986	48,162
Profit on financial investments	1,038	-	1,038	-
Deposits placements	55,517	28,222	127,089	76,528
Less: Income attributable to depositors	(340,497)	(243,640)	(930,982)	(724,994)
	<u>273,949</u>	<u>287,122</u>	<u>816,830</u>	<u>840,180</u>

A13. Other Income

	3rd quarter ended		9 months ended	
	30 September		30 September	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Rental income	11	72	17	375
Revenue from hotel operations	1,816	2,058	5,489	6,539
Loan agency fees	1	1	1	4
Loan processing fees	7,174	11,671	24,054	36,618
Insurance commission	578	953	1,463	10,442
Loan facility fees	2,199	1,499	6,248	2,858
Legal notice fees	452	556	1,296	1,750
Sundry income	2,054	1,824	6,920	6,253
Gain from disposal of:				
Property, plant and equipment	13	2	13	2
Investment properties	-	166	-	166
Foreclosed properties	-	-	75	-
	<u>14,298</u>	<u>18,802</u>	<u>45,576</u>	<u>65,007</u>

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A14. Other Operating Expenses

	3rd quarter ended		9 months ended	
	30 September		30 September	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Personnel expenses:				
- Wages and salaries	29,077	27,100	86,734	70,033
- Social security costs	205	208	635	592
- Pension costs	4,584	4,049	13,628	10,561
- Share options granted under ESOS	-	3,889	5,001	10,823
- Other staff related expenses	2,011	3,803	7,703	9,528
	35,877	39,049	113,701	101,537
Establishment related expenses	3,642	2,363	10,855	11,186
Promotion and marketing related expenses	2,805	5,175	8,523	14,216
General administrative expenses	22,252	24,163	74,578	70,062
Allowance for impairment on other receivables	-	(3,688)	11	2,404
Others	8,572	7,808	24,815	22,417
	<u>73,148</u>	<u>74,870</u>	<u>232,483</u>	<u>221,822</u>

A15. Allowance for Impairment Losses on Loans, Advances and Financing

	3rd quarter ended		9 months ended	
	30 September		30 September	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Allowance for/(write back of) impairment on loans, advances and financing:				
- Collective impairment	177,622	28,785	406,425	55,042
- Individual impairment	17,342	(1,150)	22,584	(13,353)
- Written off	607	(1,555)	2,136	(15,610)
	<u>195,571</u>	<u>26,080</u>	<u>431,145</u>	<u>26,079</u>

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A16. Commitments and Contingencies

	30-09-15	31-12-14
	RM'000	RM'000
(i) Operational Commitments		
Loan commitments not yet recognised in the financial statements:		
End finance	276,631	314,516
Islamic properties	106,399	63,221
Islamic personal financing	1,013	2,493
Islamic auto financing	133	-
Auto finance	207	-
Bridging, structured and term loans and financing	6,487,800	7,251,844
Financial guarantees	102,078	85,110
	<u>6,974,261</u>	<u>7,717,184</u>
Approved and contracted for property development	<u>421,528</u>	<u>421,528</u>
Total	<u>7,395,789</u>	<u>8,138,712</u>
(ii) Capital Commitments		
Property, plant and equipment:		
Approved and contracted for	181,579	196,822
Approved but not contracted for	61,126	-
	<u>242,705</u>	<u>196,822</u>

The financial guarantees are secured by way of fixed charge over the borrowers' development project land or debenture created over the fixed and floating charge over the specific or entire assets of the borrowers.

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A17. Contingent Liabilities (Unsecured)

- (i) A contractor appointed by one of the Company's borrowers has instituted civil suits against the Company for an alleged breach of contract and is claiming damages amounting to RM2.54 million.

On conclusion of the Full Trial, the claim against the Company was dismissed with costs. The contractor's appeal to the Court of Appeal was allowed. The Company has filed an application for leave to appeal to the Federal Court and a tentative Hearing date on 16 April 2015 has been vacated with the matter fixed for Case Management on 11 August 2015.

Subsequently, the Federal Court had fixed the matter for further Case Management on 16 November 2015.

- (ii) A third party and its holding company (collectively "the Plaintiffs") have instituted a civil suit against the Company and its subsidiary for an alleged breach of facility agreement. On conclusion of the Full Trial, the Court dismissed the Plaintiffs' claim with costs and allowed the Company's counterclaim. The Plaintiffs have filed an appeal to the Court of Appeal against the decision and is fixed for further Case Management on 9 October 2015 pending release of the grounds of judgment from the High Court.

Separately, the Plaintiffs had on 25 April 2013 served an originating summons on the Company seeking for an order from the Johor Bahru High Court that the charge created in favour of the Company be set aside and is of no effect and for a removal and cancellation of the same. On 13 December 2013 after the hearing, the Plaintiffs' application was allowed. The Court of Appeal dismissed the Company's appeal. The Company's application to the Federal Court for leave to appeal was allowed on 29 January 2015.

The Federal Court had fixed the matter for Hearing on 13 January 2016.

The directors after obtaining advice from the Company's solicitors are of the opinion that the Company has reasonably good cases in respect of all the claims against the Company and as such, no provision has been made in the financial statements.

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A18. Segmental Information on Revenue and Results

The Group's activities are based in Malaysia, therefore segmental reporting is not analysed by geographical locations.

	Financing RM'000	Hotel Operations RM'000	Eliminations RM'000	Consolidated RM'000
3 months ended 30 September 15				
External sales	761,231	1,816	4,978	768,025
Intersegment transactions	11,311	870	(12,181)	-
Total revenue	<u>772,542</u>	<u>2,686</u>	<u>(7,203)</u>	<u>768,025</u>
Segment results	52,660	(3,836)	17,966	66,790
Unallocated income (net of cost)				-
Profit from operations				<u>66,790</u>
3 months ended 30 September 14				
External sales	657,603	2,058	19,329	678,990
Intersegment transactions	23,518	840	(24,358)	-
Total revenue	<u>681,121</u>	<u>2,898</u>	<u>(5,029)</u>	<u>678,990</u>
Segment result	256,013	(3,233)	14,638	267,418
Unallocated income (net of cost)				-
Profit from operations				<u>267,418</u>
9 months ended 30 September 15				
External sales	2,202,553	5,489	16,368	2,224,410
Intersegment sales	33,730	2,576	(36,306)	-
Total revenue	<u>2,236,283</u>	<u>8,065</u>	<u>(19,938)</u>	<u>2,224,410</u>
Segment results	303,188	(11,120)	61,644	353,712
Unallocated income (net of cost)				-
Profit from operations				<u>353,712</u>
9 months ended 30 September 14				
External sales	1,948,712	6,539	62,931	2,018,182
Intersegment sales	36,365	2,557	(38,922)	-
Total revenue	<u>1,985,077</u>	<u>9,096</u>	<u>24,009</u>	<u>2,018,182</u>
Segment result	815,526	(7,753)	37,501	845,274
Unallocated income (net of cost)				-
Profit from operations				<u>845,274</u>

A19. Valuation of Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A20. Subsequent Events

None.

A21. Changes in the Composition of the Group

There were no major changes in the composition of the Group for the current quarter.

A22. Acquisition/Disposal of Property, Plant and Equipment

	As at 30-09-15 RM'000
Additions	
Building in progress	10,539
Building renovation	237
Furniture & equipment	443
Motor vehicles	150
Data processing equipment	49
	<u>11,418</u>

A23. Significant Related Party Transactions

	3rd quarter ended 30 September		9 months ended 30 September	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Transactions with Employees Provident Fund Board, the ultimate holding body:				
Funding cost on securitised financing	1,300	2,694	4,881	9,021
Rental paid	70	70	210	205

A24. Impairment Loss

There were no other impairment losses other than those disclosed in note A8 above.

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A25. Operations of Islamic Banking**A25a. Unaudited Consolidated Statements of Financial Position as at 30 September 2015**

	Note	30-Sep-15 RM'000	31-Dec-14 RM'000
Assets			
Cash and short-term funds		6,778,378	4,447,110
Deposits and placements with financial institutions		399,317	83,142
Financing	A25c	26,979,804	25,962,554
Other receivables		1,937,577	776,974
Financial investment available-for-sale		375,667	-
Total assets		<u>36,470,743</u>	<u>31,269,780</u>
Liabilities			
Deposits from customers	A25d	23,705,397	21,054,086
Other payables		5,893,414	4,328,524
Bank borrowings		650,291	600,510
Other borrowings		75,261	150,544
Financing sold to Cagamas Berhad		1,444,832	1,477,120
Sukuk - MBSB SC Murabahah		2,073,640	1,150,124
Provision for taxation		95,131	201,552
Provision for zakat		2,935	5,712
Total liabilities		<u>33,940,901</u>	<u>28,968,172</u>
Islamic fund		4,000	4,000
Financial investment available-for-sale		82	-
Retained profits		2,561,760	2,297,608
		<u>2,565,842</u>	<u>2,301,608</u>
Total liabilities and Islamic fund		<u>36,506,743</u>	<u>31,269,780</u>

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A25b. Unaudited Consolidated Statements of Comprehensive Income for the Year Ended 30 September 2015

	3rd quarter ended		9 months ended	
	30 September		30 September	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of general investment deposits and Islamic capital funds	638,205	530,760	1,821,249	1,565,172
Income attributable to depositors	<u>(364,256)</u>	<u>(243,638)</u>	<u>(1,004,419)</u>	<u>(724,992)</u>
Net income from financing operations	273,949	287,122	816,830	840,180
Other income	13,641	21,409	41,280	53,762
Other expenses	(12,163)	(48,191)	(112,192)	(135,579)
Allowance for losses on financing	<u>(160,725)</u>	<u>(34,006)</u>	<u>(385,757)</u>	<u>(63,327)</u>
Profit before taxation and zakat	114,702	226,334	360,161	695,036
Taxation	(28,812)	(56,583)	(96,009)	(172,977)
Zakat	-	-	-	(615)
Profit after taxation and zakat	85,890	169,751	264,152	521,444
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>85,890</u>	<u>169,751</u>	<u>264,152</u>	<u>521,444</u>

A25c. Financing

(i) By type

	30-09-15	31-12-14
	RM'000	RM'000
Term financing:		
Corporate financing	4,821,269	2,204,727
Property financing	4,871,353	4,244,196
Personal financing	37,766,539	39,240,740
Auto financing	252,019	139,741
Staff financing	20,226	20,324
Less: Unearned income	<u>(19,624,703)</u>	<u>(19,143,455)</u>
Gross loans, advances and financing	28,106,703	26,706,273
Allowance for impairment:		
- Collectively assessed	<u>(1,126,899)</u>	<u>(743,719)</u>
Net financing	<u>26,979,804</u>	<u>25,962,554</u>

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A25c. Financing (continued)**(ii) By contract**

	30-09-15	31-12-14
	RM'000	RM'000
Bai Bithaman Ajil (deferred payment sale)	1,819,731	1,699,574
Bai Al-Inah (cost plus)	14,133,733	14,354,164
Tawarruq	9,316,344	9,178,015
Contract financing	2,836,895	1,474,520
	<u>28,106,703</u>	<u>26,706,273</u>

(iii) Impaired financing

	30-09-15	31-12-14
	RM'000	RM'000
Balance as at 1 January	1,158,286	616,734
Classified as impaired during the year	893,904	1,678,475
Reclassified as non-impaired during the year	(740,058)	(1,136,111)
Amount written off	-	(812)
Balance as at 31 December	<u>1,312,132</u>	<u>1,158,286</u>
Individual/Collective allowance	<u>(761,904)</u>	<u>(404,518)</u>
Net financing	<u>550,228</u>	<u>753,768</u>
Net impaired financing as a percentage of net financing	<u>2.0%</u>	<u>2.9%</u>

(iv) Movement in allowance for impairment are as follows:

	30-09-15	31-12-14
	RM'000	RM'000
Collective impairment		
Balance as at 1 January	743,719	672,230
Impairment during the year	383,180	71,428
Reclassification *	-	61
Balance as at 31 December	<u>1,126,899</u>	<u>743,719</u>
Individual impairment		
Balance as at 1 January	-	246
Impairment during the year	-	(246)
Balance as at 31 December	<u>-</u>	<u>-</u>

* Reclassification of collective allowance into the Islamic Fund

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

A25d. Deposits from Customers**(i) By type of deposits**

	30-09-15	31-12-14
	RM'000	RM'000
Al-Wadiah savings account	38,225	39,173
Mudharabah fund	23,667,172	21,014,913
	<u>23,705,397</u>	<u>21,054,086</u>

(ii) By type of customer

	30-09-15	31-12-14
	RM'000	RM'000
Business enterprises	23,381,379	20,974,357
Individuals	324,018	79,729
	<u>23,705,397</u>	<u>21,054,086</u>

(iii) By maturity of deposits from customers

	30-09-15	31-12-14
	RM'000	RM'000
Within one year	22,236,460	19,972,862
More than one year	1,468,937	1,081,224
	<u>23,705,397</u>	<u>21,054,086</u>

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

BMSB LISTING REQUIREMENTS – DISCLOSURE REQUIREMENTS AS PART A OF APPENDIX 9B

B1. Performance Review

Current Period-to-Date vs Previous Year Corresponding Period-to-Date

Group revenue for the financial period ended 30 September 2015 of RM2.224 billion increased by RM206.228 million or 10% as compared to the previous year corresponding period revenue of RM2.018 billion. The increase was mainly due to higher income from investments of liquid assets and higher financing income from corporate segment. The Group cost to income ratio has also remained relatively consistent with the previous year corresponding period to stand at 23%.

Group profit before tax for the financial period ended 30 September 2015 of RM353.712 million decreased by RM491.562 million or 58% as compared to the previous year corresponding period profit before taxation of RM845.274 million. The decrease was mainly due to higher allowances for impairment losses on loans, advances and financing with the continuation of the impairment program initiated by the Group in the fourth quarter of 2014.

The performance of the respective operating business segments for the current period under review as compared to the previous year corresponding period is analysed as follows:

Personal financing – The gross income from personal financing in the current period was lower compared to the previous year corresponding period due to lower disbursements and decreasing portfolio base.

Corporate loans and financing – The gross income from corporate loans and financing in the current period was higher compared to the previous year corresponding period due to the continued growth of corporate loans and financing assets bases.

Mortgage loans and financing – The gross income from mortgage loans and financing was relatively consistent with the previous year corresponding period.

Auto finance loans and financing – The gross income from auto finance loans and financing was higher mainly due to growth of loans and financing bases.

B2. Variation of Results against Preceding Quarter

The Group profit before tax for the 3rd quarter 2015 of RM66.790 million decreased by RM62.480 million or 48% as compared to the preceding quarter profit before tax of RM129.270 million. The decrease was mainly due to higher allowances for impairment losses on loans, advances and financing.

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

B3. Prospects***Brief Overview and Outlook of the Malaysian Economy***

The Malaysian economy registered a growth of 4.9% in the second quarter of 2015 (1Q 2015: 5.6%). Private sector expenditure remained the key driver of growth (5.7%; 1Q 2015: 9.6%), and contributed towards a continued expansion in domestic demand. This helped to offset the negative contribution from net exports during the quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy recorded a growth of 1.1% (1Q 2015: 1.2%).

Domestic demand expanded by 4.6% in the second quarter of 2015 (1Q 2015: 7.9%), driven mainly by private sector activity, which grew by 5.7% (1Q 2015: 9.6%) following continued growth in consumption and investment activities.

In the second quarter of 2015, the Federal Government recorded a lower fiscal deficit of 1.4% of GDP (1Q 2015: -4.2% of GDP). This was due to the sustained increase in revenue amid a smaller increase in operating expenditure. Revenue increased by 4.9% (1Q 2015: 4.8%), due mainly to higher tax collection. Operating expenditure grew marginally by 0.2% (1Q 2015: 0.4%), primarily driven by the lower spending on subsidies. Growth of development expenditure also moderated to 3.5% (1Q 2015: 13.2%), with the bulk of expenditure mainly channelled to the social sector, particularly for housing and higher education. As at end-June 2015, total outstanding debt of the Federal Government amounted to RM627.5 billion or 53.8% of the estimated 2015 GDP.

(Source: Extracted from the latest BNM Quarterly Bulletin - Developments in the Malaysian Economy, Second Quarter 2015)

Strong Banking System

In the second quarter of 2015, the banking sector remained strong and well-capitalised with the common equity tier 1 capital ratio at 12.3%, tier 1 capital ratio (13.1%) and total capital ratio (15.2%), well above the minimum regulatory levels as at end-June 2015 (end-March 2015: 12.5%;13.2%;15.2%). The banking sector recorded a pre-tax profit of RM7.5 billion (Q1 2015: RM7.0 billion) due to higher contribution of revenue from financing-related activities and dividend income from subsidiaries. Meanwhile, the net impaired loans ratio held steady at 1.2% as at end-June 2015 (end-March 2015: 1.2%).

(Source: Extracted from the latest Quarterly Update on the Malaysian Economy – Second Quarter 2015, Ministry of Finance)

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

B3. Prospects (continued)

In the second quarter, total gross financing raised by the private sector through the banking system and the capital market amounted to RM290.1 billion (1Q 2015: RM282.6 billion). On a net basis, outstanding banking system loans and PDS expanded at a stable growth rate of 8.3% during the quarter (1Q 2015: 8.3%).

Net lending to businesses by the banking system expanded by RM8.1 billion during the quarter (1Q 2015: RM9.8 billion). On an annual basis, outstanding business loans grew at a slower pace of 8.7% as at end-June (end-March 2015: 8.9%). Nonetheless, the amount of loans disbursed to businesses increased during the quarter with a higher level of credit being extended mainly to the wholesale and retail trade, and restaurants and hotels; manufacturing; agriculture and transport, storage and communication sectors. In particular, financing for SMEs continued to be strong, with outstanding SME loans growing at a steady rate of 17.2% (1Q 2015: 17.2%). Demand for new financing by businesses remained strong, with higher loan applications compared to the previous quarter by both large corporates and SMEs. This was matched by higher loan approvals to both segments.

Net financing to the household sector expanded by RM12.9 billion in the second quarter (1Q 2015: RM16.3 billion). On an annual basis, outstanding household loans growth moderated to 8.7% during the quarter (1Q 2015: 9.8%).

(Source: Extracted from the latest BNM, Quarterly Bulletin - Monetary and Financial Developments in the Malaysian Economy, Second Quarter 2015)

Group Prospects

The Group's focus on expansion of corporate business segment continued to show positive contribution, notably growth in corporate financing/loans assets and earnings. The retail segment businesses on the overall have remained moderate. The operating environment remains challenging. The Group will continue to strengthen, adapt and sustain its corporate and retail business activities to compete in the challenging environment. These activities include strategies for continued improvement in compliant operational workflows, enhancing assets quality based on risk management framework and funding from capital markets.

Barring any unforeseen circumstances, the Group expects a satisfactory performance in 2015.

B4. Variance from Profit Forecast and Profit Guarantee

None.

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

B5. Taxation

	3rd quarter ended 30 September		9 months ended 30 September	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current income tax:				
Malaysian income tax	54,738	75,068	182,144	231,643
Tax refund	-	-	-	(103)
Over provision in prior years:				
Malaysian income tax	(5,172)	-	(5,172)	(8,783)
	<u>49,566</u>	<u>75,068</u>	<u>176,972</u>	<u>222,757</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	(46,310)	(18)	(96,660)	(55)
	<u>(46,310)</u>	<u>(18)</u>	<u>(96,660)</u>	<u>(55)</u>
Total income tax expense	<u>3,256</u>	<u>75,050</u>	<u>80,312</u>	<u>222,702</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2014: 25%) of the estimated assessable profit for the quarter.

B6. Profit/(Loss) on Sale of Unquoted Investments and/or Properties

There were no significant sales of unquoted investments or properties during the current quarter.

B7. Purchase and Sale of Quoted Securities

There were no dealings in quoted securities for the current quarter.

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

B8. Status of Corporate Proposals

The Group had on 1 October 2015, received a letter from Bank Negara Malaysia (“BNM”) dated 30 September 2015 which states that BNM has no objection in principle for MBSB to commence negotiations with the existing shareholders of Bank Muamalat Malaysia Berhad (“BMMB”), namely DRB and Khazanah, for a proposed merger of MBSB and BMMB (“the Proposed Merger”). BNM requires that the negotiations must be completed within three (3) months from the date of BNM’s letter. Further details on the Proposed Merger will be announced in due course.

B9. Borrowings and Debts

Borrowings of the Group as at 30 June 2015 were as follows:

	As at 30-09-15 RM’000	As at 31-12-14 RM’000
Short term bank borrowings	1,280,466	1,415,844
Islamic financing facility (secured)	<u>75,261</u>	<u>150,544</u>
	<u>1,355,727</u>	<u>1,566,388</u>
Maturity of borrowings:		
- One year or less	1,355,727	1,516,388
- More than one year	<u>-</u>	<u>50,000</u>
Total	<u>1,355,727</u>	<u>1,566,388</u>
Recourse obligation on loans sold to Cagamas Berhad (secured):		
- One year or less	133,925	101,888
- More than one year	<u>2,662,449</u>	<u>2,271,151</u>
Total	<u>2,796,374</u>	<u>2,373,039</u>

All borrowings are denominated in Ringgit Malaysia.

B10. Off Balance Sheet Financial Instruments

None.

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

B11. Realised and Unrealised Profits and Losses

The breakdown of accumulated losses of the Group as at the reporting date, into realised and unrealised losses, as disclosed pursuant to the directive issued by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) on 25 March 2010, is as follows:

	Cumulative	
	As at 30-09-15 RM'000	As at 31-12-14 RM'000
Total accumulated losses of the Group:		
- Realised	(490,348)	(279,815)
- Unrealised in respect of deferred tax recognised in the income statement	450,809	354,149
Total Group accumulated losses as per consolidated accounts	(39,539)	74,334
Add: Consolidated adjustments	644,472	582,773
	604,933	657,107

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

B12. Material Litigation

The details of the pending material litigation are as per note A17 above.

B13. Dividends Proposed

None.

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

B14. Earnings Per Share**Basic**

Basic earnings per share are calculated by dividing the net profit attributable to shareholders for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	3rd quarter ended		9 months ended	
	30 September		30 September	
	2015	2014	2015	2014
Net profit attributable to shareholders for the year (RM'000)	63,534	192,368	273,400	621,957
Weighted average number of ordinary shares in issue ('000)	2,838,492	2,676,740	2,770,423	2,556,166
Basic earnings per share (sen)	<u>2.24</u>	<u>7.19</u>	<u>9.87</u>	<u>24.33</u>

Diluted

For the purpose of calculating diluted earnings per share, the net profit for the year and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. Employee Share Option Scheme (“ESOS”) and Warrants.

	3rd quarter ended		9 months ended	
	30 September		30 September	
	2015	2014	2015	2014
Net profit attributable to shareholders for the year (RM'000)	63,534	192,368	273,400	621,957
Weighted average number of ordinary shares in issue ('000)	2,838,492	2,676,740	2,770,423	2,556,166
Weighted average effect of dilution on ESOS ('000)	(312)	3,514	(312)	3,514
Weighted average effect of dilution on Warrants ('000)	<u>7,161</u>	<u>8,740</u>	<u>7,161</u>	<u>8,740</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>2,845,341</u>	<u>2,688,994</u>	<u>2,777,272</u>	<u>2,568,420</u>
Diluted earnings per share (sen)	<u>2.23</u>	<u>7.15</u>	<u>9.84</u>	<u>24.22</u>

MALAYSIA BUILDING SOCIETY BERHAD (Company No. 9417-K)
EXPLANATORY NOTES FOR FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

B15. Authorisation For Issue

The audited interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 6 August 2015.

BY ORDER OF THE BOARD

Koh Ai Hoon
Tong Lee Mee
Joint Company Secretaries
Kuala Lumpur
13 November 2015