

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

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Quarterly report on consolidated financial statements for the third quarter ended 30 September 2012.
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3rd quarter ended		9 months ended	
	30 September		30 September	
	2012	Restated 2011	2012	Restated 2011
	RM'000	RM'000	RM'000	RM'000
Revenue	520,680	340,078	1,344,035	922,296
Interest income	102,421	98,679	295,524	275,438
Interest expenses	(48,468)	(42,043)	(121,589)	(117,544)
Net interest income	53,953	56,636	173,935	157,894
Net income from Islamic banking operations	205,503	113,527	510,092	284,682
Operating income	259,456	170,163	684,027	442,576
Other income	34,233	40,012	86,299	130,360
Total income	293,689	210,175	770,326	572,936
Other operating expenses	(58,174)	(42,977)	(156,081)	(118,016)
Operating profit	235,515	167,198	614,245	454,920
Allowance for impairment losses on loans, advances and financing	(58,134)	(37,093)	(203,765)	(127,856)
Profit before taxation and zakat	177,381	130,105	410,480	327,064
Taxation	(87,404)	(35,027)	(145,767)	(84,935)
Zakat	-	-	(1,668)	(524)
Profit for the period	89,977	95,078	263,045	241,605
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	89,977	95,078	263,045	241,605
Earnings per share (sen):				
Basic	7.40	10.88	21.64	27.65
Diluted	5.99	8.90	17.53	22.61

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 September 2012 (RM'000)	As at 31 December 2011 (RM'000)
ASSETS		
Cash and short term funds	826,963	1,355,599
Trade receivables	561	394
Other receivables	290,155	242,121
Inventories	121,921	121,839
Loans, advances and financing	23,160,749	15,184,631
Investments held-to maturity	200,000	204,354
Investment properties	473	880
Property development costs	124,548	124,548
Property, plant and equipment	146,638	118,252
Land use rights	9,498	9,621
Intangible assets	29,786	2,568
TOTAL ASSETS	24,911,292	17,364,807
LIABILITIES AND SHAREHOLDERS' EQUITY		
Bank borrowings	350,237	100,044
Deposits from customers	20,049,770	13,511,948
Other borrowings	376,190	451,632
Trade payables	186	178
Other payables	188,296	138,489
Provision for taxation and zakat	181,691	77,202
Recourse obligation on loans sold to Cagamas Berhad	2,383,474	1,933,384
Deferred tax liabilities	21,726	21,781
TOTAL LIABILITIES	23,551,570	16,234,658
Share capital:		
Ordinary Shares	1,237,864	1,215,501
Reserves	121,858	(85,352)
Shareholders' equity	1,359,722	1,130,149
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	24,911,292	17,364,807

The condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FINANCIAL YEAR ENDED 30 SEPTEMBER 2012

<----- 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>	Accumulated Losses <i>RM'000</i>	Total Equity <i>RM'000</i>
At 1 January 2011	700,298	497,252	17,838	2,085	-	12,486	(848,837)	381,122
Total comprehensive income for the year	-	-	-	-	-	-	241,605	241,605
Dividend	-	-	-	-	-	-	(93,187)	(93,187)
Issue of ordinary shares pursuant to rights issue	506,425	(4,493)	-	-	-	-	-	501,932
Issue of ordinary shares pursuant to ESOS	8,710	5,718	-	(1,874)	-	-	261	12,815
Issue of ordinary shares pursuant to warrants	68	13	-	-	99,246	-	(99,259)	68
Transfer of share option reserve to accumulated losses upon forfeiture of share options	-	-	-	(95)	-	-	95	-
Share options granted under ESOS recognised in income statement	-	-	-	1,969	-	-	-	1,969
At 30 September 2011	1,215,501	498,490	17,838	2,085	99,246	12,486	(799,322)	1,046,324
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 year	-	-	-	-	-	-	263,045	263,045
Dividend	-	-	-	-	-	-	(64,640)	(64,640)
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	-
Share options granted under ESOS recognised in income statement	-	-	-	4,403	-	-	-	4,403
At 30 September 2012	1,237,864	508,108	17,838	1,485	99,246	12,486	(517,305)	1,359,722

^{#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 2011 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	30 September 2012 RM'000	30 September 2011 RM'000
Cash flows from operating activities		
Profit before taxation	410,480	327,064
Adjustments for :		
Depreciation		
- Investment properties	18	37
- Property, plant and equipment	6,887	5,219
Amortisation		
- land use rights	123	123
- Intangible assets	2,084	478
Gain on disposal of property, plant and equipment	-	(2,980)
Gain on disposal of investment properties	(112)	-
Gain on disposal of foreclosed properties	(2,241)	-
Allowance for impairment of receivables	17,438	15,637
Allowance for impairment losses on loans and financing	203,765	208,434
Share options granted under ESOS	4,403	1,977
Operating profit before working capital changes	642,845	555,989
Increase in loans, advances and financing	(8,155,849)	(3,942,953)
Increase in inventories	(82)	(78)
Increase in receivables	(30,413)	(94,545)
Decrease/(Increase) in investments held-to maturity	4,354	(7,728)
Increase/(Decrease) in bank borrowings	250,193	(200,119)
Increase in deposits from customers	6,537,822	3,021,495
Increase in payables	49,815	68,683
Proceeds from disposal of foreclosed properties	23,300	-
Cash used in operations	(678,015)	(599,256)
Tax paid	(117,177)	(36,469)
Zakat paid	(825)	(524)
Net cash used in operating activities	(796,017)	(636,249)

(Contd.)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (CONTD.)

	30 September 2012 RM'000	30 September 2011 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(36,276)	(2,514)
Purchase of intangible assets	(29,214)	(706)
Proceeds from disposal of property, plant and equipment	-	14,000
Proceeds from disposal of investment properties	500	-
Net cash (used in)/generated from investing activities	(64,990)	10,780
Cash flows from financing activities		
(Repayment)/Proceeds in other borrowings	(75,442)	476,646
Recourse obligation on loans sold to Cagamas Berhad	450,090	(28,197)
Dividend paid - ordinary shares	(64,640)	(93,187)
Proceeds from issuance of ordinary shares	22,363	515,203
Net cash generated from financing activities	332,371	870,465
Net (decrease)/increase in cash and cash equivalents	(528,636)	244,996
Cash and cash equivalents at beginning of financial period	1,355,599	888,829
Cash and cash equivalents at end of financial period	826,963	1,133,825
Cash and cash equivalents comprise :		
Cash and short term funds	826,963	1,133,825

The condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying notes attached to the interim financial statements.