

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

Quarterly report on consolidated financial statements for the fourth quarter ended 31 December 2006.  
The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Operating revenue	63,951	63,919	293,059	229,452
Interest income	52,204	48,048	244,262	196,124
Interest costs	(43,844)	(36,804)	(160,626)	(148,897)
Net interest income	8,360	11,244	83,636	47,227
Net income from Islamic Banking Operations	2,644	2,472	9,270	7,991
	11,004	13,716	92,906	55,218
Other operating income	7,425	10,014	28,553	21,083
Total income	18,429	23,730	121,459	76,301
Reversal/(Charged) of property development costs	-	(2,075)	-	(2,635)
Cost of completed properties sold	(364)	(4,201)	(10,489)	(5,896)
Operating expenses	(16,323)	(18,196)	(50,671)	(55,720)
Operating profit before provision	1,742	(742)	60,299	12,050
Recovery of/(Provision for) losses on loans and financing	(488)	6,616	(29,890)	13,416
Profit before taxation and zakat	1,254	5,874	30,409	25,466
Taxation	10,019	13,265	9,883	13,320
Zakat	(110)	-	(110)	-
Profit after taxation and zakat	11,163	19,139	40,182	38,786
Minority interest	-	-	-	-
Profit for the period	11,163	19,139	40,182	38,786
Earnings per share (sen)				
Basic	3.30	5.66	11.89	11.48
Diluted	1.67	2.89	6.02	5.89

**The condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.**

**MALAYSIA BUILDING SOCIETY BERHAD**  
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**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>As at 31 December 2006 (RM'000)</b>	<b>As at 31 December 2005 (RM'000)</b>
<b>ASSETS</b>		
Cash and short term funds	309,579	134,407
Trade receivables	7,001	26,078
Other receivables	80,951	111,072
Inventories	29,921	20,390
Loans, advances and financing	5,090,573	4,264,697
Other investments	43,628	43,598
Land held for property development	-	159,070
Investment property	2,614	-
Properties for sale	238,618	-
Property, plant and equipment	133,759	139,069
Intangible assets	1,387	1,907
Deferred tax assets	30,000	20,000
	<b>5,968,031</b>	<b>4,920,288</b>
<b>TOTAL ASSETS</b>	<b>5,968,031</b>	<b>4,920,288</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Bank borrowings	277,557	804,828
Deposits from customers	4,949,920	3,357,782
Other borrowings	200,033	250,033
Trade payables	15,314	15,699
Other payables	44,120	39,881
Provision for taxation	18,633	18,633
Recourse obligation on loans sold to Cagamas Berhad	15,006	16,068
Deferred tax liabilities	25,816	25,890
Redeemable convertible preference shares	7,968	12,192
Provision for liabilities	3,380	3,610
	<b>5,557,747</b>	<b>4,544,616</b>
<b>TOTAL LIABILITIES</b>	<b>5,557,747</b>	<b>4,544,616</b>

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**CONDENSED CONSOLIDATED BALANCE SHEETS (CONTD.)**

	<b>As at 31 December 2006 (RM'000)</b>	<b>As at 31 December 2005 (RM'000)</b>
Share capital:		
Ordinary Shares	337,946	337,856
Redeemable Convertible Preference Shares	165,000	165,000
Reserves	(92,662)	(127,184)
Shareholders' equity	<u>410,284</u>	<u>375,672</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>5,968,031</u></b>	<b><u>4,920,288</u></b>

**The condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.**

**MALAYSIA BUILDING SOCIETY BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FINANCIAL PERIOD ENDED 31 DECEMBER 2006**

	←	Non Distributable		→			
	Ordinary Shares <i>RM'000</i>	Redeemable Cumulative Preference Shares <i>RM'000</i>	Share Premium <i>RM'000</i>	Capital Reserve <i>RM'000</i>	Capital Redemption Reserve - Redeemable Cumulative Preference Shares <i>RM'000</i>	Accumulated Losses <i>RM'000</i>	Total <i>RM'000</i>
At 1.1.2005	337,856	165,000	660,922	17,838	12,486	(852,351)	341,751
Net profit for the 12 months period	-	-	-	-	-	38,786	38,786
Dividend	-	-	-	-	-	(4,865)	(4,865)
At 31.12.2005	337,856	165,000	660,922	17,838	12,486	(818,430)	375,672
At 1.1.2006	337,856	165,000	660,922	17,838	12,486	(818,430)	375,672
Net profit for the 12 months period	-	-	-	-	-	40,182	40,182
Dividend	-	-	-	-	-	(6,081)	(6,081)
Issue of ordinary shares pursuant to ESOS	90	-	-	-	-	-	90
Share options granted under ESOS	-	-	-	421	-	-	421
At 31.12.2006	337,946	165,000	660,922	18,259	12,486	(784,329)	410,284

**The condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statement for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>12 months ended 31 December 2006 RM'000</b>	<b>12 months ended 31 December 2005 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	30,409	25,466
Adjustments for :		
Depreciation	6,488	8,353
Amortisation of intangible assets	520	-
Gain on disposal of property, plant and equipment	(61)	(166)
Gain on disposal of properties for sale	(2,742)	(1,700)
(Reversal of)/Write down of inventories of completed properties	(1,543)	2,031
Reversal of provision for staff expenses	(8,504)	-
(Reversal of)/Impairment loss on investments in unquoted shares	(30)	872
Impairment loss on properties for sale	-	1,263
Impairment loss on property, plant and equipment	-	1,975
Reversal of impairment loss on properties for sale	-	(694)
Provision for doubtful debts of other receivables	15,394	13,296
Provision for doubtful debts of trade receivables	60	1,802
Bad debts written back	-	(1,299)
Discounts received	-	(6,040)
Provision for losses on loans and financing, net of reversals	29,890	(13,416)
Interest/income-in-suspense, net of recoveries and write offs	402,690	402,329
Liquidated damages payable	-	229
Share options granted under ESOS	421	-
Operating profit before working capital changes	472,992	434,301
Increase in loans, advances and financing	(1,258,673)	(1,102,788)
(Increase)/Decrease in inventories	(7,988)	5,766
(Increase)/Decrease in receivables	(65,131)	12,026
Decrease in bank borrowings	(527,271)	(407,249)
Increase in deposits from customers	1,592,138	1,232,298
Increase in payables	14,314	14,211
Decrease in provision for liabilities	(230)	(2,867)
Increase in property development costs	-	(5,301)
Cash generated from operations	220,151	180,397
Income tax recovered	-	985
Real Property Gains Tax paid	(191)	-
Zakat paid	(110)	-
Net cash generated from operating activities	219,850	181,382

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

	<b>12 months ended 31 December 2006 RM'000</b>	<b>12 months ended 31 December 2005 RM'000</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,406)	(5,282)
Land held for property development	-	(70)
Proceeds from disposal of property, plant and equipment	5,205	166
Proceeds from disposal of properties for sale	13,341	19,500
Net cash generated from investing activities	17,140	14,314
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	90	-
Repayment of other borrowings	(50,000)	(246,004)
Recourse obligation on loans sold to Cagamas Berhad	(1,062)	(1,608)
Dividend paid - Redeemable Convertible Preference Shares	(4,765)	(9,504)
Dividend paid - ordinary shares	(6,081)	(4,865)
Net cash used in financing activities	(61,818)	(261,981)
Net increase/(decrease) in cash and cash equivalents	175,172	(66,285)
Cash and cash equivalents at beginning of financial year	134,407	200,692
Cash and cash equivalents at end of financial year	309,579	134,407
Cash and cash equivalents comprise :		
Cash and short term funds	309,579	134,407

**The condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying notes attached to the interim financial statements.**

**PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION**

Summary of Key Financial Information  
for the financial year ended  
31 December 2006

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		3 months ended 31/12/2006 RM'000	3 months ended 31/12/2005 RM'000	12 months ended 31/12/2006 RM'000	12 months ended 31/12/2005 RM'000
1	Revenue	63,951	63,919	293,059	229,452
2	Profit before tax	1,254	5,874	30,409	25,466
3	Profit after tax and minority interest	11,163	19,139	40,182	38,786
4	Net profit for the period	11,163	19,139	40,182	38,786
5	Basic earnings per share (sen)	3.30	5.66	11.89	11.48
6	Dividends per share (sen)	0	1.80	0	1.80
		AS AT END CURRENT PERIOD		AS AT PRECEDING FINANCIAL YEAR END	
7	Net tangible assets per share (RM)		1.2144		1.0553
Remark :					

**PART A3 : ADDITIONAL INFORMATION**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		3 months ended 31/12/2006 RM'000	3 months ended 31/12/2005 RM'000	12 months ended 31/12/2006 RM'000	12 months ended 31/12/2005 RM'000
1	Profit from operations	1,254	5,874	30,409	25,466
2	Gross interest income	52,204	48,048	244,262	196,124
3	Gross interest expense	43,844	36,804	160,626	148,897