

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

Page 1 of 5

Quarterly report on consolidated financial statements for the first quarter ended 31 March 2008.
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		3 months ended	
	31 March		31 March	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Operating revenue	106,305	79,890	106,305	79,890
Interest income	78,490	66,447	78,490	66,447
Interest costs	(46,734)	(42,597)	(46,734)	(42,597)
Net interest income	31,756	23,850	31,756	23,850
Net income from Islamic banking operations	4,248	(753)	4,248	(753)
	36,004	23,097	36,004	23,097
Other operating income	10,774	6,269	10,774	6,269
Total income	46,778	29,366	46,778	29,366
Cost of completed properties sold	(4,603)	-	(4,603)	-
Other operating expenses	(20,391)	(15,171)	(20,391)	(15,171)
Operating profit before allowance	21,784	14,195	21,784	14,195
Provision for losses on loans and financing	(2,195)	(9,353)	(2,195)	(9,353)
Profit before taxation and zakat	19,589	4,842	19,589	4,842
Taxation	18	18	18	18
Zakat	-	-	-	-
Profit after taxation and zakat	19,607	4,860	19,607	4,860
Earnings per share (sen)				
Basic	5.69	1.44	5.69	1.44
Diluted	3.00	0.75	3.00	0.75

The condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED BALANCE SHEETS

	As at 31 March 2008 (RM'000)	As at 31 December 2007 (RM'000)
ASSETS		
Cash and short term funds	359,415	162,502
Trade receivables	2,630	3,199
Other receivables	138,690	133,097
Inventories	167,434	172,728
Loans, advances and financing	6,222,353	6,041,438
Other investments	43,521	43,634
Investment properties	2,397	2,418
Property, plant and equipment	116,625	117,947
Prepaid land lease payments	10,240	10,281
Intangible assets	827	965
Deferred tax assets	33,000	33,000
TOTAL ASSETS	7,097,132	6,721,209
LIABILITIES AND SHAREHOLDERS' EQUITY		
Bank borrowings	548,864	591,013
Deposits from customers	5,835,318	5,387,778
Other borrowings	137,519	150,019
Trade payables	4,209	4,170
Other payables	34,143	53,358
Provision for taxation	18,633	18,633
Recourse obligation on loans sold to Cagamas Berhad	42	14,511
Deferred tax liabilities	18,724	18,742
Redeemable convertible preference shares	-	3,840
TOTAL LIABILITIES	6,597,452	6,242,064
Share capital:		
Ordinary Shares	361,380	361,102
Redeemable Convertible Preference Shares	165,000	165,000
Reserves	(26,700)	(46,957)
Shareholders' equity	499,680	479,145
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7,097,132	6,721,209

The condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FINANCIAL PERIOD ENDED 31 MARCH 2008

	← Share Capital →			← Non Distributable		→ Capital Redemption Reserve - Redeemable		
	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>	Share Option Reserve <i>RM'000</i>	Cumulative Preference Shares <i>RM'000</i>	Accumulated Losses <i>RM'000</i>	Total <i>RM'000</i>
At 01.01.2007	337,946	165,000	660,922	17,838	214	12,486	(784,329)	410,077
Net profit for the year	-	-	-	-	-	-	4,860	4,860
Issue of ordinary shares pursuant to ESOS	299	-	-	-	-	-	-	299
At 31.03.2007	338,245	165,000	660,922	17,838	214	12,486	(779,469)	415,236
At 01.01.2008	361,102	165,000	661,053	17,838	83	12,486	(738,417)	479,145
Net profit for the year	-	-	-	-	-	-	19,607	19,607
Issue of ordinary shares pursuant to ESOS	278	-	-	-	650	-	-	928
At 31.03.2008	361,380	165,000	661,053	17,838	733	12,486	(718,810)	499,680

The condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statement for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	31 March 2008 RM'000	31 March 2007 RM'000
Cash flows from operating activities		
Profit before taxation	19,589	4,842
Adjustments for :		
Depreciation		
- Investment properties	22	21
- Property, plant and equipment	1,702	1,631
Amortisation		
- Prepaid land lease payments	6	6
- Intangible assets	130	130
Gain on disposal of foreclosed properties	(287)	-
Impairment loss on property, plant and equipment	32	-
Impairment loss on / (Reversal of) investments in unquoted shares	112	(375)
Allowance for doubtful debts of other receivables	4,127	3,741
Allowance for losses on loans and financing, net of reversals	2,195	9,353
Interest/income-in-suspense, net of recoveries and write offs	110,722	101,325
Share options granted under ESOS	650	-
Operating profit before working capital changes	139,000	120,674
Increase in loans, advances and financing	(293,832)	(344,103)
Decrease in inventories	5,294	204
Increase in receivables	(9,998)	(5,380)
Decrease in bank borrowings	(42,149)	(92,284)
Increase in deposits from customers	447,540	221,872
(Decrease)/Increase in payables	(16,368)	10,912
Proceeds from disposal of foreclosed properties	1,134	-
Net cash generated from/(used in) operating activities	230,621	(88,105)

(Contd.)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

	31 March 2008 RM'000	31 March 2007 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(417)	(265)
Net cash used in investing activities	(417)	(265)
Cash flows from financing activities		
Repayment of other borrowings	(12,500)	(12,533)
Recourse obligation on loans sold to Cagamas Berhad	(14,469)	(122)
Dividend paid - Redeemable Convertible Preference Shares	(6,600)	(4,818)
Proceeds from issuance of ordinary shares	278	299
Net cash used in financing activities	(33,291)	(17,174)
Net increase/(decrease) in cash and cash equivalents	196,913	(105,544)
Cash and cash equivalents at beginning of financial year	162,502	309,579
Cash and cash equivalents at end of financial year	359,415	204,035

The condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying notes attached to the interim financial statements.