

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

Page 1 of 5

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

CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		12 months ended	
	31 December		31 December	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Operating revenue	114,108	102,922	416,155	355,586
Interest income	78,627	78,055	291,418	280,643
Interest costs	(47,160)	(51,120)	(188,464)	(186,820)
Net interest income	31,467	26,935	102,954	93,823
Net income from Islamic Banking Operations	8,205	8,086	24,989	12,972
	39,672	35,021	127,943	106,795
Other operating income	8,350	9,480	48,703	31,289
Total income	48,022	44,501	176,646	138,084
Cost of completed properties sold	(929)	(2,436)	(13,058)	(4,191)
Recovery of other debts and provisions no longer required	-	12,788	-	12,788
Operating expenses	(19,689)	(21,387)	(81,832)	(69,430)
Operating profit before allowance	27,404	33,466	81,756	77,251
Recovery of/(Provision for) losses on loans and financing	(19,759)	(15,219)	(27,713)	(33,874)
Profit before taxation and zakat	7,645	18,247	54,043	43,377
Taxation	(16,515)	10,019	(21,191)	10,066
Zakat	(277)	-	(277)	(124)
Profit after taxation and zakat	(9,147)	28,266	32,575	53,319
Earnings per share (sen)				
Basic	(1.88)	8.20	6.71	15.46
Diluted	(1.88)	4.21	6.71	7.98

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 December 2008 (RM'000)	As at 31 December 2007 (RM'000)
ASSETS		
Cash and short term funds	73,165	162,502
Trade receivables	7,139	3,199
Other receivables	109,114	133,097
Inventories	152,457	172,728
Loans, advances and financing	6,783,135	6,041,438
Other investments	43,070	43,634
Investment properties	2,330	2,418
Property, plant and equipment	114,388	117,947
Prepaid land lease payments	10,116	10,281
Intangible assets	655	965
Deferred tax assets	16,000	33,000
TOTAL ASSETS	7,311,569	6,721,209
LIABILITIES AND SHAREHOLDERS' EQUITY		
Bank borrowings	305,235	591,013
Deposits from customers	6,301,381	5,387,778
Other borrowings	100,019	150,019
Trade payables	4,509	4,170
Other payables	50,924	53,358
Provision for taxation	21,183	18,633
Recourse obligation on loans sold to Cagamas Berhad	-	14,511
Deferred tax liabilities	17,203	18,742
Redeemable convertible preference shares	-	3,840
TOTAL LIABILITIES	6,800,454	6,242,064
Share capital:		
Ordinary Shares	700,172	361,102
Redeemable Convertible Preference Shares	-	165,000
Reserves	(189,057)	(46,957)
Shareholders' equity	511,115	479,145
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7,311,569	6,721,209

The condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

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

	← Share Capital →			← Non Distributable →			→	Total RM'000
	Ordinary Shares RM'000	Redeemable Cumulative Preference Shares RM'000	Share Premium RM'000	Capital Reserve RM'000	Share Option Reserve RM'000	Capital Redemption Reserve - Redeemable Cumulative Preference Shares RM'000	Accumulated Losses RM'000	
At 01.01.2007	337,946	165,000	660,922	17,838	214	12,486	(784,329)	410,077
Net profit for the year	-	-	-	-	-	-	53,319	53,319
Dividend	-	-	-	-	-	-	(7,407)	(7,407)
Issue of ordinary shares pursuant to ESOS	23,156	-	131	-	(131)	-	-	23,156
At 31.12.2007	361,102	165,000	661,053	17,838	83	12,486	(738,417)	479,145
At 01.01.2008	361,102	165,000	661,053	17,838	83	12,486	(738,417)	479,145
Net profit for the year	-	-	-	-	-	-	32,575	32,575
Dividend	-	-	-	-	-	-	(10,797)	(10,797)
Share options granted under ESOS recognised in income stat	-	-	-	-	650	-	-	650
Issue of ordinary shares pursuant to ESOS	9,070	-	1,116	-	(644)	-	-	9,542
Transfer of share option reserve to equity upon lapse of ESO	-	-	-	-	(89)	-	89	-
Issue of ordinary shares upon conversion of RCPS	330,000	(165,000)	(165,000)	-	-	-	-	-
At 31.12.2008	700,172	-	497,169	17,838	-	12,486	(716,550)	511,115

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 December 2008 RM'000	31 December 2007 RM'000
Cash flows from operating activities		
Profit before taxation	56,420	43,377
Adjustments for :		
Depreciation		
- Investment properties	88	88
- Property, plant and equipment	6,920	6,531
Amortisation		
- Prepaid land lease payments	165	165
- Intangible assets	588	556
Gain on disposal of property, plant and equipment	-	(35)
Gain on disposal of foreclosed properties	(10,028)	(7,734)
Gain on disposal of inventories	(224)	-
Impairment loss on:		
- investment properties	-	108
- investment in unquoted shares	483	-
- property, plant and equipment	32	-
Reversal of impairment loss on investments in unquoted shares	-	(6)
Allowance for doubtful debts of:		
- other receivables	17,592	16,388
- trade receivables	1,119	1,969
Allowance for losses on loans and financing, net of reversals	25,336	33,874
Interest/income-in-suspense, net of recoveries and write offs	469,153	434,828
Reversal of provision for liquidated damages	-	(3,380)
Share option granted under ESOS	650	-
Operating profit before working capital changes	568,294	526,729
Increase in loans, advances and financing	(1,238,563)	(1,423,751)
Decrease in inventories	19,575	4,289
Increase in receivables	(19,854)	(18,355)
(Decrease)/Increase in bank borrowings	(285,778)	313,442
Increase in deposits from customers	913,603	437,858
Increase/(Decrease) in payables	1,793	(2,508)
Proceeds from disposal of inventories	920	-
Proceeds from disposal of foreclosed properties	31,214	56,045
Cash used in operations	(8,796)	(106,251)
Real property gains tax paid	-	(8)
Tax paid	(4,718)	-
Zakat paid	-	(124)
Net cash used in operating activities	(13,514)	(106,383)

(Contd.)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

	31 December 2008 RM'000	31 December 2007 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,458)	(1,289)
Proceeds from disposal of property, plant and equipment	-	159
Net cash used in investing activities	<u>(3,458)</u>	<u>(1,130)</u>
Cash flows from financing activities		
Repayment of other borrowings	(50,000)	(50,000)
Recourse obligation on loans sold to Cagamas Berhad	(14,511)	(495)
Dividend paid - Redeemable Convertible Preference Shares	(6,600)	(4,818)
Dividend paid - ordinary shares	(10,797)	(7,407)
Proceeds from issuance of ordinary shares	9,543	23,156
Net cash used in financing activities	<u>(72,365)</u>	<u>(39,564)</u>
Decrease in cash and cash equivalents	(89,337)	(147,077)
Cash and cash equivalents at beginning of financial year	162,502	309,579
Cash and cash equivalents at end of financial year	<u>73,165</u>	<u>162,502</u>
Cash and cash equivalents comprise :		
Cash and short term funds	<u>73,165</u>	<u>162,502</u>

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.