

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 2009.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		9 months ended	
	30 September		30 September	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Revenue	162,372	93,534	379,162	302,048
Interest income	103,696	57,584	242,255	212,792
Interest expenses	(32,576)	(46,542)	(119,824)	(141,304)
Net interest income	71,120	11,042	122,431	71,488
Net income from Islamic banking operations	18,696	8,204	48,891	16,784
Operating income	89,816	19,246	171,322	88,272
Other income	16,969	23,980	37,436	40,353
Total income	106,785	43,226	208,758	128,625
Cost of completed properties sold	(1,809)	(7,408)	(1,836)	(12,129)
Other operating expenses	(22,423)	(22,563)	(63,755)	(62,143)
Operating profit	82,553	13,255	143,167	54,353
Allowance for losses on loans, advances and financing	(16,358)	(616)	(54,748)	(7,954)
Profit before taxation and zakat	66,195	12,639	88,419	46,399
Taxation	(13,514)	(4,713)	(21,505)	(4,676)
Profit after taxation and zakat	52,681	7,926	66,914	41,723
Earnings per share (sen)				
Basic	7.52	1.99	9.56	10.49

The condensed Consolidated Income Statement 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 BALANCE SHEETS

	As at	As at
	30 September 2009	31 December 2008
	(RM'000)	(RM'000)
	<u> </u>	<u> </u>
ASSETS		
Cash and short term funds	70,397	73,165
Trade receivables	6,370	7,139
Other receivables	114,384	109,114
Inventories	126,616	152,457
Loans, advances and financing	7,653,868	6,783,135
Other investments	43,070	43,070
Investment properties	1,215	2,330
Property, plant and equipment	111,000	114,388
Prepaid land lease payments	9,992	10,116
Intangible assets	948	655
Deferred tax assets	-	16,000
	<u> </u>	<u> </u>
TOTAL ASSETS	8,137,860	7,311,569
	<u> </u>	<u> </u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Bank borrowings	315,139	305,235
Deposits from customers	6,585,924	6,301,381
Other borrowings	62,508	100,012
Trade payables	4,673	4,509
Other payables	62,356	50,931
Provision for taxation	26,676	21,183
Recourse obligation on loans sold to Cagamas Berhad	501,161	-
Deferred tax liabilities	17,148	17,203
	<u> </u>	<u> </u>
TOTAL LIABILITIES	7,575,585	6,800,454
	<u> </u>	<u> </u>
Share capital:		
Ordinary Shares	700,172	700,172
Reserves	(137,897)	(189,057)
	<u> </u>	<u> </u>
Shareholders' equity	562,275	511,115
	<u> </u>	<u> </u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	8,137,860	7,311,569
	<u> </u>	<u> </u>

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 30 SEPTEMBER 2009

	← Share Capital →			← Non Distributable		→ Capital Redemption Reserve - Redeemable		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	Cumulative Preference Shares RM'000	Accumulated Losses RM'000	
At 01.01.2008	361,102	165,000	661,053	17,838	83	12,486	(738,417)	479,145
Net profit for the year	-	-	-	-	-	-	41,723	41,723
Dividend	-	-	-	-	-	-	(10,797)	(10,797)
Issue of ordinary shares pursuant to ESOS	9,070	-	472	-	650	-	-	10,192
At 30.09.2008	370,172	165,000	661,525	17,838	733	12,486	(707,491)	520,263
At 01.01.2009	700,172	-	497,169	17,838	-	12,486	(716,550)	511,115
Net profit for the year	-	-	-	-	-	-	66,914	66,914
Dividend	-	-	-	-	-	-	(15,754)	(15,754)
At 30.09.2009	700,172	-	497,169	17,838	-	12,486	(665,390)	562,275

The condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statement for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	30 September 2009 RM'000	30 September 2008 RM'000
Cash flows from operating activities		
Profit before taxation	88,419	46,399
Adjustments for :		
Depreciation		
- Investment properties	41	66
- Property, plant and equipment	5,405	5,116
Amortisation		
- Prepaid land lease payments	123	123
- Intangible assets	588	479
Gain on disposal of investment properties	(1,644)	-
Gain on disposal of inventories	(2,000)	(224)
Gain on disposal of foreclosed properties	(65)	(10,028)
Impairment loss on:		
- property, plant and equipment	-	32
- investments in unquoted shares	-	413
Allowance for doubtful debts of other debtors	14,359	14,196
Allowance for losses on loans and financing, net of reversals	54,748	7,954
Interest/income-in-suspense, net of recoveries and write offs	285,618	354,857
Share option granted under ESOS	-	650
Operating profit before working capital changes	445,592	420,033
Increase in loans, advances and financing	(1,211,099)	(897,784)
Decrease in inventories	1,841	15,542
(Increase)/Decrease in receivables	(19,078)	(9,245)
Increase/(Decrease) in bank borrowings	9,904	(395,608)
(Decrease)/Increase in deposits from customers	284,543	854,185
Increase/(Decrease) in payables	11,120	(15,161)
Proceeds from disposal of investment properties	4,087	-
Proceeds from disposal of inventories	26,000	920
Proceeds from disposal of foreclosed properties	283	31,214
Cash (used in)/generated from operations	(446,807)	4,096
Tax paid	(79)	(3,164)
Tax refund	19	-
Net cash (used in)/generated from operating activities	(446,867)	932

(Contd.)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

	30 September 2009 RM'000	30 September 2008 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,216)	(2,087)
Purchase of intangible assets	(586)	-
Net cash used in investing activities	<u>(3,802)</u>	<u>(2,087)</u>
Cash flows from financing activities		
Repayment of other borrowings	(37,504)	(37,528)
Recourse obligation on loans sold to Cagamas Berhad	501,161	(14,511)
Dividend paid - Redeemable Convertible Preference Shares	-	(6,600)
Dividend paid - ordinary shares	(15,756)	(10,796)
Proceeds from issuance of ordinary shares	-	9,070
Net cash generated from/(used in) financing activities	<u>447,901</u>	<u>(60,365)</u>
Net decrease in cash and cash equivalents	(2,768)	(61,520)
Cash and cash equivalents at beginning of financial year	73,165	162,502
Cash and cash equivalents at end of financial year	<u>70,397</u>	<u>100,982</u>
Cash and cash equivalents comprise :		
Cash and short term funds	<u>70,397</u>	<u>100,982</u>

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.