

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 2011.
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1st quarter ended 31 March		3 months ended 31 March	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	311,635	169,122	311,635	169,122
Interest income	87,139	75,922	87,139	75,922
Interest expenses	(36,315)	(32,628)	(36,315)	(32,628)
Net interest income	50,824	43,294	50,824	43,294
Net income from Islamic banking operations	94,780	31,896	94,780	31,896
Operating income	145,604	75,190	145,604	75,190
Other income	64,996	23,688	64,996	23,688
Total income	210,600	98,878	210,600	98,878
Cost of completed properties sold	-	(1,687)	-	(1,687)
Other operating expenses	(37,795)	(24,038)	(37,795)	(24,038)
Operating profit	172,805	73,153	172,805	73,153
Allowance for impairment losses on loans, advances and financing	(81,779)	(29,974)	(81,779)	(29,974)
Profit before taxation and zakat	91,026	43,179	91,026	43,179
Taxation	(22,222)	18	(22,222)	18
Zakat	(524)	-	(524)	-
Profit for the year	68,280	43,197	68,280	43,197
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	68,280	43,197	68,280	43,197
Earnings per share (sen):				
Basic	9.75	6.17	9.75	6.17
Diluted	9.68	-	9.68	-

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 March 2011 (RM'000)	As at 31 December 2010 (RM'000)
ASSETS		
Cash and short term funds	833,032	888,829
Trade receivables	900	1,182
Other receivables	224,313	187,636
Inventories	121,822	121,780
Loans, advances and financing	12,077,858	10,706,530
Investments held-to maturity	202,941	200,000
Investment properties	1,413	1,425
Property, plant and equipment	105,636	106,814
Prepaid land lease payments	9,746	9,786
Intangible assets	2,318	1,962
TOTAL ASSETS	13,579,979	12,225,944
LIABILITIES AND SHAREHOLDERS' EQUITY		
Bank borrowings	-	200,119
Deposits from customers	11,799,048	10,483,743
Trade payables	4,392	4,442
Other payables	246,200	89,588
Provision for taxation and zakat	106,224	83,581
Recourse obligation on loans sold to Cagamas Berhad	954,534	964,093
Deferred tax liabilities	17,612	19,256
TOTAL LIABILITIES	13,128,010	11,844,822
Ordinary Shares	702,068	700,298
Reserves	(250,099)	(319,176)
TOTAL EQUITY	451,969	381,122
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	13,579,979	12,225,944

The condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FINANCIAL PERIOD ENDED 31 MARCH 2011

<----- 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>	Capital Redemption Reserve ^{#2} <i>RM'000</i>	Accumulated Losses <i>RM'000</i>	Total Equity <i>RM'000</i>
At 1 January 2010							
- as previously stated	700,172	497,169	17,838	-	12,486	(675,101)	552,564
- effects of adopting FRS 139	-	-	-	-	-	(160,554)	(160,554)
At 1 January 2010, as restated	700,172	497,169	17,838	-	12,486	(835,655)	392,010
Total comprehensive income for the period	-	-	-	-	-	43,197	43,197
At 31 March 2010	700,172	497,169	17,838	-	12,486	(792,458)	435,207
At 1 January 2011	700,298	497,252	17,838	2,085	12,486	(848,837)	381,122
Total comprehensive income for the year	-	-	-	-	-	68,280	68,280
Issue of ordinary shares pursuant to ESOS	1,770	1,281	-	(484)	-	-	2,567
Transfer of share option reserve to accumulated losses upon forfeiture of share options	-	-	-	(24)	-	24	-
At 31 March 2011	702,068	498,533	17,838	1,577	12,486	(780,533)	451,969

^{#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 2010 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	31 March 2011 RM'000	31 March 2010 RM'000
Cash flows from operating activities		
Profit before taxation	91,026	43,179
Adjustments for :		
Depreciation		
- Investment properties	12	14
- Property, plant and equipment	1,741	1,976
Amortisation		
- Prepaid land lease payments	41	6
- Intangible assets	154	74
Gain on disposal of property, plant and equipment	-	(5)
Gain on disposal of inventories	-	(190)
Allowance for doubtful debts of receivables	5,108	4,965
Allowance for impairment losses on loans and financing	81,779	29,975
Operating profit/(loss) before working capital changes	179,861	79,994
Increase in loans, advances and financing	(1,460,762)	(805,985)
(Increase)/decrease in inventories	(42)	1,680
Increase in receivables	(28,430)	(46)
Increase in investments held-to maturity	(2,941)	-
Decrease in bank borrowings	(200,119)	-
Increase in deposits from customers	1,315,305	901,041
Increase in payables	156,565	37,720
Cash (used in)/generated from operations	(40,563)	214,404
Tax paid	(7,050)	(20,039)
Zakat paid	(117)	-
Net cash (used in)/generated from operating activities	(47,730)	194,365

(Contd.)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (CONTD.)

	31 March 2011 RM'000	31 March 2010 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(565)	(589)
Purchase of intangible assets	(510)	(191)
Proceeds from disposal of property, plant and equipment	-	205
Proceeds from disposal of inventories	-	870
Net cash (used in)/generated from investing activities	<u>(1,075)</u>	<u>295</u>
Cash flows from financing activities		
Repayment of other borrowings	-	(12,501)
Recourse obligation on loans sold to Cagamas Berhad	(9,559)	(9,370)
Proceeds from issuance of ordinary shares	2,567	-
Net cash used in financing activities	<u>(6,992)</u>	<u>(21,871)</u>
Net (decrease)/increase in cash and cash equivalents	(55,797)	172,789
Cash and cash equivalents at beginning of financial period	888,829	763,275
Cash and cash equivalents at end of financial period	<u>833,032</u>	<u>936,064</u>
Cash and cash equivalents comprise :		
Cash and short term funds	<u>833,032</u>	<u>936,064</u>

The condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying notes attached to the interim financial statements.