

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

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Quarterly report on consolidated financial statements for the second quarter ended 30 June 2009.
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		6 months ended	
	30 June		30 June	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Revenue	112,619	102,209	216,790	208,514
Interest income	68,392	76,718	138,559	155,208
Interest expenses	(42,614)	(48,028)	(87,248)	(94,762)
Net interest income	25,778	28,690	51,311	60,446
Net income from Islamic banking operations	17,438	4,332	30,195	8,580
Operating income	43,216	33,022	81,506	69,026
Other income	13,841	5,599	20,467	16,373
Total income	57,057	38,621	101,973	85,399
Cost of completed properties sold	(1)	(118)	(27)	(4,721)
Other operating expenses	(21,821)	(19,189)	(41,332)	(39,580)
Operating profit	35,235	19,314	60,614	41,098
Allowance for losses on loans, advances and financing	(22,800)	(5,143)	(38,390)	(7,338)
Profit before taxation and zakat	12,435	14,171	22,224	33,760
Taxation	(4,005)	19	(7,991)	37
Profit after taxation and zakat	8,430	14,190	14,233	33,797
Earnings per share (sen)				
Basic	1.20	4.04	2.03	9.62
Diluted	1.20	2.09	2.03	4.96

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 June 2009	31 December 2008
	(RM'000)	(RM'000)
	<u> </u>	<u> </u>
ASSETS		
Cash and short term funds	171,153	73,165
Trade receivables	4,421	7,139
Other receivables	110,151	109,114
Inventories	128,415	152,457
Loans, advances and financing	7,276,119	6,783,135
Other investments	43,070	43,070
Investment properties	1,229	2,330
Property, plant and equipment	111,429	114,388
Prepaid land lease payments	10,034	10,116
Intangible assets	690	655
Deferred tax assets	8,000	16,000
	<u> </u>	<u> </u>
TOTAL ASSETS	7,864,711	7,311,569
	<u> </u>	<u> </u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Bank borrowings	455,136	305,235
Deposits from customers	6,214,030	6,301,381
Other borrowings	75,009	100,012
Trade payables	4,619	4,509
Other payables	62,232	50,931
Provision for taxation	21,176	21,183
Recourse obligation on loans sold to Cagamas Berhad	505,749	-
Deferred tax liabilities	17,166	17,203
	<u> </u>	<u> </u>
TOTAL LIABILITIES	7,355,117	6,800,454
	<u> </u>	<u> </u>
Share capital:		
Ordinary Shares	700,172	700,172
Reserves	(190,578)	(189,057)
	<u> </u>	<u> </u>
Shareholders' equity	509,594	511,115
	<u> </u>	<u> </u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7,864,711	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 JUNE 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	-	-	-	-	-	-	22,998	22,998
Issue of ordinary shares pursuant to ESOS	6,531	-	344	-	650	-	-	7,525
At 30.06.2008	367,633	165,000	661,397	17,838	733	12,486	(715,419)	509,668
At 01.01.2009	700,172	-	497,169	17,838	-	12,486	(716,550)	511,115
Net profit for the year	-	-	-	-	-	-	14,233	14,233
Dividend	-	-	-	-	-	-	(15,754)	(15,754)
At 30.06.2009	700,172	-	497,169	17,838	-	12,486	(718,071)	509,594

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 June 2009 RM'000	30 June 2008 RM'000
Cash flows from operating activities		
Profit before taxation	22,224	33,760
Adjustments for :		
Depreciation		
- Investment properties	27	44
- Property, plant and equipment	3,648	3,369
Amortisation		
- Prepaid land lease payments	83	83
- Intangible assets	354	283
Gain on disposal of property, plant and equipment	-	-
Gain on disposal of foreclosed properties	(65)	(287)
Impairment loss on:		
- property, plant and equipment	-	32
- investments in unquoted shares	-	333
Allowance for doubtful debts of other debtors	9,827	8,577
Allowance for losses on loans and financing, net of reversals	38,390	7,338
Interest/income-in-suspense, net of recoveries and write offs	214,308	222,074
Operating profit before working capital changes	288,796	275,606
Increase in loans, advances and financing	(745,682)	(582,497)
Decrease in inventories	24,042	5,401
(Increase)/Decrease in receivables	(7,673)	1,141
Increase/(Decrease) in bank borrowings	149,901	(139,826)
(Decrease)/Increase in deposits from customers	(87,351)	876,247
Increase/(Decrease) in payables	17,172	(3,153)
Proceeds from disposal of foreclosed properties	283	1,134
Cash (used in)/generated from operations	(360,512)	434,053
Tax paid	(47)	-
Tax refund	19	-
Net cash (used in)/generated from operating activities	(360,540)	434,053

(Contd.)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

	30 June 2009 RM'000	30 June 2008 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(715)	(1,362)
Net cash used in investing activities	(715)	(1,362)
Cash flows from financing activities		
Repayment of other borrowings	(25,003)	(25,000)
Recourse obligation on loans sold to Cagamas Berhad	500,000	(14,511)
Dividend paid - Redeemable Convertible Preference Shares	-	(6,600)
Dividend paid - ordinary shares	(15,754)	(10,796)
Proceeds from issuance of ordinary shares	-	6,531
Net cash generated from/(used in) financing activities	459,243	(50,376)
Net increase in cash and cash equivalents	97,988	382,315
Cash and cash equivalents at beginning of financial year	73,165	162,502
Cash and cash equivalents at end of financial year	171,153	544,817
Cash and cash equivalents comprise :		
Cash and short term funds	171,153	544,817

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