

Quarterly report on consolidated financial statements for the third quarter ended 30 September 2008.
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		9 months ended	
	30 September		30 September	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Operating revenue	93,534	86,217	302,048	252,664
Interest income	57,584	66,681	212,792	202,588
Interest costs	(46,542)	(44,804)	(141,304)	(135,700)
Net interest income	11,042	21,877	71,488	66,888
Net income from Islamic Banking Operations	8,204	1,103	16,784	4,886
	19,246	22,980	88,272	71,774
Other operating income	23,980	8,210	40,353	21,809
Total income	43,226	31,190	128,625	93,583
Cost of completed properties sold	(7,408)	(1,414)	(12,129)	(1,755)
Operating expenses	(22,563)	(16,079)	(62,143)	(48,043)
Operating profit before allowance	13,255	13,697	54,353	43,785
Provision for losses on loans and financing	(616)	(8,209)	(7,954)	(18,655)
Profit before taxation and zakat	12,639	5,488	46,399	25,130
Taxation	(4,713)	14	(4,676)	47
Zakat	-	(124)	-	(124)
Profit after taxation and zakat	7,926	5,378	41,723	25,053
Earnings per share (sen)				
Basic	1.99	1.59	10.49	7.41
Diluted	1.99	0.83	10.49	3.81

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.

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

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CONDENSED CONSOLIDATED BALANCE SHEETS

	As at 30 September 2008 (RM'000)	As at 31 December 2007 (RM'000)
ASSETS		
Cash and short term funds	100,982	162,502
Trade receivables	7,479	3,199
Other receivables	102,680	133,097
Inventories	156,490	172,728
Loans, advances and financing	6,576,411	6,041,438
Other investments	43,210	43,634
Investment properties	2,241	2,418
Property, plant and equipment	114,953	117,947
Prepaid land lease payments	10,157	10,281
Intangible assets	764	965
Deferred tax assets	33,000	33,000
TOTAL ASSETS	7,148,367	6,721,209
LIABILITIES AND SHAREHOLDERS' EQUITY		
Bank borrowings	195,405	591,013
Deposits from customers	6,241,963	5,387,778
Other borrowings	112,491	150,019
Trade payables	4,396	4,170
Other payables	34,052	53,358
Provision for taxation	21,098	18,633
Recourse obligation on loans sold to Cagamas Berhad	-	14,511
Deferred tax liabilities	18,699	18,742
Redeemable convertible preference shares	-	3,840
TOTAL LIABILITIES	6,628,104	6,242,064
Share capital:		
Ordinary Shares	700,172	361,102
Redeemable Convertible Preference Shares	-	165,000
Reserves	(179,909)	(46,957)
Shareholders' equity	520,263	479,145
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7,148,367	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 30 SEPTEMBER 2008

	← Share Capital →		← Non Distributable			→ Capital Redemption Reserve - Redeemable		
	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	Total 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	-	-	-	-	-	-	25,053	25,053
Issue of ordinary shares pursuant to ESOS	16,062	-	-	-	-	-	-	16,062
At 30.09.2007	354,008	165,000	660,922	17,838	214	12,486	(759,276)	451,192
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
Issue of ordinary shares upon conversion of RCPS	330,000	(165,000)	(165,000)	-	-	-	-	-
At 30.09.2008	700,172	-	496,525	17,838	733	12,486	(707,491)	520,263

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

	30 September 2008 RM'000	30 September 2007 RM'000
Cash flows from operating activities		
Profit before taxation	46,399	25,130
Adjustments for :		
Depreciation		
- Investment properties	66	5,095
- Property, plant and equipment	5,116	-
Amortisation		
- Prepaid land lease payments	123	-
- Intangible assets	479	390
Gain on disposal of inventories	(224)	-
Gain on disposal of foreclosed properties	(10,028)	(7,708)
Impairment loss on property, plant and equipment	32	-
Provision/(Reversal of) impairment loss on investments in unquoted shares	413	(443)
Allowance for doubtful debts of other receivables	14,196	11,780
Allowance for losses on loans and financing, net of reversals	7,954	18,655
Interest/income-in-suspense, net of recoveries and write offs	354,857	326,938
Cost of share option granted under ESOS	650	-
Operating profit before working capital changes	420,033	379,837
Increase in loans, advances and financing	(897,784)	(1,099,684)
Decrease in inventories	15,542	1,684
(Increase)/Decrease in receivables	(9,245)	15,091
Decrease in bank borrowings	(395,608)	(32,000)
Increase in deposits from customers	854,185	489,124
(Decrease)/Increase in payables	(15,161)	14,610
Proceeds from disposal of inventories	920	-
Proceeds from disposal of foreclosed properties	31,214	-
Cash generated from/(used in) operations	4,096	(231,338)
Tax paid	(3,164)	-
Net cash generated from/(used in) operating activities	932	(231,338)

(Contd.)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

	30 September 2008 RM'000	30 September 2007 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,087)	(571)
Proceeds from disposal of property, plant and equipment	-	7,411
Net cash (used in)/generated from investing activities	(2,087)	6,840
Cash flows from financing activities		
Repayment of other borrowings	(37,528)	(37,533)
Recourse obligation on loans sold to Cagamas Berhad	(14,511)	(370)
Dividend paid - Redeemable Convertible Preference Shares	(6,600)	(4,669)
Dividend paid - ordinary shares	(10,796)	-
Proceeds from issuance of ordinary shares	9,070	16,062
Net cash used in financing activities	(60,365)	(26,510)
Net decrease in cash and cash equivalents	(61,520)	(251,008)
Cash and cash equivalents at beginning of financial year	162,502	309,579
Cash and cash equivalents at end of financial year	100,982	58,571
Cash and cash equivalents comprise :		
Cash and short term funds	100,982	58,571

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.