

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 2010.

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3rd quarter ended		9 months ended	
	30 September		30 September	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Revenue	317,658	162,372	890,821	379,162
Interest income	212,471	103,696	597,120	242,255
Interest expenses	(43,509)	(32,576)	(108,133)	(119,824)
Net interest income	168,962	71,120	488,987	122,431
Net income from Islamic banking operations	25,992	18,696	90,936	48,891
Operating income	194,954	89,816	579,923	171,322
Other income	33,355	16,969	75,866	37,436
Total income	228,309	106,785	655,789	208,758
Cost of completed properties sold	(927)	(1,809)	(3,000)	(1,836)
Other operating expenses	(30,837)	(22,423)	(84,442)	(63,755)
Operating profit	196,545	82,553	568,347	143,167
Allowance for impairment losses on loans, advances and financing	(154,248)	(16,358)	(433,384)	(54,748)
Profit before taxation and zakat	42,297	66,195	134,963	88,419
Taxation	(1,261)	(13,514)	(1,226)	(21,505)
Zakat	(524)	-	(524)	-
Profit for the period	40,512	52,681	133,213	66,914
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	40,512	52,681	133,213	66,914
Basic EPS for the period (sen)	5.79	7.52	19.03	9.56

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 September 2010 (RM'000)	As at 31 December 2009 (RM'000)
ASSETS		
Cash and short term funds	1,013,356	763,275
Trade receivables	1,705	3,298
Other receivables	142,027	126,632
Inventories	121,780	125,460
Loans, advances and financing	10,541,021	8,118,452
Investments held- to maturity	43,070	43,070
Investment properties	1,437	1,473
Property, plant and equipment	106,787	111,628
Prepaid land lease payments	9,828	9,951
Intangible assets	1,243	911
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TOTAL ASSETS	11,982,254	9,304,150
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LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits from customers	10,276,867	7,562,410
Other borrowings	12,501	50,004
Trade payables	4,376	4,658
Other payables	180,291	88,581
Provision for taxation and zakat	10,933	27,619
Recourse obligation on loans sold to Cagamas Berhad	973,234	1,000,610
Deferred tax liabilities	17,649	17,704
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TOTAL LIABILITIES	11,475,851	8,751,586
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Share capital:		
Ordinary Shares	700,172	700,172
Reserves	(193,769)	(147,608)
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Shareholders' equity	506,403	552,564
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TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	11,982,254	9,304,150
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The condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FINANCIAL PERIOD ENDED 30 SEPTEMBER 2010

	<----- Attributable to Owners of the Company ----->						Total Equity RM'000
	<----- Non Distributable ----->		Capital Reserve	Share Option Reserve	Cumulative Preference Shares	Capital Redemption Reserve - Redeemable Accumulated Losses	
	Ordinary 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 Equity RM'000
At 1 January 2009	700,172	497,169	17,838	-	12,486	(716,550)	511,115
Total comprehensive income for the period	-	-	-	-	-	66,914	66,914
Dividend	-	-	-	-	-	(15,754)	(15,754)
At 30 September 2009	700,172	497,169	17,838	-	12,486	(665,390)	562,275
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	-	-	-	-	-	133,213	133,213
Dividend	-	-	-	-	-	(21,005)	(21,005)
Share options granted under ESOS recognised in profit or loss	-	-	-	2,185	-	-	2,185
At 30 September 2010	700,172	497,169	17,838	2,185	12,486	(723,447)	506,403

The condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statement for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	30 September 2010 RM'000	30 September 2009 RM'000
Cash flows from operating activities		
Profit before taxation	133,213	88,419
Adjustments for :		
Depreciation		
- Investment properties	41	41
- Property, plant and equipment	5,935	5,405
Amortisation		
- Prepaid land lease payments	17	123
- Intangible assets	257	588
Gain on disposal of investment properties	-	(1,644)
Gain on disposal of property, plant and equipment	(7)	-
Gain on disposal of foreclosed properties	(200)	(65)
Gain on disposal of inventories	(190)	(2,000)
Allowance for doubtful debts of other debtors	15,157	14,359
Allowance for losses on loans and financing, net of reversals	436,227	54,748
Interest/income-in-suspense, net of recoveries and write offs	-	285,618
Share options granted under ESOS	2,185	-
Operating profit before working capital changes	592,635	445,592
Increase in loans, advances and financing	(3,038,039)	(1,211,099)
Decrease in inventories	3,000	1,841
Increase in receivables	(2,704)	(19,078)
Decrease in bank borrowings	-	9,904
Increase/(decrease) in deposits from customers	2,714,457	284,543
Increase in payables	91,710	11,120
Proceeds from disposal of investment properties	6,200	4,087
Proceeds from disposal of inventories	-	26,000
Proceeds from disposal of foreclosed properties	-	283
Cash generated from operations	367,259	(446,807)
Tax paid	(29,925)	(79)
Tax refund	-	19
Zakat paid	(524)	-
Net cash generated from operating activities	336,810	(446,867)

(Contd.)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (CONTD.)

	30 September 2010 RM'000	30 September 2009 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,331)	(3,216)
Purchase of intangible assets	(589)	(586)
Proceeds from disposal of property, plant and equipment	205	-
Proceeds from disposal of inventories	870	-
Net cash generated by/(used in) investing activities	<u>(845)</u>	<u>(3,802)</u>
Cash flows from financing activities		
Repayment of other borrowings	(37,503)	(37,504)
Recourse obligation on loans sold to Cagamas Berhad	(27,376)	501,161
Dividend paid - ordinary shares	(21,005)	(15,756)
Net cash used in financing activities	<u>(85,884)</u>	<u>447,901</u>
Net increase in cash and cash equivalents	250,081	(2,768)
Cash and cash equivalents at beginning of financial year	763,275	73,165
Cash and cash equivalents at end of financial year	<u><u>1,013,356</u></u>	<u><u>70,397</u></u>
Cash and cash equivalents comprise :		
Cash and short term funds	<u><u>1,013,356</u></u>	<u><u>70,397</u></u>

The condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying notes attached to the interim financial statements.