

**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 2010.  
The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	2nd quarter ended 30 June		6 months ended 30 June	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	293,726	112,619	573,163	216,790
Interest income	198,923	68,392	384,649	138,559
Interest expenses	(32,022)	(42,614)	(64,650)	(87,248)
Net interest income	166,901	25,778	319,999	51,311
Net income from Islamic banking operations	28,052	17,438	64,970	30,195
Operating income	194,953	43,216	384,969	81,506
Other income	18,823	13,841	42,511	20,467
Total income	213,776	57,057	427,480	101,973
Cost of completed properties sold	(386)	(1)	(2,073)	(27)
Other operating expenses	(29,567)	(21,821)	(53,605)	(41,332)
Operating profit	183,823	35,235	371,802	60,614
Allowance for impairment losses on loans, advances and financing	(134,335)	(22,800)	(279,136)	(38,390)
Profit before taxation and zakat	49,488	12,435	92,666	22,224
Taxation	18	(4,005)	35	(7,991)
Profit for the period	49,506	8,430	92,701	14,233
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	49,506	8,430	92,701	14,233
Basic EPS for the period (sen)	7.07	1.20	13.24	2.03

**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 June 2010 (RM'000)	As at 31 December 2009 (RM'000)
<b>ASSETS</b>		
Cash and short term funds	1,269,962	763,275
Trade receivables	3,398	3,298
Other receivables	137,901	126,632
Inventories	122,684	125,460
Loans, advances and financing	9,458,374	8,118,452
Investments held- to maturity	43,070	43,070
Investment properties	1,445	1,473
Property, plant and equipment	108,366	111,628
Prepaid land lease payments	9,869	9,951
Intangible assets	1,131	911
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TOTAL ASSETS	11,156,200	9,304,150
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<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Bank borrowings	100,060	-
Deposits from customers	9,409,207	7,562,410
Other borrowings	25,002	50,004
Trade payables	4,389	4,658
Other payables	141,147	88,581
Provision for taxation and zakat	12,521	27,619
Recourse obligation on loans sold to Cagamas Berhad	982,501	1,000,610
Deferred tax liabilities	17,667	17,704
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TOTAL LIABILITIES	10,692,494	8,751,586
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Share capital:		
Ordinary Shares	700,172	700,172
Reserves	(236,466)	(147,608)
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Shareholders' equity	463,706	552,564
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<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>11,156,200</b>	<b>9,304,150</b>
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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 JUNE 2010

	<----- Attributable to Owners of the Company ----->					
	<----- Non Distributable ----->					
	Ordinary Shares <i>RM'000</i>	Share Premium <i>RM'000</i>	Capital Reserve <i>RM'000</i>	Capital Redemption Reserve - Redeemable Cumulative Preference Shares <i>RM'000</i>	Accumulated Losses <i>RM'000</i>	Total Equity <i>RM'000</i>
<b>At 1 January 2009</b>	700,172	497,169	17,838	12,486	(716,550)	511,115
Total comprehensive income for the period	-	-	-	-	14,233	14,233
Dividend	-	-	-	-	(15,754)	(15,754)
<b>At 30 June 2009</b>	700,172	497,169	17,838	12,486	(718,071)	509,594
<b>At 1 January 2010</b>						
- as previously stated	700,172	497,169	17,838	12,486	(675,101)	552,564
- effects of adopting FRS 139	-	-	-	-	(160,554)	(160,554)
<b>At 1 January 2010, as restated</b>	700,172	497,169	17,838	12,486	(835,655)	392,010
Total comprehensive income for the period	-	-	-	-	92,701	92,701
Dividend	-	-	-	-	(21,005)	(21,005)
<b>At 30 June 2010</b>	700,172	497,169	17,838	12,486	(763,959)	463,706

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**

	<b>30 June 2010 RM'000</b>	<b>30 June 2009 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	92,666	22,224
Adjustments for :		
Depreciation		
- Investment properties	27	27
- Property, plant and equipment	3,950	3,648
Amortisation		
- Prepaid land lease payments	12	83
- Intangible assets	162	354
Gain on disposal of property, plant and equipment	(5)	-
Gain on disposal of foreclosed properties	(200)	-
Gain on disposal of inventories	(190)	(65)
Allowance for doubtful debts of other debtors	9,961	9,827
Allowance for losses on loans and financing, net of reversals	279,136	38,390
Interest/income-in-suspense, net of recoveries and write offs	-	214,308
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Operating profit before working capital changes	385,519	288,796
Increase in loans, advances and financing	(1,779,612)	(745,682)
Decrease in inventories	2,096	24,042
Increase in receivables	(22,328)	(7,673)
Decrease in bank borrowings	100,060	149,901
Increase/(decrease) in deposits from customers	1,846,797	(87,351)
Increase in payables	52,295	17,172
Proceeds from disposal of foreclosed properties	6,200	283
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Cash generated from operations	591,027	(360,512)
Tax paid	(20,039)	(47)
Tax refund	-	19
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Net cash generated from operating activities	570,988	(360,540)

(Contd.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (CONTD.)**

	<b>30 June 2010 RM'000</b>	<b>30 June 2009 RM'000</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(865)	(715)
Purchase of intangible assets	(395)	-
Proceeds from disposal of property, plant and equipment	205	-
Proceeds from disposal of inventories	870	-
Net cash generated by/(used in) investing activities	<u>(185)</u>	<u>(715)</u>
<b>Cash flows from financing activities</b>		
Repayment of other borrowings	(25,002)	(25,003)
Recourse obligation on loans sold to Cagamas Berhad	(18,109)	500,000
Dividend paid - ordinary shares	(21,005)	(15,754)
Net cash used in financing activities	<u>(64,116)</u>	<u>459,243</u>
Net increase in cash and cash equivalents	506,687	97,988
Cash and cash equivalents at beginning of financial year	763,275	73,165
Cash and cash equivalents at end of financial year	<u><u>1,269,962</u></u>	<u><u>171,153</u></u>
Cash and cash equivalents comprise :		
Cash and short term funds	<u><u>1,269,962</u></u>	<u><u>171,153</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.