

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

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Quarterly report on consolidated financial statements for the fourth quarter ended 31 December 2007.
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		12 months ended	
	31 December		31 December	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Operating revenue	106,160	63,951	358,824	293,059
Interest income	78,055	52,204	280,643	244,262
Interest costs	(51,120)	(43,844)	(186,820)	(160,626)
Net interest income	26,935	8,360	93,823	83,636
Net income from Islamic Banking Operations	8,086	2,644	12,972	9,270
	35,021	11,004	106,795	92,906
Other operating income	9,481	7,425	31,290	28,553
Total income	44,502	18,429	138,085	121,459
Cost of completed properties sold	(2,436)	(364)	(4,191)	(10,489)
Operating expenses	(8,701)	(17,623)	(56,744)	(51,971)
Operating profit before provision	33,365	442	77,150	58,999
(Provision for)/Recovery of losses on loans and financing	(15,219)	812	(33,874)	(28,590)
Profit before taxation and zakat	18,146	1,254	43,276	30,409
Taxation	10,019	10,019	10,066	9,883
Zakat	-	(110)	(124)	(110)
Profit after taxation and zakat	28,165	11,163	53,218	40,182
Earnings per share (sen)				
Basic	8.17	3.30	15.43	11.89
Diluted	4.21	1.67	7.91	6.09

The condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED BALANCE SHEETS

	As at	As at
	31 December 2007	31 December 2006
	(RM'000)	(RM'000)
ASSETS		
Cash and short term funds	162,742	309,579
Trade receivables	3,199	7,001
Other receivables	134,280	177,742
Inventories	172,728	177,017
Loans, advances and financing	6,041,438	5,086,389
Other investments	43,634	43,628
Investment properties	2,418	2,614
Property, plant and equipment	128,180	133,759
Intangible assets	965	1,387
Deferred tax assets	40,000	30,000
	6,729,584	5,969,116
TOTAL ASSETS	6,729,584	5,969,116
LIABILITIES AND SHAREHOLDERS' EQUITY		
Bank borrowings	591,013	277,557
Deposits from customers	5,387,778	4,949,920
Other borrowings	150,019	200,033
Trade payables	4,170	15,314
Other payables	54,834	45,412
Provision for taxation	18,633	18,633
Recourse obligation on loans sold to Cagamas Berhad	14,511	15,006
Deferred tax liabilities	25,742	25,816
Redeemable convertible preference shares	3,840	7,968
Provision for liabilities	0	3,380
	6,250,540	5,559,039
TOTAL LIABILITIES	6,250,540	5,559,039
Share capital:		
Ordinary Shares	361,102	337,946
Redeemable Convertible Preference Shares	165,000	165,000
Reserves	(47,058)	(92,869)
	479,044	410,077
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	6,729,584	5,969,116

The condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FINANCIAL PERIOD ENDED 31 DECEMBER 2007

	← Share Capital →		← Non Distributable			→ Capital		
	Redeemable		Share			Redemption		
	Ordinary	Cumulative	Share	Capital	Share	Cumulative	Accumulated	Total
	Shares	Preference	Premium	Reserve	Option	Preference	Losses	RM'000
	RM'000	Shares	RM'000	RM'000	Reserve	Shares	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.1.2006	337,856	165,000	660,922	17,838	-	12,486	(818,430)	375,672
Net profit for the year	-	-	-	-	-	-	40,182	40,182
Dividend	-	-	-	-	-	-	(6,081)	(6,081)
Issue of ordinary shares pursuant to ESOS	-	-	-	-	-	-	-	90
Share options granted under ESOS recognised in profit or loss	-	-	-	-	214	-	-	214
At 31.12.2006	337,856	165,000	660,922	17,838	214	12,486	(784,329)	410,077
At 1.1.2007	337,946	165,000	660,922	17,838	214	12,486	(784,329)	410,077
Net profit for the year	-	-	-	-	-	-	53,218	53,218
Dividend	-	-	-	-	-	-	(7,407)	(7,407)
Issue of ordinary shares pursuant to ESOS	23,156	-	-	-	-	-	-	23,156
At 31.12.2007	361,102	165,000	660,922	17,838	214	12,486	(738,518)	479,044

The condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statement for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	31 December 2007 RM'000	31 December 2006 RM'000
Cash flows from operating activities		
Profit before taxation	43,276	30,409
Adjustments for :		
Depreciation	6,825	6,488
Amortisation of intangible asset	520	520
Gain on disposal of property, plant and equipment	(35)	(61)
Property, plant and equipment written off	-	804
Gain on disposal of foreclosed properties	(7,734)	(2,741)
Reversal of write down of inventories of completed properties	-	(1,543)
Reversal of provision for staff expenses	-	(8,504)
Reversal of impairment loss on investments in unquoted shares	(6)	(30)
Impairment loss on investment properties	107	-
Impairment loss on foreclosed properties	-	1,300
Provision for doubtful debts of other receivables	18,304	15,394
Provision for doubtful debts of trade receivables	53	60
Provision for losses on loans and financing, net of reversals	33,874	28,590
Interest/income-in-suspense, net of recoveries and write offs	429,410	402,690
Share options granted under ESOS	-	214
Reversal of provision for liquidated damages no longer required	(3,380)	-
Operating profit before working capital changes	521,214	473,590
Increase in loans, advances and financing	(1,418,333)	(1,326,431)
Decrease in inventories	4,289	10,260
Increase in receivables	(19,403)	(16,095)
Increase/(Decrease) in bank borrowings	313,456	(527,271)
Increase in deposits from customers	437,858	1,592,138
Increase in payables	(1,153)	14,177
Proceeds from disposal of foreclosed properties	56,045	13,341
Decrease in provision for liabilities	-	(230)
Cash (used in)/generated from operations	(106,027)	233,479
Real Property Gains Tax paid	-	(191)
Zakat paid	(124)	(110)
Net cash (used in)/generated from operating activities	(106,151)	233,178

(Contd.)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

	31 December 2007 RM'000	31 December 2006 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,292)	(1,406)
Proceeds from disposal of property, plant and equipment	35	5,205
Net cash (used in)/generated from investing activities	(1,257)	3,799
Cash flows from financing activities		
Repayment of other borrowings	(50,014)	(50,000)
Recourse obligation on loans sold to Cagamas Berhad	(495)	(1,062)
Dividend paid - Redeemable Convertible Preference Shares	(4,669)	(4,752)
Dividend paid - ordinary shares	(7,407)	(6,081)
Proceeds from issuance of ordinary shares	23,156	90
Net cash used in financing activities	(39,429)	(61,805)
Net (decrease)/increase in cash and cash equivalents	(146,837)	175,172
Cash and cash equivalents at beginning of financial year	309,579	134,407
Cash and cash equivalents at end of financial year	162,742	309,579
Cash and cash equivalents comprise :		
Cash and short term funds	162,742	309,579

The condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying notes attached to the interim financial statements.