

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 2009.
The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		12 months ended	
	31 December		31 December	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Revenue	158,797	114,108	537,959	416,155
Interest income	70,702	78,627	312,957	291,418
Interest expenses	(31,386)	(47,160)	(151,210)	(188,464)
Net interest income	39,316	31,467	161,747	102,954
Net income from Islamic banking operations	19,646	8,205	68,537	24,989
Operating income	58,962	39,672	230,284	127,943
Other income	36,978	8,350	74,414	48,703
Total income	95,940	48,022	304,698	176,646
Cost of completed properties sold	(26,893)	(929)	(28,729)	(13,058)
Other operating expenses	(22,001)	(19,689)	(85,756)	(81,832)
Operating profit	47,046	27,404	190,213	81,756
Allowance for losses on loans, advances and financing	(55,150)	(19,759)	(109,898)	(27,713)
Profit before taxation and zakat	(8,104)	7,645	80,315	54,043
Taxation	(1,068)	(16,515)	(22,573)	(21,191)
Zakat	(539)	(277)	(539)	(277)
Profit after taxation and zakat	(9,711)	(9,147)	57,203	32,575
Earnings per share (sen)				
Basic	(1.39)	(1.88)	8.17	6.71

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 31 December 2009 (RM'000)	As at 31 December 2008 (RM'000)
ASSETS		
Cash and short term funds	763,275	73,165
Trade receivables	3,298	7,139
Other receivables	126,632	109,114
Inventories	125,460	152,457
Loans, advances and financing	8,118,452	6,783,135
Other investments	43,070	43,070
Investment properties	1,473	2,330
Property, plant and equipment	111,626	114,388
Prepaid land lease payments	9,952	10,116
Intangible assets	911	655
Deferred tax assets	-	16,000
TOTAL ASSETS	9,304,149	7,311,569
LIABILITIES AND SHAREHOLDERS' EQUITY		
Bank borrowings	-	305,235
Deposits from customers	7,562,410	6,301,381
Other borrowings	50,004	100,012
Trade payables	4,658	4,509
Other payables	88,583	50,931
Provision for taxation	27,109	21,183
Recourse obligation on loans sold to Cagamas Berhad	1,000,610	-
Deferred tax liabilities	17,703	17,203
Zakat	508	-
TOTAL LIABILITIES	8,751,585	6,800,454
Share capital:		
Ordinary Shares	700,172	700,172
Reserves	(147,608)	(189,057)
Shareholders' equity	552,564	511,115
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9,304,149	7,311,569

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 STATEMENT OF CHANGES IN EQUITY
FINANCIAL YEAR ENDED 31 DECEMBER 2009

	← 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 1 January 2008	361,102	165,000	661,053	17,838	83	12,486	(738,417)	479,145
Net profit for the year	-	-	-	-	-	-	32,575	32,575
Dividend	-	-	-	-	-	-	(10,797)	(10,797)
Share options granted under ESOS recognised in income statement	-	-	-	-	650	-	-	650
Issue of ordinary shares pursuant to ESOS	9,070	-	1,116	-	(644)	-	-	9,542
Transfer of share option reserve to accumulated losses upon expiry of ESOS	-	-	-	-	(89)	-	89	-
Issue of ordinary shares upon conversion of RCPS	330,000	(165,000)	(165,000)	-	-	-	-	-
At 31 December 2008	700,172	-	497,169	17,838	-	12,486	(716,550)	511,115
At 1 January 2009	700,172	-	497,169	17,838	-	12,486	(716,550)	511,115
Net profit for the year	-	-	-	-	-	-	57,203	57,203
Dividend	-	-	-	-	-	-	(15,754)	(15,754)
At 31 December 2009	700,172	-	497,169	17,838	-	12,486	(675,101)	552,564

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 CASH FLOW STATEMENT

	31 December 2009 RM'000	31 December 2008 RM'000
Cash flows from operating activities		
Profit before taxation	80,315	54,043
Adjustments for :		
Depreciation		
- Investment properties	55	88
- Property, plant and equipment	7,277	6,920
Amortisation		
- Prepaid land lease payments	165	165
- Intangible assets	658	588
Gain on disposal of property, plant and equipment	(1,608)	-
Gain on disposal of investment properties	(78)	-
Gain on disposal of inventories	(2,000)	(225)
Gain on disposal of foreclosed properties	(65)	(10,028)
Impairment loss on:		
- property, plant and equipment	-	483
- investments in unquoted shares	-	32
Allowance for doubtful debts of other debtors	18,110	18,711
Allowance for losses on loans and financing, net of reversals	109,898	27713
Interest/income-in-suspense, net of recoveries and write offs	393,212	469153
Share option granted under ESOS	-	650
Operating profit before working capital changes	605,939	568,293
Increase in loans, advances and financing	(1,838,427)	(1,238,563)
Decrease in inventories	2,997	20,496
(Increase)/Decrease in receivables	(32,005)	11,360
Decrease in bank borrowings	(305,235)	(285,778)
Increase in deposits from customers	1,261,029	913,603
Increase in payables	37,612	263
Cash used in from operations	(268,090)	(10,326)
Real property gain tax paid	(1)	-
Tax paid	(158)	(3,180)
Tax refund	19	-
Zakat paid	(308)	-
Net cash used in operating activities	(268,538)	(13,506)

(Contd.)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

	31 December 2009 RM'000	31 December 2008 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,894)	(3,458)
Purchase of intangible assets	(617)	-
Proceeds from disposal of property, plant and equipment	3,288	-
Proceeds from disposal of investment properties	740	-
Proceeds from disposal of inventories	26,000	-
Proceeds from disposal of foreclosed properties	283	-
Net cash generated from/(used in) investing activities	<u>23,800</u>	<u>(3,458)</u>
Cash flows from financing activities		
Repayment of other borrowings	(50,008)	(50,007)
Recourse obligation on loans sold to Cagamas Berhad	1,000,610	(14,511)
Dividend paid - Redeemable Convertible Preference Shares	-	(6,600)
Dividend paid - ordinary shares	(15,754)	(10,797)
Proceeds from issuance of ordinary shares	-	9,542
Net cash generated from/(used in) financing activities	<u>934,848</u>	<u>(72,373)</u>
Net increase/(decrease) in cash and cash equivalents	690,110	(89,337)
Cash and cash equivalents at beginning of financial year	73,165	162,502
Cash and cash equivalents at end of financial year	<u><u>763,275</u></u>	<u><u>73,165</u></u>
Cash and cash equivalents comprise :		
Cash and short term funds	<u><u>763,275</u></u>	<u><u>73,165</u></u>

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.