

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Income Statement
for the Three-Months Period Ended 30th September 2008**

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		30 September 2008 RM'000 Unaudited	30 September 2007 RM'000 Restated	30 September 2008 RM'000 Unaudited	30 September 2007 RM'000 Restated
Income derived from investment of depositors' fund	A15	243,291	232,849	243,291	232,849
Income derived from investment of shareholders' fund	A16	141,575	125,388	141,575	125,388
Reversal/(Allowance) for losses on financing	A17	(18,294)	52,154	(18,294)	52,154
Impairment losses		-	(10,204)	-	(10,204)
Profit equalisation reserve		(16)	(2,083)	(16)	(2,083)
Other expenses directly attributable to the investment of the depositors' and shareholders' funds		(3,222)	(1,182)	(3,222)	(1,182)
Total distributable income		363,334	396,922	363,334	396,922
Income attributable to depositors	A18	(112,458)	(109,630)	(112,458)	(109,630)
Total net income		250,876	287,292	250,876	287,292
Personnel expenses		(82,371)	(73,446)	(82,371)	(73,446)
Other overhead expenses		(65,965)	(52,055)	(65,965)	(52,055)
Depreciation		(9,100)	(9,415)	(9,100)	(9,415)
Operating profit		93,440	152,376	93,440	152,376
Share in the results of associated companies		-	-	-	-
Profit before zakat and taxation		93,440	152,376	93,440	152,376
Zakat		(2,515)	(5,335)	(2,515)	(5,335)
Tax expense	B5	(3,238)	(4,955)	(3,238)	(4,955)
Profit for the period		87,687	142,086	87,687	142,086
Attributable to:					
Shareholders of the Company		51,071	77,367	51,071	77,367
Minority Interests		36,616	64,719	36,616	64,719
Profit for the period		87,687	142,086	87,687	142,086
Earnings Per Share - basic (sen)	B15	5.73	8.68	5.73	8.68

BIMB HOLDINGS BERHAD (423858-X)
(Incorporated in Malaysia)

Condensed Consolidated Balance Sheet as at 30th September 2008

		As at September 30, 2008 RM'000 Unaudited	As at September 30, 2007 RM'000 Restated
<u>ASSETS</u>	<u>Note</u>		
Cash and short term funds		6,372,836	7,186,456
Deposits and placements with financial institutions		40,808	175,364
Securities:			
- Held for trading	A8	50,727	160,573
- Held-to-maturity	A9	168,481	141,358
- Available-for-sale	A10	4,421,596	2,434,839
Financing, advances and others	A11	9,175,420	8,421,648
Deferred tax assets		105,785	12,902
Assets held for sale		42,631	-
Other assets		264,868	121,806
Current tax assets		11,953	44,586
Investment in associates		149	149
Statutory deposit with Bank Negara Malaysia		441,824	409,327
Property, plant and equipment		180,133	150,875
Prepaid lease payments		24,870	25,250
General Takaful and Family Takaful assets		3,775,677	3,313,593
Total assets		25,077,758	22,598,726
<u>LIABILITIES, EQUITY & TAKAFUL FUNDS</u>			
Liabilities			
Deposits from customers	A13	18,298,187	16,623,635
Deposits and placements of banks and other financial institutions	A14	64,353	110,624
Bills and acceptances payable		503,303	441,467
Other liabilities		370,525	355,844
Liabilities held for sale		2,539	-
Provision for zakat and taxation		17,883	14,067
General Takaful and Family Takaful liabilities		530,307	623,482
General Takaful and Family Takaful participants' funds		3,245,370	2,690,111
Total liabilities		23,032,467	20,859,230
Equity			
Share capital		891,390	891,390
Reserves		173,287	104,667
Total equity attributable to shareholders of the Company		1,064,677	996,057
Minority interests		980,614	743,439
Total equity		2,045,291	1,739,496
Total equity and liabilities		25,077,758	22,598,726
<u>COMMITMENTS AND CONTINGENCIES</u>			
Net assets per share attributable to ordinary equity holders of the parent (RM)	A24	8,678,882	6,382,665
		1.19	1.12

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity
for the Three-Months Period Ended 30th September 2008**

Group	Note	Attributable to Equity Holders of the Parent					Distributable					Total Equity RM'000
		Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Transation Reserve RM'000	Capital Reserve RM'000	Fair Value Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Minority Interests RM'000		
Restated												
At 1 July 2007		891,390	602,978	326,177	15,305	638,370	15,607	(1,476,146)	1,013,681	645,681	1,659,362	
Prior year adjustments		-	-	(56,973)	-	-	-	(33,584)	(90,557)	37,122	(53,435)	
As restated		891,390	602,978	269,204	15,305	638,370	15,607	(1,509,730)	923,124	682,803	1,605,927	
Net gain not recognised in the income statement:												
- Foreign exchange translation differences		-	-	-	3,719	-	-	-	3,719	-	3,719	
- Unrealised net gain/(loss) on revaluation of securities available-for-sale		-	-	-	-	-	(8,153)	-	(8,153)	(4,083)	(12,236)	
Net profit for the period		-	-	-	-	-	77,367	77,367	77,367	64,719	142,086	
At 30 September 2007		891,390	602,978	269,204	19,024	638,370	7,454	(1,432,363)	996,057	743,439	1,739,496	
Unaudited												
At 1 July 2008		891,390	602,978	367,154	24,395	638,370	(40,219)	(1,478,784)	1,005,284	934,035	1,939,319	
Net gain not recognised in the income statement:												
- Foreign exchange translation differences		-	-	-	(6,977)	-	-	-	(6,977)	(6,095)	(13,072)	
- Unrealised net gain/(loss) on revaluation of securities available-for-sale		-	-	-	-	-	15,299	-	15,299	14,925	30,224	
Net profit for the period		-	-	-	-	-	51,071	51,071	51,071	36,616	87,687	
Subscription of shares held by minority interests of a subsidiary		-	-	-	-	-	-	-	-	1,133	1,133	
At 30 September 2008		891,390	602,978	367,154	17,418	638,370	(24,920)	(1,427,713)	1,064,677	980,614	2,045,291	

(The Condensed Interim Consolidated Financial Statements should be read in conjunction with the audited financial statements of the Group for the year ended 30th June 2008)

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

Condensed Consolidated Cash Flow Statement for the Three-Months Period Ended 30th September 2008

	3 months 30 Sep. 2008 RM'000 Unaudited	3 months 30 Sep. 2007 RM'000 Restated
Cash flows from operating activities		
Profit before zakat and taxation	93,440	152,376
Adjustment for non-cash flow items:-		
Depreciation of property, plant and equipment	9,100	9,415
Amortisation of prepaid lease payment	311	-
Impairment losses on securities available-for-sale	-	10,204
(Reversal)/Allowance for doubtful debts	(15,063)	-
(Reversal)/Allowance for losses on financing	18,294	(52,154)
(Reversal)/Allowance for diminution in investments	35	(113)
Dividend income	(3,982)	(3,647)
Net loss/(gain) on sale of securities held-for-trading	58	(1,250)
Net gain on sale of securities available-for-sale	(882)	(4,702)
Accretion of discount less amortisation of premium	(12,985)	(9,752)
Operating profit/(loss) before working capital changes	88,326	100,377
Changes in working capital:		
Other receivables	(44,390)	38,267
Statutory deposits with Bank Negara Malaysia	(79,673)	(12,688)
Bills payable	(487,145)	332,278
Other payables	(10,149)	14,472
Financing of customers	(138,686)	33,791
Deposits from customers	(2,237,720)	(764,998)
Deposit and placements of banks and other financial institutions	5,910	76,633
Cash generated from/(used in) operation	(2,903,527)	(181,868)
Zakat and income taxes paid	(2,399)	(4,247)
Net cash generated from/(used in) operating activities	(2,905,926)	(186,115)

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

Condensed Consolidated Cash Flow Statement for the Three-Months Period Ended 30th September 2008, continued

	3 months 30 Sep. 2008 RM'000 Unaudited	3 months 30 Sep. 2007 RM'000 Restated
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(14,394)
Dividend received from available-for-sale	29,043	16,144
Dividend received from held-for-trading	432	429
Dividend received from securities held-to-maturity	322	5,439
Net (purchase)/disposal of securities	(911,453)	1,235,112
Net cash (used in)/generated from investing activities	(881,656)	1,242,730
Net increase/(decrease) in cash and cash equivalent	(3,787,582)	1,056,615
Foreign exchange differences	7,005	6,033
Cash and cash equivalents at the beginning of period	10,194,221	6,299,172
Cash and cash equivalents at the end of period	6,413,644	7,361,820
Cash and cash equivalents comprise:		
Cash and short term funds	6,372,836	7,186,456
Deposits and placement with financial institutions	40,808	175,364
	6,413,644	7,361,820

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial statements for the year ended 30th June 2008)

EXPLANATORY NOTES OF FRS 134: INTERIM FINANCIAL REPORTING (PARAGRAPH 16) AND REVISED GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS (GP8-i)

A1 BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in compliance with Financial Reporting Standard ("FRS") 134, Interim Financial Reporting (formerly known as MASB 26) issued by the Malaysian Accounting Standard Board (MASB) and Chapter 9, Part K (paragraph 9.22) of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2008.

These condensed financial statements are prepared using the same accounting policies, methods of computations and basis of consolidation adopted to the most recent audited financial statement of the Group for the financial year ended 30 June 2008 except for the adoption of the following new and revised FRS which are effective for the Group's financial period beginning 1 July 2007 as follows:

FRS 117	Leases
FRS 124	Related Party Disclosures

The adoption of FRS 117 and FRS 124 does not have any significant financial impact on the Group.

The specific and general allowances for financing and advances of the Group are computed based on BNM's guidelines on the "Classification of Non-Performing Financing, and Provisions for Substandard, Bad and Doubtful Debts" ("BNM/GP3") requirements.

A2 AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 30 JUNE 2008

The audited report on the financial statements of the preceeding year did not contain any qualification.

A3 SEASONALITY AND CYCLICALITY OF OPERATIONS

The operations of the Group were not subject to material seasonal or cyclical effects.

A4 EXCEPTIONAL OR UNUSUAL ITEMS

There were no items of an exceptional or unusual nature that may affect the assets, liabilities, equity, net income or cash flows of the Group.

A5 CHANGES IN ESTIMATES OF AMOUNTS REPORTED PREVIOUSLY

There were no material changes to the estimates of amounts reported in prior financial years that may have a material effect in the current period.

A6 ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities for the current period.

A7 DIVIDENDS PAID

	Cumulative 3 months ended	
	Unaudited 30-Sep-08 RM '000	Unaudited 30-Sep-07 RM '000
Ordinary		
None	Nil	Nil

BIMB HOLDINGS BERHAD (423858-X)
(Incorporated in Malaysia)

A8 SECURITIES HELD-FOR-TRADING

	Unaudited 30-Sep-08 RM '000	Unaudited 30-Sep-07 RM '000
At fair value		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Islamic Commercial Papers	11,900	69,794
Malaysian Government Investment Issue	-	39,953
Bankers acceptance	-	9,312
	11,900	119,059
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Shares	38,827	41,514
	50,727	160,573

A9 SECURITIES HELD-TO-MATURITY

	Unaudited 30-Sep-08 RM '000	Unaudited 30-Sep-07 RM '000
At amortised cost		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Negotiable Islamic debt certificate	-	1,163
Islamic Debt Securities	183,954	161,418
Bankers acceptance	-	4,068
<i>Outside Malaysia</i>		
Private debt securities	2,807	5,356
	186,761	172,005
Less: Impairment losses	(18,280)	(30,647)
Total securities held-to-maturity	168,481	141,358

A10 SECURITIES AVAILABLE-FOR-SALE

	Unaudited 30-Sep-08 RM '000	Unaudited 30-Sep-07 RM '000
At fair value		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Malaysian Government Investment Issue	838,271	816,237
Bank Negara Negotiable Notes	-	22,106
Unquoted shares	29,128	29,564
Promissory notes	5,604	5,604
Accepted bills	220,206	13,857
Negotiable Islamic Debt Certificate	691,586	128,520
Islamic Commercial Papers	392,092	67,891
Islamic Debt Securities	2,200,341	1,213,185
<i>Outside Malaysia</i>		
Islamic Development Bank	1,764	1,928
Unquoted shares	2,996	28,026
Islamic Debt Securities	-	68,330
	4,381,988	2,395,248
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Amanah Saham Bank Islam	15,213	28,440
Shares	-	44,017
<i>Outside Malaysia</i>		
Bond	85,938	17,330
	101,151	89,787
Less:		
Impairment losses	(61,543)	(50,196)
Total securities available-for-sale	4,421,596	2,434,839

A11 FINANCING, ADVANCES AND OTHERS

(i) By type

	Unaudited	Restated
	30-Sep-08	30-Sep-07
	RM '000	RM '000
Cash line	182,760	7,582
Term financing		
House financing	6,144,575	5,681,064
Syndicated financing	107,339	128,167
Lease receivables	226,752	132,590
Bridging financing	238,538	390,398
Personal financing	2,539,428	1,930,030
Other term financing	3,945,607	4,546,623
Staff financing	309,751	314,630
Credit/charge cards	352,636	274,427
Trade bills discounted	1,645,171	1,249,638
Trust receipt	194,329	20,078
	15,886,886	14,675,227
Less: Unearned income	(5,277,182)	(4,911,313)
	10,609,704	9,763,914
Less: Allowance for bad and doubtful financing:		
General	(170,373)	(170,252)
Specific	(1,263,911)	(1,172,014)
Total net financing, advances and others	9,175,420	8,421,648

(ii) By contract

	Unaudited	Restated
	30-Sep-08	30-Sep-07
	RM '000	RM '000
Bai' Bithaman Ajil (deferred payment sale)	5,726,884	5,727,551
Bai'-Al-Inah	630,851	433,077
Ijarah (operating lease)	234,623	154,318
Ijarah Muntahia Bittamlik / AITAB (finance lease)	28,933	120,313
Mudharabah (profit sharing)	9,248	18,033
Murabahah (cost-plus)	1,826,593	1,280,187
Bai'-Al-Inah Cash Note	1,627,034	1,359,705
Istisna'	512,663	618,422
Others	12,875	52,308
	10,609,704	9,763,914

(iii) By type of customer

	Unaudited	Restated
	30-Sep-08	30-Sep-07
	RM '000	RM '000
Domestic non-bank financial institutions	37,149	64,053
Domestic business enterprise	2,775,224	1,346,096
Small medium industries	919,719	1,055,181
Government and statutory bodies	105,233	66,864
Individuals	6,740,313	6,573,618
Other domestic entities	30,321	29,347
Foreign entities	1,745	628,755
	10,609,704	9,763,914

(iv) By profit rate sensitivity

	Unaudited	Restated
	30-Sep-08	30-Sep-07
	RM '000	RM '000
Fixed rate		
House financing	2,447,851	2,444,239
Others	7,328,715	7,319,675
Floating rate	833,138	-
	10,609,704	9,763,914

A11 FINANCING, ADVANCES AND OTHERS, continued

(v) By economic purposes

	Unaudited	Restated
	30-Sep-08	30-Sep-07
	RM '000	RM '000
Agriculture, hunting, forestry and fishing	115,803	222,813
Mining and quarrying	31,737	1,221
Manufacturing	1,473,632	836,722
Electricity, gas and water	88,243	85,015
Construction	573,265	711,559
Real estate	50,668	42,583
Purchase of landed property:		
- Residential	2,941,571	2,921,682
- Non-Residential	394,532	443,726
Wholesale and retail trade and restaurants and hotels	402,968	280,080
Transport, storage and communication	65,332	92,742
Finance, insurance and business services	59,155	81,338
Purchase of securities	161,028	189,478
Purchase of transport vehicles	1,504,245	1,683,217
Consumption credit	2,055,327	1,559,216
Community, social and personal services	54,035	-
Others	638,163	612,522
	10,609,704	9,763,914

A12 NON-PERFORMING FINANCING

**(i) Movements in the non-performing financing, advances and others
(including income receivable)**

	Unaudited	Restated
	30-Sep-08	30-Sep-07
	RM '000	RM '000
At beginning	1,949,904	2,192,151
Classified as non-performing	70,342	124,439
Reclassified as performing	(26,955)	-
Amount recovered	(58,984)	(278,120)
Amount written off	(2,262)	-
Other adjustment	-	9,507
Exchange differences	25,757	(6,715)
At end	1,957,802	2,041,262
Less: - specific allowance	(1,263,911)	(1,172,014)
Net non-performing financing, advances and others	693,891	869,248
 Ratio of net non-performing financing, advances and others to total net financing, advances and others	 7.42%	 10.12%

A12 NON-PERFORMING FINANCING, continued

(ii) **Movements in the allowance for bad and doubtful financing**

	Unaudited 30-Sep-08 RM '000	Restated 30-Sep-07 RM '000
General allowance		
At beginning	169,382	170,461
Exchange differences	991	(209)
At end	170,373	170,252
As % of gross financing, advances and others less specific allowance	1.82%	1.98%
Specific allowance		
At beginning	1,228,131	1,211,263
Allowance made	50,177	64,600
Amount recovered	(25,366)	(100,648)
Amount written off	(2,262)	-
Exchange differences	13,231	(3,201)
At end	1,263,911	1,172,014

(iii) **Non-performing financing by sector**

	Unaudited 30-Sep-08 RM '000	Restated 30-Sep-07 RM '000
Agriculture, hunting, forestry and fishing	51,155	74,651
Mining and quarrying	1,954	2,558
Manufacturing	504,714	572,998
Electricity, gas and water	82,583	82,258
Construction	398,225	397,296
Real estate	4,367	5,393
Purchase of landed property:		
- Residential	254,012	276,679
- Non-Residential	148,764	127,816
Wholesale and retail trade and restaurants and hotels	152,353	191,746
Transport, storage and communication	16,173	17,719
Finance, insurance and business services	615	510
Purchase of securities	68,922	80,375
Purchase of transport vehicles	66,328	63,004
Consumption credit	169,570	116,172
Community social and personal services	17,598	18,984
Others	20,469	13,103
	1,957,802	2,041,262

A13 DEPOSITS FROM CUSTOMERS

(i) **By type of deposit**

	Unaudited 30-Sep-08 RM '000	Unaudited 30-Sep-07 RM '000
Non-Mudharabah Fund:		
Demand deposits	5,568,693	4,766,939
Savings deposits	2,141,612	1,813,844
Negotiable Islamic Debt Certificate (NIDC)	4,771,167	4,225,793
Others	43,665	37,074
	12,525,137	10,843,650
Mudharabah Fund:		
Savings deposits	553,518	484,395
General investment deposits	2,392,266	2,027,600
Special investment deposits	2,827,031	3,267,368
Others	235	622
	5,773,050	5,779,985
Total deposits from customers	18,298,187	16,623,635

A13 DEPOSITS FROM CUSTOMERS, continued

(ii) By type of customer

	Unaudited 30-Sep-08 RM '000	Unaudited 30-Sep-07 RM '000
Government and statutory bodies	3,330,921	3,485,355
Business enterprises	6,163,183	5,503,629
Individuals	4,604,976	2,744,897
Others	4,199,107	4,889,754
	18,298,187	16,623,635

A14 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Unaudited 30-Sep-08 RM '000	Unaudited 30-Sep-07 RM '000
Mudharabah Fund:		
Licensed banks	64,353	110,624
	64,353	110,624

A15 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	30-Sep-08 RM '000	30-Sep-07 RM '000	30-Sep-08 RM '000	30-Sep-07 RM '000
Income derived from investment of:				
(i) General investment deposits	31,213	28,681	31,213	28,681
(ii) Other deposits	212,078	204,168	212,078	204,168
	243,291	232,849	243,291	232,849

(i) Income derived from investment of general investment deposits

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	30-Sep-08 RM '000	30-Sep-07 RM '000	30-Sep-08 RM '000	30-Sep-07 RM '000
Financing income and hibah				
Financing, advances and others	21,158	21,612	21,158	21,612
Held-for-trading	53	51	53	51
Held-to-maturity	30	176	30	176
Available-for-sale	2,369	1,048	2,369	1,048
Money at call and deposit with financial institutions	5,990	4,776	5,990	4,776
	29,600	27,663	29,600	27,663
Amortisation of premium less accretion of discounts	1,270	963	1,270	963
	30,870	28,626	30,870	28,626
Other dealing income				
Net gain / (loss) from sale of securities held-for-trading	28	(17)	28	(17)
Net gain / (loss) on revaluation of securities held-for-trading	206	72	206	72
	234	55	234	55
Other operating income				
Net gain / (loss) from sale of securities:				
Available-for-sale	109	-	109	-
	109	-	109	-
	31,213	28,681	31,213	28,681

A15 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS, continued

(ii) Income derived from investment of other deposits

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	Unaudited 30-Sep-08	Unaudited 30-Sep-07	Unaudited 30-Sep-08	Unaudited 30-Sep-07
	RM '000	RM '000	RM '000	RM '000
Financing income and hibah				
Financing, advances and others	143,323	153,094	143,323	153,094
Held-for-trading	362	370	362	370
Held-to-maturity	203	1,254	203	1,254
Available-for-sale	16,204	7,554	16,204	7,554
Money at call and deposit with financial institutions	40,807	34,593	40,807	34,593
	200,899	196,865	200,899	196,865
Amortisation of premium less accretion of discounts	8,747	6,908	8,747	6,908
	209,646	203,773	209,646	203,773
Other dealing income				
Net gain / (loss) from sale of securities held-for-trading	197	(126)	197	(126)
Net gain / (loss) on revaluation of securities held-for-trading	1,462	521	1,462	521
	1,659	395	1,659	395
Other operating income				
Net gain / (loss) from sale of securities:				
Available-for-sale	773	-	773	-
	773	-	773	-
	212,078	204,168	212,078	204,168

A16 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	Unaudited 30-Sep-08	Unaudited 30-Sep-07	Unaudited 30-Sep-08	Unaudited 30-Sep-07
	RM '000	RM '000	RM '000	RM '000
Financing income and hibah				
Financing, advances and others	777	(2,079)	777	(2,079)
Held-for-trading	17	8	17	8
Held-to-maturity	89	4,009	89	4,009
Available-for-sale	10,470	7,542	10,470	7,542
Money at call and deposit with financial institutions	27,644	27,376	27,644	27,376
	38,997	36,856	38,997	36,856
Amortisation of premium less accretion of discounts	2,968	1,881	2,968	1,881
	41,965	38,737	41,965	38,737
Other dealing income				
Net gain / (loss) from foreign exchange transactions	6,759	(511)	6,759	(511)
Net gain / (loss) from sale of securities held-for-trading	(283)	1,393	(283)	1,393
Net gain / (loss) on revaluation of securities held-for-trading	-	(28)	-	(28)
	6,476	854	6,476	854
Other operating income				
Net gain / (loss) from sale of securities:				
Available-for-sale	-	4,702	-	4,702
Unrealised forex gain/(loss) on cash balance	150	-	150	-
Profit on sale of foreign currencies	97	6,544	97	6,544
Reversal/(allowance) for diminution in value of investment	(35)	113	(35)	113
Reversal of allowance for doubtful debts	15,063	-	15,063	-
Takaful contributions less retakaful and reserve for unearned takaful contributions	22,241	49,562	22,241	49,562
Gross dividend income from securities:				
Quoted in Malaysia	171	3,061	171	3,061
Unit trust in Malaysia	120	524	120	524
Unit trust outside Malaysia	63	62	63	62
Unquoted in Malaysia	3,628	-	3,628	-
	41,498	64,568	41,498	64,568
Fees and commission				
ATM fees	3,194	-	3,194	-
Financing fees	10,479	-	10,479	-
Cheque issued & return, closing account and other fees	180	-	180	-
Takaful service fees and commission	818	-	818	-
Credit card fees and commission	3,639	-	3,639	-
Processing fees	56	-	56	-
Commitment fees	-	568	-	568
Rentas clearing fees	-	3	-	3
Commission on MEPS	1,030	-	1,030	-
Management fee	320	384	320	384
Corporate advisory fees	238	3	238	3
Service charges fees	15	-	15	-
Others	14,707	18,652	14,707	18,652
	34,676	19,610	34,676	19,610
Other income				
Net gain/(loss) on disposal of property, plant & equipment	500	-	500	-
Others	16,460	1,619	16,460	1,619
	16,960	1,619	16,960	1,619
	141,575	125,388	141,575	125,388

A17 REVERSAL/(ALLOWANCE) FOR LOSSES ON FINANCING

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	Unaudited	Restated	Unaudited	Restated
	30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07
	RM '000	RM '000	RM '000	RM '000
Allowance for bad and doubtful financing:				
- Specific allowance				
- Made in the financial year	(50,177)	(64,600)	(50,177)	(64,600)
- Written back	25,366	100,648	25,366	100,648
- Bad debts and financing:				
- Recovered	6,517	16,106	6,517	16,106
	(18,294)	52,154	(18,294)	52,154

A18 INCOME ATTRIBUTABLE TO DEPOSITORS

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07
	RM '000	RM '000	RM '000	RM '000
Deposits from customers:				
- Mudharabah fund	48,023	47,193	48,023	47,193
- Non-Mudharabah fund	63,644	61,027	63,644	61,027
Deposits and placements of banks and other financial institutions:				
- Mudharabah fund	791	1,410	791	1,410
	112,458	109,630	112,458	109,630

A19 CAPITAL ADEQUACY

The risk-weighted capital adequacy ratios of a subsidiary, Bank Islam Malaysia Berhad and its subsidiaries are as follows:

	Unaudited	Restated
	30-Sep-08	30-Sep-07
	RM '000	RM '000
Tier-I capital:		
Paid-up share capital	1,725,490	1,725,490
Share premium	500,020	500,020
Accumulated losses	(1,390,935)	(1,588,477)
Other reserves	508,821	316,763
Less: Deferred tax assets	(86,282)	-
Total Tier-I capital	1,257,114	953,796
Tier-II capital:		
Redeemable subordinated mudharabah	40,000	60,000
General allowance for bad and doubtful financing	170,373	170,252
Total Tier-II capital	210,373	230,252
Total capital base	1,467,487	1,184,048
Core capital ratio	10.63%	9.42%
Risk-weighted capital ratio	12.40%	11.70%
Core capital ratio net of proposed dividends	10.63%	9.42%
Risk-weighted capital ratio net of proposed dividend	12.40%	11.70%

(The banking subsidiary, with effect from January 1, 2008 has adopted the new Capital Adequacy Framework for Islamic Bank (CAFIB), which is BASEL II standardised approach compliant in its computation of core capital ratio (CCR) and risk-weighted capital ratio (RWCR). The banking subsidiary has applied the BASEL I computation of CCR and RWCR for the comparative period ended 30 September 2007).

A20 SEGMENTAL INFORMATION

The Group comprises the following main business segments:

Banking operations	Islamic banking and provision of related services.
Takaful operations	Underwriting of family and general Islamic insurance (Takaful).
Others	Investment holding, currency trading, ijarah financing, stockbroking, unit trust and venture capital.

	Revenue		Profit Before Zakat & Tax	
	3 months ended			
	Unaudited 30-Sep-08 RM'000	Restated 30-Sep-07 RM'000	Unaudited 30-Sep-08 RM'000	Restated 30-Sep-07 RM'000
Banking operations:				
Domestic	307,264	280,810	75,667	123,324
Offshore	16,172	14,780	38	58
Takaful operations	45,924	55,420	2,554	15,957
Others	18,325	15,367	15,181	13,037
Inter-segment elimination	(2,819)	(8,140)	-	-
Total	384,866	358,237	93,440	152,376

A21 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. There was no valuation carried out during the period.

A22 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

Save as disclosed in Note B8, there were no material events subsequent to the end of the interim period.

A23 CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current period.

A24 CHANGES IN CONTINGENT LIABILITIES SINCE THE LAST ANNUAL BALANCE SHEET DATE

In the normal course of business, a subsidiary, Bank Islam Malaysia Berhad makes various commitments and incurs certain contingent liabilities with legal recourse to their customers.

Risk Weighted Exposures arising from the commitments and contingencies of this subsidiary as at 30 September 2008 are as follow:

	Unaudited 30 September 2008			Unaudited 30 September 2007		
	Principal Amount RM '000	Credit Equivalent Amount RM '000	Risk Weighted Amount RM '000	Principal Amount RM '000	Credit Equivalent Amount RM '000	Risk Weighted Amount RM '000
	Direct credit substitutes	520,274	520,274	350,178	374,256	374,256
Transaction-related contingent items	628,748	314,374	302,148	467,465	233,732	231,512
Short-term self-liquidating trade related contingencies	436,928	87,386	38,119	686,091	137,218	18,105
Other assets sold with recourse and commitments with certain drawdown	25,726	25,726	25,726	119	119	119
Obligations under underwriting agreements	75,000	37,500	37,500	105,000	52,500	52,500
Irrevocable commitments to extend credit						
- maturity less than one year	2,228,305	46,893	33,066	3,452,760	74,372	18,748
Miscellaneous	4,763,901	353,144	298,010	1,296,974	526,804	501,215
Total	8,678,882	1,385,297	1,084,747	6,382,665	1,399,001	1,183,043

A25 PROFIT RATE RISK

Unaudited
30-Sep-08

	Non-trading book						Effective Profit Rate %
	Up to 1 Month RM '000	> 1-3 Months RM '000	> 3-12 Months RM '000	1-5 Years RM '000	Over 5 Years RM '000	Non profit Sensitive RM '000	
Assets							
Cash and short-term funds	5,751,094	-	-	-	-	621,742	3.19
Deposits and placements with financial institutions	38,394	2,414	-	-	-	-	3.19
Securities Held-for-trading	-	-	-	-	-	50,727	5.24
Securities Held-to-maturity	-	160,072	-	-	-	8,409	0.58
Securities Available-for-sale	330,466	475,464	1,103,654	1,131,402	1,352,691	27,919	4.27
Financing, advances & others:							
- Performing	1,301,148	760,752	819,098	1,300,123	4,294,718	5,690	7.82
- Non-performing	-	-	-	-	-	693,891	
Other assets	-	-	-	-	-	4,847,890	
Total assets	7,421,102	1,238,630	2,082,824	2,431,525	5,647,409	6,205,541	25,077,758
Liabilities							
Deposits from customers	3,637,707	1,595,504	3,306,491	1,447,761	556,754	7,753,970	2.23
Deposits and placements of banks and other financial institutions	64,353	-	-	-	-	-	2.56
Bills and acceptance payable	503,303	-	-	-	-	-	3.39
Other liabilities	-	-	-	-	-	921,254	
Total liabilities	4,205,363	1,595,504	3,306,491	1,447,761	556,754	8,675,224	19,787,097
Shareholders' equity	-	-	-	-	-	1,064,677	
Takaful funds	-	-	-	-	-	3,245,370	
Minority interests	-	-	-	-	-	980,614	
Total liabilities & shareholders' equity	4,205,363	1,595,504	3,306,491	1,447,761	556,754	13,965,885	25,077,758
On-balance sheet profit sensitivity gap	3,215,739	(356,874)	(1,223,667)	983,764	5,090,655	-	
Off-balance sheet profit sensitivity gap	-	-	-	-	-	-	
Net maturity mismatch	3,215,739	(356,874)	(1,223,667)	983,764	5,090,655	-	

A25 PROFIT RATE RISK, Continued

Restated
30-Sep-07

	Non-trading book							Effective Profit Rate %	
	Up to 1 Month RM '000	> 1-3 Months RM '000	> 3-12 Months RM '000	1-5 Years RM '000	Over 5 Years RM '000	Non profit Sensitive RM '000	Trading Book RM '000		
Assets									
Cash and short-term funds	6,869,386	-	-	-	-	317,070	-	7,186,456	3.12
Deposits and placements with financial institutions	173,108	2,256	-	-	-	-	-	175,364	3.12
Securities Held-for-trading	-	-	-	-	-	-	160,573	160,573	3.36
Securities Held-to-maturity	-	-	10,000	102,820	28,538	-	-	141,358	0.78
Securities Available-for-sale	177,853	137,617	256,029	1,022,245	841,095	-	-	2,434,839	5.16
Financing, advances & others:									
- Performing	553,228	141,883	295,949	1,986,543	4,574,797	-	-	7,552,400	11.87
- Non-performing	-	-	-	-	-	869,248	-	869,248	-
Other assets	-	-	-	-	-	4,078,488	-	4,078,488	-
Total assets	7,773,575	281,756	561,978	3,111,608	5,444,430	5,264,806	160,573	22,598,726	
Liabilities									
Deposits from customers	3,814,622	1,148,048	3,537,904	752,854	752,350	6,617,857	-	16,623,635	2.74
Deposits and placements of banks and other financial institutions	110,624	-	-	-	-	-	-	110,624	2.56
Bills and acceptance payable	441,467	-	-	-	-	-	-	441,467	3.39
Other liabilities	-	-	-	-	-	993,393	-	993,393	-
Total liabilities	4,366,713	1,148,048	3,537,904	752,854	752,350	7,611,250	-	18,169,119	
Shareholders' equity	-	-	-	-	-	996,057	-	996,057	
Takaful funds	-	-	-	-	-	2,690,111	-	2,690,111	
Minority interests	-	-	-	-	-	743,439	-	743,439	
Total liabilities & shareholders' equity	4,366,713	1,148,048	3,537,904	752,854	752,350	12,040,857	-	22,598,726	
On-balance sheet profit sensitivity gap	3,406,862	(866,292)	(2,975,926)	2,358,754	4,692,080	-	-	-	
Off-balance sheet profit sensitivity gap	-	-	-	-	-	-	-	-	
Net maturity mismatch	3,406,862	(866,292)	(2,975,926)	2,358,754	4,692,080	-	-	-	

EXPLANATORY NOTES OF BURSA MALAYSIA REVISED LISTING REQUIREMENTS
PART A OF APPENDIX 9B

B1 REVIEW OF PERFORMANCE

First Quarter Cumulative Performance
- (Year to date - 30/09/2008 vs 30/09/2007)

	Cumulative 3 months ended		Movement RM'000	%
	30-Sep-08 Unaudited RM'000	30-Sep-07 Restated RM'000		
Income derived from investment of depositors' fund	243,291	232,849	10,442	4%
Income derived from investment of shareholders' fund	141,575	125,388	16,187	13%
Total revenue	384,866	358,237	26,629	7%
Profit before zakat and taxation (PBZT)	93,440	152,376	(58,936)	-39%

- (1) Growth in total revenue is in line with growth in fund based activities by RM1.7 billion or 9.2%, mainly in Treasury assets (with lower credit risk profile).
- (2) Lower PBZT due to financing loss provision of RM18.3 million incurred in first Quarter of 2009, compared to a reversal of financing loss provision of RM52.2 million in first Quarter of 2008.
- (3) The Current Quarter PBZT for 2009 is further hit by impairment losses on investment of RM15.0 million by STMB (Takaful).

B2 COMPARISON WITH THE PRECEDING QUARTER'S RESULTS

For the three months performance (first Quarter 2009 vs fourth Quarter 2008)

	3 months ended		Movement RM'000	%
	Unaudited 30-Sep-08 RM'000	Audited 30-Jun-08 RM'000		
Income derived from investment of depositors' fund	243,291	229,675	13,616	6%
Income derived from investment of shareholders' fund	141,575	135,392	6,183	5%
Total revenue	384,866	365,067	19,799	5%
Allowance for financing losses	(18,294)	(20,629)	2,335	11%
Income attributable to depositors	(112,458)	(106,283)	(6,175)	-6%
Profit equalisation reserve	(16)	16,183	(16,199)	-100%
Impairment reversal/(losses)	-	12,367	(12,367)	-100%
Other expenses directly attributable to the investment of the depositors' and shareholders' fund	(3,222)	(3,081)	(141)	-5%
Total net income	250,876	263,624	(12,748)	-5%
Personnel expenses	(82,371)	(64,299)	(18,072)	-28%
Depreciation	(9,100)	(7,925)	(1,175)	-15%
Other overhead expenses	(65,965)	(118,691)	52,726	44%
Total expenses	(157,436)	(190,915)	33,479	18%
Profit before zakat and taxation (PBZT)	93,440	72,709	20,731	29%

- (1) Growth in total revenue is in line with higher fund based activities, where concentration is on Treasury assets.
- (2) No reversal of impairment losses and clawback of PER were registered in first Quarter of 2009. Furthermore, income attributable to depositors (funding cost) also rose by 6%. As a result, 5% growth in total revenue was subsequently offset by these factors, leading to a decline in total net income.
- (3) Growth in personnel expenses and impairment losses on investment of RM15 million incurred during the first Quarter of 2009, compared to to higher provisioning of operating overhead in the fourth Quarter of 2008.
- (4) As a result, the group registered improved PBZT by 29% as compared to the preceding quarter.

B3 PROSPECTS

Rising inflation coupled with slower economic growth amid moderation in external demand presents a challenge for the financial services sector in Malaysia. Meanwhile, the competitive landscape in banking industry will continue to exert pressure on net income margins. The industry players will promote non fund based activities to mitigate narrowing income margin.

The Group's banking arm, Bank Islam will continue to focus on core business of financing to the creditworthy consumers and corporates by leveraging on its branch network, whilst remaining prudent on risk, growth and sustainability. Banking sector expects moderate demand for financing by both households and business. Concerns over increased external uncertainties and inflation will present a challenging environment for banking industry with increased focus on managing asset quality issues.

Syarikat Takaful Malaysia Berhad is positioning itself to be at the forefront through the strengthening of human resource, product development, marketing and operational efficiency. To achieve the company's strategic objectives, Information Technology (IT) will play a key role in driving the business.

B4 VARIANCE FROM PROFIT FORECAST AND PROFIT GUARANTEE

The Group neither made any profit forecast nor issued any profit guarantee.

B5 TAXATION

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07
	RM'000	RM'000	RM'000	RM'000
Current tax expense	3,238	4,955	3,238	4,955
	3,238	4,955	3,238	4,955

With effect from year of assessment 2008, corporate tax is at 26%. The Malaysian Budget 2008 also announced the reduction of corporate tax rate to 25% in 2009.

B6 PROFIT ON SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no material gain or loss on sales of unquoted investments and properties of the Group during the quarter.

B7 PURCHASE AND SALE OF QUOTED SECURITIES

This note does not apply to the Group.

B8 CORPORATE PROPOSALS

Our subsidiary, Syarikat Takaful Malaysia Berhad, has on 10 October 2007 and 20 November 2007 respectively, announced that it had obtained the approval from Bank Negara Malaysia (BNM) to commence negotiations with Abu Dhabi-Kuwait-Malaysia Strategic Investment Corporation (ADKMSIC) and Islamic Arab Insurance Co. P.J.S.C. (SALAMA) respectively. The negotiations with both ADKMSIC and SALAMA were still ongoing and no conclusive arrangements have been achieved thus far.

Subsequently, BIMB Holdings Berhad (BHB) had on 19 June 2008, announced that it had obtained the approval from BNM to commence negotiation with ADKMSIC and the negotiation was still ongoing and no conclusive arrangement has been achieved thus far.

B9 DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES

	Group	
	Unaudited	Unaudited
	30-Sep-08	30-Sep-07
	RM '000	RM '000
Deposits from customers		
Mudharabah accounts deposits and negotiable instruments of deposits		
One year or less (short-term)	9,279,622	7,262,745
More than one year (medium/long-term)	1,264,595	2,743,033
	10,544,217	10,005,778
Current accounts	5,568,693	4,766,939
Savings accounts	2,141,612	1,813,844
Others	43,665	37,074
Total deposits	18,298,187	16,623,635
Deposits and placements of banks and other financial institutions		
One year or less (short-term)	64,353	110,624
	64,353	110,624

B10 OFF BALANCE SHEET FINANCIAL INSTRUMENTS BY VALUE OF CONTRACTS CLASSIFIED BY REMAINING PERIOD TO MATURITY/NEXT REPRICING DATE (WHICHEVER EARLIER)

GROUP (RM '000)

Items	Unaudited 30-Sep-08					Margin Requirement
	Principal Amount	1mth/ less	>1-3 mths	>3-6 mths	>6-12 mths	
Foreign exchange related contracts						
- forwards	744,036	190,086	238,061	290,609	25,280	NA
- swaps	902,218	549,063	262,215	90,940	NA	NA
-option	582,051	582,051	NA	NA	NA	NA
Total	2,228,305	1,321,200	500,276	381,549	25,280	-

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk transactions may be reduced through offsetting on and off-balance sheet positions. As at 30 September 2008, the amount of contracts which were not hedged and, hence, exposed to market risk was RM202.3 million. (30 September 2007: Nil).

Credit risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Bank has a gain position. This amount will increase or decrease over the life of the contracts, maturity dates and rates or prices. As at 30 September 2008, the credit risk measured in terms of the cost to replace the profitable contracts was RM58.3 million (30 September 2007: RM306.6 million).

Related accounting policies

Foreign exchange contracts are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates.

B11 ECONOMIC PROFIT STATEMENT

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	Unaudited 30-Sep-08	Restated 30-Sep-07	Unaudited 30-Sep-08	Restated 30-Sep-07
	RM'000	RM'000	RM'000	RM'000
Net Operating profit after zakat & tax (NOPAT)				
Profit before zakat and taxation (PBZT)	93,440	152,376	93,440	152,376
Zakat & Taxation	(5,753)	(10,290)	(5,753)	(10,290)
NOPAT	87,687	142,086	87,687	142,086
Economic charge computation:				
Average invested capital	1,360,798	1,041,205	1,360,798	1,041,205
(includes minority interest less gain on disposal of interest in subsidiary)				
Weighted Average Cost of Capital (WACC) at 8.5 per cent per annum	8.50%	8.50%	8.50%	8.50%
Economic charge	28,917	22,126	28,917	22,126
Economic profit	58,770	119,960	58,770	119,960

B12 MATERIAL LITIGATION

Save as disclosed below, there were no changes in material litigation, including the status of pending material litigation since the last annual balance sheet date of 30 June 2008.

- (a) Bank Islam, together with syndication members (the Plaintiffs) led by AmMerchant Bank Berhad, on 10 August 1998, filed a syndication civil suit claim against Silver Concept Sdn Bhd (the Defendant) to recover outstanding financing facilities totalling RM196,289,470.96 (the sum owing to Bank Islam is RM59,364,621.68). The financing was secured by 34 properties. Order for sale in respect of 17 properties held under Registry Title was granted on 30 June 2006. However, on 9 May 2008, the balance purchase price was distributed among the syndication members where Bank Islam received RM12,744,868.98. Consequentially, the syndication members agreed to withdraw the foreclosure action against the Defendant.

In respect of the civil suit against the Defendant, the Court allowed the Plaintiffs' claim. The Defendant has filed an appeal against the ruling. The Plaintiffs' solicitors are of the view that the Plaintiffs will prevail in this matter.

- (b) Bank Islam together with syndication members, on 9 September 1998, filed a civil suit claim against M.K. Associates Sdn Bhd (the Defendant) and Sateras Resources (Malaysia) Berhad (the Guarantor), to recover outstanding financing facilities of RM29,228,765.00. Summary judgement against the Defendant and the Guarantor was obtained on 5 January 1999. Bank Islam has filed the Proof of Debt at the Insolvency Department in July 2006 but it was rejected in view of the defendant's appeal on a winding up order granted to LHDN, in a separate action. This matter has been held in abeyance pending the appeal.

Bank Islam together with syndication members commenced two (2) separate foreclosure proceedings against the Defendant and M.K. Golf Sdn Bhd (Third Party Chargor). The Order for Sale over the Defendant's properties was granted on 7 September 1999. No subsequent auction has been carried out since the first auction in February 2001, as many of the apartments unit built on the Defendant's properties have been sold and redeemed and also due to difficulties to identify other assets of the defendants.

The order for sale over the properties of the Third Party Chargor was obtained on 17 May 1999. Five (5) attempts to sell the property i.e. the golf course have been unsuccessful. Bank Islam is in the midst of negotiating with potential buyers to sell the property on private treaty basis.

- (c) On 29 April 2002, Ariffin Dato' Hussein (the Plaintiff) filed a claim for general damages for RM18.2 million against Bank Islam for libel arising from publication of a proclamation of sale made after the Plaintiff has paid off his outstanding facility. Bank Islam has named its documentation solicitor as a party to the suit on the basis of their indemnity for negligence. The full trial was held on 6 and 7 May 2007 and the learned judge has fixed for decision on 18 January 2009. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.
- (d) On 17 May 2003, Tahan Steel Corporation Sdn Bhd (the Plaintiff) filed a claim for the amount of USD12,275,000.00 for breach of contract and RM109,776,000.00 for general damages against Bank Islam for failure to disburse the balance of the facility granted to Tahan Steel. Bank Islam had filed a counterclaim to recover RM143,590,488.09 from Tahan Steel being the outstanding financing facility amount. After reading the submission submitted by the Solicitors, the Judge ruled out that the Istisna' transaction is void. The Solicitors have filed an appeal against the said ruling.

Pending the above, the Plaintiff has proposed a payment of RM43.0 million as full and final settlement of the amount owing to Bank Islam. Bank Islam has countered the proposal for the amount of RM58.9 million i.e. the cost outstanding of the financing. The Plaintiff is yet to revert with its decision on Bank Islam's counter proposal. Bank Islam's solicitors are of the opinion that Bank Islam will succeed in the appeal as the ruling is flawed.

- (e) On 16 October 2003, Estate & Forestry Consulting Management Sdn. Bhd. (the Plaintiff) filed a claim against Bank Islam for general damages of RM17,862,183.15. The Plaintiff alleged that there was a breach of contract and misrepresentation by Bank Islam resulting in the Plaintiff suffering losses when the sale of Razimco Sdn Bhd (Razimco) to the Plaintiff did not materialize due to the legal action by Bank Islam against Razimco. The Court has fixed the matter for full trial on 11 to 15 May 2009. Bank Islam's solicitors are of the opinion that Bank Islam will prevail in this matter.
- (f) Bank Islam, on 27 January 2004, filed a civil suit claim against ECT Industries Sdn Bhd (the Defendant) and its guarantors to recover outstanding financing facilities of RM14,252,306.75. All the guarantors were declared bankrupt on 16 March 2006 and the solicitors had filed the Proof of Debt on 19 April 2006. The Defendant has been wound up by another party and Court had granted Bank Islam with an order to intervene on 11 November 2007. The Solicitors are in the midst of preparing for Proof of Debt.

Bank Islam has also obtained an order for sale in relation to the three (3) pieces of land charged under the facility. The solicitors are applying for another auction date as the previous auction was aborted.

B12 MATERIAL LITIGATION, continued

- (g) Bank Islam, on 29 January 2004, filed a civil suit against Duta Nilai Development Sdn Bhd (the Defendant) and its guarantors to recover outstanding financing facilities of RM40,901,048.88. The Defendant was wound up on 17 January 2005 by another party and Bank Islam has filed proof of debt. The assets of the Defendant are now being administered by the official receiver. Meanwhile, summary judgement against the guarantors had also been obtained on 23 June 2005. The matter is now pending a settlement proposal with some third party investors.
- (h) Bank Islam, on 30 January 2004 filed a foreclosure action to recover an amount of USD2, 689,985.00, against the security pledged by Datuk Dr. Abdul Aziz bin Muhammad (the Chargor) for the facilities granted to Quantum Holdings (L) Ltd (the Customer). The Court has fixed for clarification and decision date on 11 December 2008. The solicitors are of the view that the foreclosure proceedings will be successful and that an order for sale will be granted.
- (i) Bank Islam, on 9 February 2004, filed a civil suit claim against PC Auto Blast Sdn Bhd, Jaya Raj a/l A. Mariadas and Johnson a/l Mariadas (the Defendants) and a foreclosure action to recover outstanding financing facilities of RM13,125,946.46. The Court has fixed the hearing of the civil claim on 7 April 2008. However, the Defendants have filed a counterclaim seeking declarations and damages. Amongst others, the Defendants are seeking for declarations that the agreements executed under the facilities are null and void for non-compliance with Shariah principles. This counterclaim action has been fixed for hearing on 24 February 2009.

In view of the Defendant's counterclaim, the Court had granted the Defendant with an order for stay of proceedings on Bank Islam's application for order for sale in regard to properties charged under the facilities.

- (j) Bank Islam, on 17 February 2004, filed a civil suit claim against Enten Oil Industries Sdn Bhd (formerly known as KLLT Oil Industries Sdn Bhd), Ariffin Rahmat and Eng Weng Long (the Defendants) to recover outstanding financing facilities of RM27,056,183.66. Judgement in Default was obtained against the Defendants on 11 June 2004. Bank Islam has filed bankruptcy notice against the second and third Defendants and winding up petition against the first Defendant on 18 March 2008.

An order for sale for the two (2) properties charged to Bank Islam under the facilities was granted on 11 January 2005. However, the Court granted stay of execution against the first property on 16 July 2007 and the second application for stay of execution in respect of the second property has been fixed for hearing on 27 November 2008. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.

- (k) On 14 June 2004, Kopeks Holdings Sdn Bhd (the Plaintiff) filed a claim against Bank Islam for the withdrawal and cancellation of facilities offered by Bank Islam to the Plaintiff, claiming inter-alia, special damages of RM5,491,849.55 and general damages of RM7,559,675.00, together with interests. The trial date has been fixed on 14-16 January 2009. Bank Islam's solicitors are of the view that Bank Islam has a good chance to prevail in this matter.
- (l) Bank Islam, in March 2005, filed a civil suit against Zeron Sdn Bhd (the Defendant) and its guarantors for the balance of the outstanding sale price under the Assets Sale Agreement of RM21,359,584.87 and the amount released to Pengurusan Danaharta Nasional Berhad pursuant to the Guarantee Agreement of RM10,500,000.00. After reading the submission submitted by the Solicitors, the Judge ruled out that BBA transaction is void. The Solicitors have filed an appeal against the said ruling. Nevertheless, Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.

Bank Islam has obtained order for sale of the two (2) properties charged to Bank Islam. Three (3) attempts to auction the properties were aborted. Bank Islam has decided to appoint a private liquidator.

- (m) Bank Islam, on 7 March 2005, filed a civil suit claim against Commerce Resources Inc., Dato' Kamaruddin @ Kamaluddin bin Awang and Datuk Hiew Ming Yong (the Defendants) for the sum of USD2,720,036.00. Judgement in Default has been obtained against all the Defendants. The matter is now pending filing of winding up petition. On 28 April 2008, the Court allowed the second Defendant' application to stay enforcement proceedings and set aside the judgement in default. Bank Islam is applying for summary judgment against the second Defendant. Meanwhile, the third defendant has been adjudged a bankrupt and the solicitors have proceeded with the filing of Proof of Debt. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.
- (n) Bank Islam, on 22 March 2005, filed a civil suit claim against Commerce Trading, Dato' Kamaruddin @ Kamaluddin bin Awang and Datuk Hiew Ming Yong (the Defendants) in which Judgement in Default has been obtained against the first and second defendant. The third Defendant has been adjudged a bankrupt. The Court, had on 21 September 2007, allowed the application by the second Defendant to set aside the judgment in default. Bank Islam is applying for summary judgment against the second defendant and filing a winding up petition against the first Defendant. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.

B12 MATERIAL LITIGATION, continued

- (o) Bank Islam, on 30 March 2005, filed a civil suit against Lityan (L) Incorporated & Lityan Holdings Berhad (the Defendants) to recover outstanding financing facilities of USD15,000,000.00 from the Defendants. The second Defendant had on 9 January 2008, obtained a restraining order pursuant to Section 176 of the Companies Act 1965 until 6 August 2008. However, there was a proposal by Lityan Holding Berhad on its Debt Restructuring Scheme to make a full and final settlement for the facility under Lityan (L) Inc. via share settlement. This matter is pending approval by Securities Commission (SC) and acceptance by other creditors.
- (p) Bank Islam, on 12 May 2005, filed a civil suit claim against Cartel Vista Sdn Bhd, Razmi Alias, Charles Clement Kilroy Augustin, Rafidah Mahayuddin and Rohaizan Ghazali, being the first, second, third, fourth and fifth defendant respectively (the Defendants) to recover outstanding financing facilities of RM15,555,808.54. The Judgement in Default against the first and fifth defendants was obtained on 21 September 2005. The Court has granted summary judgment against the second, third and fourth defendants in June 2007.

Meanwhile, a piece of land charged under this facility has been sold off during an auction for RM12,430,000.00. For the remaining balance of the amount claimed, Bank Islam is in the midst of negotiation with the Defendants for settlement.

- (q) Bank Islam, on 24 May 2007 filed a civil suit claim against Tan Sri Abdul Khalid Ibrahim (the Defendant) to recover the outstanding financing facilities of USD18,251,806.13. The Court has fixed for mention of the case management 17 December 2008 pending for the disposal of the summary judgement filed by Bank Islam. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.
- (r) On 3 March 2006, Ngiu Kee Sdn Bhd, Ngiu Kee (Bintulu) Sdn Bhd, Ngiu Kee (Sarikei) Sdn Bhd, Ngiu Kee (Kemena) Sdn Bhd, Ngiu Kee (Miri) Sdn Bhd and Ngiu Kee Corporation (M) Bhd (the Plaintiffs) filed a claim for damages of RM25.0 million against Bank Islam and sought declarations, among others, that Bank Islam has breached the terms of the facility by freezing their accounts. The Court has fixed for full trial from 6 until 15 July 2009. Bank Islam's solicitors are of the view that Bank Islam has a fair chance to succeed in defending this matter.
- (s) On 18 August 2006, Bank Islam filed a civil suit claim against Linear Profile Sdn Bhd (the Defendant) and OCB Berhad (the Guarantor) for the sum of RM12,033,773.75. The Guarantor has filed a counterclaim for declarations and damages. Amongst others, the Guarantor is seeking declarations that the facilities given to the Defendant and the corporate guarantee were invalid and unenforceable. The Court has yet to fix for any new date. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.
- (t) On 22 December 2006, Omegco Sdn Bhd (the Plaintiff) filed a claim against Bank Islam among others, claiming loss of profit of RM43.2 million and fixed deposit of RM250,000.00 not released by Bank Islam. The application for summary judgment by the Plaintiff was struck out by the Court with costs. The Plaintiff appealed against the decision in October 2007 and the Court is yet to fix any new date. Bank Islam's solicitors are of the view that Bank Islam has a fair chance to succeed in defending this matter.
- (u) On 16 August 2007, Teck Guan Sdn Bhd (the Plaintiff) filed a claim for the sum of RM11,385,600.00. The summary judgment application by the Plaintiff will be decided on 27 March 2009. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.
- (v) On 27 September 2007, Barter Fortune Sdn Bhd (the Plaintiff) filed a civil suit claim against Bank Islam for recalling a BBA Facility and cancelling an Istisna' Facility granted to the Plaintiff. The Plaintiff claimed damages i.e. special damages of RM5,558,559.17, punitive damages of RM100,000,000.00 and exemplary damages of RM100,000,000.00 together with cost. The Court has fixed a date for mention on 3 December 2008. Bank Islam's solicitors are of the view that Bank Islam has a fair chance to succeed in defending this matter.
- (w) Datuk Zamzuri Abdul Ghafar (Plaintiff), on 25 June 2007 filed a civil suit against Bank Islam's subsidiary i.e BIMB Trust Ltd, Dr. Aimi Zulhazmi Abd. Rashid and Khariman Abdul Jalil (the Defendants) for the sum of RM1,660,400.00 and cost being payment to Buckingham Consultant League Sdn Bhd ("BCLSB"). The Plaintiff alleged that the Defendant had induced him into paying the same to BCLSB for the procurement of an offshore loan of USD10 million based on fraudulent or misrepresentation made by the 2nd and 3rd Defendants who are the employees of BIMB Trust Ltd. The Court has fixed the hearing of the claim on 23 February 2009.
- (x) Tegas Baiduri Sdn Bhd (Plaintiff), on 10 October 2007 filed a civil suit against Bank Islam's subsidiary i.e BIMB Trust Ltd, Dr. Aimi Zulhazmi Abd. Rashid and Khariman Abdul Jalil (the Defendants) for the sum of RM164,900.00 and cost being payment of RM144,000.00 to Buckingham Consultant League Sdn Bhd ("BCLSB") and RM20,900.00 to the 1st Defendant. The Plaintiff alleged that the Defendant had induced him into paying the same to BCLSB for the procurement of an offshore loan of USD28, 887,511.00 based on fraudulent or misrepresentation made by the 2nd and 3rd Defendants who are the employees of BIMB Trust Ltd. The Court has fixed a date for hearing of the Plaintiff's application to transfer this matter from KL High Court to Labuan High Court on 23 February 2009.

B12 MATERIAL LITIGATION, continued

- (y) Bank Islam, on 27 August 2007 filed a civil suit against four (4) senior management staff members of the then Bank Islam Labuan Ltd ("BILL") ("the Defendants") claiming an amount of USD8,586,483.00 being the outstanding financing amount granted by BILL to the customers whose accounts have been in default, namely Faaris Investment Holding Plc, Profound Heritage Sdn Bhd, Commerce Resources Inc., Commerce Trading Inc., Crest Group, Crestek Inc. and Trident Timber Co. Ltd.

Bank Islam claimed that the officers have acted contrary to the interest of BILL and were in breach of their statutory duties, common law duty of care and skill and express and/or implied contractual duties.

The matter is fixed for case management on 13 February 2009.

The 1st and 2nd Defendants are no longer in Bank Islam's employment, while the 3rd and 4th Defendants are staff of Bank Islam and are currently being suspended from duty. Bank Islam has commenced internal disciplinary proceedings against the 2 staff, which is now pending the decision from Bank Islam.

B13 CONTINGENT LIABILITIES

Prior to the amendments of Section 60AA of the Income Tax Act 1967 (Section 60AA), our subsidiary, Syarikat Takaful Malaysia Berhad reported that capital allowances had been claimed by way of deduction from tax adjusted income in both General and Family Takaful Funds. The amended Section 60AA stipulates that the tax adjusted income of the Shareholders' Fund shall be ascertained by taking into account the amount of income distributed or credited from Family and General Takaful Funds and as a result both General and Family Takaful Funds would have nil tax adjusted income. As such, capital allowances claimable for the years of assessment from 1997 to 2008 would be lost permanently.

The Malaysian Takaful Association and the Company are in discussion with the Ministry of Finance (MOF) and Inland Revenue Board for the capital allowances to be deducted from tax adjusted income in Shareholders' Fund. No provision has been made by the Company for the potential tax liabilities of the previous and current years pending the outcome of the said discussion and future appeals. The potential tax exposure to the Company assuming that the deduction of capital allowances in Shareholders' Fund is rejected by the MOF is approximately RM11.4 million. In addition, the Company would have to reverse its current balance of deferred tax asset which is in relation to unabsorbed capital allowances brought forward by approximately RM9.0 million.

B14 DIVIDEND PAYABLE

The final ordinary dividend recommended by the directors in respect financial year ended 30 June 2008 is 1.45 sen per share less tax at 26% totalling RM9.6 billion (RM1.07 net per share).

B15 EARNINGS PER SHARE

Basic earnings per share attributable to equity holders of the parent ("Basic EPS")

Basic EPS amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the number of ordinary shares in issue during the period.

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	Unaudited 30-Sep-08	Restated 30-Sep-07	Unaudited 30-Sep-08	Restated 30-Sep-07
	RM '000	RM '000	RM '000	RM '000
Net profit/(loss) for the quarter attributable to equity holders of the parent	51,071	77,367	51,071	77,367
Number of ordinary shares	891,390	891,390	891,390	891,390
Basic earnings per share attributable to equity holders of the parent (sen)	5.73	8.68	5.73	8.68

Diluted earnings per share attributable to equity holders of the parent ("Diluted EPS")

The assumed conversion of ESOS in the interim period will have an anti-dilutive effect on the earnings per share of the Group and is therefore not disclosed.

By Order of the Board

SAIFUL NIZAM YASIN (LS 08955)
Company Secretary
November 28, 2008