

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Income Statement
For the Six-Months Period Ended 31st December 2008**

	Note	Individual Quarter 3 months ended		Cumulative Year to date 6 months ended	
		31 December 2008 RM'000 Unaudited	31 December 2007 RM'000 Restated	31 December 2008 RM'000 Unaudited	31 December 2007 RM'000 Restated
Income derived from investment of depositors' fund	A15	245,649	226,634	488,940	459,483
Income derived from investment of shareholders' fund	A16	111,922	114,068	253,497	239,456
Reversal/(Allowance) for losses on financing	A17	(43,524)	(13,625)	(61,818)	38,529
Impairment losses		-	-	-	(10,204)
Profit equalisation reserve		(2,298)	(10,324)	(2,314)	(12,407)
Other expenses directly attributable to the investment of the depositors' and shareholders' funds		(5,256)	(1,388)	(8,478)	(2,570)
Total distributable income		306,493	315,365	669,827	712,287
Income attributable to depositors	A18	(100,685)	(98,567)	(213,143)	(208,197)
Total net income		205,808	216,798	456,684	504,090
Personnel expenses		(88,963)	(75,540)	(171,334)	(148,986)
Other overhead expenses		(72,966)	(63,565)	(138,931)	(115,620)
Depreciation		(9,030)	(9,885)	(18,130)	(19,300)
Operating profit		34,849	67,808	128,289	220,184
Share in the results of associated companies		-	-	-	-
Profit before zakat and taxation		34,849	67,808	128,289	220,184
Zakat		(2,479)	(2,043)	(4,994)	(7,378)
Tax expense	B5	(19,485)	(5,880)	(22,723)	(10,835)
Profit for the period		12,885	59,885	100,572	201,971
Attributable to:					
Shareholders of the Company		14,070	32,608	65,141	109,975
Minority Interests		(1,185)	27,277	35,431	91,996
Profit for the period		12,885	59,885	100,572	201,971
Earnings Per Share - basic (sen)	B14	1.58	3.66	7.31	12.34

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

Condensed Consolidated Balance Sheet as at 31st December 2008

		As at December 31, 2008 RM'000 Unaudited	As at December 31, 2007 RM'000 Restated
<u>ASSETS</u>	<u>Note</u>		
Cash and short term funds		7,822,455	9,082,993
Deposits and placements with financial institutions		90,712	252,278
Securities:			
- Held for trading	A8	163,716	86,223
- Held-to-maturity	A9	168,263	162,468
- Available-for-sale	A10	5,225,821	2,463,233
Financing, advances and others	A11	9,506,172	8,713,784
Deferred tax assets		89,715	13,470
Assets held for sale		44,043	-
Other assets		170,515	159,189
Current tax assets		9,680	44,716
Investment in associates		149	149
Statutory deposit with Bank Negara Malaysia		430,515	377,106
Property, plant and equipment		201,641	194,968
Prepaid lease payments		24,740	25,215
Goodwill		776	776
General Takaful and Family Takaful assets		3,922,252	3,414,027
Total assets		27,871,165	24,990,595
<u>LIABILITIES, EQUITY & TAKAFUL FUNDS</u>			
Liabilities			
Deposits from customers	A13	20,757,491	18,808,176
Deposits and placements of banks and other financial institutions	A14	8,759	60,526
Bills and acceptances payable		656,366	501,199
Other liabilities		371,627	396,448
Liabilities held for sale		1,128	-
Provision for zakat and taxation		10,221	14,117
Deferred tax liabilities		361	3,668
General Takaful and Family Takaful liabilities		615,394	612,718
General Takaful and Family Takaful participants' funds		3,306,859	2,801,309
Total liabilities		25,728,206	23,198,161
Equity			
Share capital		891,390	891,390
Reserves		229,929	133,911
Total equity attributable to shareholders of the Company		1,121,319	1,025,301
Minority interests		1,021,640	767,133
Total equity		2,142,959	1,792,434
Total equity and liabilities		27,871,165	24,990,595
<u>COMMITMENTS AND CONTINGENCIES</u>			
Net assets per share attributable to ordinary equity holders of the parent (RM)	A24	1.26	1.15

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity
for the Six-Months Period Ended 31st December 2008**

Group	Note	← Attributable to Equity Holders of the Parent →						Accumulated Losses RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
		← Non-distributable →			Distributable						
		Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Translation Reserve RM'000	Capital Reserve RM'000	Fair Value Reserve 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		-	-	-	3,303	-	-	-	3,303	3,000	6,303
- Unrealised net gain/(loss) on revaluation of securities available-for-sale		-	-	-	-	-	(11,101)	-	(11,101)	(10,666)	(21,767)
Net profit for the period		-	-	-	-	-	-	109,975	109,975	91,996	201,971
At 31 December 2007		891,390	602,978	269,204	18,608	638,370	4,506	(1,399,755)	1,025,301	767,133	1,792,434
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		-	-	-	(5,434)	-	-	-	(5,434)	(4,546)	(9,980)
- Unrealised net gain/(loss) on revaluation of securities available-for-sale		-	-	-	-	-	66,022	-	66,022	55,230	121,252
Net profit for the period		-	-	-	-	-	-	65,141	65,141	35,431	100,572
Subscription of shares held by minority interests of a subsidiary		-	-	-	-	-	-	-	-	1,490	1,490
Dividends	A7	-	-	-	-	-	-	(9,694)	(9,694)	-	(9,694)
At 31 December 2008		891,390	602,978	367,154	18,961	638,370	25,803	(1,423,337)	1,121,319	1,021,640	2,142,959

(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 Six-Months Period Ended 31st December 2008

	6 months 31 Dec. 2008 RM'000 Unaudited	6 months 31 Dec. 2007 RM'000 Restated
Cash flows from operating activities		
Profit before zakat and taxation	128,289	220,184
Adjustment for non-cash flow items:-		
Depreciation of property, plant and equipment	18,130	19,300
Amortisation of prepaid lease payment	441	-
Impairment losses on securities available-for-sale	-	10,204
(Reversal)/Allowance for doubtful debts	(15,123)	(102)
(Reversal)/Allowance for losses on financing	61,818	(38,529)
(Reversal)/Allowance for diminution in investments	74	(248)
Dividend income	(4,049)	(4,504)
Net loss/(gain) on sale of securities held-for-trading	(2,333)	(7,991)
Net gain on sale of securities available-for-sale	(1,544)	(5,279)
Accretion of discount less amortisation of premium	(32,889)	(14,544)
Operating profit/(loss) before working capital changes	152,814	178,491
Changes in working capital:		
Other receivables	34,185	(2,763)
Statutory deposits with Bank Negara Malaysia	(68,364)	19,533
Bills payable	(334,082)	392,010
Other payables	(12,101)	10,135
Financing of customers	(451,144)	(310,499)
Deposits from customers	221,584	1,419,543
Deposit and placements of banks and other financial institutions	(49,684)	26,535
Cash generated from/(used in) operation	(506,792)	1,732,985
Zakat and income taxes paid	4,027	(7,701)
Net cash generated from/(used in) operating activities	(502,765)	1,725,284

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

Condensed Consolidated Cash Flow Statement for the Six-Months Period Ended 31st December 2008, continued

	6 months 31 Dec. 2008 RM'000 Unaudited	6 months 31 Dec. 2007 RM'000 Restated
Cash flows from investing activities		
Purchase of property, plant and equipment	(30,538)	(43,122)
Dividend received from available-for-sale	61,820	35,570
Dividend received from held-for-trading	902	1,318
Dividend received from securities held-to-maturity	465	1,774
Net (purchase)/disposal of securities	(1,823,706)	1,290,907
Net cash (used in)/generated from investing activities	(1,791,057)	1,286,447
Net increase/(decrease) in cash and cash equivalent	(2,293,822)	3,011,731
Foreign exchange differences	12,768	24,368
Cash and cash equivalents at the beginning of period	10,194,221	6,299,172
Cash and cash equivalents at the end of period	7,913,167	9,335,271
Cash and cash equivalents comprise:		
Cash and short term funds	7,822,455	9,082,993
Deposits and placement with financial institutions	90,712	252,278
	7,913,167	9,335,271

(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	
	6 months ended	
	Unaudited 31-Dec-08 RM '000	Unaudited 31-Dec-07 RM '000
Ordinary		
2008 - 1.45%, (2007 - Nil)	9,694	Nil

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

A8 SECURITIES HELD-FOR-TRADING

	Unaudited 31-Dec-08 RM '000	Unaudited 31-Dec-07 RM '000
At fair value		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Islamic Commercial Papers	106,104	74,667
Malaysian Government Investment Issue	24,869	-
	130,973	74,667
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Shares	32,743	11,556
Total securities held-for-trading	163,716	86,223

A9 SECURITIES HELD-TO-MATURITY

	Unaudited 31-Dec-08 RM '000	Unaudited 31-Dec-07 RM '000
At amortised cost		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Unquoted shares	-	10,623
Islamic Debt Securities	186,543	156,011
<i>Outside Malaysia</i>		
Private Debt Securities	-	19,997
	186,543	186,631
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Islamic Debt Securities	-	6,484
	186,543	193,115
Less: Impairment losses	(18,280)	(30,647)
Total securities held-to-maturity	168,263	162,468

A10 SECURITIES AVAILABLE-FOR-SALE

	Unaudited 31-Dec-08 RM '000	Unaudited 31-Dec-07 RM '000
At fair value		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Malaysian Government Investment Issue	1,137,919	804,258
Unquoted shares	47,072	28,472
Promissory notes	5,604	5,604
Accepted bills	209,317	103,572
Negotiable Islamic Debt Certificate	760,578	57,143
Islamic Commercial Papers	537,725	106,610
Islamic Debt Securities	2,477,952	1,284,372
<i>Outside Malaysia</i>		
Islamic Development Bank	1,868	1,928
Unquoted shares	2,996	25,750
Islamic Debt Securities	69,200	66,230
	5,250,231	2,483,939
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Unit trust (including Amanah Saham Bank Islam)	19,576	35,839
Shares	-	11,188
<i>Outside Malaysia</i>		
Bond	17,300	16,558
	36,876	63,585
Less:		
Impairment losses	(61,286)	(84,291)
Total securities available-for-sale	5,225,821	2,463,233

A11 FINANCING, ADVANCES AND OTHERS

(i) By type

	Unaudited 31-Dec-08 RM '000	Restated 31-Dec-07 RM '000
Cash line	185,489	7,317
Term financing		
House financing	6,450,335	5,656,271
Syndicated financing	102,944	125,978
Lease receivables	210,919	147,149
Bridging financing	234,990	396,406
Personal financing	2,660,304	2,092,561
Other term financing	3,858,510	4,309,056
Staff financing	311,544	315,070
Credit/charge cards	375,731	308,731
Trust receipt	254,685	-
Revolving credit	1,902,645	1,590,234
Others	636	821
	16,548,732	14,949,594
Less: Unearned income	(5,551,814)	(4,898,978)
	10,996,918	10,050,616
Less: Allowance for bad and doubtful financing:		
General	(170,503)	(169,646)
Specific	(1,320,243)	(1,167,186)
Total net financing, advances and others	9,506,172	8,713,784

(ii) By contract

	Unaudited 31-Dec-08 RM '000	Restated 31-Dec-07 RM '000
Bai' Bithaman Ajil (deferred payment sale)	5,774,185	5,602,853
Bai'-Al-Inah	625,089	474,279
Ijarah (operating lease)	247,279	157,399
Ijarah Muntahia Bittamlik / AITAB (finance lease)	-	121,563
Mudharabah (profit sharing)	9,249	17,715
Murabahah (cost-plus)	2,139,932	1,592,664
Bai'-Al-Inah Cash Note	1,670,308	1,405,864
Istisna'	515,719	629,472
Others	15,157	48,807
	10,996,918	10,050,616

(iii) By type of customer

	Unaudited 31-Dec-08 RM '000	Restated 31-Dec-07 RM '000
Domestic non-bank financial institutions	20,372	37,449
Domestic business enterprise	2,939,101	1,739,504
Small medium industries	964,595	1,107,035
Government and statutory bodies	144,823	87,986
Individuals	6,902,257	6,615,401
Other domestic entities	24,041	30,770
Foreign entities	1,729	432,471
	10,996,918	10,050,616

(iv) By profit rate sensitivity

	Unaudited 31-Dec-08 RM '000	Restated 31-Dec-07 RM '000
Fixed rate		
House financing	2,427,078	2,390,935
Others	7,994,923	7,659,681
Floating rate	574,917	-
	10,996,918	10,050,616

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

A11 FINANCING, ADVANCES AND OTHERS, continued

(v) By economic purposes

	Unaudited	Restated
	31-Dec-08	31-Dec-07
	RM '000	RM '000
Agriculture, hunting, forestry and fishing	113,948	237,351
Mining and quarrying	32,296	3,097
Manufacturing	1,381,668	1,402,197
Electricity, gas and water	85,560	83,303
Construction	598,711	598,942
Real estate	50,258	52,907
Purchase of landed property:		
- Residential	3,022,408	2,833,025
- Non-Residential	379,289	424,879
Wholesale and retail trade and restaurants and hotels	393,354	571,400
Transport, storage and communication	74,270	75,505
Finance, insurance and business services	56,739	55,911
Purchase of securities	160,400	174,427
Purchase of transport vehicles	1,512,984	1,597,071
Consumption credit	2,135,310	1,786,856
Community, social and personal services	57,587	-
Others	942,136	153,745
	10,996,918	10,050,616

A12 NON-PERFORMING FINANCING

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

	Unaudited	Restated
	31-Dec-08	31-Dec-07
	RM '000	RM '000
At beginning	1,949,904	2,192,151
Classified as non-performing	125,636	185,283
Reclassified as performing	(106,936)	(47,373)
Amount recovered	(56,400)	(285,022)
Amount written off	(2,262)	(33,888)
Other adjustment	-	4,617
Exchange differences	29,108	(26,302)
At end	1,939,050	1,989,466
Less: - specific allowance	(1,320,243)	(1,167,186)
Net non-performing financing, advances and others	618,807	822,280
Ratio of net non-performing financing, advances and others to total net financing, advances and others	6.39%	9.26%

A12 NON-PERFORMING FINANCING, continued

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

	Unaudited 31-Dec-08 RM '000	Restated 31-Dec-07 RM '000
General allowance		
At beginning	169,382	170,461
Exchange differences	1,121	(815)
At end	170,503	169,646
As % of gross financing, advances and others less specific allowance	1.76%	1.91%
Specific allowance		
At beginning	1,228,131	1,211,263
Allowance made	134,848	111,312
Amount recovered	(55,442)	(114,109)
Amount written off	(2,262)	(28,741)
Exchange differences	14,968	(12,539)
At end	1,320,243	1,167,186

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

	Unaudited 31-Dec-08 RM '000	Restated 31-Dec-07 RM '000
Agriculture, hunting, forestry and fishing	50,190	73,460
Mining and quarrying	1,944	2,253
Manufacturing	533,312	571,777
Electricity, gas and water	81,973	80,692
Construction	397,467	379,470
Real estate	4,384	5,168
Purchase of landed property:		
- Residential	253,726	270,810
- Non-Residential	133,164	125,259
Wholesale and retail trade and restaurants and hotels	148,685	188,000
Transport, storage and communication	16,276	16,317
Finance, insurance and business services	367	515
Purchase of securities	69,178	78,483
Purchase of transport vehicles	76,133	51,962
Consumption credit	131,137	116,896
Community social and personal services	18,203	18,845
Others	22,911	9,559
	1,939,050	1,989,466

A13 DEPOSITS FROM CUSTOMERS

(i) **By type of deposit**

	Unaudited 31-Dec-08 RM '000	Unaudited 31-Dec-07 RM '000
Non-Mudharabah Fund:		
Demand deposits	5,796,239	5,926,196
Savings deposits	2,230,084	1,968,332
Negotiable Islamic Debt Certificate (NIDC)	5,608,007	4,853,283
Others	45,488	39,877
	13,679,818	12,787,688
Mudharabah Fund:		
Savings deposits	585,084	505,382
General investment deposits	2,383,214	2,091,377
Special investment deposits	4,109,140	3,423,107
Others	235	622
	7,077,673	6,020,488
Total deposits from customers	20,757,491	18,808,176

A13 DEPOSITS FROM CUSTOMERS, continued

(ii) By type of customer

	Unaudited 31-Dec-08 RM '000	Unaudited 31-Dec-07 RM '000
Government and statutory bodies	4,435,001	3,899,345
Business enterprises	7,690,551	5,706,584
Individuals	5,643,754	4,545,538
Others	2,988,185	4,656,709
	20,757,491	18,808,176

A14 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Unaudited 31-Dec-08 RM '000	Unaudited 31-Dec-07 RM '000
Mudharabah Fund:		
Licensed banks	8,759	60,526
	8,759	60,526

A15 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	Individual Quarter 3 months ended		Cumulative Year to date 6 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	31-Dec-08 RM '000	31-Dec-07 RM '000	31-Dec-08 RM '000	31-Dec-07 RM '000
Income derived from investment of:				
(i) General investment deposits	34,847	28,102	66,060	56,783
(ii) Other deposits	210,802	198,532	422,880	402,700
	245,649	226,634	488,940	459,483

(i) Income derived from investment of general investment deposits

	Individual Quarter 3 months ended		Cumulative Year to date 6 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	31-Dec-08 RM '000	31-Dec-07 RM '000	31-Dec-08 RM '000	31-Dec-07 RM '000
Financing income and hibah				
Financing, advances and others	24,255	20,098	45,413	41,710
Held-for-trading	73	107	126	158
Held-to-maturity	32	29	62	205
Available-for-sale	3,147	1,526	5,516	2,574
Money at call and deposit with financial institutions	4,626	5,933	10,616	10,709
	32,133	27,693	61,733	55,356
Amortisation of premium less accretion of discounts	2,020	355	3,290	1,318
	34,153	28,048	65,023	56,674
Other dealing income				
Net gain / (loss) from sale of securities held-for-trading	425	(54)	453	(71)
Net gain / (loss) on revaluation of securities held-for-trading	232	38	438	110
	657	(16)	891	39
Other operating income				
Net gain / (loss) from sale of securities:				
Available-for-sale	37	70	146	70
	37	70	146	70
	34,847	28,102	66,060	56,783

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 Year to date 6 months ended	
	Unaudited 31-Dec-08	Unaudited 31-Dec-07	Unaudited 31-Dec-08	Unaudited 31-Dec-07
	RM '000	RM '000	RM '000	RM '000
Financing income and hibah				
Financing, advances and others	147,225	141,042	290,548	294,136
Held-for-trading	414	768	776	1,138
Held-to-maturity	200	209	403	1,463
Available-for-sale	19,046	10,960	35,250	18,514
Money at call and deposit with financial institutions	27,746	42,601	68,553	77,194
	194,631	195,580	395,530	392,445
Amortisation of premium less accretion of discounts	12,379	2,553	21,126	9,461
	207,010	198,133	416,656	401,906
Other dealing income				
Net gain / (loss) from sale of securities held-for-trading	2,116	(385)	2,313	(511)
Net gain / (loss) on revaluation of securities held-for-trading	1,424	277	2,886	798
	3,540	(108)	5,199	287
Other operating income				
Net gain / (loss) from sale of securities:				
Available-for-sale	252	507	1,025	507
	252	507	1,025	507
	210,802	198,532	422,880	402,700

A16 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	Individual Quarter 3 months ended		Cumulative Year to date 6 months ended	
	Unaudited 31-Dec-08	Unaudited 31-Dec-07	Unaudited 31-Dec-08	Unaudited 31-Dec-07
	RM '000	RM '000	RM '000	RM '000
Financing income and hibah				
Financing, advances and others	854	3,625	1,631	1,546
Available-for-sale	10,584	2,923	21,054	14,482
Money at call and deposit with financial institutions	22,188	25,211	49,938	52,587
	33,626	31,759	72,623	68,615
Amortisation of premium less accretion of discounts	5,505	1,884	8,473	3,765
	39,131	33,643	81,096	72,380
Other dealing income				
Net gain / (loss) from foreign exchange transactions	4,770	10,331	11,529	9,820
Net gain / (loss) from sale of securities held-for-trading	(150)	7,180	(433)	8,573
Net gain / (loss) on revaluation of securities held-for-trading	11	1,221	11	1,193
	4,631	18,732	11,107	19,586
Other operating income				
Net gain / (loss) from sale of securities:				
Held-to-maturity	-	419	-	419
Available-for-sale	373	-	373	4,702
Unrealised forex gain/(loss) on cash balance	-	-	150	-
Profit on sale of foreign currencies	992	8,004	1,089	14,548
Reversal/(allowance) for diminution in value of investment	(39)	135	(74)	248
Reversal of allowance for doubtful debts	60	102	15,123	102
Takaful contributions less retakaful and reserve for unearned takaful contributions	53,215	30,222	75,456	79,784
Gross dividend income from securities:				
Quoted in Malaysia	51	206	222	3,267
Unit trust in Malaysia	18	651	138	1,175
Unit trust outside Malaysia	-	-	63	62
Unquoted in Malaysia	(2)	-	3,626	-
	54,668	39,739	96,166	104,307
Fees and commission				
ATM fees	2,408	-	5,602	-
Cheque issued & return, closing account and other fees	184	-	364	-
Takaful service fees and commission	704	-	1,522	-
Credit card fees and commission	4,375	-	8,014	-
Processing fees	47	373	103	373
Commitment fees	201	-	201	568
Rentas clearing fees	-	-	-	3
Commission on MEPS	953	-	1,983	-
Management fee	325	651	645	1,035
Corporate advisory fees	531	168	769	171
Service charges fees	4	-	19	-
Others	3,549	10,704	28,735	29,356
	13,281	11,896	47,957	31,506
Other income				
Net gain/(loss) on disposal of property, plant & equipment	234	1	734	1
Rental income	-	18	-	18
Others	(23)	10,039	16,437	11,658
	211	10,058	17,171	11,677
	111,922	114,068	253,497	239,456

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

A17 REVERSAL/(ALLOWANCE) FOR LOSSES ON FINANCING

	Individual Quarter		Cumulative Year to date	
	3 months ended		6 months ended	
	Unaudited	Restated	Unaudited	Restated
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	RM '000	RM '000	RM '000	RM '000
Allowance for bad and doubtful financing:				
- Specific allowance				
- Made in the financial year	(84,671)	(46,712)	(134,848)	(111,312)
- Written back	30,076	13,461	55,442	114,109
- Bad debts and financing:				
- Recovered	8,645	19,626	15,162	35,732
- Recoverable from Danaharta	2,426	-	2,426	-
	(43,524)	(13,625)	(61,818)	38,529

A18 INCOME ATTRIBUTABLE TO DEPOSITORS

	Individual Quarter		Cumulative Year to date	
	3 months ended		6 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	RM '000	RM '000	RM '000	RM '000
Deposits from customers:				
- Mudharabah fund	37,867	45,453	85,890	92,646
- Non-Mudharabah fund	58,229	93,695	121,873	154,722
Deposits and placements of banks and other financial institutions:				
- Mudharabah fund	4,589	(40,581)	5,380	(39,171)
	100,685	98,567	213,143	208,197

A19 CAPITAL ADEQUACY

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

	Unaudited	Restated
	31-Dec-08	31-Dec-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	(1,310,754)	(1,588,477)
Other reserves	508,821	316,763
Less: Deferred tax assets	(70,159)	-
Total Tier-I capital	1,353,418	953,796
Tier-II capital:		
Redeemable subordinated mudharabah	40,000	60,000
General allowance for bad and doubtful financing	170,503	169,646
Total Tier-II capital	210,503	229,646
Total capital base	1,563,921	1,183,442
Core capital ratio	11.32%	11.32%
Risk-weighted capital ratio	13.08%	13.49%
Core capital ratio net of proposed dividends	11.32%	11.32%
Risk-weighted capital ratio net of proposed dividend	13.08%	13.49%

(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 31 December 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	
	6 months ended			
	Unaudited 31-Dec-08 RM'000	Restated 31-Dec-07 RM'000	Unaudited 31-Dec-08 RM'000	Restated 31-Dec-07 RM'000
Banking operations:				
Domestic	628,386	570,889	106,047	196,186
Offshore	3,787	23,073	(1,342)	(1,843)
Takaful operations	95,112	94,920	11,179	10,839
Others	37,684	50,707	26,903	32,797
Inter-segment elimination	(22,532)	(40,650)	(14,498)	(17,795)
Total	742,437	698,939	128,289	220,184

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 31 December 2008 are as follow:

	Unaudited 31 December 2008			Unaudited 31 December 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	485,884	485,884	324,021	336,998	336,998
Transaction-related contingent items	725,023	362,512	351,546	353,511	180,862	178,852
Short-term self-liquidating trade related contingencies	363,706	72,741	30,558	572,312	110,356	20,403
Other assets sold with recourse and commitments with certain drawdown	35,943	35,943	35,943	2,709	2,709	2,709
Obligations under underwriting agreements	65,000	32,500	32,500	101,000	50,500	50,500
Irrevocable commitments to extend credit						
- maturity less than one year	3,087,490	68,222	25,717	1,001,408	25,345	6,830
Miscellaneous	5,015,386	348,639	296,635	2,441,722	788,765	764,096
Total	9,778,432	1,406,441	1,096,920	4,809,660	1,495,535	1,356,312

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

A25 PROFIT RATE RISK

Unaudited
31-Dec-08

	←-----Non-trading book-----→						Trading Book RM '000	Total RM '000	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	7,086,421	-	-	-	-	736,034	-	7,822,455	3.19
Deposits and placements with financial institutions	90,354	358	-	-	-	-	-	90,712	3.19
Securities Held-for-trading	-	-	-	-	-	-	163,716	163,716	2.27
Securities Held-to-maturity	-	-	-	168,263	-	-	-	168,263	0.58
Securities Available-for-sale	330,908	731,920	1,055,518	1,457,786	1,649,689	-	-	5,225,821	4.35
Financing, advances & others:									
- Performing	1,354,995	973,787	655,934	1,356,753	4,545,896	-	-	8,887,365	7.90
- Non-performing	-	-	-	-	-	618,807	-	618,807	
Other assets	-	-	-	-	-	4,894,026	-	4,894,026	
Total assets	8,862,678	1,706,065	1,711,452	2,982,802	6,195,585	6,248,867	163,716	27,871,165	
Liabilities									
Deposits from customers	4,453,283	3,201,389	2,509,265	1,589,155	559,434	8,444,965	-	20,757,491	2.23
Deposits and placements of banks and other financial institutions	8,759	-	-	-	-	-	-	8,759	4.34
Bills and acceptance payable	656,366	-	-	-	-	-	-	656,366	3.17
Other liabilities	-	-	-	-	-	998,731	-	998,731	
Total liabilities	5,118,408	3,201,389	2,509,265	1,589,155	559,434	9,443,696	-	22,421,347	
Shareholders' equity	-	-	-	-	-	1,121,319	-	1,121,319	
Takaful funds	-	-	-	-	-	3,306,859	-	3,306,859	
Minority interests	-	-	-	-	-	1,021,640	-	1,021,640	
Total liabilities & shareholders' equity	5,118,408	3,201,389	2,509,265	1,589,155	559,434	14,893,514	-	27,871,165	
On-balance sheet profit sensitivity gap	3,744,270	(1,495,324)	(797,813)	1,393,647	5,636,151				
Off-balance sheet profit sensitivity gap	-	-	-	-	-				
Net maturity mismatch	3,744,270	(1,495,324)	(797,813)	1,393,647	5,636,151				

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

A25 PROFIT RATE RISK, Continued

Restated
31-Dec-07

	-----Non-trading book----->						Trading Book	Total RM '000	Effective Profit Rate %
	Up to 1 Month	> 1-3 Months	> 3-12 Months	1-5 Years	Over 5 Years	Non profit Sensitive			
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000			
Assets									
Cash and short-term funds	8,659,951	-	-	-	-	423,042	-	9,082,993	3.19
Deposits and placements with financial institutions	-	252,278	-	-	-	-	-	252,278	3.19
Securities Held-for-trading	-	-	-	-	-	-	86,223	86,223	4.51
Securities Held-to-maturity	3,312	3,172	40,620	102,820	12,544	-	-	162,468	2.27
Securities Available-for-sale	119,148	303,394	236,130	955,626	848,935	-	-	2,463,233	4.84
Financing, advances & others:									
- Performing	1,176,278	708,385	428,229	1,674,440	3,904,172	-	-	7,891,504	12.19
- Non-performing	-	-	-	-	-	822,280	-	822,280	
Other assets	-	-	-	-	-	4,229,616	-	4,229,616	
Total assets	9,958,689	1,267,229	704,979	2,732,886	4,765,651	5,474,938	86,223	24,990,595	
Liabilities									
Deposits from customers	3,546,635	1,615,365	1,601,444	3,195,108	620,328	8,229,296	-	18,808,176	2.20
Deposits and placements of banks and other financial institutions	60,526	-	-	-	-	-	-	60,526	4.56
Bills and acceptance payable	501,199	-	-	-	-	-	-	501,199	3.48
Other liabilities	-	-	-	-	-	1,026,951	-	1,026,951	
Total liabilities	4,108,360	1,615,365	1,601,444	3,195,108	620,328	9,256,247	-	20,396,852	
Shareholders' equity	-	-	-	-	-	1,025,301	-	1,025,301	
Takaful funds	-	-	-	-	-	2,801,309	-	2,801,309	
Minority interests	-	-	-	-	-	767,133	-	767,133	
Total liabilities & shareholders' equity	4,108,360	1,615,365	1,601,444	3,195,108	620,328	13,849,990	-	24,990,595	
On-balance sheet profit sensitivity gap	5,850,329	(348,136)	(896,465)	(462,222)	4,145,323				
Off-balance sheet profit sensitivity gap	-	-	-	-	-				
Net maturity mismatch	5,850,329	(348,136)	(896,465)	(462,222)	4,145,323				

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

B1 REVIEW OF PERFORMANCE

Half Year Performance

- (Year to date - 31/12/2008 vs 31/12/2007)

	Cumulative 6 months ended		Movement RM'000	%
	31-Dec-08	31-Dec-07		
	Unaudited RM'000	Unaudited RM'000		
Income derived from investment of depositors' fund	488,940	459,483	29,457	6%
Income derived from investment of shareholders' fund	253,497	239,456	14,041	6%
Total revenue	742,437	698,939	43,498	6%
Profit before zakat and taxation (PBZT)	128,289	220,184	(91,895)	-42%

- (1) Higher total revenue is in tandem with higher fund based activities and higher fee based income within the first half of the financial year. Consequently, funding costs also increased but at a lower proportion as BNM reduced Overnight Policy Rate (OPR) by 25 basis points in December 2008.
- (2) Lower PBZT is mainly due to net financing loss provision exceeding net recoveries made within the first half of the financial year. Amongst the significant one-off overhead items is the write-off of IT software amounting to RM20 million by Bank Islam. Included in the rising operating overheads are annual staff increments and RM15 million impairment losses on investment by Takaful Malaysia and RM1 million by BIMB Securities respectively.

B2 COMPARISON WITH THE PRECEDING QUARTER'S RESULTS

For the three months performance (second Quarter 2009 vs first Quarter 2009)

	3 months ended		Movement RM'000	%
	Unaudited	Unaudited		
	31-Dec-08 RM'000	30-Sep-08 RM'000		
Income derived from investment of depositors' fund	245,649	243,291	2,358	1%
Income derived from investment of shareholders' fund	111,922	141,575	(29,653)	-21%
Total revenue	357,571	384,866	(27,295)	-7%
Allowance for financing losses	(43,524)	(18,294)	(25,230)	-138%
Income attributable to depositors	(100,685)	(112,458)	11,773	10%
Profit equalisation reserve	(2,298)	(16)	(2,282)	-14263%
Impairment reversal/(losses)	-	-	-	0%
Other expenses directly attributable to the investment of the depositors' and shareholders' fund	(5,256)	(3,222)	(2,034)	-63%
Total net income	205,808	250,876	(45,068)	-18%
Personnel expenses	(88,963)	(82,371)	(6,592)	-8%
Depreciation	(9,030)	(9,100)	70	1%
Other overhead expenses	(72,966)	(65,965)	(7,001)	-11%
Total expenses	(170,959)	(157,436)	(13,523)	-9%
Profit before zakat and taxation (PBZT)	34,849	93,440	(58,591)	-63%

- (1) Total fund based revenue has increased proportionately to the volume of fund based activities. However, the decline in the second quarter is mainly attributable to Bank Islam's non-recurring fee based income (from financing activities) amounting to RM25.2 million and dividend received from the Bank's unquoted investment in Malaysia of RM3.6 million in the first quarter.
- (2) Despite improvement in NPF balances of Bank Islam (both Gross and Net), further deterioration in the ageing of the NPF in the three business segments - Corporate, Commercial and Consumer had resulted in a higher provision for financing losses to be made within the second quarter under BNM/GP 3 requirements. As a result, specific provisioning had exceeded the total amount recovered.
- (3) Higher allocation of profit arising from increase fund based activities - financing and treasury, was made to Profit Equalization Reserves (PER) due to rising depositors' funds as noted in A13.
- (4) Increase in personnel expenses of RM6.6 million is mainly due to staff annual increment. Other overhead expenses had also increased due to one-off IT expenses amounting to RM20 million, in comparison to the impairment losses incurred on investment worth RM15 million by Takaful Malaysia in previous quarter.

B3 PROSPECTS

Global financial turmoil has increased the risk of economic contraction in developed economies which is expected to have an effect on Malaysia's own economy. The Malaysian Institute of Economic Research (MIER) forecasted a GDP growth of 1.3% for 2009. With effect from December 1, 2008, Bank Negara Malaysia (BNM) has reduced the Statutory Reserve Requirements (SRR) by 50 basis points, from 4% to 3.50%. With the industry average Loan to Deposit (L/D) ratio of 75.3%, the cut in SRR is expected to further boost liquidity within the system having over RM200 billion of excess funds.

The Group's banking arm will continue to exercise prudence in its financing activities with emphasis on credit quality of customers both consumers and corporates. The Bank will continue to focus on "resilient economic sectors", fee generating business and deposit growth.

The Takaful industry in the current financial year is geared towards slower growth. Amidst greater competition from new takaful operators and economic uncertainty, the Company is positioning itself to continue to be at the forefront through the strengthening of human resources particularly in the area of product development, marketing and operations. Enhancement of IT systems to drive efficiency and optimise cost is expected to assist in the achievement of the Company's strategic objectives.

B4 VARIANCE FROM PROFIT FORECAST AND PROFIT GUARANTEE

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

B5 TAXATION

	Individual Quarter		Cumulative Year to date	
	3 months ended		6 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	RM'000	RM'000	RM'000	RM'000
Current tax expense	19,485	5,880	22,723	10,835

With effect from year of assessment 2009, corporate tax rate is at 25%.

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, Takaful Malaysia, 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. As announced on 9 December 2008 and 12 December 2008, all discussions and negotiations between SALAMA and Takaful Malaysia for the purchase of a strategic stake in Takaful Malaysia had officially ceased as Takaful Malaysia was not agreeable with the terms and conditions as proposed by SALAMA. The negotiations with ADKMSIC are still ongoing and no conclusive arrangements have been achieved thus far.

As announced by BIMB Holdings Berhad (BHB) on 19 June 2008, the negotiations with ADKMSIC are still ongoing.

B9 DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES

	Group	
	Unaudited	Unaudited
	31-Dec-08	31-Dec-07
	RM '000	RM '000
Deposits from customers		
Mudharabah accounts deposits and negotiable instruments of deposits		
One year or less (short-term)	10,163,937	6,763,444
More than one year (medium/long-term)	2,148,589	3,815,436
	12,312,526	10,578,880
Current accounts	5,796,239	5,926,196
Savings accounts	2,230,084	1,968,332
Others	418,642	334,768
Total deposits	20,757,491	18,808,176
Deposits and placements of banks and other financial institutions		
One year or less (short-term)	8,759	60,526
	8,759	60,526

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 31-Dec-08					Margin Requirement
	Principal Amount	up to 1 mth	>1-3 mths	>3-6 mths	>6-12 mths	
Foreign exchange related contracts						
- forwards	1,255,684	231,152	299,032	700,220	25,280	NA
- swaps	1,243,981	1,009,538	234,443	-	-	NA
-option	462,720	462,720	-	-	-	NA
Total	2,962,385	1,703,410	533,475	700,220	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 31 December 2008, the amount of contracts which were not hedged and, hence, exposed to market risk was RM307.4 million. (31 December 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 31 December 2008, the credit risk measured in terms of the cost to replace the profitable contracts was RM61.7 million (31 December 2007: RM172.2 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 Year to date 6 months ended	
	Unaudited 31-Dec-08	Restated 31-Dec-07	Unaudited 31-Dec-08	Restated 31-Dec-07
	RM'000	RM'000	RM'000	RM'000
Net Operating profit after zakat & tax (NOPAT)				
Profit before zakat and taxation (PBZT)	34,849	67,808	128,289	220,184
Zakat & Taxation	(21,964)	(7,923)	(27,717)	(18,213)
NOPAT	12,885	59,885	100,572	201,971
Economic charge computation:				
Average invested capital (includes minority interest less gain on disposal of interest in subsidiary)	1,511,452	1,160,927	1,511,452	1,160,927
Weighted Average Cost of Capital (WACC) at 8.5 per cent per annum	8.50%	8.50%	8.50%	8.50%
Economic charge	32,382	24,872	64,765	49,745
Economic profit	(19,497)	35,013	35,807	152,226

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.

The Plaintiffs are proceeding with civil action against the Defendant for recovering of shortfall. The Court has allowed the Plaintiffs' claim and the Defendant has filed an appeal against the ruling. The Court has yet to fix any date for the appeal. The Plaintiffs' solicitors are of the view that the Defendant's appeal will not be successful.

- (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. In January 2009, Bank Islam has identified a potential buyer to buy the properties and Bank Islam will sell the properties via auction procedure at reserve price of RM28.0 million. The Solicitors are in the midst of filing Summons for Directions to obtain next auction date at High Court Shah Alam.

- (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 3 March 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. However, the Solicitors informed that the decision made was a draft decision, inadvertently given by the secretary. This matter has been fixed for trial on 14 September until 29 September 2009.

Pending the above, the Plaintiff informed that it has secured facility from other financial institution of which the proceeds shall be partly utilised for the settlement of the facility. The facility is pending execution of document, anticipated by the Plaintiff to take place in March 2009.

- (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 and the Solicitors had filed proof of debt against the Defendant. Bank Islam was granted with an order to intervene on 11 November 2007.

Bank Islam has also obtained an order for sale in relation to the three (3) pieces of land charged under the facility. The auction date had been fixed on 12 March 2009.

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 Solicitors have served the bankruptcy notice to the guarantors in February 2009.
- (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 hearing date on 25 February 2009. 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 18 June 2009 to enable the Plaintiff to file its affidavit in reply. 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 court has yet to fix any new date. 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. Pursuant to the Solicitors' advice given on 4 December 2008, Bank Islam has decided to appoint an agent to advertise the sale of property and to proceed with fourth auction simultaneously. The Solicitors are in the midst of preparing documents for the fourth action.

- (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 Solicitor has filed winding up petition against the first Defendant on 16 December 2008. On 28 April 2008, the Court allowed the second Defendant's application to stay enforcement proceedings and set aside the judgement in default. Pursuant to the advise by the Solicitors, Bank Islam has discontinued the civil suit 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 winding up petition against the first Defendant has been filed on the 16 December 2008. 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. Pursuant to the advice by the Solicitor, Bank Islam has discontinued the civil action against the second 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 1 June 2009. 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. It is expected to complete by October 2009

- (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 16 March 2009 pending filing of written submission by both parties. 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 24 May 2009. 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 for mention on 25 March 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 for mention on 25 March 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 17 March 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 3rd and 4th staff and the action has been taken against the said staff.

B13 CONTINGENT LIABILITIES

Prior to the amendments of Section 60AA of the Income Tax Act 1967 (Section 60AA), our subsidiary, Takaful Malaysia reported that capital allowances had been claimed by way of deduction from tax adjusted income in both General and Family Takaful Funds whilst the Shareholders' Funds is not entitled to claim capital allowances. 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 carried forward indefinitely as the operator's share of profits from the Family and General Fund will be taxed in the Shareholders' Fund.

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 RM10.1 million.

B14 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		Cumulative Year to date	
	3 months ended		6 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	RM '000	RM '000	RM '000	RM '000
Net profit/(loss) for the quarter attributable to equity holders of the parent	14,070	32,608	65,141	109,975
Number of ordinary shares	891,390	891,390	891,390	891,390
Basic earnings per share attributable to equity holders of the parent (sen)	1.58	3.66	7.31	12.34

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
 February 23, 2009