

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Income Statement
For the Financial Year Ended 30 June 2009**

	Note	Individual Quarter 3 months ended		Cumulative Year to date 12 months ended	
		30 June 2009 RM'000 Unaudited	30 June 2008 RM'000 Audited	30 June 2009 RM'000 Unaudited	30 June 2008 RM'000 Audited
Income derived from investment of depositors' fund	A15	274,696	229,675	1,017,768	909,108
Income derived from investment of shareholders' fund	A16	137,254	135,392	466,494	517,706
(Allowance)/Reversal for losses on financing	A17	(32,175)	(20,334)	(123,291)	7,547
Impairment losses		(4,563)	12,367	(4,663)	2,163
Profit equalisation reserve		(2,278)	16,183	2,716	8,317
Other expenses directly attributable to the investment of the depositors' and shareholders' funds		(4,824)	(3,081)	(16,563)	(11,231)
Total distributable income		368,110	370,202	1,342,461	1,433,610
Income attributable to depositors	A18	(102,656)	(106,283)	(426,589)	(415,089)
Total net income		265,454	263,919	915,872	1,018,521
Personnel expenses		(82,214)	(64,299)	(311,959)	(303,072)
Other overhead expenses		(49,689)	(118,691)	(259,192)	(288,489)
Depreciation		(16,688)	(7,925)	(45,377)	(47,345)
Operating profit		116,863	73,004	299,344	379,615
Share in the results of associated companies		-	-	-	-
Profit before zakat and taxation		116,863	73,004	299,344	379,615
Zakat		25	(2,733)	(7,230)	(13,522)
Tax expense	B5	(53,300)	82,901	(83,623)	67,689
Profit for the period		63,588	153,172	208,491	433,782
Attributable to:					
Shareholders of the Company		34,840	83,403	113,678	236,198
Minority Interests		28,748	69,769	94,813	197,584
Profit for the period		63,588	153,172	208,491	433,782
Earnings Per Share - basic (sen)	B14	3.89	9.36	12.69	26.50

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

Condensed Consolidated Balance Sheet as at 30 June 2009

	Note	As at June 30, 2009 RM'000 Unaudited	As at June 30, 2008 RM'000 Audited
ASSETS			
Cash and short term funds		8,492,134	9,947,185
Deposits and placements with financial institutions		99,577	247,036
Securities:			
- Held for trading	A8	294,868	90,749
- Held-to-maturity	A9	212,103	191,971
- Available-for-sale	A10	8,582,185	3,451,374
Financing, advances and others	A11	9,661,864	9,055,028
Deferred tax assets		72,947	105,785
Assets held for sale		1,471	39,364
Other assets		223,225	204,700
Current tax assets		13,249	10,676
Investment in associates		149	149
Statutory deposit with Bank Negara Malaysia		139,729	362,151
Property, plant and equipment		160,458	189,233
Prepaid lease payments		24,786	25,181
General Takaful and Family Takaful assets		3,943,762	3,661,515
Total assets		31,922,507	27,582,097
LIABILITIES, EQUITY & TAKAFUL FUNDS			
Liabilities			
Deposits from customers	A13	24,877,113	20,535,907
Deposits and placements of banks and other financial institutions	A14	8,078	58,443
Bills and acceptances payable		283,212	990,448
Other liabilities		410,293	379,980
Liabilities held for sale		-	3,233
Provision for zakat and taxation		33,088	13,252
Deferred tax liabilities		361	-
General Takaful and Family Takaful liabilities		520,838	463,716
General Takaful and Family Takaful participants' funds		3,422,924	3,197,799
Total liabilities		29,555,907	25,642,778
Equity			
Share capital		1,066,790	891,390
Reserves		205,560	113,894
Total equity attributable to shareholders of the Company		1,272,350	1,005,284
Minority interests		1,094,250	934,035
Total equity		2,366,600	1,939,319
Total equity and liabilities		31,922,507	27,582,097
COMMITMENTS AND CONTINGENCIES			
Net assets per share attributable to ordinary equity holders of the parent (RM)	A24	7,693,378	9,342,525
		1.19	1.13

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity
For the Financial Year Ended 30 June 2009**

Group	Note	← Attributable to Equity Holders of the Parent →						Accumulated Losses RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
		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				
Audited											
At 1 July 2007		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		-	-	-	9,090	-	-	-	9,090	8,256	17,346
- Unrealised net gain/(loss) on revaluation of securities available-for-sale		-	-	-	-	-	(55,826)	-	(55,826)	(53,633)	(109,459)
Net profit for the period		-	-	-	-	-	-	236,198	236,198	197,584	433,782
Transfer to statutory reserve		-	-	97,950	-	-	-	(192,059)	(94,109)	94,109	-
Subscription of shares held by minority interests of a subsidiary		-	-	-	-	-	-	-	-	6,329	6,329
Dividends to minority interest		-	-	-	-	-	-	-	-	(1,413)	(1,413)
Dividends to shareholders	A7	-	-	-	-	-	-	(13,193)	(13,193)	-	(13,193)
At 30 June 2008		891,390	602,978	367,154	24,395	638,370	(40,219)	(1,478,784)	1,005,284	934,035	1,939,319
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		-	-	-	(10,614)	-	-	-	(10,614)	(11,238)	(21,852)
- Unrealised net gain/(loss) on revaluation of securities available-for-sale		-	-	-	-	-	37,643	-	37,643	35,803	73,446
Net profit for the period		-	-	-	-	-	-	113,678	113,678	94,813	208,491
Transfer to statutory reserve		-	-	40,955	-	-	-	(80,303)	(39,348)	39,348	-
Ordinary shares issued		175,400	-	-	-	-	-	-	175,400	-	175,400
Subscription of shares held by minority interests of a subsidiary		-	-	-	-	-	-	-	-	1,489	1,489
Dividends	A7	-	-	-	-	-	-	(9,693)	(9,693)	-	(9,693)
At 30 June 2009		1,066,790	602,978	408,109	13,781	638,370	(2,576)	(1,455,102)	1,272,350	1,094,250	2,366,600

(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, continued For the Financial Year Ended 30 June 2009

	12 months 30 Jun. 2009 RM'000 Unaudited	12 months 30 Jun. 2008 RM'000 Audited
Cash flows from operating activities		
Profit before zakat and taxation	299,344	379,615
Adjustment for non-cash flow items:-		
Depreciation of property, plant and equipment	45,377	47,345
Amortisation of prepaid lease payment	395	205
(Reversal)/Impairment losses of property, plant and equipment	4,663	(2,153)
(Reversal)/Impairment losses on securities available-for-sale	-	10,205
(Reversal)/Impairment losses on securities held to maturity	-	(12,368)
(Reversal)/Allowance for doubtful debts	(15,243)	1,072
(Reversal)/Allowance for losses on financing	123,291	(7,547)
(Reversal)/Allowance for diminution in investments	(3,233)	(580)
Dividend income	(5,495)	(6,946)
Net (gain)/loss on disposal of property, plant and equipment	-	137
Property, plant and equipment written off	-	896
Net loss/(gain) on sale of securities held-for-trading	(2,862)	7,867
Net gain on sale of securities available-for-sale	(3,436)	(21,504)
Accretion of discount less amortisation of premium	(62,104)	(28,272)
Operating profit/(loss) before working capital changes	380,697	367,972
Changes in working capital:		
Other receivables	(193,925)	(78,429)
Statutory deposits with Bank Negara Malaysia	222,422	34,488
Bills payable	(707,236)	881,259
Other payables	30,313	41,841
Financing of customers	(606,836)	(644,196)
Deposits from customers	4,341,206	3,147,274
Deposit and placements of banks and other financial institutions	(50,365)	24,452
Cash generated from/(used in) operation	3,416,276	3,774,661
Zakat and income taxes paid	(23,517)	(29,956)
Tax refund	-	24,122
Net cash generated from/(used in) operating activities	3,392,759	3,768,827

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

Condensed Consolidated Cash Flow Statement, continued
For the Financial Year Ended 30 June 2009

	12 months 30 Jun. 2009 RM'000 Unaudited	12 months 30 Jun. 2008 RM'000 Audited
Cash flows from investing activities		
Purchase of property, plant and equipment	(16,602)	(98,831)
Proceeds from disposal of property, plant and equipment	-	6,406
Dividend received/(paid)	(9,693)	(14,606)
Dividend received from available-for-sale	155,351	6,946
Dividend received from held-for-trading	3,037	-
Dividend received from securities held-to-maturity	3,835	-
Issuance of shares of a subsidiary to minority shareholders	-	6,329
Net (purchase)/disposal of securities	(5,355,062)	203,930
Net cash (used in)/generated from investing activities	(5,219,134)	110,174
Cash flows from financing activities		
Restricted issue of new ordinary shares	175,400	-
Net cash generated from financing activities	175,400	-
Net increase/(decrease) in cash and cash equivalent	(1,650,975)	3,879,001
Foreign exchange differences	48,465	16,048
Cash and cash equivalents at the beginning of period	10,194,221	6,299,172
Cash and cash equivalents at the end of period	8,591,711	10,194,221
Cash and cash equivalents comprise:		
Cash and short term funds	8,492,134	9,947,185
Deposits and placement with financial institutions	99,577	247,036
	8,591,711	10,194,221

(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 have not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued by the MASB but are not yet effective:

FRSs/Interpretations	Effective date
FRS 4, Insurance Contracts	1 January 2010
FRS 7, Financial Instruments: Disclosures	1 January 2010
FRS 8, Operating Segment	1 July 2009
FRS 139, Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 2 Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
IC Interpretation 9, Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10, Interim Financial Reporting and Impairment	1 January 2010
FRS 123, Borrowing Costs	1 January 2010
IC Interpretation 11, FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13 Customer Loyalty Programmes	1 January 2010
IC Interpretation 14 FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

The Group plans to apply FRS 8 beginning 1 July 2009. The Group and the Company plan to apply the other FRSs and Interpretations beginning 1 July 2010.

The impact of applying FRS 4, FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemptions given in the respective FRSs. The initial application of the other amendments and interpretations is not expected to have any material impact on the financial statements of the Group and the Company.

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

The 175.4 million ordinary shares of RM1.00 each in the Company, amounting to RM175.4 million, were subscribed by and allotted to Lembaga Tabung Haji ("LTH") pursuant to the restricted issue of 175.4 million new ordinary shares at RM1.00 each ("Restricted Issue Exercise"). The said ordinary shares were listed on Bursa Malaysia on 1 July 2009.

A7 DIVIDENDS PAID

	Cumulative 12 months ended	
	Unaudited	Audited
	30-Jun-09	30-Jun-08
	RM '000	RM '000
<u>Ordinary</u>		
2008 - 1.45%, (2007 - 2.00%)	9,693	13,193

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

A8 SECURITIES HELD-FOR-TRADING

	Unaudited	Audited
	30-Jun-09	30-Jun-08
	RM '000	RM '000
At fair value		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Islamic Commercial Papers	137,891	29,896
Malaysian Government Investment Issue	149,737	-
Islamic Debt Securities	-	24,563
	287,628	54,459
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Shares	7,240	34,289
<u>Quoted securities</u>		
<i>Outside Malaysia</i>		
Shares	-	2,001
Total securities held-for-trading	294,868	90,749

A9 SECURITIES HELD-TO-MATURITY

	Unaudited	Audited
	30-Jun-09	30-Jun-08
	RM '000	RM '000
At amortised cost		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Islamic Debt Securities	215,680	210,251
<i>Outside Malaysia</i>		
Others	8,710	-
	224,390	210,251
Less: Impairment losses	(12,287)	(18,280)
Total securities held-to-maturity	212,103	191,971

A10 SECURITIES AVAILABLE-FOR-SALE

	Unaudited	Audited
	30-Jun-09	30-Jun-08
	RM '000	RM '000
At fair value		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Malaysian Government Investment Issue	2,651,555	825,089
Unquoted shares	28,340	27,525
Promissory notes	5,604	5,604
Accepted bills	107,997	73,623
Negotiable Islamic Debt Certificate	1,437,982	339,984
Islamic Commercial Papers	453,816	201,787
Islamic Debt Securities	3,822,618	1,934,726
<i>Outside Malaysia</i>		
Islamic Development Bank unit trust	1,923	1,928
Unquoted shares	2,996	25,858
	8,512,831	3,436,124
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Unit trust	14,809	16,997
<i>Outside Malaysia</i>		
Bond	70,380	81,650
	85,189	98,647
Less:		
Impairment losses	(15,835)	(83,397)
Total securities available-for-sale	8,582,185	3,451,374

A11 FINANCING, ADVANCES AND OTHERS

(i) **By type**

	Unaudited 30-Jun-09 RM '000	Audited 30-Jun-08 RM '000
Cash line	164,272	175,463
Term financing		
House financing	7,136,157	5,878,379
Syndicated financing	81,329	107,339
Lease receivables	329,189	208,234
Bridging financing	299,524	242,504
Personal financing	2,733,611	2,425,401
Other term financing	3,874,823	3,931,500
Staff financing	298,368	309,579
Credit/charge cards	393,442	340,100
Trust receipt	151,672	175,518
Trade bills discounted	1,539,200	1,684,209
Others	-	452
	17,001,587	15,478,678
Less: Unearned income	(6,290,584)	(5,026,137)
	10,711,003	10,452,541
Less: Allowance for bad and doubtful financing:		
General	(170,844)	(169,382)
Specific	(878,295)	(1,228,131)
Total net financing, advances and others	9,661,864	9,055,028

(ii) **By contract**

	Unaudited 30-Jun-09 RM '000	Audited 30-Jun-08 RM '000
Bai' Bithaman Ajil (deferred payment sale)	5,719,619	5,506,976
Bai'-Al-Inah	662,701	708,527
Ijarah (operating lease)	289,200	243,063
Ijarah Muntahia Bittamlik / AITAB (finance lease)	28,367	30,334
Mudharabah (profit sharing)	8,934	9,249
Murabahah (cost-plus)	1,680,071	1,848,516
Bai'-Al-Inah Cash Note	1,611,717	1,583,186
At-Tawarruq	167,378	-
Istisna'	543,016	509,988
Others	-	12,702
	10,711,003	10,452,541

(iii) **By type of customer**

	Unaudited 30-Jun-09 RM '000	Audited 30-Jun-08 RM '000
Domestic non-bank financial institutions	12,459	36,587
Domestic business enterprise	2,508,922	2,323,618
Small medium industries	867,061	1,212,486
Government and statutory bodies	156,910	108,523
Individuals	7,146,713	6,739,803
Other domestic entities	17,932	29,717
Foreign entities	1,006	1,807
	10,711,003	10,452,541

(iv) **By profit rate sensitivity**

	Unaudited 30-Jun-09 RM '000	Audited 30-Jun-08 RM '000
Fixed rate		
House financing	2,298,214	2,895,886
Others	7,462,649	6,896,698
Floating rate	950,140	659,957
	10,711,003	10,452,541

A11 FINANCING, ADVANCES AND OTHERS, continued

(v) By economic purposes

	Unaudited	Audited
	30-Jun-09	30-Jun-08
	RM '000	RM '000
Agriculture, hunting, forestry and fishing	116,701	118,141
Mining and quarrying	30,736	30,679
Manufacturing	828,998	1,166,209
Electricity, gas and water	80,011	81,913
Construction	520,600	589,137
Real estate	46,879	51,508
Purchase of landed property:		
- Residential	3,217,361	2,863,192
- Non-Residential	318,401	398,305
Wholesale and retail trade and restaurants and hotels	336,912	519,809
Transport, storage and communication	58,734	82,792
Finance, insurance and business services	76,455	100,227
Purchase of securities	153,087	163,876
Purchase of transport vehicles	1,452,351	1,505,597
Consumption credit	2,304,782	1,986,070
Community, social and personal services	42,456	59,333
Others	1,126,539	735,753
	10,711,003	10,452,541
	-	-

A12 NON-PERFORMING FINANCING

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

	Unaudited	Audited
	30-Jun-09	30-Jun-08
	RM '000	RM '000
At beginning	1,949,904	2,192,151
Classified as non-performing	228,431	421,526
Reclassified as performing	(131,580)	(67,274)
Amount recovered	(184,080)	(500,307)
Amount written off	(540,033)	(61,403)
Exchange differences	37,807	(34,789)
At end	1,360,449	1,949,904
Less: - specific allowance	(878,295)	(1,228,131)
Net non-performing financing, advances and others	482,154	721,773
	-	-
Ratio of net non-performing financing, advances and others to total net financing, advances and others	4.90%	7.82%

A12 NON-PERFORMING FINANCING, continued

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

	Unaudited 30-Jun-09 RM '000	Audited 30-Jun-08 RM '000
General allowance		
At beginning	169,382	170,461
Exchange differences	1,462	(1,079)
At end	170,844	169,382
	-	-
As % of gross financing, advances and others less specific allowance	1.74%	1.84%
Specific allowance		
At beginning	1,228,131	1,211,263
Allowance made	303,755	300,924
Amount recovered	(133,074)	(213,858)
Amount written off	(540,033)	(53,613)
Exchange differences	19,516	(16,585)
At end	878,295	1,228,131
	-	-

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

	Unaudited 30-Jun-09 RM '000	Audited 30-Jun-08 RM '000
Agriculture, hunting, forestry and fishing	39,788	51,591
Mining and quarrying	280	1,959
Manufacturing	288,186	505,000
Electricity, gas and water	77,334	78,507
Construction	367,912	389,522
Real estate	1,745	4,243
Purchase of landed property:		
- Residential	212,426	257,821
- Non-Residential	76,320	150,924
Wholesale and retail trade and restaurants and hotels	95,528	120,835
Transport, storage and communication	12,811	16,091
Finance, insurance and business services	1,449	500
Purchase of securities	6,737	70,230
Purchase of transport vehicles	35,928	61,019
Consumption credit	101,561	167,252
Community social and personal services	14,430	17,654
Others	28,014	56,756
	1,360,449	1,949,904
	-	-

A13 DEPOSITS FROM CUSTOMERS

(i) **By type of deposit**

	Unaudited 30-Jun-09 RM '000	Audited 30-Jun-08 RM '000
Non-Mudharabah Fund:		
Demand deposits	6,337,672	5,842,720
Savings deposits	2,032,461	1,899,962
Negotiable Islamic Debt Certificate (NIDC)	7,133,790	6,098,744
Others	62,744	41,464
	15,566,667	13,882,890
Mudharabah Fund:		
Savings deposits	680,589	521,084
General investment deposits	2,535,289	2,411,039
Special investment deposits	6,094,333	3,720,659
Others	235	235
	9,310,446	6,653,017
Total deposits from customers	24,877,113	20,535,907
	-	-

A13 DEPOSITS FROM CUSTOMERS, continued

(ii) By type of customer

	Unaudited 30-Jun-09 RM '000	Audited 30-Jun-08 RM '000
Government and statutory bodies	5,233,054	4,566,889
Business enterprises	8,625,342	5,997,473
Individuals	6,805,928	5,173,310
Others	4,212,789	4,798,235
	24,877,113	20,535,907

A14 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Unaudited 30-Jun-09 RM '000	Audited 30-Jun-08 RM '000
Mudharabah Fund:		
Licensed banks	8,078	58,443
	8,078	58,443

A15 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	Individual Quarter 3 months ended		Cumulative Year to date 12 months ended	
	Unaudited	Audited	Unaudited	Audited
	30-Jun-09 RM '000	30-Jun-08 RM '000	30-Jun-09 RM '000	30-Jun-08 RM '000
Income derived from investment of:				
(i) General investment deposits	30,357	28,251	126,536	112,163
(ii) Other deposits	244,339	201,424	891,232	796,945
	274,696	229,675	1,017,768	909,108

(i) Income derived from investment of general investment deposits

	Individual Quarter 3 months ended		Cumulative Year to date 12 months ended	
	Unaudited	Audited	Unaudited	Audited
	30-Jun-09 RM '000	30-Jun-08 RM '000	30-Jun-09 RM '000	30-Jun-08 RM '000
Financing income and hibah				
Financing, advances and others	18,907	18,575	84,357	79,229
Held-for-trading	171	79	364	314
Held-to-maturity	385	29	475	262
Available-for-sale	4,471	2,092	13,352	6,331
Money at call and deposit with financial institutions	4,684	7,126	21,088	23,593
	28,618	27,901	119,636	109,729
Amortisation of premium less accretion of discounts	949	610	5,368	2,519
	29,567	28,511	125,004	112,248
Other dealing income				
Net gain / (loss) from sale of securities held-for-trading	279	(92)	485	(109)
Net gain / (loss) on revaluation of securities held-for-trading	164	(145)	715	(26)
	443	(237)	1,200	(135)
Other operating income				
Net gain / (loss) from sale of securities:				
Available-for-sale	347	(66)	186	7
Gross dividend income from securities:				
Unquoted in Malaysia	-	43	146	43
	347	(23)	332	50
	30,357	28,251	126,536	112,163

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 12 months ended	
	Unaudited	Audited	Unaudited	Audited
	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
	RM '000	RM '000	RM '000	RM '000
Financing income and hibah				
Financing, advances and others	151,455	131,619	590,728	559,525
Held-for-trading	1,402	569	2,673	2,263
Held-to-maturity	2,749	203	3,360	1,869
Available-for-sale	36,145	15,106	96,630	45,646
Money at call and deposit with financial institutions	38,591	51,508	150,496	170,233
	230,342	199,005	843,887	779,536
Amortisation of premium less accretion of discounts	7,642	4,397	37,208	18,130
	237,984	203,402	881,095	797,666
Other dealing income				
Net gain / (loss) from sale of securities held-for-trading	2,278	(657)	2,719	(781)
Net gain / (loss) on revaluation of securities held-for-trading	1,308	(1,037)	5,016	(179)
	3,586	(1,694)	7,735	(960)
Other operating income				
Net gain / (loss) from sale of securities:				
Available-for-sale	2,769	(284)	1,336	239
Gross dividend income from securities:				
Quoted outside Malaysia	-	-	1,066	-
	2,769	(284)	2,402	239
	244,339	201,424	891,232	796,945
	-	-	-	-

A16 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	Individual Quarter 3 months ended		Cumulative Year to date 12 months ended	
	Unaudited	Audited	Unaudited	Audited
	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
	RM '000	RM '000	RM '000	RM '000
Financing income and hibah				
Financing, advances and others	824	1,276	3,308	3,929
Held-for-trading	-	23	-	23
Held-to-maturity	-	786	-	786
Available-for-sale	14,184	8,827	45,369	31,675
Money at call and deposit with financial institutions	1,396	32,527	62,136	112,037
	16,404	43,439	110,813	148,450
Amortisation of premium less accretion of discounts	5,285	2,113	19,528	7,623
	21,689	45,552	130,341	156,073
Other dealing income				
Net gain / (loss) from foreign exchange transactions	6,257	(4,475)	26,178	9,925
Net gain / (loss) from sale of securities held-for-trading	415	11	(342)	(6,977)
Net gain / (loss) on revaluation of securities held-for-trading	(4)	(13)	7	(53)
	6,668	(4,477)	25,843	2,895
Other operating income				
Net gain / (loss) from sale of securities:				
Available-for-sale	2,650	6,291	1,914	21,258
Unrealised forex gain/(loss) on cash balance	-	14	150	14
Profit on sale of foreign currencies	(210)	175	1,266	22,741
Reversal/(allowance) for diminution in value of investment	2,848	331	3,233	580
Reversal of allowance for doubtful debts	60	160	15,243	1,072
Profit from general takaful and family takaful funds attributable - to the Group	67,566	28,117	145,479	169,613
Gross dividend income from securities:				
Quoted in Malaysia	49	(1,186)	333	2,192
Unit trust in Malaysia	-	1	138	1,176
Unit trust outside Malaysia	41	57	104	119
Unquoted in Malaysia	1,294	3,459	4,920	3,459
	74,298	37,419	172,780	222,224
Fees and commission				
ATM fees	3,593	2,830	12,123	9,547
Financing fees	3,582	5,798	17,362	19,068
Cheque issued & return, closing account and other fees	1,902	1,027	2,452	1,027
Takaful service fees and commission	2,383	2,534	5,784	2,534
Credit card fees and commission	4,851	3,710	17,137	13,106
Processing fees	194	713	412	1,255
Commitment fees	120	(548)	1,339	20
Rentas clearing fees	-	1,881	7	1,884
Commission on MEPS	998	882	3,885	3,432
Management fee	278	350	1,356	1,784
Corporate advisory fees	1,920	1,511	3,046	2,513
Investment income	4,919	6,917	10,879	17,467
Wakalah fees	6,946	18,245	43,627	39,734
Other service charges fees	2,812	8,942	17,286	21,018
	34,498	54,792	136,695	134,389
Other income				
Net gain/(loss) on disposal of property, plant & equipment	101	(138)	835	(137)
Rental income	-	2,244	-	2,262
	101	2,106	835	2,125
	137,254	135,392	466,494	517,706

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A17 (ALLOWANCE)/REVERSAL FOR LOSSES ON FINANCING

	Individual Quarter 3 months ended		Cumulative Year to date 12 months ended	
	Unaudited	Audited	Unaudited	Audited
	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
	RM '000	RM '000	RM '000	RM '000
Allowance for bad and doubtful financing:				
- Specific allowance				
- Made in the financial year	(109,424)	(142,258)	(303,755)	(300,924)
- Written back	54,959	79,320	133,074	213,858
- Bad debts and financing:				
- Recovered	22,290	42,392	44,964	94,305
- Recoverable from Danaharta	-	161	2,426	257
- Exchange difference	-	51	-	51
	(32,175)	(20,334)	(123,291)	7,547
	-	-	-	-

A18 INCOME ATTRIBUTABLE TO DEPOSITORS

	Individual Quarter 3 months ended		Cumulative Year to date 12 months ended	
	Unaudited	Audited	Unaudited	Audited
	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
	RM '000	RM '000	RM '000	RM '000
Deposits from customers:				
- Mudharabah fund	43,805	57,434	177,142	195,996
- Non-Mudharabah fund	59,947	5,207	241,956	213,576
Deposits and placements of banks and other financial institutions:				
- Mudharabah fund	(1,096)	43,642	7,491	5,517
	102,656	106,283	426,589	415,089
	-	-	-	-

A19 CAPITAL ADEQUACY

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

	Unaudited 30-Jun-09 RM '000	Audited 30-Jun-08 RM '000
Tier-I capital:		
Paid-up share capital	1,725,490	1,725,490
Share premium	500,020	500,020
Accumulated losses	(1,309,362)	(1,390,935)
Other reserves	589,124	508,821
Less: Deferred tax assets	(61,660)	(86,282)
Total Tier-I capital	1,443,612	1,257,114
Tier-II capital:		
Redeemable subordinated mudharabah	20,000	40,000
General allowance for bad and doubtful financing	170,844	169,382
Total Tier-II capital	190,844	209,382
Total capital base	1,634,456	1,466,496
Core capital ratio	12.25%	11.27%
Risk-weighted capital ratio	13.87%	13.15%
Core capital ratio net of proposed dividends	12.25%	11.27%
Risk-weighted capital ratio net of proposed dividend	13.87%	13.15%

Effective January 2008, all Islamic Banks licensed under the Islamic Banking Act (IBA) 1983 are required to compute the RWCR in accordance with the Capital Adequacy Framework for Islamic Banks (CAFIB). Under CAFIB, Islamic Banks are required to comply both on an entity as well as on a consolidated basis (inclusive of subsidiary entities, and overseas financial subsidiaries). Hence with effect from 1 January 2008, the Bank's RWCR computation is computed according to CAFIB, with the adoption of the Standardized Approach (SA) for Credit Risk and Market Risk, and the Basic indicator Approach (BIA) for Operational Risk.

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	
	12 months ended			
	Unaudited 30-Jun-09 RM'000	Audited 30-Jun-08 RM'000	Unaudited 30-Jun-09 RM'000	Audited 30-Jun-08 RM'000
Banking operations:				
Domestic	1,262,036	1,153,220	266,001	299,682
Offshore	12,661	26,125	(30,135)	20,597
Takaful operations	209,947	241,258	50,269	35,748
Others	49,909	50,840	33,074	23,588
Inter-segment elimination	(50,291)	(44,629)	(19,865)	-
Total	1,484,262	1,426,814	299,344	379,615

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 June 2009 are as follow:

	Unaudited 30 June 2009			Audited 30 June 2008		
	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	615,699	615,699	417,935	521,235	521,235	317,479
Transaction-related contingent items	702,411	351,206	339,589	629,905	314,953	298,150
Short-term self-liquidating trade related contingencies	390,819	78,164	26,367	514,410	102,882	22,691
Other assets sold with recourse and commitments with certain drawdown	6,220	6,220	6,220	11,438	11,438	11,438
Obligations under underwriting agreements	50,000	25,000	25,000	103,000	51,500	51,500
Foreign exchange related contracts						
- maturity less than one year	1,455,651	15,753	6,607	2,892,916	24,336	14,994
Miscellaneous	4,472,578	369,227	296,103	4,669,621	283,007	231,403
Total	7,693,378	1,461,269	1,117,821	9,342,525	1,309,351	947,655

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A25 PROFIT RATE RISK

Unaudited
30-Jun-09

	←-----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	7,842,022	-	-	-	-	650,112	-	8,492,134	2.76
Deposits and placements with financial institutions	99,395	182	-	-	-	-	-	99,577	3.09
Securities Held-for-trading	-	-	-	-	-	-	294,868	294,868	2.09
Securities Held-to-maturity	-	7,760	-	155,003	49,340	-	-	212,103	0.58
Securities Available-for-sale	331,635	1,080,040	1,124,752	3,303,180	2,742,578	-	-	8,582,185	2.38
Financing, advances & others:									
- Performing	703,801	868,035	544,284	2,116,720	4,946,870	-	-	9,179,710	7.78
- Non-performing	-	-	-	-	-	482,154	-	482,154	
Other assets	-	-	-	-	-	4,579,776	-	4,579,776	
Total assets	8,976,853	1,956,017	1,669,036	5,574,903	7,738,788	5,712,042	294,868	31,922,507	
Liabilities									
Deposits from customers	9,430,555	2,797,708	2,015,425	1,511,812	-	9,121,613	-	24,877,113	2.12
Deposits and placements of banks and other financial institutions	8,078	-	-	-	-	-	-	8,078	3.76
Bills and acceptance payable	283,212	-	-	-	-	-	-	283,212	-
Other liabilities	-	-	-	-	-	964,580	-	964,580	
Total liabilities	9,721,845	2,797,708	2,015,425	1,511,812	-	10,086,193	-	26,132,983	
Shareholders' equity	-	-	-	-	-	1,272,350	-	1,272,350	
Takaful funds	-	-	-	-	-	3,422,924	-	3,422,924	
Minority interests	-	-	-	-	-	1,094,250	-	1,094,250	
Total liabilities & shareholders' equity	9,721,845	2,797,708	2,015,425	1,511,812	-	15,875,717	-	31,922,507	
On-balance sheet profit sensitivity gap	(744,992)	(841,691)	(346,389)	4,063,091	7,738,788				
Off-balance sheet profit sensitivity gap	-	-	-	-	-				
Net maturity mismatch	(744,992)	(841,691)	(346,389)	4,063,091	7,738,788				

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A25 PROFIT RATE RISK, Continued

Restated
30-Jun-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	9,485,426	-	-	-	-	429,463	32,296	9,947,185	3.19
Deposits and placements with financial institutions	-	2,517	44,572	5,789	-	-	194,158	247,036	3.19
Securities Held-for-trading	-	-	-	-	-	9,883	80,866	90,749	4.52
Securities Held-to-maturity	-	-	44	115,568	76,359	-	-	191,971	2.27
Securities Available-for-sale	92,055	124,699	636,665	1,280,856	1,289,468	27,631	-	3,451,374	4.20
Financing, advances & others:									
- Performing	1,336,535	866,820	623,378	1,650,931	3,855,591	-	-	8,333,255	8.51
- Non-performing	-	-	-	-	-	721,773	-	721,773	
Other assets	-	-	-	-	-	4,598,754	-	4,598,754	
Total assets	10,914,016	994,036	1,304,659	3,053,144	5,221,418	5,787,504	307,320	27,582,097	
Liabilities									
Deposits from customers	5,071,439	3,012,565	2,161,545	1,682,151	545,080	8,063,127	-	20,535,907	2.19
Deposits and placements of banks and other financial institutions	58,443	-	-	-	-	-	-	58,443	4.56
Bills and acceptance payable	990,448	-	-	-	-	-	-	990,448	-
Other liabilities	-	-	-	-	-	860,181	-	860,181	
Total liabilities	6,120,330	3,012,565	2,161,545	1,682,151	545,080	8,923,308	-	22,444,979	
Shareholders' equity	-	-	-	-	-	1,005,284	-	1,005,284	
Takaful funds	-	-	-	-	-	3,197,799	-	3,197,799	
Minority interests	-	-	-	-	-	934,035	-	934,035	
Total liabilities & shareholders' equity	6,120,330	3,012,565	2,161,545	1,682,151	545,080	14,060,426	-	27,582,097	
On-balance sheet profit sensitivity gap	4,793,686	(2,018,529)	(856,886)	1,370,993	4,676,338				
Off-balance sheet profit sensitivity gap	-	-	-	-	-				
Net maturity mismatch	4,793,686	(2,018,529)	(856,886)	1,370,993	4,676,338				

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

B1 REVIEW OF PERFORMANCE

12 Months Performance

- (Year to date - 30/6/2009 vs 30/6/2008)

	Cumulative 12 months ended		Movement	%
	30-Jun-09 Unaudited RM'000	30-Jun-08 Audited RM'000		
Income derived from investment of depositors' fund	1,017,768	909,108	108,660	12%
Income derived from investment of shareholders' fund	466,494	517,706	(51,212)	-10%
Total revenue	1,484,262	1,426,814	57,448	4%
Profit before zakat and taxation (PBZT)	299,344	379,615	(80,271)	-21%

- (1) Notwithstanding the decline in profit from General Takaful and Family Takaful funds attributable to BHB Group by 14%, the Group's total revenue for 2009 registered a growth of 4% compared to 2008, on the back of higher fund based activities and stable fee and commission income from Bank Islam.
- (2) Under the Mudharabah profit sharing mechanism, growth in income derived from investment of depositors' fund by 12% is in line with the increase in deposits from customers by 21% Year-on-Year.
- (3) The lower PBZT for 2009 is mainly attributable to the significant allowance for losses in financing incurred of RM123.3 million, in comparison to a net recovery registered in 2008 of RM7.5 million. To mitigate the decline in PBZT, cost control measures were undertaken to reduce operating overheads by 4%.

B2 COMPARISON WITH THE PRECEDING QUARTER'S RESULTS

For the three months performance (Fourth Quarter 2009 vs Third Quarter 2009)

	3 months ended		Movement	%
	Unaudited 30-Jun-09 RM'000	Unaudited 31-Mar-09 RM'000		
Income derived from investment of depositors' fund	274,696	254,132	20,564	8%
Income derived from investment of shareholders' fund	137,254	75,743	61,511	81%
Total revenue	411,950	329,875	82,075	25%
Allowance for financing losses	(32,175)	(29,298)	(2,877)	-10%
Income attributable to depositors	(102,656)	(110,790)	8,134	7%
Profit equalisation reserve	(2,278)	7,308	(9,586)	131%
Impairment reversal/(losses)	(4,563)	(100)	(4,463)	-4463%
Other expenses directly attributable to the investment of the depositors' and shareholders' fund	(4,824)	(3,261)	(1,563)	-48%
Total net income	265,454	193,734	71,720	37%
Personnel expenses	(82,214)	(58,411)	(23,803)	-41%
Depreciation	(16,688)	(10,559)	(6,129)	-58%
Other overhead expenses	(49,689)	(70,572)	20,883	30%
Total expenses	(148,591)	(139,542)	(9,049)	-6%
Profit before zakat and taxation (PBZT)	116,863	54,192	62,671	116%

BHB Group registered an improvement in Quarter-on-Quarter PBZT by 116%. This achievement is mainly due to higher revenue in tandem with higher fund based activities, stable fee and commission income and increased profit from General Takaful and Family Takaful funds attributable to the Group, lower deposit costs and lower other operating overheads.

These positive fourth quarter 2009 contributions outweighed the financing loss provision, Profit Equalization Reserve (PER) allocation, direct expenses, impairment losses, personnel expenses and depreciation charge incurred, resulting in a better fourth quarter PBZT compared to the preceding quarter.

B3 PROSPECTS

The International Monetary Fund (IMF) projects the global economy to shrink by 1.3% in 2009, with global contraction pressures to moderate only after 2nd quarter 2009 and expected to return to positive territory towards end of 2009. Notwithstanding the recent mixed "signals" which point to a resumption of rather flat but positive growth by 4th quarter 2009, a decisive rebound is not on the cards as long as global demand remains in the doldrums. No speedy nor impressive recovery for trade-dependent Malaysia is expected, given the dismal global trade outlook for 2009, as the World Trade Organization (WTO) projects global trade to plunge by 11%. Recovery in GDP trajectory is expected to begin towards mid-2010.

The Group's banking arm, Bank Islam will continue to exercise prudence in its financing activities with emphasis on credit quality of consumer, commercial and corporate clients, and to focus on "recession-proof economic sectors", non-fund based income and deposit growth. The Bank will continue to invest in capacity and capability building as well as enhancing its IT infrastructure and branch network.

STMB is gearing for growth in the new financial year with the worst of the financial crisis appearing to be over. However, STMB will remain prudent in its investment and continue the rationalization and right sizing of the branch network and leverage on BIMB Holdings' group infrastructure to market STMB's products and services. STMB has also tightened underwriting standards and weeded out unprofitable business in the portfolio. With these initiatives taken, STMB is positioning itself to achieve its 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 3 months ended		Cumulative Year to date 12 months ended	
	Unaudited	Audited	Unaudited	Audited
	30-Jun-09 RM'000	30-Jun-08 RM'000	30-Jun-09 RM'000	30-Jun-08 RM'000
Current tax expense	53,300	(82,901)	83,623	(67,689)

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

(a) Proposed restricted issue of 175.4 million new ordinary shares of RM1.00 each in the Company ("Restricted Issue Shares") to Lembaga Tabung Haji ("LTH") at an issue price of RM1.00 per Restricted Issue Share ("Proposed Restricted Issue") and proposed exemption sought by LTH from the obligation to extend a mandatory offer for all the remaining shares in the Company not already owned by LTH.

The above proposals were completed on 1 July 2009 following the listing of and quotation for the Restricted Issue Shares. The Company had also, on even date utilised the proceeds from the Restricted Issue Shares to part-finance its subscription to the Islamic Convertible Redeemable Non-Cumulative Preference Shares issued by Bank Islam Malaysia Berhad ("Bank Islam"), pursuant to Bank Islam's capital raising exercise.

(b) Proposed disposal of a strategic equity stake in Syarikat Takaful Malaysia Berhad ("STMB") to Abu Dhabi-Kuwait-Malaysia Strategic Investment Corporation ("ADKMSIC") and Islamic Arab Insurance Co. P.J.S.C. ("SALAMA") ("Proposed STMB Disposal").

Our subsidiary, STMB, had on 10 October 2007 and 20 November 2007, announced that it had obtained the approval from Bank Negara Malaysia ("BNM") to commence negotiations with ADKMSIC and SALAMA respectively. As announced on 9 December 2008 and 12 December 2008, all discussions and negotiations with SALAMA and STMB for the purchase of a strategic stake in STMB has officially ceased as STMB was not agreeable with the terms and conditions as proposed by SALAMA. The negotiations with ADKMSIC as announced by BHB on 19 June 2008, are still ongoing. Any further development on the proposed STMB disposal will be announced in due course.

B9 DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES

	Group	
	Unaudited	Audited
	30-Jun-09	30-Jun-08
	RM '000	RM '000
Deposits from customers		
Mudharabah accounts deposits and negotiable instruments of deposits		
One year or less (short-term)	14,932,424	10,524,530
More than one year (medium/long-term)	1,511,812	2,227,231
	16,444,236	12,751,761
Current accounts	6,337,672	5,842,720
Savings accounts	2,032,461	1,899,962
Others	62,744	41,464
Total deposits	24,877,113	20,535,907
Deposits and placements of banks and other financial institutions		
One year or less (short-term)	8,078	58,443
	8,078	58,443

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					Margin Requirement
	30-Jun-09	up to 1 mth	>1-3 mths	>3-6 mths	>6-12 mths	
	Principal Amount					
Foreign exchange related contracts						
- forwards	349,323	133,016	161,822	54,485	-	NA
- swaps	777,349	550,566	179,518	47,265	-	NA
- option	328,979	328,979	-	-	-	NA
Total	1,455,651	1,012,561	341,340	101,750	-	-

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 June 2009, the amount of contracts which were not hedged and, hence, exposed to market risk was RM313.42 million. (30 June 2008: RM295.72 million).

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 June 2009, the credit risk measured in terms of the cost to replace the profitable contracts was RM36.36 million (30 June 2008: RM17.33 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		Cumulative Year to date	
	3 months ended		12 months ended	
	Unaudited	Audited	Unaudited	Audited
	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
	RM'000	RM'000	RM'000	RM'000
Net Operating profit after zakat & tax (NOPAT)				
Profit before zakat and taxation (PBZT)	116,863	73,004	299,344	379,615
Zakat & Taxation	(53,275)	80,168	(90,853)	54,167
NOPAT	63,588	153,172	208,491	433,782
Economic charge computation:				
Average invested capital	1,521,453	1,141,116	1,521,453	1,141,116
(includes minority interest less gain on disposal of interest in subsidiary)				
Weighted Average Cost of Capital (WACC) at 7.9 per cent per annum	7.90%	8.50%	7.90%	8.50%
(WACC as at 30 June 2008: 8.5% per annum)				
Economic charge	29,966	24,182	120,195	96,995
Economic profit	33,622	128,990	88,296	336,787

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) On 10 August 1998, Bank Islam together with syndication members led by AmInvestment Bank Berhad (formerly known as AmMerchant Bank Berhad) (collectively "the Plaintiffs") filed a civil suit claim against Silver Concept Sdn. Bhd. ("the Defendant") to recover the outstanding financing facilities amounting to RM196,289,470.96 (the sum owing to Bank Islam is RM59,364,621.68). The financing facilities were secured by 34 properties. An order for sale in respect of 17 of the properties held under Registry Title was granted on 30 June 2006. However, the Defendant had entered into Sale and Purchase Agreement dated 12 June 2007 with a third party for the sale of the said 17 properties and on 9 May 2008, the balance purchase price was distributed among the Plaintiffs where Bank Islam received RM12,744,868.98. Consequentially, the Plaintiffs agreed to withdraw the foreclosure action against the Defendant.

The Plaintiffs are proceeding with a civil action against the Defendant for recovering the shortfall. The Court has allowed the Plaintiffs' claim and the Defendant has filed an appeal against such ruling. The Court has yet to fix a date for the appeal. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.

- (b) On 9 September 1998, Bank Islam together with syndication members filed a civil suit against M.K. Associates Sdn Bhd ("the First Defendant") and Sateras Resources (Malaysia) Berhad ("the Guarantor") to recover the outstanding financing facilities amounting to RM29,228,765. A summary judgment against the First Defendant and the Guarantor was obtained on 5 January 1999. Bank Islam filed the proof of debt at the Insolvency Department in July 2006 but it was rejected in view of the First Defendant's appeal on a winding up order granted to Lembaga Hasil Dalam Negeri 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 First Defendant and M.K. Golf Sdn Bhd ("the Third Party Chargor"). An order for sale over the First 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 apartment units built on the First Defendant's properties have been sold and redeemed and also due to the difficulties in identifying other assets of the First Defendant.

An 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. a golf course have been unsuccessful. In January 2009, Bank Islam had identified a potential buyer to buy the golf course. Bank Islam plans to sell the golf course via auction procedure at a reserve price of RM28 million. Bank Islam's solicitors had in February 2009 filed a summons for directions to obtain the next auction date at the High Court of Shah Alam and the Court has yet to fix any date.

- (c) On 29 April 2002, Ariffin Dato' Hussein ("the Plaintiff") filed a civil suit against Bank Islam to claim for general damages amounting to RM18.2 million for libel arising from a publication of a proclamation of sale made after the Plaintiff had settled his outstanding financing facility. Bank Islam has named its documentation solicitors ("the Third Party") as a party to such civil suit on the basis of their indemnity for negligence. On 3 March 2009, the Court held that Bank Islam was liable for the libel but the general damages was limited to the amount of RM10,000 which such amount together with the costs were to be paid by the Third Party.
- (d) On 17 May 2003, Tahan Steel Corporation Sdn Bhd ("the Plaintiff") filed a civil suit against Bank Islam to claim for damages amounting to USD12,275,000 for breach of contract and RM109,776,000 for general damages for failure to disburse the balance of a financing facility granted by Bank Islam to the Plaintiff. Bank Islam had filed a counterclaim to recover the amount of RM143,590,488.09 from the Plaintiff being the outstanding financing facility amount. After reading the submission submitted by Bank Islam's solicitors, it appears that the Court held that the Istisna' transaction entered into between Bank Islam and the Plaintiff as the underlying transaction for the said financing facility is void. However, Bank Islam's solicitors informed that such decision was only a draft, inadvertently given by the secretary of the judge presiding over the civil suit. This matter has been fixed for trial from 14 September 2009 until 29 September 2009.

Pending the trial, the Plaintiff informed Bank Islam that it has secured facility from another financial institution, the proceeds of which shall be partly utilised for the settlement of the financing facility granted by Bank Islam. As at August 2009, the facility is pending execution of document.

- (e) On 16 October 2003, Estate & Forestry Consulting Management Sdn. Bhd. ("the Plaintiff") filed a civil suit against Bank Islam to claim for general damages amounting to 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 proposed sale of Razimco Sdn Bhd ("Razimco") to the Plaintiff did not materialise due to the legal action taken by Bank Islam against Razimco. On last trial date, the case was adjourned and the Court has yet to fix any new date. Bank Islam's solicitors are of the opinion that Bank Islam will prevail in this matter.
- (f) On 27 January 2004, Bank Islam filed a civil suit against ECT Industries Sdn Bhd ("the Defendant") and its guarantors to recover the outstanding financing facilities amounting to RM14,143,306.75. All the guarantors were declared bankrupt on 16 March 2006 and Bank Islam's solicitors had filed the proof of debt on 19 April 2006. The Defendant has been wound up by another party and the Court had granted Bank Islam an order to intervene on 11 November 2007.

The auction held in respect of the two (2) pieces of land charged under the financing facility on 12 March 2009 was successful. In respect of the third piece of land, Order for Sale was granted on 17 July 2009 and the matter is pending valuation report.

B12 MATERIAL LITIGATION, continued

- (g) On 29 January 2004, Bank Islam filed a civil suit against Duta Nilai Development Sdn Bhd ("the Defendant") and its guarantors to recover the outstanding financing facilities amounting to RM40,901,048.88. The Defendant was wound up on 17 January 2005 by another party and Bank Islam has filed the proof of debt. The assets of the Defendant are now being administered by an official receiver. On 23 June 2005, a summary judgment against the guarantors was obtained. In February 2009, a bankruptcy notice was served on the guarantors and Bank Islam's solicitors are in the midst of filing the bankruptcy petition against the guarantors.
- (h) On 30 January 2004, Bank Islam commenced a foreclosure proceeding to recover the amount of USD2,689,985 against the security pledged by Datuk Dr. Abdul Aziz bin Muhammad as the third party chargor in respect of financing facilities granted to Quantum Holdings (L) Ltd. The Court has yet to fix any new date for hearing. Bank Islam's solicitors are of the view that the foreclosure proceeding will be successful and that an order for sale will be granted.
- (i) On 9 February 2004, Bank Islam filed a civil suit against PC Auto Blast Sdn Bhd, Jaya Raj a/l A. Mariadas and Johnson a/l Mariadas (collectively "the Defendants") and a foreclosure action to recover the outstanding financing facilities amounting to RM13,125,946.46. However, the Defendants have filed a counterclaim seeking declarations and damages. Amongst others, the Defendants are seeking for declarations that the agreements executed pursuant to the financing facilities are null and void for non-compliance with the Shariah principles and damages amounting to RM656,326.29. This counterclaim action has been fixed for mention on 10 September 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 as regards to properties charged under the financing facilities. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.

- (j) On 17 February 2004, Bank Islam filed a civil suit against Enten Oil Industries Sdn Bhd (formerly known as KLLT Oil Industries Sdn Bhd), Ariffin Rahmat and Eng Weng Long ("First Defendant", "Second Defendant" and "Third Defendant" respectively, and collectively "the Defendants") to recover the outstanding financing facilities amounting to RM27,056,183.66. A Judgment in default was obtained against the Defendants on 11 June 2004. Bank Islam has filed bankruptcy notice against the Second Defendant and the Third Defendant. The case was fixed for mention on 05 June 2009. The hearing of the winding up petition against the First Defendant was fixed on 13 June 2009.

An order for sale for the two (2) properties charged to Bank Islam under the financing facilities was granted on 11 January 2005. However, the Court granted stay of execution against the first property on 16 July 2007. The second application for stay of execution in respect of the second property has been fixed for mention on 11 August 2009 to enable Bank Islam 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 civil suit against Bank Islam for the withdrawal and cancellation of financing facilities offered by Bank Islam to the Plaintiff, claiming inter-alia, special damages amounting to RM5,491,849.55 and general damages amounting to RM7,559,675 together with interests. The trial was held on 23 June 2009 and the Court has dismissed the Plaintiff's claim with costs.
- (l) In March 2005, Bank Islam filed a civil suit against Zeron Sdn Bhd ("the Defendant") and its guarantors for the balance of the outstanding sale price under the Asset Sale Agreement amounting to RM21,359,584.87 and the amount released to Pengurusan Danaharta Nasional Berhad pursuant to the Guarantee Agreement amounting to RM10,500,000. Bank Islam has obtained an order for sale of the two (2) properties charged to Bank Islam. Bank Islam has successfully auctioned the said properties with the amount of RM18 million. Bank Islam shall file proof of debt for the shortfall.
- (m) On 7 March 2005, Bank Islam filed a civil suit against Commerce Resources Inc., Dato' Kamaruddin @ Kamaluddin bin Awang and Datuk Hiew Ming Yong ("First Defendant", "Second Defendant" and "Third Defendant" respectively, and collectively "the Defendants") to claim the outstanding financing facilities amounting to USD2,720,036. A judgment in default has been obtained against the Defendants. Bank Islam's solicitors have filed a 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 judgment in default. Pursuant to the advice by Bank Islam's solicitors, Bank Islam has discontinued the civil suit against the Second Defendant. The Third Defendant has been adjudged a bankrupt and Bank Islam's solicitors have accordingly filed the proof of debt.
- (n) On 22 March 2005, Bank Islam filed a civil suit against Commerce Trading Inc, Dato' Kamaruddin @ Kamaluddin bin Awang and Datuk Hiew Ming Yong ("First Defendant", "Second Defendant" and "Third Defendant" respectively, and collectively "the Defendants") to claim the outstanding financing facilities amounting to USD5,503,040. A judgment in default has been obtained against the First Defendant and the Second Defendant. A winding up petition against the First Defendant was filed on 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 Bank Islam's solicitors, Bank Islam has discontinued the civil suit against the Second Defendant.

B12 MATERIAL LITIGATION, continued

- (o) On 30 March 2005, Bank Islam filed a civil suit against Lityan (L) Inc. and Lityan Holdings Berhad ("First Defendant" and "Second Defendant" respectively, and collectively "the Defendants") to recover the outstanding financing facilities amounting to USD15,000,000 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 2009. However, there was a proposal by Lityan Holding Berhad on its Proposed Debt Restructuring Scheme to make a full and final settlement for the financing facilities under Lityan (L) Inc. via share settlement. The Proposed Debt Restructuring Scheme ("Scheme") by Lityan Holdings Berhad was approved by the Securities Commission (SC) on 28 May 2009. The Scheme is pending further discussion between the parties.
- (p) On 12 May 2005, Bank Islam filed a civil suit against Cartel Vista Sdn Bhd, Razmi Alias, Charles Clement Kilroy Augustin, Rafidah Mahayuddin and Rohaizan Ghazali ("First Defendant", "Second Defendant", "Third Defendant", "Fourth Defendant" and "Fifth Defendant" respectively, and collectively "the Defendants") to recover the outstanding financing facilities amounting to RM15,555,808.54. A judgment in default against the First Defendant and the Fifth defendant was obtained on 21 September 2005. The Court granted a summary judgment against the Second Defendant, the Third Defendant and the Fourth Defendant in June 2007.
- Meanwhile, a piece of land charged pursuant to the financing facilities has been sold during an auction for a sale price of RM12,430,000. Bank Islam is in the midst of negotiation with the Defendants for the settlement of the remaining balance of the amount claimed.
- (q) On 24 May 2007, Bank Islam filed a civil suit against Tan Sri Abdul Khalid Ibrahim ("the Defendant") to recover the outstanding financing facilities amounting to USD18,251,806.13. The Court allowed the Bank's summary judgment application under Order 14 of the High Court Rule. The Defendant's counsel informed the Court that he would be filing an appeal to the Court of Appeal and filing stay of execution. The judge fixed the hearing for an application for stay execution pending appeal on 16 September 2009. 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 (collectively "the Plaintiffs") filed a civil suit against Bank Islam claiming damages amounting to RM25 million. The Plaintiffs also sought declarations, among others, that Bank Islam has breached the terms of the financing facility by freezing their accounts. On 11 August 2009, both parties agreed to record a consent judgment with settlement arrangement in which the plaintiffs are liable to pay the whole outstanding of RM25 million should they failed to pay RM18 million by June 2010. 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 against Linear Profile Sdn Bhd ("the Defendant") and OCB Berhad ("the Guarantor") claiming 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 and damages amounting to RM1,092,790.41. This case has been fixed for hearing from 9 until 10 September 2009. 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 civil suit against Bank Islam claiming, among others, loss of profit of RM43.2 million and fixed deposit of RM250,000 not released by Bank Islam. In October 2007, the application for summary judgment by the Plaintiff was struck out by the Court with costs. The Plaintiff had appealed against the said decision and the Court has 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 civil suit against Bank Islam claiming the sum of RM11,385,600. The Court has yet to fix a decision for summary judgement. 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 against Bank Islam for recalling a Bai' Bithaman Ajil facility and cancelling an Istisna' facility granted to the Plaintiff. The Plaintiff is claiming for special damages of RM5,558,559.17, punitive damages of RM100,000,000 and exemplary damages of RM100,000,000 together with cost. The Court has fixed a date for mention on 16 August 2009. Bank Islam's solicitors are of the view that Bank Islam has a fair chance to succeed in defending this matter.
- (w) On 25 June 2007, Datuk Zamzuri Abdul Ghafar ("the Plaintiff") filed a civil suit against Bank Islam Trust Company (Labuan) Ltd (formerly known as BIMB Trust Ltd) Aimi Zulhazmi Abd. Rashid and Khariman Abdul Jalil ("First Defendant", "Second Defendant" and "Third Defendant" respectively, and collectively "the Defendants") claiming the sum of RM1,660,400 and cost being payment to Buckingham Consultant League Sdn Bhd ("BCLSB"). The Plaintiff alleged that the Defendants had induced him into paying the same to BCLSB for the procurement of an offshore loan amounting to USD10 million based on fraudulent or misrepresentation made by the Second Defendant and the Third Defendant who were the employees of the First Defendant. The Court has fixed the dates for trial on 7 September 2009.
- (x) On 10 October 2007, Tegas Baiduri Sdn Bhd ("the Plaintiff") filed a civil suit against Bank Islam Trust Company (Labuan) Ltd (formerly known as BIMB Trust Ltd), Dr. Aimi Zulhazmi Abd. Rashid and Khariman Abdul Jalil ("First Defendant", "Second Defendant" and "Third Defendant" respectively, and collectively "the Defendants") claiming the sum of RM164,900 and cost being payment of RM144,000 to Buckingham Consultant League Sdn Bhd ("BCLSB") and RM20,900 to the First Defendant. The Plaintiff alleged that the Defendants had induced him into paying the same to BCLSB for the procurement of an offshore loan of USD28,887,511 based on fraudulent or misrepresentation made by the Second Defendant and the Third Defendant who were the employees of the First Defendant. The Court has fixed the dates for clarification on 8 September 2009.

B12 MATERIAL LITIGATION, continued

- (y) On 27 August 2007, Bank Islam filed a civil suit against four (4) senior management staff of the then Bank Islam Labuan Ltd (“BILL”) (“the Defendants”) claiming an amount of USD8,586,483 being the outstanding financing facilities granted by BILL to certain 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 is claiming that the Defendants have acted contrary to the interest of BILL and was in breach of their statutory duties, common law duty of care and skill and express and/or implied contractual duties.

The matter has been fixed for case management on 3 September 2009. The first and the second defendants are no longer in Bank Islam’s employment. Bank Islam has commenced internal disciplinary proceedings against the third and the fourth defendants and pursuant thereto Bank Islam has terminated their employment.

B13 CONTINGENT LIABILITIES

Prior to the amendments of Section 60AA of the Income Tax Act 1967 (Section 60AA), our subsidiary, STMB 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.

STMB has presented the issue on non-deductibility of capital allowances to the Ministry of Finance (MOF) on 30 March 2009. The MOF has agreed to review the tax issue and thereafter, will advise STMB accordingly. No provision has been made by STMB for the potential tax liabilities on non deductibility of the capital allowances for the previous and current years pending the outcome of the said review. The potential tax exposure to STMB assuming that the deduction of capital allowances in Shareholders’ Fund is rejected by the MOF is approximately RM18.0 million. In addition, STMB would have to reverse its current balance of deferred tax asset which is in relation to unabsorbed capital allowances brought forward by approximately RM5.7 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		12 months ended	
	Unaudited 30-Jun-09 RM '000	Audited 30-Jun-08 RM '000	Unaudited 30-Jun-09 RM '000	Audited 30-Jun-08 RM '000
Net profit/(loss) for the quarter attributable to equity holders of the parent	34,840	83,403	113,678	236,198
Number of ordinary shares	1,066,790	891,390	1,066,790	891,390
Number of average ordinary shares	895,715	891,390	895,715	891,390
Basic earnings per share attributable to equity holders of the parent (sen)	3.89	9.36	12.69	26.50

By Order of the Board

SAIFUL NIZAM YASIN (LS 08955)
Company Secretary
August 28, 2009