

**BIMB HOLDINGS BERHAD (423858-X)**

(Incorporated in Malaysia)

**Condensed Consolidated Income Statement  
For the Three Months Period Ended 30 September 2009**

	Note	Individual Quarter 3 months ended		Cumulative Year to date 3 months ended	
		30 September 2009 RM'000 Unaudited	30 September 2008 RM'000 Unaudited	30 September 2009 RM'000 Unaudited	30 September 2008 RM'000 Unaudited
Income derived from investment of depositors' fund	A15	278,521	243,291	278,521	243,291
Income derived from investment of shareholders' fund	A16	121,898	141,575	121,898	141,575
Allowance for losses on financing	A17	(49,951)	(18,294)	(49,951)	(18,294)
Impairment losses		-	-	-	-
Profit equalisation reserve		6,021	(16)	6,021	(16)
Other expenses directly attributable to the investment of the depositors' and shareholders' funds		(4,892)	(3,222)	(4,892)	(3,222)
<b>Total distributable income</b>		<b>351,597</b>	<b>363,334</b>	<b>351,597</b>	<b>363,334</b>
Income attributable to depositors	A18	(96,710)	(112,458)	(96,710)	(112,458)
<b>Total net income</b>		<b>254,887</b>	<b>250,876</b>	<b>254,887</b>	<b>250,876</b>
Personnel expenses		(76,703)	(82,371)	(76,703)	(82,371)
Other overhead expenses		(66,822)	(65,965)	(66,822)	(65,965)
Depreciation		(11,783)	(9,100)	(11,783)	(9,100)
<b>Operating profit</b>		<b>99,579</b>	<b>93,440</b>	<b>99,579</b>	<b>93,440</b>
Share in the results of associated companies		-	-	-	-
<b>Profit before zakat and taxation</b>		<b>99,579</b>	<b>93,440</b>	<b>99,579</b>	<b>93,440</b>
Zakat		(2,192)	(2,515)	(2,192)	(2,515)
Tax expense	B5	(26,971)	(3,238)	(26,971)	(3,238)
<b>Profit for the period</b>		<b>70,416</b>	<b>87,687</b>	<b>70,416</b>	<b>87,687</b>
<b>Attributable to:</b>					
Shareholders of the Company		38,296	51,071	38,296	51,071
Minority Interests		32,120	36,616	32,120	36,616
<b>Profit for the period</b>		<b>70,416</b>	<b>87,687</b>	<b>70,416</b>	<b>87,687</b>
<b>Earnings Per Share - basic (sen)</b>	B14	<b>3.59</b>	<b>5.73</b>	<b>3.59</b>	<b>5.73</b>

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

**Condensed Consolidated Balance Sheet as at 30 September 2009**

	Note	As at September 30, 2009 RM'000 Unaudited	As at September 30, 2008 RM'000 Unaudited
<b>ASSETS</b>			
Cash and short term funds		3,486,284	6,372,836
Deposits and placements with financial institutions		864,993	40,808
Securities:			
- Held for trading	A8	585,364	50,727
- Held-to-maturity	A9	154,072	168,481
- Available-for-sale	A10	10,838,442	4,421,596
Financing, advances and others	A11	10,152,169	9,175,420
Deferred tax assets		67,479	105,785
Assets held for sale		1,467	42,631
Other assets		217,770	264,868
Current tax assets		14,771	11,953
Investment in associates		149	149
Statutory deposit with Bank Negara Malaysia		-	441,824
Property, plant and equipment		158,672	180,133
Prepaid lease payments		24,835	24,870
General Takaful and Family Takaful assets		4,047,819	3,775,677
<b>Total assets</b>		<b>30,614,286</b>	<b>25,077,758</b>
<b>LIABILITIES, EQUITY &amp; TAKAFUL FUNDS</b>			
<b>Liabilities</b>			
Deposits from customers	A13	22,566,368	18,298,187
Deposits and placements of banks and other financial institutions	A14	406,648	64,353
Bills and acceptances payable		610,671	503,303
Other liabilities		410,091	370,525
Liabilities held for sale		-	2,539
Provision for zakat and taxation		36,902	17,883
General Takaful and Family Takaful liabilities		515,445	530,307
General Takaful and Family Takaful participants' funds		3,532,374	3,245,370
<b>Total liabilities</b>		<b>28,078,499</b>	<b>23,032,467</b>
<b>Equity</b>			
Share capital		1,066,790	891,390
Reserves		269,588	173,287
<b>Total equity attributable to shareholders of the Company</b>		<b>1,336,378</b>	<b>1,064,677</b>
Minority interests		1,199,409	980,614
<b>Total equity</b>		<b>2,535,787</b>	<b>2,045,291</b>
<b>Total equity and liabilities</b>		<b>30,614,286</b>	<b>25,077,758</b>
<b>COMMITMENTS AND CONTINGENCIES</b>			
Net assets per share attributable to ordinary equity holders of the parent (RM)	A24	<b>1.25</b>	<b>1.19</b>

**BIMB HOLDINGS BERHAD (423858-X)**

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity  
For the Three Months Period Ended 30 September 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				
<b>Unaudited</b>											
<b>At 1 July 2008</b>		891,390	602,978	367,154	24,395	638,370	(40,219)	(1,478,784)	1,005,284	934,035	1,939,319
Net gain not recognised in the income statement:											
- Foreign exchange translation differences		-	-	-	(6,977)	-	-	-	(6,977)	(6,095)	(13,072)
- Unrealised net gain/(loss) on revaluation of securities available-for-sale		-	-	-	-	-	15,299	-	15,299	14,925	30,224
Net profit for the period		-	-	-	-	-	-	51,071	51,071	36,616	87,687
Subscription of shares held by minority interests of a subsidiary		-	-	-	-	-	-	-	-	1,133	1,133
<b>At 30 September 2008</b>		<u>891,390</u>	<u>602,978</u>	<u>367,154</u>	<u>17,418</u>	<u>638,370</u>	<u>(24,920)</u>	<u>(1,427,713)</u>	<u>1,064,677</u>	<u>980,614</u>	<u>2,045,291</u>
<b>Unaudited</b>											
<b>At 1 July 2009</b>		1,066,790	602,978	408,109	13,983	638,370	(2,576)	(1,455,121)	1,272,533	1,094,361	2,366,894
Net gain not recognised in the income statement:											
- Foreign exchange translation differences		-	-	-	4,294	-	-	-	4,294	4,126	8,420
- Unrealised net gain/(loss) on revaluation of securities available-for-sale		-	-	-	-	-	21,255	-	21,255	20,549	41,804
Net profit for the period		-	-	-	-	-	-	38,296	38,296	32,120	70,416
Transfer to statutory reserve		-	-	-	-	-	-	-	-	-	-
Convertible redeemable non-cumulative preference shares (CRNCPS) issued		-	-	-	-	-	-	-	-	48,600	48,600
Divestment of shares held by minority interests of a subsidiary		-	-	-	-	-	-	-	-	(347)	(347)
Dividends to shareholders	A7	-	-	-	-	-	-	-	-	-	-
<b>At 30 September 2009</b>		<u>1,066,790</u>	<u>602,978</u>	<u>408,109</u>	<u>18,277</u>	<u>638,370</u>	<u>18,679</u>	<u>(1,416,825)</u>	<u>1,336,378</u>	<u>1,199,409</u>	<u>2,535,787</u>

# BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

## Condensed Consolidated Cash Flow Statement, continued For the Three Months Period Ended 30 September 2009

	3 months 30 Sep. 2009 RM'000 Unaudited	3 months 30 Sep. 2008 RM'000 Unaudited
<b>Cash flows from operating activities</b>		
Profit before zakat and taxation	99,579	93,440
Adjustment for non-cash flow items:-		
Depreciation of property, plant and equipment	11,783	9,100
Amortisation of prepaid lease payment	105	311
(Reversal)/Allowance for doubtful debts	(66)	(15,063)
(Reversal)/Allowance for losses on financing	49,951	18,294
(Reversal)/Allowance for diminution in investments	(358)	35
Dividend income	(3,595)	(3,982)
Net loss/(gain) on sale of securities held-for-trading	226	58
Net gain on sale of securities available-for- sale	(5,020)	(882)
Accretion of discount less amortisation of premium	(19,349)	(12,985)
Operating profit/(loss) before working capital changes	133,256	88,326
Changes in working capital:		
Other receivables	(37,237)	(44,390)
Statutory deposits with Bank Negara Malaysia	139,729	(79,673)
Bills payable	327,459	(487,145)
Other payables	22,321	(10,149)
Financing of customers	(490,305)	(138,686)
Deposits from customers	(2,305,083)	(2,237,720)
Deposit and placements of banks and other financial institutions	398,570	5,910
Cash generated from/(used in) operation	(1,811,290)	(2,903,527)
Zakat and income taxes paid	(4,791)	(2,399)
<b>Net cash generated from/(used in) operating activities</b>	(1,816,081)	(2,905,926)

**BIMB HOLDINGS BERHAD (423858-X)**

(Incorporated in Malaysia)

**Condensed Consolidated Cash Flow Statement, continued  
For the Three Months Period Ended 30 September 2009**

	<b>3 months 30 Sep. 2009 RM'000 Unaudited</b>	<b>3 months 30 Sep. 2008 RM'000 Unaudited</b>
<b>Cash flows from investing activities</b>		
Dividend received from available-for-sale	67,852	29,043
Dividend received from held-for-trading	829	432
Dividend received from securities held-to-maturity	3,319	322
Net (purchase)/disposal of securities	<u>(2,484,935)</u>	<u>(911,453)</u>
<b>Net cash (used in)/generated from investing activities</b>	<u>(2,412,935)</u>	<u>(881,656)</u>
<b>Cash flows from financing activities</b>		
<b>Net increase/(decrease) in cash and cash equivalent</b>	(4,229,016)	(3,787,582)
<b>Foreign exchange differences</b>	7,167	7,005
<b>Cash and cash equivalents at the beginning of period</b>	8,573,126	10,194,221
<b>Cash and cash equivalents at the end of period</b>	<u>4,351,277</u>	<u>6,413,644</u>
<b>Cash and cash equivalents comprise:</b>		
Cash and short term funds	3,486,284	6,372,836
Deposits and placement with financial institutions	<u>864,993</u>	<u>40,808</u>
	<u>4,351,277</u>	<u>6,413,644</u>

**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**

BIMB Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements of the Group as at and for the three months period ended 30 September 2009 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interests in associates.

The consolidated financial statements of the Group as at and for the year ended 30 June 2009 are available upon request from the Company's registered office at Level 18, Menara Yayasan Tun Razak, 200, Jalan Bukit Bintang, 55100 Kuala Lumpur.

These condensed consolidated interim financial statements were approved by the Board of Directors on 23 November 2009.

**(i) Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and FRS 134, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2009.

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:

<b>FRSs/Interpretations</b>	<b>Effective date</b>
FRS 4, Insurance Contracts	1 January 2010
FRS 7, Financial Instruments: Disclosures	1 January 2010
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

In line with the announcement made on 26 October 2009 to change its accounting year end from 30 June 2010 to 31 December 2010, the Group and the Company plan to apply the other FRSs and Interpretations from the annual period beginning 1 January 2011.

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.

**(ii) Significant accounting policies**

With the exception of a change in accounting policy from FRS 114 Segment Reporting to FRS 8 Operating Segment as noted below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 30 June 2009.

As of 1 July 2009, the Group determines and presents operating segments based on the information that is internally provided to the Group Managing Director/Chief Executive Officer, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of FRS 8. Previously operating segments were determined and presented in accordance with FRS 114, Segment Reporting.

Comparative segment information has been represented. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per ordinary share.

**A2 AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 30 JUNE 2009**

The audited report on the financial statements of the preceding 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.

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

**A7 DIVIDENDS PAID**

Cumulative 3 months ended	
Unaudited 30-Sep-09 RM '000	Unaudited 30-Sep-08 RM '000
-	-

Ordinary

2009 - NIL, (2008 - NIL)

**A8 SECURITIES HELD-FOR-TRADING**

	Unaudited 30-Sep-09 RM '000	Unaudited 30-Sep-08 RM '000
<b>At fair value</b>		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Islamic Commercial Papers	106,035	11,900
Negotiable Islamic debt certificate	127,054	-
Bank Negara Negotiable Notes	344,252	-
	<u>577,341</u>	<u>11,900</u>
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Shares	8,023	38,827
	<u>585,364</u>	<u>50,727</u>

**At fair value**

Unquoted securities

*In Malaysia*

Islamic Commercial Papers  
Negotiable Islamic debt certificate  
Bank Negara Negotiable Notes

Quoted securities

*In Malaysia*

Shares

**Total securities held-for-trading**

**A9 SECURITIES HELD-TO-MATURITY**

	Unaudited 30-Sep-09 RM '000	Unaudited 30-Sep-08 RM '000
<b>At amortised cost</b>		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Islamic Debt Securities	166,359	183,954
<i>Outside Malaysia</i>		
Others	-	2,807
	<u>166,359</u>	<u>186,761</u>
Less: Impairment losses	(12,287)	(18,280)
<b>Total securities held-to-maturity</b>	<u>154,072</u>	<u>168,481</u>

**At amortised cost**

Unquoted securities

*In Malaysia*

Islamic Debt Securities

*Outside Malaysia*

Others

Less: Impairment losses

**Total securities held-to-maturity**

**A10 SECURITIES AVAILABLE-FOR-SALE**

	Unaudited 30-Sep-09 RM '000	Unaudited 30-Sep-08 RM '000
<b>At fair value</b>		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Malaysian Government Investment Issue	4,056,346	838,271
Unquoted shares	28,082	29,128
Promissory notes	5,108	5,604
Accepted bills	77,813	220,206
Negotiable Islamic Debt Certificate	2,179,439	691,586
Islamic Commercial Papers	387,854	392,092
Islamic Debt Securities	4,075,706	2,200,341
<i>Outside Malaysia</i>		
Islamic Development Bank unit trust	1,923	1,764
Unquoted shares	2,996	2,996
	<u>10,815,267</u>	<u>4,381,988</u>
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Unit trust	15,238	15,213
<i>Outside Malaysia</i>		
Bond	69,230	85,938
	<u>84,468</u>	<u>101,151</u>
Less:		
Impairment losses	(61,293)	(61,543)
<b>Total securities available-for-sale</b>	<u>10,838,442</u>	<u>4,421,596</u>

**A11 FINANCING, ADVANCES AND OTHERS**

**(i) By type**

	<b>Unaudited 30-Sep-09 RM '000</b>	<b>Unaudited 30-Sep-08 RM '000</b>
Cash line	172,910	182,760
Term financing		
House financing	7,467,940	6,144,575
Syndicated financing	78,979	107,339
Lease receivables	302,754	226,752
Bridging financing	341,468	238,538
Personal financing	2,600,742	2,539,428
Other term financing	4,442,361	3,945,607
Staff financing	299,816	309,751
Credit/charge cards	411,375	352,636
Trust receipt	149,884	194,329
Trade bills discounted	1,722,566	1,645,171
	<b>17,990,795</b>	<b>15,886,886</b>
Less: Unearned income	<b>(6,728,769)</b>	<b>(5,277,182)</b>
	<b>11,262,026</b>	<b>10,609,704</b>
Less: Allowance for bad and doubtful financing:		
General	(170,512)	(170,373)
Specific	(939,345)	(1,263,911)
<b>Total net financing, advances and others</b>	<b>10,152,169</b>	<b>9,175,420</b>

**(ii) By contract**

	<b>Unaudited 30-Sep-09 RM '000</b>	<b>Unaudited 30-Sep-08 RM '000</b>
Bai' Bithaman Ajil (deferred payment sale)	5,875,758	5,726,884
Bai'-Al-Inah	686,364	630,851
Ijarah (operating lease)	233,117	234,623
Ijarah Muntahia Bittamlik / AITAB (finance lease)	27,325	28,933
Mudharabah (profit sharing)	8,775	9,248
Murabahah (cost-plus)	1,859,471	1,826,593
Bai'-Al-Inah Cash Note	1,505,983	1,627,034
At-Tawarruq	498,728	-
Istisna'	566,505	512,663
Others	-	12,875
	<b>11,262,026</b>	<b>10,609,704</b>

**(iii) By type of customer**

	<b>Unaudited 30-Sep-09 RM '000</b>	<b>Unaudited 30-Sep-08 RM '000</b>
Domestic non-bank financial institutions	11,597	37,149
Domestic business enterprise	2,721,970	2,775,224
Small medium industries	822,382	919,719
Government and statutory bodies	256,787	105,233
Individuals	7,414,374	6,740,313
Other domestic entities	16,763	30,321
Foreign entities	18,153	1,745
	<b>11,262,026</b>	<b>10,609,704</b>

**(iv) By profit rate sensitivity**

	<b>Unaudited 30-Sep-09 RM '000</b>	<b>Unaudited 30-Sep-08 RM '000</b>
Fixed rate		
House financing	2,259,495	2,447,851
Others	7,750,880	7,328,715
Floating rate	1,251,651	833,138
	<b>11,262,026</b>	<b>10,609,704</b>



**A11 FINANCING, ADVANCES AND OTHERS, continued**

**(v) By economic purposes**

	<b>Unaudited 30-Sep-09 RM '000</b>	<b>Unaudited 30-Sep-08 RM '000</b>
Agriculture, hunting, forestry and fishing	100,526	115,803
Mining and quarrying	25,772	31,737
Manufacturing	918,365	1,473,632
Electricity, gas and water	76,430	88,243
Construction	505,762	573,265
Real estate	46,362	50,668
Purchase of landed property:		
- Residential	3,323,631	2,941,571
- Non-Residential	321,027	394,532
Wholesale and retail trade and restaurants and hotels	393,759	402,968
Transport, storage and communication	60,474	65,332
Finance, insurance and business services	51,174	59,155
Purchase of securities	155,085	161,028
Purchase of transport vehicles	1,491,174	1,504,245
Consumption credit	2,437,857	2,055,327
Community, social and personal services	39,435	54,035
Others	1,315,193	638,163
	<b>11,262,026</b>	<b>10,609,704</b>

**A12 NON-PERFORMING FINANCING**

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

	<b>Unaudited 30-Sep-09 RM '000</b>	<b>Unaudited 30-Sep-08 RM '000</b>
<b>At beginning</b>	1,360,449	1,949,904
Classified as non-performing	111,013	70,342
Reclassified as performing	(28,609)	(26,955)
Amount recovered	(38,627)	(58,984)
Amount written off	-	(2,262)
Exchange differences	(5,106)	25,757
<b>At end</b>	<b>1,399,120</b>	<b>1,957,802</b>
Less: - specific allowance	(939,345)	(1,263,911)
<b>Net non-performing financing, advances and others</b>	<b>459,775</b>	<b>693,891</b>
<b>Ratio of net non-performing financing, advances and others to total net financing, advances and others</b>	4.45%	7.42%

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

	<b>Unaudited 30-Sep-09 RM '000</b>	<b>Unaudited 30-Sep-08 RM '000</b>
<b><u>General allowance</u></b>		
<b>At beginning</b>	170,844	169,382
Exchange differences	(332)	991
<b>At end</b>	<b>170,512</b>	<b>170,373</b>
<b>As % of gross financing, advances and others less specific allowance</b>	1.65%	1.82%
<b><u>Specific allowance</u></b>		
<b>At beginning</b>	878,295	1,228,131
Allowance made	90,760	50,177
Amount recovered	(26,623)	(25,366)
Amount written off	-	(2,262)
Exchange differences	(3,087)	13,231
<b>At end</b>	<b>939,345</b>	<b>1,263,911</b>

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

**A12 NON-PERFORMING FINANCING, continued**  
**(iii) Non-performing financing by sector**

	Unaudited 30-Sep-09 RM '000	Unaudited 30-Sep-08 RM '000
Agriculture, hunting, forestry and fishing	36,139	51,155
Mining and quarrying	896	1,954
Manufacturing	289,765	504,714
Electricity, gas and water	73,949	82,583
Construction	363,195	398,225
Real estate	1,762	4,367
Purchase of landed property:		
- Residential	209,201	254,012
- Non-Residential	74,148	148,764
Wholesale and retail trade and restaurants and hotels	139,312	152,353
Transport, storage and communication	12,668	16,173
Finance, insurance and business services	1,424	615
Purchase of securities	6,417	68,922
Purchase of transport vehicles	39,951	66,328
Consumption credit	100,355	169,570
Community social and personal services	14,513	17,598
Others	35,425	20,469
	<b>1,399,120</b>	<b>1,957,802</b>

**A13 DEPOSITS FROM CUSTOMERS**

**(i) By type of deposit**

	Unaudited 30-Sep-09 RM '000	Unaudited 30-Sep-08 RM '000
<b>Non-Mudharabah Fund:</b>		
Demand deposits	5,639,979	5,568,693
Savings deposits	2,192,512	2,141,612
Negotiable Islamic Debt Certificate (NIDC)	4,776,503	4,771,167
Others	51,144	43,665
	<b>12,660,138</b>	<b>12,525,137</b>
<b>Mudharabah Fund:</b>		
Savings deposits	741,444	553,518
General investment deposits	2,736,411	2,392,266
Special investment deposits	6,428,140	2,827,031
Others	235	235
	<b>9,906,230</b>	<b>5,773,050</b>
<b>Total deposits from customers</b>	<b>22,566,368</b>	<b>18,298,187</b>

**(ii) By type of customer**

	Unaudited 30-Sep-09 RM '000	Unaudited 30-Sep-08 RM '000
Government and statutory bodies	3,626,045	3,330,921
Business enterprises	8,531,402	6,163,183
Individuals	7,700,202	4,604,976
Others	2,708,719	4,199,107
	<b>22,566,368</b>	<b>18,298,187</b>

**A14 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**

	Unaudited 30-Sep-09 RM '000	Unaudited 30-Sep-08 RM '000
<b>Mudharabah Fund:</b>		
Licensed banks	286,642	64,353
Other financial institutions	120,006	-
	<b>406,648</b>	<b>64,353</b>

**A15 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS**

	Individual Quarter 3 months ended		Cumulative Year to date 3 months ended	
	Unaudited 30-Sep-09	Unaudited 30-Sep-08	Unaudited 30-Sep-09	Unaudited 30-Sep-08
	RM '000	RM '000	RM '000	RM '000
Income derived from investment of:				
(i) General investment deposits	28,711	31,213	28,711	31,213
(ii) Other deposits	249,810	212,078	249,810	212,078
	<b>278,521</b>	<b>243,291</b>	<b>278,521</b>	<b>243,291</b>

**(i) Income derived from investment of general investment deposits**

	Individual Quarter 3 months ended		Cumulative Year to date 3 months ended	
	Unaudited 30-Sep-09	Unaudited 30-Sep-08	Unaudited 30-Sep-09	Unaudited 30-Sep-08
	RM '000	RM '000	RM '000	RM '000
<b>Financing income and hibah</b>				
Financing, advances and others	17,803	21,158	17,803	21,158
Held-for-trading	86	53	86	53
Held-to-maturity	321	30	321	30
Available-for-sale	5,410	2,369	5,410	2,369
Money at call and deposit with financial institutions	3,025	5,990	3,025	5,990
	<b>26,645</b>	<b>29,600</b>	<b>26,645</b>	<b>29,600</b>
Amortisation of premium less accretion of discounts	1,372	1,270	1,372	1,270
	<b>28,017</b>	<b>30,870</b>	<b>28,017</b>	<b>30,870</b>
<b>Other dealing income</b>				
Net gain / (loss) from sale of securities held-for-trading	(66)	28	(66)	28
Net gain / (loss) on revaluation of securities held-for-trading	257	206	257	206
	<b>191</b>	<b>234</b>	<b>191</b>	<b>234</b>
<b>Other operating income</b>				
Net gain / (loss) from sale of securities:				
Available-for-sale	395	109	395	109
Gross dividend income from securities:				
Unquoted in Malaysia	108	-	108	-
	<b>503</b>	<b>109</b>	<b>503</b>	<b>109</b>
	<b>28,711</b>	<b>31,213</b>	<b>28,711</b>	<b>31,213</b>

**(ii) Income derived from investment of other deposits**

	Individual Quarter 3 months ended		Cumulative Year to date 3 months ended	
	Unaudited 30-Sep-09	Unaudited 30-Sep-08	Unaudited 30-Sep-09	Unaudited 30-Sep-08
	RM '000	RM '000	RM '000	RM '000
<b>Financing income and hibah</b>				
Financing, advances and others	154,437	143,323	154,437	143,323
Held-for-trading	743	362	743	362
Held-to-maturity	2,998	203	2,998	203
Available-for-sale	46,996	16,204	46,996	16,204
Money at call and deposit with financial institutions	26,560	40,807	26,560	40,807
	<b>231,734</b>	<b>200,899</b>	<b>231,734</b>	<b>200,899</b>
Amortisation of premium less accretion of discounts	11,897	8,747	11,897	8,747
	<b>243,631</b>	<b>209,646</b>	<b>243,631</b>	<b>209,646</b>
<b>Other dealing income</b>				
Net gain / (loss) from sale of securities held-for-trading	(590)	197	(590)	197
Net gain / (loss) on revaluation of securities held-for-trading	2,236	1,462	2,236	1,462
	<b>1,646</b>	<b>1,659</b>	<b>1,646</b>	<b>1,659</b>
<b>Other operating income</b>				
Net gain / (loss) from sale of securities:				
Available-for-sale	3,631	773	3,631	773
Gross dividend income from securities:				
Unquoted in Malaysia	902	-	902	-
	<b>4,533</b>	<b>773</b>	<b>4,533</b>	<b>773</b>
	<b>249,810</b>	<b>212,078</b>	<b>249,810</b>	<b>212,078</b>

**A16 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS**

	Individual Quarter		Cumulative Year to date	
	3 months ended		3 months ended	
	Unaudited 30-Sep-09 RM '000	Unaudited 30-Sep-08 RM '000	Unaudited 30-Sep-09 RM '000	Unaudited 30-Sep-08 RM '000
<b>Financing income and hibah</b>				
Financing, advances and others	866	777	866	777
Held-for-trading	-	17	-	17
Held-to-maturity	-	89	-	89
Available-for-sale	15,446	10,470	15,446	10,470
Money at call and deposit with financial institutions	869	27,644	869	27,644
	<b>17,181</b>	<b>38,997</b>	<b>17,181</b>	<b>38,997</b>
Amortisation of premium less accretion of discounts	6,080	2,968	6,080	2,968
	<b>23,261</b>	<b>41,965</b>	<b>23,261</b>	<b>41,965</b>
<b>Other dealing income</b>				
Net gain / (loss) from foreign exchange transactions	6,686	6,759	6,686	6,759
Net gain / (loss) from sale of securities held-for-trading	430	(283)	430	(283)
	<b>7,116</b>	<b>6,476</b>	<b>7,116</b>	<b>6,476</b>
<b>Other operating income</b>				
Net gain / (loss) from sale of securities:				
Available-for-sale	994	-	994	-
Unrealised forex gain/(loss) on cash balance	-	150	-	150
Profit on sale of foreign currencies	481	97	481	97
Reversal/(allowance) for diminution in value of investment	358	(35)	358	(35)
Reversal of allowance for doubtful debts	66	15,063	66	15,063
Profit from general takaful and family takaful funds attributable - to the Group	42,302	22,241	42,302	22,241
Gross dividend income from securities:				
Quoted in Malaysia	280	171	280	171
Unit trust in Malaysia	648	120	648	120
Unit trust outside Malaysia	-	63	-	63
Unquoted in Malaysia	2,667	3,628	2,667	3,628
	<b>47,796</b>	<b>41,498</b>	<b>47,796</b>	<b>41,498</b>
<b>Fees and commission</b>				
ATM fees	3,937	3,194	3,937	3,194
Financing fees	3,492	10,479	3,492	10,479
Cheque issued & return, closing account and other fees	1,272	180	1,272	180
Takaful service fees and commission	2,066	818	2,066	818
Credit card fees and commission	5,422	3,639	5,422	3,639
Processing fees	38	56	38	56
Commission on MEPS	1,135	1,030	1,135	1,030
Management fee	311	320	311	320
Corporate advisory fees	3,063	238	3,063	238
Investment income	2,601	1,307	2,601	1,307
Wakalah fees	16,057	9,987	16,057	9,987
Other service charges fees	3,995	3,428	3,995	3,428
	<b>43,389</b>	<b>34,676</b>	<b>43,389</b>	<b>34,676</b>
<b>Other income</b>				
Net gain/(loss) on disposal of property, plant & equipment	7	500	7	500
Others	329	16,460	329	16,460
	<b>336</b>	<b>16,960</b>	<b>336</b>	<b>16,960</b>
	<b>121,898</b>	<b>141,575</b>	<b>121,898</b>	<b>141,575</b>

**A17 ALLOWANCE FOR LOSSES ON FINANCING**

	Individual Quarter		Cumulative Year to date	
	3 months ended		3 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	30-Sep-09	30-Sep-08	30-Sep-09	30-Sep-08
	RM '000	RM '000	RM '000	RM '000
Allowance for bad and doubtful financing:				
- Specific allowance				
- Made in the financial year	90,760	50,177	90,760	50,177
- Written back	(26,623)	(25,366)	(26,623)	(25,366)
- Bad debts and financing:				
- Recovered	(14,186)	(6,517)	(14,186)	(6,517)
	<b>49,951</b>	<b>18,294</b>	<b>49,951</b>	<b>18,294</b>

**A18 INCOME ATTRIBUTABLE TO DEPOSITORS**

	Individual Quarter		Cumulative Year to date	
	3 months ended		3 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	30-Sep-09	30-Sep-08	30-Sep-09	30-Sep-08
	RM '000	RM '000	RM '000	RM '000
Deposits from customers:				
- Mudharabah fund	48,421	48,023	48,421	48,023
- Non-Mudharabah fund	45,333	63,644	45,333	63,644
Deposits and placements of banks and other financial institutions:				
- Mudharabah fund	2,956	791	2,956	791
	<b>96,710</b>	<b>112,458</b>	<b>96,710</b>	<b>112,458</b>

**A19 CAPITAL ADEQUACY**

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

	Unaudited	Unaudited
	30-Sep-09	30-Sep-08
	RM '000	RM '000
<b>Tier-I capital:</b>		
Paid-up share capital	1,725,490	1,725,490
Paid-up Convertible Redeemable Non-Cumulative Preference Shares (CRNCPS)	324,000	-
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)
<b>Total Tier-I capital</b>	<b>1,767,612</b>	<b>1,257,114</b>
<b>Tier-II capital:</b>		
Redeemable subordinated mudharabah	-	40,000
General allowance for bad and doubtful financing	170,512	170,373
<b>Total Tier-II capital</b>	<b>170,512</b>	<b>210,373</b>
<b>Total capital base</b>	<b>1,938,124</b>	<b>1,467,487</b>
Core capital ratio	14.15%	10.63%
Risk-weighted capital ratio	15.52%	12.40%
Core capital ratio net of proposed dividends	14.15%	10.63%
Risk-weighted capital ratio net of proposed dividend	15.52%	12.40%

**A20 OPERATING SEGMENT INFORMATION**

The Group comprises the following main operating segments:

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

**(i) Information about reportable segments**

	3 months ended				Total 30-Sep-09 RM'000
	Banking	Takaful	Others	Elimination	
	30-Sep-09 RM'000	30-Sep-09 RM'000	30-Sep-09 RM'000		
<b>Current Year-to-Date</b>					
Revenue from external customers	335,094	63,720	1,605	-	400,419
Inter-segment revenue	4	332	1,487	(1,823)	-
<b>Total revenue</b>	<b>335,098</b>	<b>64,052</b>	<b>3,092</b>	<b>(1,823)</b>	<b>400,419</b>
Net income from operations (before allowance for losses on financing)	238,816	64,052	3,092	(1,122)	304,838
Operating overhead	(113,989)	(38,971)	(3,108)	760	(155,308)
Operating profit/(loss)	124,827	25,081	(16)	(362)	149,530
Allowance for losses on financing and advances	(49,951)	-	-	-	(49,951)
<b>Profit/(Loss) before zakat and taxation</b>	<b>74,876</b>	<b>25,081</b>	<b>(16)</b>	<b>(362)</b>	<b>99,579</b>
Segment assets	26,042,552	4,514,892	1,841,731	(1,784,889)	30,614,286

	3 months ended				Total 30-Sep-08 RM'000
	Banking	Takaful	Others	Elimination	
	30-Sep-08 RM'000	30-Sep-08 RM'000	30-Sep-08 RM'000		
<b>Previous Comparative Year-to-Date</b>					
<b>Banking operations:</b>					
Revenue from external customers	323,425	45,332	16,109	-	384,866
Inter-segment revenue	11	592	2,216	(2,819)	-
<b>Total revenue</b>	<b>323,436</b>	<b>45,924</b>	<b>18,325</b>	<b>(2,819)</b>	<b>384,866</b>
Net income from operations (before allowance for losses on financing)	206,462	45,924	18,325	(1,541)	269,170
Operating overhead	(111,609)	(43,370)	(4,716)	2259	(157,436)
Operating profit/(loss)	94,853	2,554	13,609	718	111,734
Allowance for losses on financing and advances	(18,294)	-	-	-	(18,294)
<b>Profit/(Loss) before zakat and taxation</b>	<b>76,559</b>	<b>2,554</b>	<b>13,609</b>	<b>718</b>	<b>93,440</b>
Segment assets	20,866,595	4,174,098	1,685,541	(1,648,476)	25,077,758

Performance is now measured based on segment profit/(loss) before zakat and taxation, as included in the internal management reports that are reviewed by the Group Managing Director/Chief Executive Officer. Segment profit/(loss) before zakat and taxation is used to measure performance as management believes that such information is the most relevant in evaluating segmental results relative to other entities that operate within these industries. In the preceding annual financial statements, performance was measured based on segmental results from operating activities and included items directly attributable to a segment as well as those that could be allocated on a reasonable basis.

**A21 VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

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

**A22 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD**

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

**A23 CHANGES IN COMPOSITION OF THE GROUP**

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

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

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

Risk Weighted Exposures arising from the commitments and contingencies of this subsidiary as at 30 September 2009 are as follow:

	Unaudited 30 September 2009			Unaudited 30 September 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	600,840	600,840	504,638	520,274	520,274	350,178
Transaction-related contingent items	719,282	359,641	342,864	628,748	314,374	302,148
Short-term self-liquidating trade related contingencies	287,535	57,507	26,492	436,928	87,386	38,119
Assets sold with recourse	242	242	242	25,726	25,726	25,726
Other commitments, such as formal standby facilities and credit line, with an original maturity - maturity less than one year	2,304,929	42,961	13,623	2,228,305	46,893	33,066
Obligations under underwriting agreements	50,000	25,000	25,000	75,000	37,500	37,500
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively for automatic cancellation due to deterioration in a borrower's creditworthiness	5,732,974	409,044	341,224	4,763,901	353,144	298,010
<b>Total</b>	<b>9,695,802</b>	<b>1,495,235</b>	<b>1,254,083</b>	<b>8,678,882</b>	<b>1,385,297</b>	<b>1,084,747</b>

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

**A25 PROFIT RATE RISK**

Unaudited  
30-Sep-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			
<b>Assets</b>									
Cash and short-term funds	2,803,557	-	-	-	-	682,727	-	3,486,284	2.15
Deposits and placements with financial institutions	864,993	-	-	-	-	-	-	864,993	2.15
Securities Held-for-trading	-	-	-	-	-	-	585,364	585,364	0.69
Securities Held-to-maturity	-	-	-	154,072	-	-	-	154,072	9.30
Securities Available-for-sale	1,747,464	819,573	520,947	4,838,044	2,912,414	-	-	10,838,442	3.51
Financing, advances & others:									
- Performing	704,912	717,360	783,422	2,246,010	5,240,690	-	-	9,692,394	7.15
- Non-performing	-	-	-	-	-	459,775	-	459,775	
Other assets	-	-	-	-	-	4,532,962	-	4,532,962	
<b>Total assets</b>	<b>6,120,926</b>	<b>1,536,933</b>	<b>1,304,369</b>	<b>7,238,126</b>	<b>8,153,104</b>	<b>5,675,464</b>	<b>585,364</b>	<b>30,614,286</b>	
<b>Liabilities</b>									
Deposits from customers	9,303,921	1,581,549	1,974,703	1,060,437	-	8,645,758	-	22,566,368	1.99
Deposits and placements of banks and other financial institutions	406,648	-	-	-	-	-	-	406,648	3.76
Bills and acceptance payable	610,671	-	-	-	-	-	-	610,671	2.33
Other liabilities	-	-	-	-	-	962,438	-	962,438	
<b>Total liabilities</b>	<b>10,321,240</b>	<b>1,581,549</b>	<b>1,974,703</b>	<b>1,060,437</b>	<b>-</b>	<b>9,608,196</b>	<b>-</b>	<b>24,546,125</b>	
Shareholders' equity	-	-	-	-	-	1,336,378	-	1,336,378	
<b>Takaful funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,532,374</b>	<b>-</b>	<b>3,532,374</b>	
<b>Minority interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,199,409</b>	<b>-</b>	<b>1,199,409</b>	
<b>Total liabilities &amp; shareholders' equity</b>	<b>10,321,240</b>	<b>1,581,549</b>	<b>1,974,703</b>	<b>1,060,437</b>	<b>-</b>	<b>15,676,357</b>	<b>-</b>	<b>30,614,286</b>	
On-balance sheet profit sensitivity gap	(4,200,314)	(44,616)	(670,334)	6,177,689	8,153,104	-	-	-	
Off-balance sheet profit sensitivity gap	-	-	-	-	-	-	-	-	
<b>Net maturity mismatch</b>	<b>(4,200,314)</b>	<b>(44,616)</b>	<b>(670,334)</b>	<b>6,177,689</b>	<b>8,153,104</b>	<b>-</b>	<b>-</b>	<b>-</b>	



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

**A25 PROFIT RATE RISK, Continued**

Unaudited  
30-Sep-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			
<b>Assets</b>									
Cash and short-term funds	5,751,094	-	-	-	-	621,742	-	6,372,836	3.19
Deposits and placements with financial institutions	38,394	2,414	-	-	-	-	-	40,808	3.19
Securities Held-for-trading	-	-	-	-	-	-	50,727	50,727	5.24
Securities Held-to-maturity	-	-	160,072	-	-	8,409	-	168,481	0.58
Securities Available-for-sale	330,466	475,464	1,103,654	1,131,402	1,352,691	27,919	-	4,421,596	4.27
Financing, advances & others:									
- Performing	1,301,148	760,752	819,098	1,300,123	4,294,718	5,690	-	8,481,529	7.82
- Non-performing	-	-	-	-	-	693,891	-	693,891	
Other assets	-	-	-	-	-	4,847,890	-	4,847,890	
<b>Total assets</b>	<b>7,421,102</b>	<b>1,238,630</b>	<b>2,082,824</b>	<b>2,431,525</b>	<b>5,647,409</b>	<b>6,205,541</b>	<b>50,727</b>	<b>25,077,758</b>	
<b>Liabilities</b>									
Deposits from customers	3,637,707	1,595,504	3,306,491	1,447,761	556,754	7,753,970	-	18,298,187	2.23
Deposits and placements of banks and other financial institutions	64,353	-	-	-	-	-	-	64,353	4.34
Bills and acceptance payable	503,303	-	-	-	-	-	-	503,303	3.39
Other liabilities	-	-	-	-	-	921,254	-	921,254	
<b>Total liabilities</b>	<b>4,205,363</b>	<b>1,595,504</b>	<b>3,306,491</b>	<b>1,447,761</b>	<b>556,754</b>	<b>8,675,224</b>	<b>-</b>	<b>19,787,097</b>	
Shareholders' equity	-	-	-	-	-	1,064,677	-	1,064,677	
<b>Takaful funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,245,370</b>	<b>-</b>	<b>3,245,370</b>	
<b>Minority interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>980,614</b>	<b>-</b>	<b>980,614</b>	
<b>Total liabilities &amp; shareholders' equity</b>	<b>4,205,363</b>	<b>1,595,504</b>	<b>3,306,491</b>	<b>1,447,761</b>	<b>556,754</b>	<b>13,965,885</b>	<b>-</b>	<b>25,077,758</b>	
On-balance sheet profit sensitivity gap	3,215,739	(356,874)	(1,223,667)	983,764	5,090,655				
Off-balance sheet profit sensitivity gap	-	-	-	-	-				
<b>Net maturity mismatch</b>	<b>3,215,739</b>	<b>(356,874)</b>	<b>(1,223,667)</b>	<b>983,764</b>	<b>5,090,655</b>				

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

**B1 REVIEW OF PERFORMANCE**

**3 Months Performance**

- (Year to date - 30/9/2009 vs 30/9/2008)

	Cumulative 3 months ended		Movement RM'000	%
	30-Sep-09 Unaudited RM'000	30-Sep-08 Unaudited RM'000		
Income derived from investment of depositors' fund	278,521	243,291	35,230	14%
Income derived from investment of shareholders' fund	121,898	141,575	(19,677)	-14%
<b>Total revenue</b>	<b>400,419</b>	<b>384,866</b>	<b>15,553</b>	<b>4%</b>
<b>Profit before zakat and taxation (PBZT)</b>	<b>99,579</b>	<b>93,440</b>	<b>6,139</b>	<b>7%</b>

- (1) The Group's total revenue for 2009 registered a growth of 4% in comparison to 2008, as a result of a RM41.3 million increase in revenue from fund based activities in Bank Islam, and also the increase in profit from the Family and General Takaful funds attributable to the Group of RM20.1 million. The growth was however partly offset by lower money market rates earned by the Group for the quarter ended 30 September 2009.
- (2) Under the Mudharabah profit sharing mechanism, growth in income derived from investment of depositors' fund in general, is in line with the increase in deposits from customers.
- (3) Operating results (before allowance for losses on financing) grew by RM37.8 million or 34%, in comparison to the operating results (before allowance for losses on financing) of RM111.7 million for quarter ended 30 September 2008. However, the RM31.7 million increase in allowance for losses on financing incurred for the quarter ended 30 September 2009 resulted in a PBZT growth of only RM6.1 million.

**B2 COMPARISON WITH THE PRECEDING QUARTER'S RESULTS**

For the three months performance (First Quarter 2010 vs Fourth Quarter 2009)

	3 months ended		Movement RM'000	%
	Unaudited 30-Sep-09 RM'000	Unaudited 30-Jun-09 RM'000		
Income derived from investment of depositors' fund	278,521	274,696	3,825	1%
Income derived from investment of shareholders' fund	121,898	137,254	(15,356)	-11%
<b>Total revenue</b>	<b>400,419</b>	<b>411,950</b>	<b>(11,531)</b>	<b>-3%</b>
Allowance for losses on financing	(49,951)	(32,175)	(17,776)	-55%
Income attributable to depositors	(96,710)	(102,656)	5,946	6%
Profit equalisation reserve	6,021	(2,278)	8,299	364%
Impairment reversal/(losses)	-	(4,563)	4,563	100%
Other expenses directly attributable to the investment of the depositors' and shareholders' fund	(4,892)	(4,824)	(68)	-1%
<b>Total net income</b>	<b>254,887</b>	<b>265,454</b>	<b>(10,567)</b>	<b>-4%</b>
Personnel expenses	(76,703)	(82,214)	5,511	7%
Depreciation	(11,783)	(49,689)	37,906	76%
Other overhead expenses	(66,822)	(16,688)	(50,134)	-300%
<b>Total expenses</b>	<b>(155,308)</b>	<b>(148,591)</b>	<b>(6,717)</b>	<b>-5%</b>
<b>Profit before zakat and taxation (PBZT)</b>	<b>99,579</b>	<b>116,863</b>	<b>(17,284)</b>	<b>-15%</b>

Despite a comparable Quarter-on-Quarter operating results for the quarter ended 30 September 2009 of RM149.5 million (Quarter ended 30 June 2009: RM149.0 million), the Group registered a lower PBZT by 15%, as a result of higher allowance for losses on financing of RM49.9 million (Quarter ended 30 June 2009: RM32.2 million).

The lower revenue generated by the Group for the quarter ended 30 September 2009 is mainly due to the lower profit from Family and General Takaful funds attributable to the Group of RM42.3 million (Quarter ended 30 June 2009: RM67.6 million).

**B3 PROSPECTS**

**Outlook on the economy**

The banking and finance industry in Malaysia is expected to grow positively and remain resilient, backed by strong capitalization, healthy asset quality and improved risk management practices. A more competitive banking and finance landscape, amidst excess liquidity coupled with liberalization of the financial services sector, is projected, particularly in the retail sector. Net income margin compression will continue as investment and financing options remained focused on resilient economic segments. The introduction of innovative and competitive products and services, competitive pricing, strengthening customer relationship management and improved delivery standards are amongst the strategy expected to be employed to gain market share. Factors such as competitive pricing of products and services, promotion of BNM funds to support SMEs and the Government's fiscal stimulus to boost economic activity, will continue to support financing growth.

**Islamic Banking**

In line with its Growth plan, Bank Islam will continue in its efforts to offer innovative products, such as the recently launched Al Awfar deposit product with the Bank's objective of garnering more low cost deposits. The Bank will continue to pursue competitive pricing strategies, seek strategic collaboration with business partners, strengthen and build new customer relationships, manage the asset quality and further improve customer service. Going forward, the Bank will be focusing on revenue growth via growth in fee-based income. New revenue lines will be in the areas of wealth management products, Banca Takaful and electronic banking services. In terms of financing, the Bank's retail portfolio will continue to be the key driver. Focus will be on home financing, personal financing and credit cards. As for corporate financing, new customer penetration will be on selected industries. At the operational level, the Bank is enhancing the Core Banking System and looking forward to the rollout of more robust Risk Management and financing collection systems.

**Takaful**

STMB is gearing for growth in the new financial year. The company will continue to remain prudent in its investment and continue the rationalization and right sizing of the branch network and leveraged on the group's infrastructure by providing customer service desks in Tabung Haji branches 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		Cumulative Year to date	
	3 months ended		3 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	30-Sep-09	30-Sep-08	30-Sep-09	30-Sep-08
	RM'000	RM'000	RM'000	RM'000
Current tax expense	26,971	3,238	26,971	3,238

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**

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

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 had officially ceased as STMB was not agreeable with the terms and conditions as proposed by SALAMA.

On 16 November 2009, the Company and its subsidiary, STMB, announced that both have officially ceased negotiations with ADKMSIC, in respect of the Proposal.

**B9 DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES**

	Group	
	Unaudited 30-Sep-09 RM '000	Unaudited 30-Sep-08 RM '000
<b>Deposits from customers</b>		
Mudharabah accounts deposits and negotiable instruments of deposits		
One year or less (short-term)	13,622,296	8,539,702
More than one year (medium/long-term)	1,060,437	2,004,515
	14,682,733	10,544,217
Current accounts	5,639,979	5,568,693
Savings accounts	2,192,512	2,141,612
Others	51,144	43,665
<b>Total deposits</b>	<b>22,566,368</b>	<b>18,298,187</b>
<b>Deposits and placements of banks and other financial institutions</b>		
One year or less (short-term)	406,648	64,353
	<b>406,648</b>	<b>64,353</b>

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

**GROUP (RM '000)**

Items	Unaudited 30-Sep-09 Principal Amount	up to 1 mth	>1-3 mths	>3-6 mths	>6-12 mths	Margin Requirement
	<b>Foreign exchange related contracts</b>					
- forwards	239,442	134,394	98,678	6,370	-	NA
- swaps	803,208	647,353	155,855	-	-	NA
- option	882,679	882,679	-	-	-	NA
<b>Total</b>	<b>1,925,329</b>	<b>1,664,426</b>	<b>254,533</b>	<b>6,370</b>	-	-

**Market risk**

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk transactions may be reduced through offsetting on and off-balance sheet positions. As at 30 September 2009, the amount of contracts which were not hedged and, hence, exposed to market risk was RM225.8 million. (30 September 2008: RM202.3 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 September 2009, the credit risk measured in terms of the cost to replace the profitable contracts was RM41.2 million (30 September 2008: RM58.3 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 3 months ended	
	Unaudited 30-Sep-09 RM'000	Unaudited 30-Sep-08 RM'000	Unaudited 30-Sep-09 RM'000	Unaudited 30-Sep-08 RM'000
<b>Net Operating profit after zakat &amp; tax (NOPAT)</b>				
Profit before zakat and taxation (PBZT)	99,579	93,440	99,579	93,440
Zakat & Taxation	(29,163)	(5,753)	(29,163)	(5,753)
<b>NOPAT</b>	<b>70,416</b>	<b>87,687</b>	<b>70,416</b>	<b>87,687</b>
Economic charge computation:				
Average invested capital	1,659,032	1,360,798	1,659,032	1,360,798
(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)				
<b>Economic charge</b>	<b>33,035</b>	<b>29,155</b>	<b>33,035</b>	<b>29,155</b>
<b>Economic profit</b>	<b>37,381</b>	<b>58,532</b>	<b>37,381</b>	<b>58,532</b>

**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 2009.

- (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) 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. As at November 2009, the matter is pending extraction of sealed judgment.
- (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 18 January 2010 until 20 January 2010.

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 November 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. The Court on 4 November 2009 has dismissed the Plaintiff's case with costs.
- (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 as at November 2009, the matter is pending valuation report.

**B12 MATERIAL LITIGATION, continued**

- (g) 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. On 10 September 2009, an Order for Sale was granted in favour of the Bank and the Bank's solicitor is in the midst of extracting the Seal Order of the Sale.
- (h) 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 19 January 2010.

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.

- (i) 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.

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 hearing on 4 December 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.

- (j) 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. The Plaintiff filed an appeal and this case is pending date of appeal.
- (k) 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.
- (l) 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.
- (m) 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**

- (n) 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 has been completed on 30 October 2009 and on 3 November 2009, the Bank has received portion of RM7.8 million. The legal suit against both defendants has been withdrawn.
- (o) 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. On September 2009, the Bank has instructed the solicitor to proceed with winding up petition and bankruptcy action against the Defendants.
- 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. As at November 2009, Bank Islam is in the midst of negotiation with the Defendants for the settlement of the remaining balance of the amount claimed.
- (p) 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. On 21 August 2009 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. 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 fail 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.
- (q) 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 fail 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.
- (r) 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 mention on 2 December 2009. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.
- (s) 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.
- (t) 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.
- (u) 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 8 December 2009. Bank Islam's solicitors are of the view that Bank Islam has a fair chance to succeed in defending this matter.
- (v) 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 date for mention on 26 November 2009 for the Plaintiff to file written submission.
- (w) 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 decision on 14 December 2009.

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

**B12 MATERIAL LITIGATION, continued**

- (x) 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.

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.

- (y) On 12 May 2009, the Defendant had served Section 218 Notice of the Companies Act 1965 against the Bank pursuant to a Bank Guarantee of RM16 million issued by the Bank in which the Bank had refused to pay due to some technicality. Subsequently, on 27 May 2009, Bank Islam filed an action against Swiber Marine (Malaysia) Sdn Bhd ("the Defendant") applying an injunction to restrain the Defendant from presenting the Winding-Up Petition to the Bank ("Injunction"). On 10 August 2009, the court had granted the injunction in favour of the Bank. The Court has fixed date for mention on 20 November 2009.

**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 RM24.8 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 RM0.3 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		3 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	30-Sep-09	30-Sep-08	30-Sep-09	30-Sep-08
	RM '000	RM '000	RM '000	RM '000
Net profit/(loss) for the quarter attributable to equity holders of the parent	38,296	51,071	38,296	51,071
Number of ordinary shares	1,066,790	891,390	1,066,790	891,390
Number of average ordinary shares	1,066,790	891,390	1,066,790	891,390
<b>Basic earnings per share attributable to equity holders of the parent (sen)</b>	<b>3.59</b>	<b>5.73</b>	<b>3.59</b>	<b>5.73</b>

By Order of the Board

**SAIFUL NIZAM YASIN (LS 08955)**  
Company Secretary  
November 26, 2009