

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Income Statement
For the Nine Months Period Ended 31 March 2010**

	Note	Individual Quarter 3 months ended		Cumulative Year to date 9 months ended	
		31 March 2010 RM'000 Unaudited	31 March 2009 RM'000 Unaudited	31 March 2010 RM'000 Unaudited	31 March 2009 RM'000 Unaudited
Income derived from investment of depositors' fund	A15	280,532	254,132	839,158	743,072
Income derived from investment of shareholders' fund	A16	114,306	75,743	368,956	329,240
Allowance for losses on financing	A17	(16,368)	(29,298)	(100,297)	(91,116)
Impairment losses		(234)	(100)	(234)	(100)
Profit equalisation reserve		-	7,308	8,308	4,994
Other expenses directly attributable to the investment of the depositors' and shareholders' funds		(4,067)	(3,261)	(12,867)	(11,739)
Total distributable income		374,169	304,524	1,103,024	974,351
Income attributable to depositors	A18	(84,025)	(110,790)	(265,960)	(323,933)
Total net income		290,144	193,734	837,064	650,418
Personnel expenses		(92,912)	(58,411)	(255,675)	(229,745)
Other overhead expenses		(84,922)	(70,572)	(244,514)	(209,503)
Depreciation		(11,984)	(10,559)	(34,864)	(28,689)
Profit before zakat and taxation		100,326	54,192	302,011	182,481
Zakat		(3,081)	(2,261)	(9,583)	(7,255)
Tax expense	B5	(31,488)	(7,600)	(79,637)	(30,323)
Profit for the period		65,757	44,331	212,791	144,903
Attributable to:					
Shareholders of the Company		35,637	13,697	113,331	78,838
Minority Interests		30,120	30,634	99,460	66,065
Profit for the period		65,757	44,331	212,791	144,903
Earnings Per Share - basic (sen)	B14	3.34	1.54	10.62	8.84

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

Condensed Consolidated Balance Sheet as at 31 March 2010

	Note	As at March 31, 2010 RM'000 Unaudited	As at June 30, 2009 RM'000 Audited
ASSETS			
Cash and short term funds		3,681,034	8,482,444
Deposits and placements with financial institutions		942,115	90,682
Securities:			
- Held for trading	A8	591,316	294,868
- Held-to-maturity	A9	153,554	162,763
- Available-for-sale	A10	10,820,780	8,635,312
Financing, advances and others	A11	10,721,638	9,661,864
Deferred tax assets		67,687	71,646
Assets held for sale		1,467	1,471
Other assets		135,687	210,457
Current tax assets		13,795	13,694
Investment in associates		149	149
Statutory deposit with Bank Negara Malaysia		27,000	139,729
Property, plant and equipment		174,967	160,714
Prepaid lease payments		24,489	24,800
General Takaful and Family Takaful assets		4,170,886	3,947,615
Total assets		31,526,564	31,898,208
LIABILITIES, EQUITY & TAKAFUL FUNDS			
Liabilities			
Deposits from customers	A13	23,463,222	24,871,451
Deposits and placements of banks and other financial institutions	A14	468,149	8,078
Bills and acceptances payable		191,387	283,212
Other liabilities		278,150	387,770
Provision for zakat and taxation		78,629	33,188
General Takaful and Family Takaful liabilities		490,489	495,274
General Takaful and Family Takaful participants' funds		3,680,397	3,452,341
Total liabilities		28,650,423	29,531,314
Equity			
Share capital		1,066,790	1,066,790
Reserves		332,386	205,743
Total equity attributable to shareholders of the Company		1,399,176	1,272,533
Minority interests		1,476,965	1,094,361
Total equity		2,876,141	2,366,894
Total equity and liabilities		31,526,564	31,898,208
COMMITMENTS AND CONTINGENCIES			
	A24	10,339,555	7,693,378
Net assets per share attributable to ordinary equity holders of the parent (RM)		1.31	1.19

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity
For the Nine Months Period Ended 31 March 2010**

Group	Note	Attributable to Equity Holders of the Parent							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	Accumulated Losses RM'000			
Audited											
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		-	-	-	(10,412)	-	-	-	(10,412)	(10,363)	(20,775)
- Unrealised net gain on revaluation of securities available-for-sale		-	-	-	-	-	37,643	-	37,643	35,803	73,446
Net profit for the period		-	-	-	-	-	-	113,659	113,659	94,049	207,708
Transfer to statutory reserve		-	-	40,955	-	-	-	(80,303)	(39,348)	39,348	-
Issue of ordinary shares		175,400	-	-	-	-	-	-	175,400	-	175,400
Subscription of shares held by minority interests of a subsidiary		-	-	-	-	-	-	-	-	1,489	1,489
Dividends to shareholders	A7	-	-	-	-	-	-	(9,693)	(9,693)	-	(9,693)
At 30 June 2009		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
Unaudited											
At 1 July 2009		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		-	-	-	12,619	-	-	-	12,619	12,077	24,696
- Unrealised net gain on revaluation of securities available-for-sale		-	-	-	-	-	10,294	-	10,294	9,893	20,187
Net profit for the period		-	-	-	-	-	-	113,331	113,331	99,460	212,791
Convertible redeemable non-cumulative preference shares (CRNCPS) issued		-	-	-	-	-	-	-	-	264,600	264,600
Divestment of shares held by minority interests of a subsidiary		-	-	-	-	-	-	-	-	(347)	(347)
Dividends to shareholders	A7	-	-	-	-	-	-	(9,601)	(9,601)	-	(9,601)
Dividends to minority interests		-	-	-	-	-	-	-	-	(3,079)	(3,079)
At 31 March 2010		1,066,790	602,978	408,109	26,602	638,370	7,718	(1,351,391)	1,399,176	1,476,965	2,876,141

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

Condensed Consolidated Cash Flow Statement, continued For the Nine Months Period Ended 31 March 2010

	9 months 31 Mar. 2010 RM'000 Unaudited	9 months 31 Mar. 2009 RM'000 Unaudited
Cash flows from operating activities		
Profit before zakat and taxation	302,011	182,481
Adjustment for non-cash flow items:-		
Depreciation of property, plant and equipment	34,864	28,689
Amortisation of prepaid lease payment	208	489
(Reversal)/Impairment losses of property, plant and equipment	234	100
Reversal for doubtful debts	(180)	(15,183)
Allowance for losses on financing	100,297	91,116
(Reversal)/Allowance for diminution in investments	(211)	(385)
Dividend income	(8,661)	(4,111)
Net loss/(gain) on sale of securities held-for-trading	(258)	110
Net gain on sale of securities available-for- sale	(16,254)	2,330
Accretion of discount less amortisation of premium	(55,464)	(48,228)
Operating profit before working capital changes	356,586	237,408
Changes in working capital:		
Other receivables	74,770	(57,751)
Statutory deposits with Bank Negara Malaysia	112,729	232,666
Bills payable	(91,825)	(518,179)
Other payables	(66,774)	21,549
Financing of customers	(1,059,774)	(634,980)
Deposits from customers	(1,408,229)	2,637,925
Deposit and placements of banks and other financial institutions	460,071	(49,666)
Cash used in operation	(1,622,446)	1,868,972
Zakat and income taxes paid	(45,542)	(8,759)
Net cash used in operating activities	(1,667,988)	1,860,213

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Cash Flow Statement, continued
For the Nine Months Period Ended 31 March 2010**

	9 months 31 Mar. 2010 RM'000 Unaudited	9 months 31 Mar. 2009 RM'000 Unaudited
Cash flows from investing activities		
Purchase of property, plant and equipment	(49,117)	(35,850)
Dividend paid	(9,601)	(9,693)
Dividend received from available-for-sale	220,501	100,551
Dividend received from held-for-trading	1,441	1,464
Dividend received from securities held-to-maturity	5,156	701
Net purchase of securities	(2,472,707)	(2,804,114)
Net cash used in investing activities	(2,304,327)	(2,746,941)
Net decrease in cash and cash equivalent	(3,972,315)	(886,728)
Foreign exchange differences	22,338	22,462
Cash and cash equivalents at the beginning of period	8,573,126	10,194,221
Cash and cash equivalents at the end of period	4,623,149	9,329,955
Cash and cash equivalents comprise:		
Cash and short term funds	3,681,034	9,245,699
Deposits and placement with financial institutions	942,115	84,256
	4,623,149	9,329,955

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 nine months period ended 31 March 2010 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interests in associates.

The audited 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.

(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:

FRSs/Interpretations	Effective date
Amendments to FRS 2, Share-based Payment	1 July 2009
FRS 7, Financial Instruments: Disclosures	1 January 2010
FRS 101, Presentation of Financial Statements (revised);	1 January 2010
Amendment to FRS 1, First-time Adoption of Financial Reporting Standards	1 January 2010
Amendment to FRS 107, Cash Flow Statements	1 January 2010
Amendment to FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
Amendment to FRS 110, Events After the Balance Sheet Date	1 January 2010
Amendment to FRS 116, Property, Plant and Equipment	1 January 2010
Amendment to FRS 117, Leases	1 January 2010
Amendment to FRS 118, Revenue	1 January 2010
Amendments to FRS 132, Financial Instruments: Presentation	1 January 2010
Amendment to FRS 136, Impairment of Assets	1 January 2010
FRS139 Explanatory, Financial Instruments: Recognition and Measurement	1 January 2010
FRS 4, Insurance Contracts	1 January 2010
FRS 123, Borrowing Costs (revised)	1 January 2010
Amendment to FRS 2, Share-based Payment; Vesting Conditions and Cancellations	1 January 2010
Amendment to FRS 119, Employee Benefits	1 January 2010
Amendment to FRS 120, Accounting for Government Grants and Disclosure of Government Assistance	1 January 2010
Amendment to FRS 127, Consolidated and Separate Financial Statements	1 January 2010
Amendment to FRS 127, Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendment to FRS 128, Investments in Associates	1 January 2010
Amendment to FRS 129, Financial Reporting in Hyperinflationary Economics	1 January 2010
Amendment to FRS 131, Interests in Joint Ventures	1 January 2010
Amendment to FRS 134, Interim Financial Reporting	1 January 2010
Amendment to FRS 140, Investment Property	1 January 2010
Amendments to IC 9, Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10, Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11 FRS 2, Group and Treasury Transactions	1 January 2010
IC Interpretation 13, Customer Loyalty Programme	1 January 2010
IC Interpretation 14 FRS 119, The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction	1 January 2010
FRS 1, First-time Adoption of Financial Reporting Standards (revised)	1 July 2010
FRS 3, Business Combinations (revised)	1 July 2010
FRS 127, Consolidated and Separate Financial Statements	1 July 2010
Amendment to FRS 5, Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendment to FRS 8, Operating Segments	1 July 2010
Amendment to FRS 138, Intangible Assets	1 July 2010
IC Interpretation 12, Service Concession Agreements	1 July 2010
IC Interpretation 15, Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16, Hedges of a Net investment in a Foreign Operation	1 July 2010
IC Interpretation 17, Distribution of Non-cash Assets to Owner	1 July 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. For FRSs, amendments to FRSs and Interpretations effective 1 July 2010, the Group and the Company plan to apply them for the annual period beginning 1 January 2012.

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.

A1 BASIS OF PREPARATION, continued
(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.

A7 DIVIDENDS PAID

	Cumulative 9 months ended	
	Unaudited	Audited
	31-Mar-10 RM '000	30-Jun-09 RM '000
<u>Ordinary</u>		
2010 - 1.20%, (2009 - 1.45%)	9,601	9,693

A8 SECURITIES HELD-FOR-TRADING

	Unaudited	Audited
	31-Mar-10 RM '000	30-Jun-09 RM '000
At fair value		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Islamic Commercial Papers	-	137,891
Malaysian Government Investment Issue	95,129	149,737
Bank Negara Negotiable Notes	468,210	-
Malaysian Islamic Treasury Bills	19,700	-
	583,039	287,628
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Shares	8,277	7,240
Total securities held-for-trading	591,316	294,868

A9 SECURITIES HELD-TO-MATURITY

	Unaudited	Audited
	31-Mar-10 RM '000	30-Jun-09 RM '000
At amortised cost		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Islamic Debt Securities	176,621	175,050
Less: Impairment losses	(23,067)	(12,287)
Total securities held-to-maturity	153,554	162,763

A10 SECURITIES AVAILABLE-FOR-SALE

	Unaudited 31-Mar-10 RM '000	Audited 30-Jun-09 RM '000
At fair value		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Malaysian Government Investment Issue	3,831,844	2,651,555
Unquoted shares	24,150	28,720
Promissory notes	5,108	5,604
Accepted bills	47,061	107,997
Negotiable Islamic Debt Certificate	2,003,930	1,437,982
Islamic Commercial Papers	533,272	453,816
Islamic Debt Securities	4,304,039	3,837,749
Malaysian Islamic Treasury Bills	31,972	29,819
<i>Outside Malaysia</i>		
Islamic Development Bank unit trust	1,923	1,923
Unquoted shares	2,996	2,996
Islamic Debt Securities	-	-
	10,786,295	8,558,161
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Unit trust	15,365	45,816
Shares	-	22,506
<i>Outside Malaysia</i>		
Bond	65,240	70,380
	80,605	138,702
Less:		
Impairment losses	(46,120)	(61,551)
Total securities available-for-sale	10,820,780	8,635,312

A11 FINANCING, ADVANCES AND OTHERS

(i) By type

	Unaudited 31-Mar-10 RM '000	Audited 30-Jun-09 RM '000
Cash line	417,892	164,272
Term financing		
House financing	8,471,540	7,136,157
Syndicated financing	73,620	81,329
Lease receivables	576,505	329,189
Bridging financing	369,260	299,524
Personal financing	3,670,854	2,733,611
Other term financing	3,810,725	3,874,823
Staff financing	296,890	298,368
Credit/charge cards	421,991	393,442
Trust receipt	119,912	151,672
Trade bills discounted	1,374,755	1,539,200
	19,603,944	17,001,587
Less: Unearned income	(7,837,068)	(6,290,584)
	11,766,876	10,711,003
Less: Allowance for bad and doubtful financing:		
General	(169,359)	(170,844)
Specific	(875,879)	(878,295)
Total net financing, advances and others	10,721,638	9,661,864

(ii) By contract

	Unaudited 31-Mar-10 RM '000	Audited 30-Jun-09 RM '000
Bai' Bithaman Ajil (deferred payment sale)	6,044,322	5,719,619
Bai'-Al-Inah	2,002,416	2,274,418
Ijarah (operating lease)	330,269	289,200
Ijarah Muntahia Bittamlik / AITAB (finance lease)	25,114	28,367
Mudharabah (profit sharing)	6,493	8,934
Murabahah (cost-plus)	1,495,492	1,680,071
At-Tawarruq	1,310,321	167,378
Istisna'	552,449	543,016
	11,766,876	10,711,003

(iii) By type of customer

	Unaudited 31-Mar-10 RM '000	Audited 30-Jun-09 RM '000
Domestic banking institutions	65	94
Domestic non-bank financial institutions	13,532	12,459
Domestic business enterprise	2,379,908	2,093,772
Small medium industries	621,855	867,061
Government and statutory bodies	114,604	156,910
Individuals	8,106,084	7,145,048
Other domestic entities	65,227	17,932
Foreign entities	465,601	417,727
	11,766,876	10,711,003

A11 FINANCING, ADVANCES AND OTHERS, continued
(iv) By profit rate sensitivity

	Unaudited 31-Mar-10 RM '000	Audited 30-Jun-09 RM '000
Fixed rate		
House financing	2,181,305	2,298,214
Others	7,713,995	7,462,649
Floating rate	1,871,576	950,140
	11,766,876	10,711,003

(v) By sector

	Unaudited 31-Mar-10 RM '000	Audited 30-Jun-09 RM '000
Primary agriculture	250,907	342,277
Mining and quarrying	52	18,835
Manufacturing (including agro-based)	898,095	962,784
Electricity, gas and water	140,616	105,367
Construction	739,851	750,994
Real estate	162,623	124,565
Household sector	8,083,768	7,077,728
Wholesale and retail trade and restaurants and hotels	612,747	546,741
Transport, storage and communications	481,196	360,304
Finance, insurance and business activities	210,787	280,621
Education, health and others	49,110	67,815
Other sectors	137,124	72,972
	11,766,876	10,711,003

A12 NON-PERFORMING FINANCING

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

	Unaudited 31-Mar-10 RM '000	Audited 30-Jun-09 RM '000
At 1 July	1,360,449	1,949,904
Addition arising from change to 3 months classification	140,641	-
Classified as non-performing	221,931	228,431
Reclassified as performing	(73,414)	(131,580)
Amount recovered	(148,944)	(184,080)
Amount written off	(172,952)	(540,033)
Exchange differences	(19,595)	37,807
At end of period	1,308,116	1,360,449
Less: - specific allowance	(875,879)	(878,295)
Net non-performing financing, advances and others	432,237	482,154

Ratio of net non-performing financing, advances and others to total net financing, advances and others

3.97% 4.90%

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

	Unaudited 31-Mar-10 RM '000	Audited 30-Jun-09 RM '000
General allowance		
At 1 July	170,844	169,382
Exchange differences	(1,485)	1,462
At end of period	169,359	170,844

As % of gross financing, advances and others less specific allowance

1.56% 1.74%

Specific allowance

At 1 July	878,295	1,228,131
Allowance made	303,222	303,755
Amount recovered	(118,656)	(133,074)
Amount written off	(176,557)	(540,033)
Exchange differences	(10,425)	19,516
At end of period	875,879	878,295

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

	Unaudited	Audited
	31-Mar-10	30-Jun-09
	RM '000	RM '000
Primary agriculture	38,195	64,900
Mining and quarrying	-	2,130
Manufacturing (including agro-based)	271,095	290,385
Electricity, gas and water	84	75,046
Construction	337,429	403,423
Real estate	2,859	8,700
Household sector	412,985	338,344
Wholesale and retail trade and restaurants and hotels	139,930	94,821
Transport, storage and communications	22,829	13,476
Finance, insurance and business activities	24,432	51,598
Education, health and others	4,989	10,553
Other sectors	53,289	7,073
	1,308,116	1,360,449

A13 DEPOSITS FROM CUSTOMERS

(i) By type of deposit

	Unaudited	Audited
	31-Mar-10	30-Jun-09
	RM '000	RM '000
Non-Mudharabah Fund:		
Demand deposits	5,952,766	6,336,054
Savings deposits	2,250,025	2,032,461
Negotiable Islamic Debt Certificate (NIDC)	3,908,024	7,133,790
Others	65,876	62,744
	12,176,691	15,565,049
Mudharabah Fund:		
Savings deposits	870,369	680,589
General investment deposits	2,740,191	2,535,289
Special investment deposits	7,675,736	6,090,289
Others	235	235
	11,286,531	9,306,402
Total deposits from customers	23,463,222	24,871,451

(ii) By type of customer

	Unaudited	Audited
	31-Mar-10	30-Jun-09
	RM '000	RM '000
Government and statutory bodies	5,178,593	5,934,355
Business enterprises	6,391,327	10,153,734
Individuals	4,001,831	3,795,843
Others	7,891,471	4,987,519
	23,463,222	24,871,451

A14 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Unaudited	Audited
	31-Mar-10	30-Jun-09
	RM '000	RM '000
Mudharabah Fund:		
Licensed banks	408,029	8,078
Other financial institutions	60,120	-
	468,149	8,078

A15 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	Individual Quarter 3 months ended		Cumulative Year to date 9 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09
	RM '000	RM '000	RM '000	RM '000
Income derived from investment of:				
(i) General investment deposits	31,298	30,119	89,795	96,179
(ii) Other deposits	249,234	224,013	749,363	646,893
	280,532	254,132	839,158	743,072

(i) Income derived from investment of general investment deposits

	Individual Quarter 3 months ended		Cumulative Year to date 9 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09
	RM '000	RM '000	RM '000	RM '000
Financing income and hibah				
Financing, advances and others	20,365	20,037	57,177	65,450
Held-for-trading	15	67	152	193
Held-to-maturity	101	28	521	90
Available-for-sale	6,181	3,365	17,699	8,881
Money at call and deposit with financial institutions	2,328	5,788	7,730	16,404
	28,990	29,285	83,279	91,018
Amortisation of premium less accretion of discounts	1,601	1,129	4,424	4,419
	30,591	30,414	87,703	95,437
Other dealing income				
Net gain / (loss) from sale of securities held-for-trading	11	(247)	(66)	206
Net gain / (loss) on revaluation of securities held-for-trading	221	113	723	551
	232	(134)	657	757
Other operating income				
Net gain / (loss) from sale of securities:				
Available-for-sale	475	(307)	1,327	(161)
Gross dividend income from securities:				
Unquoted in Malaysia	-	146	108	146
	475	(161)	1,435	(15)
	31,298	30,119	89,795	96,179

(ii) Income derived from investment of other deposits

	Individual Quarter 3 months ended		Cumulative Year to date 9 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09
	RM '000	RM '000	RM '000	RM '000
Financing income and hibah				
Financing, advances and others	162,045	148,725	476,160	439,273
Held-for-trading	119	495	1,289	1,271
Held-to-maturity	803	208	4,635	611
Available-for-sale	49,293	25,235	147,648	60,485
Money at call and deposit with financial institutions	18,534	43,352	65,110	111,905
	230,794	218,015	694,842	613,545
Amortisation of premium less accretion of discounts	12,789	8,440	36,863	29,566
	243,583	226,455	731,705	643,111
Other dealing income				
Net gain / (loss) from sale of securities held-for-trading	95	(1,872)	(596)	441
Net gain / (loss) on revaluation of securities held-for-trading	1,767	822	6,058	3,708
	1,862	(1,050)	5,462	4,149
Other operating income				
Net gain / (loss) from sale of securities:				
Available-for-sale	3,789	(2,458)	11,294	(1,433)
Gross dividend income from securities:				
Unquoted in Malaysia	-	1,066	902	1,066
	3,789	(1,392)	12,196	(367)
	249,234	224,013	749,363	646,893

A16 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	Individual Quarter 3 months ended		Cumulative Year to date 9 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	31-Mar-10 RM '000	31-Mar-09 RM '000	31-Mar-10 RM '000	31-Mar-09 RM '000
Financing income and hibah				
Financing, advances and others	854	853	2,593	2,484
Available-for-sale	19,516	10,131	55,154	31,185
Money at call and deposit with financial institutions	1,505	10,802	2,681	60,740
	21,875	21,786	60,428	94,409
Amortisation of premium less accretion of discounts	3,734	5,770	14,177	14,243
	25,609	27,556	74,605	108,652
Other dealing income				
Net gain / (loss) from foreign exchange transactions	(7,036)	8,392	9,306	19,921
Net gain / (loss) from sale of securities held-for-trading	257	(324)	920	(757)
Net gain / (loss) on revaluation of securities held-for-trading	-	-	-	11
	(6,779)	8,068	10,226	19,175
Other operating income				
Net gain / (loss) from sale of securities:				
Available-for-sale	1	(1,109)	3,633	(736)
Unrealised forex gain/(loss) on cash balance	-	-	-	150
Profit on sale of foreign currencies	764	387	1,812	1,476
Reversal/(allowance) for diminution in value of investment	63	459	211	385
Reversal of allowance for doubtful debts	60	(10,693)	180	4,430
Profit from general takaful and family takaful funds attributable to the Group	44,795	6,143	130,828	77,913
Gross dividend income from securities:				
Quoted in Malaysia	176	62	735	284
Unit trust in Malaysia	-	-	1,064	138
Unit trust outside Malaysia	48	-	96	63
Unquoted in Malaysia	-	-	5,756	3,626
	45,907	(4,751)	144,315	87,729
Fees and commission				
ATM fees	3,570	2,928	10,728	8,530
Financing fees	1,995	5,280	11,032	13,760
Cheque issued & return, closing account and other fees	1,669	214	5,111	578
Takaful service fees and commission	2,572	1,878	6,925	3,400
Credit card fees and commission	9,502	4,273	23,658	12,287
Processing fees	29	115	353	218
Commitment fees	40	1,018	80	1,219
Commission on MEPS	1,048	904	3,216	2,887
Management fee	224	180	547	556
Corporate advisory fees	545	358	5,857	1,127
Commission on structured products	2,902	465	3,273	7,110
Ta'widh charges	360	1,145	1,948	1,381
Investment income	1,839	5,941	6,075	5,960
Wakalah fees	17,321	8,829	50,181	24,034
Other service charges fees	6,194	11,274	11,589	30,246
	49,810	44,802	140,573	113,293
Other income				
Net gain/(loss) on disposal of property, plant & equipment	(253)	-	(717)	234
Rental income	(17)	-	(107)	-
Others	29	68	61	157
	(241)	68	(763)	391
	114,306	75,743	368,956	329,240

A17 ALLOWANCE FOR LOSSES ON FINANCING

	Individual Quarter 3 months ended		Cumulative Year to date 9 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09
	RM '000	RM '000	RM '000	RM '000
Allowance for bad and doubtful financing:				
- Specific allowance				
- Made in the financial year	89,975	59,483	303,222	194,331
- Written back	(34,891)	(22,673)	(118,656)	(78,115)
- Bad debts and financing:				
- Recovered	(38,716)	(7,512)	(84,269)	(22,674)
- Recoverable from Danaharta	-	-	-	(2,426)
	16,368	29,298	100,297	91,116

A18 INCOME ATTRIBUTABLE TO DEPOSITORS

	Individual Quarter 3 months ended		Cumulative Year to date 9 months ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09
	RM '000	RM '000	RM '000	RM '000
Deposits from customers:				
- Mudharabah fund	49,308	47,447	142,989	133,337
- Non-Mudharabah fund	32,055	60,136	113,954	182,009
Deposits and placements of banks and other financial institutions:				
- Mudharabah fund	2,662	3,207	9,017	8,587
	84,025	110,790	265,960	323,933

A19 CAPITAL ADEQUACY

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

	Unaudited 31-Mar-10 RM '000	Audited 30-Jun-09 RM '000
Tier-I capital:		
Paid-up share capital	1,725,490	1,725,490
Paid-up Convertible Redeemable Non-Cumulative Preference Shares (CRNCPS)	540,000	-
Share premium	500,020	500,020
Accumulated losses	(1,193,127)	(1,309,362)
Other reserves	589,124	589,124
Less: Deferred tax assets	(59,609)	(61,660)
Total Tier-I capital	2,101,898	1,443,612
Tier-II capital:		
Redeemable subordinated mudharabah	-	20,000
General allowance for bad and doubtful financing	169,359	170,844
Total Tier-II capital	169,359	190,844
Total capital base	2,271,257	1,634,456
Core capital ratio	15.79%	12.25%
Risk-weighted capital ratio	17.06%	13.87%
Core capital ratio net of proposed dividends	15.79%	12.25%
Risk-weighted capital ratio net of proposed dividend	17.06%	13.87%

A20 OPERATING SEGMENT INFORMATION

The Group comprises the following main operating 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.

(i) Information about reportable segments

	9 months ended				Total 31-Mar-10 RM'000
	Banking 31-Mar-10 RM'000	Takaful 31-Mar-10 RM'000	Others 31-Mar-10 RM'000	Elimination RM'000	
Current Year-to-Date					
Revenue from external customers	1,008,290	196,057	3,767	-	1,208,114
Inter-segment revenue	16	984	28,215	(29,215)	-
Total revenue	1,008,306	197,041	31,982	(29,215)	1,208,114
Net income from operations (before allowance for losses on financing and advances)	734,991	197,041	31,982	(26,653)	937,361
Operating overhead	(397,687)	(130,538)	(9,497)	2,669	(535,053)
Operating profit	337,304	66,503	22,485	(23,984)	402,308
Allowance for losses on financing and advances	(100,297)	-	-	-	(100,297)
Profit before zakat and taxation	237,007	66,503	22,485	(23,984)	302,011
Segment assets	26,823,062	4,637,628	1,860,053	(1,794,179)	31,526,564

	9 months ended				Total 31-Mar-09 RM'000
	Banking 31-Mar-09 RM'000	Takaful 31-Mar-09 RM'000	Others 31-Mar-09 RM'000	Elimination RM'000	
Previous Comparative Year-to-Date					
Revenue from external customers	944,691	114,475	13,146	-	1,072,312
Inter-segment revenue	22	664	29,654	(30,340)	-
Total revenue	944,713	115,139	42,800	(30,340)	1,072,312
Net income from operations (before allowance for losses on financing and advances)	610,003	115,139	42,800	(26,408)	741,534
Operating overhead	(345,593)	(115,336)	(12,943)	5,935	(467,937)
Operating profit	264,410	(197)	29,857	(20,473)	273,597
Allowance for losses on financing and advances	(91,116)	-	-	-	(91,116)
Profit before zakat and taxation	173,294	(197)	29,857	(20,473)	182,481
Segment assets	25,811,278	4,298,725	1,686,055	(1,632,937)	30,163,121

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 31 December 2009 are as follow:

	Unaudited 31 March 2010			Audited 30 June 2009		
	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
<u>Credit-related exposures</u>						
Direct credit substitutes	491,409	491,409	470,518	615,699	615,699	417,935
Assets sold with recourse	242	242	242	6,220	6,220	6,220
Transaction-related contingent items	731,532	365,766	330,595	702,411	351,206	339,589
Short-term self-liquidating trade related contingencies	280,458	56,092	27,448	390,819	78,164	26,367
Other commitments, such as formal standby facilities and credit line, with an original maturity of:						
- exceeding one year	339,937	169,968	148,988	333,712	166,856	155,622
- not exceeding one year	35,946	7,189	8,059	238	48	71
Unused credit card lines	420,930	84,186	63,139	908,596	181,719	136,289
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	4,492,872	-	-	3,035,041	-	-
	6,793,326	1,174,852	1,048,989	5,992,736	1,399,912	1,082,093
<u>Derivative financial instruments</u>						
Foreign exchange related contracts						
- less than one year	2,720,323	44,681	12,326	1,455,651	15,753	6,607
Profit rate related contracts						
- less than one year	-	-	-	9,538	25	5
- one year to less than five years	770,906	39,029	7,806	185,453	20,579	4,116
	3,491,229	83,710	20,132	1,650,642	36,357	10,728
<u>Other treasury related exposures</u>						
Obligations under an on-going underwriting agreements	55,000	27,500	27,500	50,000	25,000	25,000
	55,000	27,500	27,500	50,000	25,000	25,000
Total	10,339,555	1,286,062	1,096,621	7,693,378	1,461,269	1,117,821

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

A25 PROFIT RATE RISK

Unaudited
31-Mar-10

	←-----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 and Deposits and placements with financial institutions	4,142,662	56,479	48,383	4,278	-	371,347	-	4,623,149	2.01%
Securities Held-for-trading	-	-	-	-	-	-	591,316	591,316	0.42%
Securities Held-to-maturity	-	-	-	85,092	68,462	-	-	153,554	4.43%
Securities Available-for-sale	1,387,629	895,220	1,214,098	5,169,594	2,154,239	-	-	10,820,780	3.49%
Financing, advances & others:									
- Performing	708,296	641,204	679,688	2,478,064	5,782,149	-	-	10,289,401	7.23%
- Non-performing	-	-	-	-	-	432,237	-	432,237	
Other assets	-	-	-	-	-	4,616,127	-	4,616,127	
Total assets	6,238,587	1,592,903	1,942,169	7,737,028	8,004,850	5,419,711	591,316	31,526,564	
Liabilities									
Deposits from customers	11,315,766	1,075,949	337,879	1,584,511	-	9,149,117	-	23,463,222	1.71%
Deposits and placements of banks and other financial institutions	461,451	-	-	6,698	-	-	-	468,149	1.43%
Bills and acceptance payable	191,387	-	-	-	-	-	-	191,387	2.40%
Other liabilities	-	-	-	-	-	847,268	-	847,268	
Total liabilities	11,968,604	1,075,949	337,879	1,591,209	-	9,996,385	-	24,970,026	
Shareholders' equity	-	-	-	-	-	1,399,176	-	1,399,176	
Takaful funds	-	-	-	-	-	3,680,397	-	3,680,397	
Minority interests	-	-	-	-	-	1,476,965	-	1,476,965	
Total liabilities & shareholders' equity	11,968,604	1,075,949	337,879	1,591,209	-	16,552,923	-	31,526,564	
On-balance sheet profit sensitivity gap	(5,730,017)	516,954	1,604,290	6,145,819	8,004,850				
Off-balance sheet profit sensitivity gap	-	-	-	-	-				
Net maturity mismatch	(5,730,017)	516,954	1,604,290	6,145,819	8,004,850				

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

A25 PROFIT RATE RISK, Continued

Audited
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 and Deposits and placements with financial institutions	7,832,332	41,393	45,125	4,164	-	650,112	-	8,573,126	2.74%
Securities Held-for-trading	-	-	-	-	-	-	294,868	294,868	2.09%
Securities Held-to-maturity	-	7,760	-	155,003	-	-	-	162,763	2.39%
Securities Available-for-sale	344,491	1,080,040	1,145,863	3,322,879	2,656,633	85,406	-	8,635,312	3.92%
Financing, advances & others:									
- Performing	711,659	868,035	544,284	2,116,720	4,939,012	-	-	9,179,710	7.73%
- Non-performing	-	-	-	-	-	482,154	-	482,154	
Other assets	-	-	-	-	-	4,570,275	-	4,570,275	
Total assets	8,888,482	1,997,228	1,735,272	5,598,766	7,595,645	5,787,947	294,868	31,898,208	
Liabilities									
Deposits from customers	9,424,893	2,797,708	2,015,425	1,511,812	-	9,121,613	-	24,871,451	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	3.20%
Other liabilities	-	-	-	-	-	916,232	-	916,232	
Total liabilities	9,716,183	2,797,708	2,015,425	1,511,812	-	10,037,845	-	26,078,973	
Shareholders' equity	-	-	-	-	-	1,272,533	-	1,272,533	
Takaful funds	-	-	-	-	-	3,452,341	-	3,452,341	
Minority interests	-	-	-	-	-	1,094,361	-	1,094,361	
Total liabilities & shareholders' equity	9,716,183	2,797,708	2,015,425	1,511,812	-	15,857,080	-	31,898,208	
On-balance sheet profit sensitivity gap	(827,701)	(800,480)	(280,153)	4,086,954	7,595,645				
Off-balance sheet profit sensitivity gap	-	-	-	-	-				
Net maturity mismatch	(827,701)	(800,480)	(280,153)	4,086,954	7,595,645				

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

B1 REVIEW OF PERFORMANCE

Nine Months Performance to 31 March 2010

The Group continued to register a strong performance for its nine months financial period ended 31 March 2010 with a profit before zakat and taxation ("PBZT") of RM302.0 million, an increase of approximately 66% as compared to the last corresponding period. This was achieved on the back of much higher PBZT by both Bank Islam Malaysia Berhad ("the Bank") by RM63.7 million or 37%, and Syarikat Takaful Malaysia Berhad ("STMB") of RM66.7 million or more than 100% respectively, for the financial period under review.

The Bank's improved performance for the nine months financial period ended 31 March 2010 was mainly attributable to a higher growth in net financing assets by 11%, a 22% increase in non-fund based income and significantly better asset quality. As at 31 March 2010, the Bank's net non-performing financing ratio based on 3-months classification dropped to 3.97% compared to 6.74% (as restated based on 3-months classification) as at 30 June 2009.

The Bank's return on equity and return on assets improved to 16.45% and 1.17% as at the end of March 2010, in comparison to corresponding nine months period ended 31 March 2009 of 15.52% and 0.91%, respectively. The Bank's operational efficiency also improved as reflected in the cost to net income ratio as at the end of March 2010 of 54.11% (31 March 2009: 56.65%).

The Group also recorded a higher surplus transfer from STMB's Family and General Takaful Fund of RM52.9 million or 67.9% as a result of higher investment related revenue - dividends from investments, realized gain on disposal of investments and write back of allowance for diminution in value of investments. In addition, Wakalah fees from STMB also registered an increase by RM26.1 million (> 100%) in comparison to the last corresponding financial period.

STMB registered favorable profitability indicators for the nine months financial period ended 31 March 2010 - return on equity of 13.4% and return on assets of 10.9%. For the period under review, STMB also managed to record better operational efficiency in terms of cost to net income ratio of 66.25% as compared to 100.17% as at 31 March 2009.

B2 COMPARISON WITH THE PRECEDING QUARTER'S RESULTS

For the three months performance (Third Quarter 2010 vs Second Quarter 2010)

The Group registered a profit before zakat and taxation ("PBZT") of RM100.3 million, a decline of 1.7% as compared to the preceding quarter ended 31 December 2009 of RM102.1 million.

Income was however higher, mainly from the growth in net financing assets by the Bank, supported by sustainable revenue from STMB's Wakalah fees and surplus transfer from Family and General Takaful Fund. The continuous improvement in the Bank's asset quality also led to lower allowance for losses on financing for the quarter ended 31 March 2010, as opposed to the preceding quarter ended 31 December 2009.

B3 PROSPECTS

Outlook on the economy

Following the implementation of the government's fiscal stimulus, accommodative monetary policy and expected recovery in major developed economies, the Malaysian economy is forecasted to be positive in 2010. World Bank raised its 2010 growth forecast for the Malaysian economy from 4.1% to 5.7%. The upgrade reflected stronger investor confidence and improving business sentiment towards the Malaysian economy. Given the continued improvement of the economy, there is potential for an upward revision to the previously announced official economic growth forecast of 4.5% to 5.5% for 2010. The recent announcement made by the Prime Minister of Malaysia on 30 March 2010, with regards to the country's commitment to become a high income economy, through the implementation of a New Economic Model ("NEM"), shall support Malaysia to achieve its targeted GDP growth of 6% for 2010. On this note, the banking and financial sector is expected to remain healthy, despite the continued intensity of competition amongst the strong domestic players and potentially by the new entrants, as the government advocates a more liberal operating environment. Moreover, Bank Negara Malaysia's decision to raise the Overnight Policy Rate ("OPR") on 13 May 2010 to 2.50 percent ensures a stable economic outlook for the country. The latest crisis in the Eurozone remains largely unresolved, even with the US\$1 trillion rescue package by the European Central Bank and the International Monetary Fund. Although local economists and fund managers do not foresee any immediate direct impact to Asia-Pacific, including Malaysia, from the Eurozone fallout, there is a risk of slower economic growth in the second half of 2010 if more and more European countries adopt austerity drive measures to overcome the financial crisis.

Islamic Banking

With the prospect of a positive economic outlook, Bank Islam Malaysia Berhad ("the Bank") will continue to grow its market share in its core business of consumer financing - mainly in home financing, personal financing and credit card business, financing to viable SMEs across the economic sectors and selected corporate financing activities. Furthermore, the Bank will also continue to promote its fee based activities such as wealth management, Banca Takaful and electronic banking services. In pursuing its sustainable income growth strategy, the Bank will continue to focus on improving its delivery standards and infrastructure, cost efficiency, customer and marketing strategy, thus tapping on its Malaysian wide branch network and franchise.

Takaful

As a Takaful operator with the largest assets size in Malaysia, Syarikat Takaful Malaysia Berhad ("STMB") will continue to expand its market share within the insurance industry, especially with the launch of three new products Takaful myInvest, Takaful myGraduan and Takaful myGemilang in 2010. Despite focussing on growth in assets size, STMB will remain prudent in its investment strategy, and tighten its underwriting standards. To promote cost efficiency, STMB will continue to right-size its branch network, while pursuing strategies such as providing customer service desks in Tabung Haji branches to market Takaful Malaysia's products and services.

B4 VARIANCE FROM PROFIT FORECAST AND PROFIT GUARANTEE

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

B5 TAXATION

Current tax expense

	Individual Quarter		Cumulative Year to date	
	3 months ended		9 months ended	
	Unaudited 31-Mar-10	Unaudited 31-Mar-09	Unaudited 31-Mar-10	Unaudited 31-Mar-09
	RM'000	RM'000	RM'000	RM'000
	31,488	7,600	79,637	30,323

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

There are no corporate proposals outstanding as at the date of this submission.

B9 DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES

	Group	
	Unaudited	Audited
	31-Mar-10 RM '000	30-Jun-09 RM '000
Deposits from customers		
Mudharabah accounts deposits and negotiable instruments of deposits		
One year or less (short-term)	13,610,044	14,928,380
More than one year (medium/long-term)	1,584,511	1,511,812
	15,194,555	16,440,192
Current accounts	5,952,766	6,336,054
Savings accounts	2,250,025	2,032,461
Others	65,876	62,744
Total deposits	23,463,222	24,871,451
Deposits and placements of banks and other financial institutions		
One year or less (short-term)	461,451	8,078
More than one year (medium/long-term)	6,698	-
	468,149	8,078

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

GROUP (RM '000)

Items	Unaudited 31-Mar-10	up to 1 mth	>1-3 mths	>3-6 mths	>6-12 mths	Margin Requirement
	Principal Amount					
Foreign exchange related contracts						
- forwards	1,199,082	100,294	816,532	282,256	-	NA
- swaps	1,083,365	668,594	156,189	258,582	-	NA
- option	437,876	437,876	-	-	-	NA
Total	2,720,323	1,206,764	972,721	540,838	-	NA

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk transactions may be reduced through offsetting on and off-balance sheet positions. As at 31 March 2010, the amount of contracts which were not hedged and, hence, exposed to market risk was RM292.3 million. (30 June 2009: RM313.4 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 31 March 2010, the credit risk measured in terms of the cost to replace the profitable contracts was RM83.7 million (30 June 2009: RM36.4 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		9 months ended	
	Unaudited 31-Mar-10 RM'000	Unaudited 31-Mar-09 RM'000	Unaudited 31-Mar-10 RM'000	Unaudited 31-Mar-09 RM'000
Net Operating profit after zakat & tax (NOPAT)				
Profit before zakat and taxation (PBZT)	100,326	54,192	302,011	182,481
Zakat & Taxation	(34,569)	(9,861)	(89,220)	(37,578)
NOPAT	65,757	44,331	212,791	144,903
Economic charge computation:				
Average invested capital	2,074,457	1,574,586	1,990,011	1,521,600
(includes minority interest less gain on disposal of interest in subsidiary)				
Weighted Average Cost of Capital (WACC) at 7.9% per annum	7.90%	8.50%	7.90%	8.50%
(WACC as at 31 March 2009: 8.5% per annum)				
Economic charge	40,409	33,002	118,016	97,091
Economic profit	25,348	11,329	94,775	47,812

B12 MATERIAL LITIGATION

Save as disclosed below, there were no changes in material litigation, including the status of pending material litigations 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 to recover the shortfall. The Court has allowed the Plaintiffs' claim and the Defendant has filed an appeal against such ruling. The Defendant then withdrew the appeal and the Plaintiffs will proceed the execution proceeding against the Defendant. The sum outstanding to Bank Islam as at May 2010 is RM 42.5 million. 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 RM29,228,765.00. 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 RM28.0 million. An auction date was fixed by the Court in respect for the golf course on 25 November 2009. However, the auction was unsuccessful as the identified potential bidder has withdrawn their interest a few days before the auction date. This case is fixed for further mention on 20 May 2010.

- (c) On 17 May 2003, Tahan Steel Corporation Sdn Bhd ("the Plaintiff") filed a civil suit against Bank Islam to claim for damages amounting to USD12,275,000.00 for breach of contract and RM109,776,000.00 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. The trial was held on 18, 19 and 20 January 2010. This case is fixed for decision on 1 June 2010.

- (d) 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 property had been successfully auctioned on 30th November 2009 at a discounted bid price of RM2.80 million. Bank Islam is proceeding to recover the shortfall amount from the Defendant. As at May 2010, Proof of Debt has been filed against all the guarantors.

- (e) 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 Bank Islam. The Chargor has filed an appeal at the Appeal Court in respect of the Order for Sale decision granted by the High Court. Pending the Appeal Court's decision, Bank Islam has to put on hold all the foreclosure proceeding against the property.

- (f) 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. For foreclosure action, the case is fixed for case management on 26 May 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.

B12 MATERIAL LITIGATION, continued

- (g) 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.

An order for sale for the two (2) properties charged to Bank Islam was obtained in January 2005. As at May 2010, Bank Islam has received payment of RM18.5 million from the chargor and withdrew the foreclosure and civil action against the Second and Third Defendants while proceeding the civil action against the First Defendant to recover the shortfall of RM8.5 million. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.

- (h) 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 RM7,559,675.00, together with interests. The court dismissed the Plaintiff's claim with costs on 23 June 2009. The Plaintiff filed an appeal but the court has yet to fix a date for the appeal.

- (i) 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 RM10,500,000.00. 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 for the amount of RM18 million. As at May 2010, the proof of debt has been filed against the Defendant.

- (j) 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 USD2,720,036.00. A Judgment in Default has been obtained against the Defendants. However, further action against the First and Second Defendants were discontinued on the grounds that (a) there was no evidence of assets in the First Defendant and (b) the Second Defendant was successful in setting aside the Judgment In Default against him on technical grounds. Bank Islam is proceeding with the execution against the Third Defendant and at the same time is exploring other recovery strategies against the other two Defendants.

- (k) 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. As at May 2010, this case is still pending winding up and bankruptcy proceeding 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 RM12,430,000.00. Bank Islam has received the auction proceeds.

- (l) 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 Bank Islam's summary judgment application under Order 14 of the High Court Rule. The Defendant filed an appeal and stay of execution. On 3 March 2010, the Court of Appeal allowed the Defendant's appeal and set aside the Summary Judgment entered against the Defendant. The trial dates have been fixed on 11th to 13th, 17th and 31st May 2010. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.

- (m) 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 RM25.0 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 RM25.0 million should they failed to pay RM18.0 million by June 2010.

- (n) 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. Bank Islam entered into an agreement with the Guarantor for a full and final settlement of RM3.5 million via staggered payments. At the same time, Bank Islam is continuing the civil action and foreclosure action against the Defendant. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.

- (o) 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 RM250,000.00 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 filed an appeal but the Court has yet to fix a date for the appeal. Bank Islam's solicitors are of the view that Bank Islam has a fair chance to succeed in defending this matter.

- (p) On 16 August 2007, Teck Guan Sdn Bhd ("the Plaintiff") filed a civil suit against Bank Islam claiming the sum of RM11,385,600.00. This case is fixed for mention on 20 July 2010. Currently, Bank Islam is negotiating settlement arrangement with the Plaintiff. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.

B12 MATERIAL LITIGATION, continued

- (q) (i) On 27 September 2007, Barter Fortune Sdn Bhd ("the Plaintiff") filed a civil suit against Bank Islam for recalling a Bai' Bithaman Ajil (BBA) 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 RM100,000,000.00 and exemplary damages of RM100,000,000.00 together with cost. Bank Islam had filed an application to strike out the Plaintiff's claim. This case is fixed for case management on 15 June 2010. Bank Islam's solicitors are of the view that Bank Islam has a fair chance to succeed in defending this matter.
- (ii) Upon undertaking letter provided by the Plaintiff to withdraw the 2007 civil suit, Bank Islam had offered further BBA financing to the Plaintiff on 11 December 2008. However, the Plaintiff had requested for more financing but at the same time breach the earlier undertaking. On 13 April 2010, the Plaintiff filed a fresh civil suit against Bank Islam alleging that Bank Islam of breach of settlement arrangement and/or misrepresentation. The Plaintiff is claiming damages for breach of settlement arrangement, fraudulent misrepresentations, special damages of RM2,873,241.00 and punitive and exemplary damages of RM200 million and costs. This case is fixed for mention on 24 May 2010. Bank Islam's solicitors are of the view that Bank Islam has a fair chance to succeed in defending this matter.
- (r) 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), 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 RM1,660,400.00 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 decision on 9 June 2010.
- (s) 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 RM164,900.00 and cost being payment of RM144,000.00 to Buckingham Consultant League Sdn Bhd ("BCLSB") and RM20,900.00 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 USD28,887,511.00 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 9 June 2010.
- (t) On 27 August 2007, Bank Islam filed a civil suit against four (4) former senior management staff of the then Bank Islam Labuan Ltd ("BILL") ("the Defendants") claiming an amount of USD8,586,483.00 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 hearing on 26 May 2010.
- (u) On 12 May 2009, Swiber Marine (Malaysia) Sdn Bhd ("the Defendant") had served Section 218 Notice of the Companies Act 1965 against Bank Islam pursuant to a Bank Guarantee of RM16.0 million issued by Bank Islam in which Bank Islam had refused to pay due to some technicality. Subsequently, on 27 May 2009, Bank Islam filed an action against the Defendant applying an injunction to restrain the Defendant from presenting the Winding-Up Petition to Bank Islam ("Injunction"). On 10 August 2009, the Court had granted the Injunction in favour of Bank Islam. On 17 November 2009, Bank Islam withdrew the action against the Defendant based on the Defendant's undertaking not to issue Section 218 Notice against Bank Islam. The matter is to be resolved through arbitration. Both parties are supposed to file and exchange their pleadings by 31 July 2010.

B13 CONTINGENT LIABILITIES

Prior to the amendments of Section 60AA of the Income Tax Act 1967 (Section 60AA), our subsidiary, Takaful Malaysia reported that capital allowances had been claimed by way of deduction from tax adjusted income in both General and Family Takaful Funds whilst the Shareholders' Funds is not entitled to claim capital allowances. The amended Section 60AA stipulates that the tax adjusted income of the Shareholders' Fund shall be ascertained by taking into account the amount of income distributed or credited from Family and General Takaful Funds and as a result both General and Family Takaful Funds would have nil tax adjusted income. As such, capital allowances claimable for the years of assessment from 1997 to 2010 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.

Takaful Malaysia 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 Takaful Malaysia accordingly. No provision has been made by Takaful Malaysia for the potential tax liabilities on non deductibility of the capital allowances for the previous and current years pending the outcome of the said discussion and future appeals. The potential tax exposure to Takaful Malaysia assuming that the deduction of capital allowances in Shareholders' Fund is rejected by the MOF is approximately RM24.6 million.

B14 EARNINGS PER SHARE

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

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

	Individual Quarter 3 months ended		Cumulative Year to date 9 months ended	
	Unaudited 31-Mar-10 RM '000	Unaudited 31-Mar-09 RM '000	Unaudited 31-Mar-10 RM '000	Unaudited 31-Mar-09 RM '000
Net profit/(loss) for the quarter attributable to equity holders of the parent	35,637	13,697	113,331	78,838
Number of ordinary shares	1,066,790	891,390	1,066,790	891,390
Basic earnings per share attributable to equity holders of the parent (sen)	3.34	1.54	10.62	8.84

By Order of the Board

MARIA MAT SAID (LS 09400)
Company Secretary
May 25, 2010