

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

(Incorporated in Malaysia)

**Condensed Consolidated Income Statement  
For the Twelve Months Period Ended 30 June 2010**

	Note	Individual Quarter 3 months ended		Cumulative Year to date 12 months ended	
		30 June 2010 RM'000 Unaudited	30 June 2009 RM'000 Audited	30 June 2010 RM'000 Unaudited	30 June 2009 RM'000 Audited
Income derived from investment of depositors' fund	A15	301,876	274,184	1,141,034	1,017,256
Income derived from investment of shareholders' fund	A16	113,322	143,684	482,278	472,924
Allowance for losses on financing	A17	(24,421)	(32,175)	(124,718)	(123,291)
Impairment losses		-	(4,563)	(234)	(4,663)
Profit equalisation reserve		-	(2,278)	8,308	2,716
Other expenses directly attributable to the investment of the depositors' and shareholders' funds		(5,134)	(4,824)	(18,001)	(16,563)
<b>Total distributable income</b>		<b>385,643</b>	<b>374,028</b>	<b>1,488,667</b>	<b>1,348,379</b>
Income attributable to depositors	A18	(102,424)	(102,144)	(368,384)	(426,077)
<b>Total net income</b>		<b>283,219</b>	<b>271,884</b>	<b>1,120,283</b>	<b>922,302</b>
Personnel expenses		(106,013)	(85,251)	(361,688)	(314,996)
Other overhead expenses		(90,120)	(54,498)	(334,634)	(264,001)
Depreciation		(11,442)	(15,484)	(46,306)	(44,173)
<b>Profit before zakat and taxation</b>		<b>75,644</b>	<b>116,651</b>	<b>377,655</b>	<b>299,132</b>
Zakat		(2,434)	(48)	(12,017)	(7,303)
Tax expense	B5	(28,579)	(53,798)	(108,216)	(84,121)
<b>Profit for the period</b>		<b>44,631</b>	<b>62,805</b>	<b>257,422</b>	<b>207,708</b>
<b>Attributable to:</b>					
Shareholders of the Company		22,548	34,821	135,879	113,659
Minority Interests		22,083	27,984	121,543	94,049
<b>Profit for the period</b>		<b>44,631</b>	<b>62,805</b>	<b>257,422</b>	<b>207,708</b>
<b>Earnings Per Share - basic (sen)</b>	B14	<b>2.11</b>	<b>3.89</b>	<b>12.74</b>	<b>12.69</b>

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

**Condensed Consolidated Balance Sheet as at 30 June 2010**

	Note	As at June 30, 2010 RM'000 Unaudited	As at June 30, 2009 RM'000 Audited
<b>ASSETS</b>			
Cash and short term funds		6,206,491	8,482,444
Deposits and placements with financial institutions		27	90,682
Securities:			
- Held for trading	A8	1,570,009	294,868
- Held-to-maturity	A9	154,481	162,763
- Available-for-sale	A10	11,093,118	8,635,312
Financing, advances and others	A11	11,289,732	9,661,864
Deferred tax assets		70,409	71,646
Assets held for sale		1,467	1,471
Other assets		224,032	210,457
Current tax assets		12,014	13,694
Investment in associates		23,774	149
Statutory deposit with Bank Negara Malaysia		20,000	139,729
Property, plant and equipment		183,007	160,714
Prepaid lease payments		24,423	24,800
General Takaful and Family Takaful assets		4,243,605	3,947,615
<b>Total assets</b>		<b>35,116,589</b>	<b>31,898,208</b>
<b>LIABILITIES, EQUITY &amp; TAKAFUL FUNDS</b>			
<b>Liabilities</b>			
Deposits from customers	A13	26,552,154	24,871,451
Deposits and placements of banks and other financial institutions	A14	374,750	8,078
Bills and acceptances payable		295,841	283,212
Other liabilities		588,943	387,770
Provision for zakat and taxation		93,175	33,188
General Takaful and Family Takaful liabilities		474,466	495,274
General Takaful and Family Takaful participants' funds		3,769,139	3,452,341
<b>Total liabilities</b>		<b>32,148,468</b>	<b>29,531,314</b>
<b>Equity</b>			
Share capital		1,066,790	1,066,790
Reserves		331,175	205,743
<b>Total equity attributable to shareholders of the Company</b>		<b>1,397,965</b>	<b>1,272,533</b>
Minority interests		1,570,156	1,094,361
<b>Total equity</b>		<b>2,968,121</b>	<b>2,366,894</b>
<b>Total equity and liabilities</b>		<b>35,116,589</b>	<b>31,898,208</b>
<b>COMMITMENTS AND CONTINGENCIES</b>			
	A24	<b>9,429,834</b>	<b>7,693,378</b>
Net assets per share attributable to ordinary equity holders of the parent (RM)		<b>1.31</b>	<b>1.19</b>

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

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity  
For the Twelve Months Period Ended 30 June 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			
<b>Audited</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		-	-	-	(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)
<b>At 30 June 2009</b>		<b>1,066,790</b>	<b>602,978</b>	<b>408,109</b>	<b>13,983</b>	<b>638,370</b>	<b>(2,576)</b>	<b>(1,455,121)</b>	<b>1,272,533</b>	<b>1,094,361</b>	<b>2,366,894</b>
<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		-	-	-	13,363	-	-	-	13,363	12,776	26,139
- Unrealised net gain on revaluation of securities available-for-sale		-	-	-	-	-	33,501	-	33,501	32,092	65,593
Net profit for the period		-	-	-	-	-	-	135,879	135,879	121,543	257,422
Transfer to statutory reserve		-	-	49,658	-	-	-	(97,368)	(47,710)	47,710	-
Convertible redeemable non-cumulative preference shares (CRNCPS) issued		-	-	-	-	-	-	-	-	264,600	264,600
Subscription of shares by minority interests of a subsidiary		-	-	-	-	-	-	-	-	500	500
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)
<b>At 30 June 2010</b>		<b>1,066,790</b>	<b>602,978</b>	<b>457,767</b>	<b>27,346</b>	<b>638,370</b>	<b>30,925</b>	<b>(1,426,211)</b>	<b>1,397,965</b>	<b>1,570,156</b>	<b>2,968,121</b>

# BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

## Condensed Consolidated Cash Flow Statement, continued For the Twelve Months Period Ended 30 June 2010

	12 months 30 June 2010 RM'000 Unaudited	12 months 30 June 2009 RM'000 Audited
<b>Cash flows from operating activities</b>		
Profit before zakat and taxation	377,655	299,132
Adjustment for non-cash flow items:-		
Depreciation of property, plant and equipment	46,306	44,173
Amortisation of prepaid lease payment	276	424
(Reversal)/Impairment losses on securities available-for-sale	-	(100)
Impairment losses on other receivables	-	10,557
(Reversal)/Impairment losses on securities held to maturity	-	5,994
Reversal for doubtful debts	(240)	(3,293)
Allowance for losses on financing	124,718	123,291
(Reversal)/Allowance for diminution in investments	(159)	2,120
Dividend income	(8,143)	(6,466)
Net (gain)/loss on disposal of property, plant and equipment	-	(835)
Property, plant and equipment written off	-	22,454
Net loss/(gain) on sale of securities held-for-trading	(324)	(3,096)
Net gain on sale of securities available-for- sale	(19,959)	(3,436)
Accretion of discount less amortisation of premium	(73,154)	(62,104)
Unrealised gain on securities held-for-trading	-	(5,738)
Unrealised foreign exchange gain	-	(26,178)
Reversal of impairment loss on prepaid lease payment	-	(120)
Operating profit before working capital changes	446,976	396,779
Changes in working capital:		
Other receivables	(13,575)	24,872
Statutory deposits with Bank Negara Malaysia	119,729	222,422
Bills payable	12,629	(707,236)
Other payables	186,877	4,557
Financing of customers	(1,627,868)	(730,127)
Deposits from customers	1,680,703	4,335,544
Deposit and placements of banks and other financial institutions	366,672	(50,365)
Cash used in operation	1,172,143	3,496,446
Zakat and income taxes paid	(57,199)	(40,365)
<b>Net cash used in operating activities</b>	<b>1,114,944</b>	<b>3,456,081</b>

# BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

## Condensed Consolidated Cash Flow Statement, continued For the Twelve Months Period Ended 30 June 2010

	12 months 30 June 2010 RM'000 Unaudited	12 months 30 June 2009 RM'000 Audited
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(68,599)	(57,225)
Proceeds from disposal of property, plant and equipment	-	20,175
Dividend received from available-for-sale	297,620	6,466
Net (purchase)/proceeds from disposal of securities	(3,724,665)	(5,215,340)
<b>Net cash used in investing activities</b>	<b>(3,495,644)</b>	<b>(5,245,924)</b>
<b>Cash flows from financing activities</b>		
Issuance of shares of a subsidiary to minority shareholders	-	1,489
Restricted issue of new ordinary shares	-	175,400
Dividend paid to shareholders of the parent	(9,601)	(9,693)
<b>Net cash generated from financing activities</b>	<b>(9,601)</b>	<b>167,196</b>
<b>Net decrease in cash and cash equivalent</b>	<b>(2,390,301)</b>	<b>(1,622,647)</b>
<b>Foreign exchange differences</b>	<b>23,693</b>	<b>1,552</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>8,573,126</b>	<b>10,194,221</b>
<b>Cash and cash equivalents at the end of period</b>	<b>6,206,518</b>	<b>8,573,126</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and short term funds	6,206,491	8,482,444
Deposits and placement with financial institutions	27	90,682
	<b>6,206,518</b>	<b>8,573,126</b>

**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 twelve months period ended 30 June 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:

<b>FRSs/Interpretations</b>	<b>Effective date</b>
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 12 months ended	
	Unaudited 30-Jun-10 RM '000	Audited 30-Jun-09 RM '000
<u>Ordinary</u>		
2010 - 1.20%, (2009 - 1.45%)	9,601	9,693

**A8 SECURITIES HELD-FOR-TRADING**

	Unaudited 30-Jun-10 RM '000	Audited 30-Jun-09 RM '000
<b>At fair value</b>		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Islamic Commercial Papers	74,304	137,891
Malaysian Government Investment Issue	35,513	149,737
Bank Negara Negotiable Notes	1,432,688	-
Malaysian Islamic Treasury Bills	19,789	-
	<b>1,562,294</b>	<b>287,628</b>
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Shares	7,715	7,240
<b>Total securities held-for-trading</b>	<b>1,570,009</b>	<b>294,868</b>

**A9 SECURITIES HELD-TO-MATURITY**

	Unaudited 30-Jun-10 RM '000	Audited 30-Jun-09 RM '000
<b>At amortised cost</b>		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Islamic Debt Securities	177,548	175,050
Less: Impairment losses	(23,067)	(12,287)
<b>Total securities held-to-maturity</b>	<b>154,481</b>	<b>162,763</b>

A10 SECURITIES AVAILABLE-FOR-SALE

	Unaudited 30-Jun-10 RM '000	Audited 30-Jun-09 RM '000
<b>At fair value</b>		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Malaysian Government Investment Issue	3,785,070	2,651,555
Unquoted shares	23,754	28,720
Promissory notes	5,108	5,604
Accepted bills	265,626	107,997
Negotiable Islamic Debt Certificate	1,890,799	1,437,982
Islamic Commercial Papers	582,327	453,816
Islamic Debt Securities	4,488,958	3,837,749
Malaysian Islamic Treasury Bills	19,977	29,819
<i>Outside Malaysia</i>		
Islamic Development Bank unit trust	1,923	1,923
Unquoted shares	380	2,996
Islamic Debt Securities	-	-
	<b>11,063,922</b>	<b>8,558,161</b>
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Unit trust	10,471	45,816
Shares	-	22,506
<i>Outside Malaysia</i>		
Bond	64,730	70,380
	<b>75,201</b>	<b>138,702</b>
Less:		
Impairment losses	(46,005)	(61,551)
<b>Total securities available-for-sale</b>	<b>11,093,118</b>	<b>8,635,312</b>

A11 FINANCING, ADVANCES AND OTHERS

(i) By type

	Unaudited 30-Jun-10 RM '000	Audited 30-Jun-09 RM '000
Cash line	403,058	164,272
Term financing		
House financing	8,905,227	7,136,157
Syndicated financing	70,201	81,329
Lease receivables	541,913	329,189
Bridging financing	328,705	299,524
Personal financing	4,182,895	2,733,611
Other term financing	3,828,432	3,874,823
Staff financing	296,770	298,368
Credit/charge cards	433,636	393,442
Trust receipt	60,604	151,672
Trade bills discounted	1,347,547	1,539,200
Pawn broking	6,116	-
	<b>20,405,104</b>	<b>17,001,587</b>
Less: Unearned income	(8,396,829)	(6,290,584)
	<b>12,008,275</b>	<b>10,711,003</b>
Less: Allowance for bad and doubtful financing:		
General	(171,825)	(170,844)
Specific	(546,718)	(878,295)
<b>Total net financing, advances and others</b>	<b>11,289,732</b>	<b>9,661,864</b>

(ii) By contract

	Unaudited 30-Jun-10 RM '000	Audited 30-Jun-09 RM '000
Bai' Bithaman Ajil (deferred payment sale)	6,082,385	5,719,619
Bai'-Al-Inah	1,892,025	2,274,418
Ijarah (operating lease)	338,275	289,200
Ijarah Muntahia Bittamlik / AITAB (finance lease)	13,741	28,367
Mudharabah (profit sharing)	6,109	8,934
Murabahah (cost-plus)	1,401,399	1,680,071
At-Tawarruq	1,761,034	167,378
Istisna'	507,191	543,016
Ar-Rahn	6,116	-
	<b>12,008,275</b>	<b>10,711,003</b>

(iii) By type of customer

	Unaudited 30-Jun-10 RM '000	Audited 30-Jun-09 RM '000
Domestic banking institutions	63	94
Domestic non-bank financial institutions	11,080	12,459
Domestic business enterprise	2,248,669	2,093,772
Small medium industries	575,980	867,061
Government and statutory bodies	125,920	156,910
Individuals	8,562,247	7,145,048
Other domestic entities	59,891	17,932
Foreign entities	424,425	417,727
	<b>12,008,275</b>	<b>10,711,003</b>



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

	Unaudited 30-Jun-10 RM '000	Audited 30-Jun-09 RM '000
Fixed rate		
House financing	2,140,625	2,298,214
Others	7,863,399	7,462,649
Floating rate	2,004,251	950,140
	<b>12,008,275</b>	<b>10,711,003</b>

**(v) By sector**

	Unaudited 30-Jun-10 RM '000	Audited 30-Jun-09 RM '000
Primary agriculture	221,738	342,277
Mining and quarrying	936	18,835
Manufacturing (including agro-based)	736,276	962,784
Electricity, gas and water	138,621	105,367
Construction	702,081	750,994
Real estate	108,997	124,565
Household sector	8,548,826	7,077,728
Wholesale and retail trade and restaurants and hotels	720,633	546,741
Transport, storage and communications	447,616	360,304
Finance, insurance and business activities	101,214	280,621
Education, health and others	258,934	67,815
Other sectors	22,403	72,972
	<b>12,008,275</b>	<b>10,711,003</b>

**A12 NON-PERFORMING FINANCING**

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

	Unaudited 30-Jun-10 RM '000	Audited 30-Jun-09 RM '000
<b>At 1 July</b>	1,360,449	1,949,904
Addition arising from change to 3 months classification	140,641	-
Classified as non-performing	134,088	228,431
Reclassified as performing	(71,241)	(131,580)
Amount recovered	(210,791)	(184,080)
Amount written off	(410,048)	(540,033)
Exchange differences	(25,087)	37,807
<b>At end of period</b>	<b>918,011</b>	<b>1,360,449</b>
Less: - specific allowance	(546,718)	(878,295)
<b>Net non-performing financing, advances and others</b>	<b>371,293</b>	<b>482,154</b>

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

3.24%                      4.90%

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

	Unaudited 30-Jun-10 RM '000	Audited 30-Jun-09 RM '000
<b><u>General allowance</u></b>		
<b>At 1 July</b>	170,844	169,382
Allowance made	2,613	-
Exchange differences	(1,632)	1,462
<b>At end of period</b>	<b>171,825</b>	<b>170,844</b>

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

1.50%                      1.74%

**Specific allowance**

<b>At 1 July</b>	878,295	1,228,131
Allowance made	378,342	303,755
Amount recovered	(148,263)	(133,074)
Amount written off	(551,016)	(540,033)
Exchange differences	(10,640)	19,516
<b>At end of period</b>	<b>546,718</b>	<b>878,295</b>

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

	<b>Unaudited</b>	<b>Audited</b>
	<b>30-Jun-10</b>	<b>30-Jun-09</b>
	<b>RM '000</b>	<b>RM '000</b>
Primary agriculture	31,858	64,900
Mining and quarrying	887	2,130
Manufacturing (including agro-based)	138,182	290,385
Electricity, gas and water	-	75,046
Construction	276,195	403,423
Real estate	2,940	8,700
Household sector	389,122	338,344
Wholesale and retail trade and restaurants and hotels	59,236	94,821
Transport, storage and communications	3,207	13,476
Finance, insurance and business activities	7,662	51,598
Education, health and others	4,626	10,553
Other sectors	4,096	7,073
	<b>918,011</b>	<b>1,360,449</b>

**A13 DEPOSITS FROM CUSTOMERS**

**(i) By type of deposit**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30-Jun-10</b>	<b>30-Jun-09</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>Non-Mudharabah Fund:</b>		
Demand deposits	6,715,132	6,336,054
Savings deposits	2,223,138	2,032,461
Negotiable Islamic Debt Certificate (NIDC)	5,633,696	7,133,790
Others	62,926	62,744
	<b>14,634,892</b>	<b>15,565,049</b>
<b>Mudharabah Fund:</b>		
Savings deposits	947,859	680,589
General investment deposits	2,749,971	2,535,289
Special investment deposits	8,219,432	6,090,289
Others	-	235
	<b>11,917,262</b>	<b>9,306,402</b>
<b>Total deposits from customers</b>	<b>26,552,154</b>	<b>24,871,451</b>

**(ii) By type of customer**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30-Jun-10</b>	<b>30-Jun-09</b>
	<b>RM '000</b>	<b>RM '000</b>
Government and statutory bodies	6,602,657	5,934,355
Business enterprises	8,742,909	10,153,734
Individuals	4,094,932	3,795,843
Others	7,111,656	4,987,519
	<b>26,552,154</b>	<b>24,871,451</b>

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

	<b>Unaudited</b>	<b>Audited</b>
	<b>30-Jun-10</b>	<b>30-Jun-09</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>Mudharabah Fund:</b>		
Licensed banks	328,030	8,078
Other financial institutions	46,720	-
	<b>374,750</b>	<b>8,078</b>

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

	Individual Quarter 3 months ended		Cumulative Year to date 12 months ended	
	Unaudited	Audited	Unaudited	Audited
	30-Jun-10 RM '000	30-Jun-09 RM '000	30-Jun-10 RM '000	30-Jun-09 RM '000
Income derived from investment of:				
(i) General investment deposits	34,665	30,357	124,460	126,536
(ii) Other deposits	267,211	243,827	1,016,574	890,720
	<b>301,876</b>	<b>274,184</b>	<b>1,141,034</b>	<b>1,017,256</b>

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

	Individual Quarter 3 months ended		Cumulative Year to date 12 months ended	
	Unaudited	Audited	Unaudited	Audited
	30-Jun-10 RM '000	30-Jun-09 RM '000	30-Jun-10 RM '000	30-Jun-09 RM '000
<b>Financing income and hibah</b>				
Financing, advances and others	23,082	18,907	80,259	84,357
Held-for-trading	90	171	242	364
Held-to-maturity	159	385	680	475
Available-for-sale	6,584	4,471	24,283	13,352
Money at call and deposit with financial institutions	2,578	4,684	10,308	21,088
	<b>32,493</b>	<b>28,618</b>	<b>115,772</b>	<b>119,636</b>
Amortisation of premium less accretion of discounts	1,593	949	6,017	5,368
	<b>34,086</b>	<b>29,567</b>	<b>121,789</b>	<b>125,004</b>
<b>Other dealing income</b>				
Net gain / (loss) from sale of securities held-for-trading	(5)	279	(71)	485
Net gain / (loss) on revaluation of securities held-for-trading	614	164	1,337	715
	<b>609</b>	<b>443</b>	<b>1,266</b>	<b>1,200</b>
<b>Other operating income</b>				
Net gain / (loss) from sale of securities:				
Available-for-sale	78	347	1,405	186
Gross dividend income from securities:				
Unquoted in Malaysia	(108)	-	-	146
	<b>(30)</b>	<b>347</b>	<b>1,405</b>	<b>332</b>
	<b>34,665</b>	<b>30,357</b>	<b>124,460</b>	<b>126,536</b>

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

	Individual Quarter 3 months ended		Cumulative Year to date 12 months ended	
	Unaudited	Audited	Unaudited	Audited
	30-Jun-10 RM '000	30-Jun-09 RM '000	30-Jun-10 RM '000	30-Jun-09 RM '000
<b>Financing income and hibah</b>				
Financing, advances and others	177,854	150,943	654,014	590,216
Held-for-trading	694	1,402	1,983	2,673
Held-to-maturity	1,297	2,749	5,932	3,360
Available-for-sale	50,797	36,145	198,445	96,630
Money at call and deposit with financial institutions	19,885	38,591	84,995	150,496
	<b>250,527</b>	<b>229,830</b>	<b>945,369</b>	<b>843,375</b>
Amortisation of premium less accretion of discounts	12,288	7,642	49,151	37,208
	<b>262,815</b>	<b>237,472</b>	<b>994,520</b>	<b>880,583</b>
<b>Other dealing income</b>				
Net gain / (loss) from sale of securities held-for-trading	(38)	2,278	(634)	2,719
Net gain / (loss) on revaluation of securities held-for-trading	4,733	1,308	10,791	5,016
	<b>4,695</b>	<b>3,586</b>	<b>10,157</b>	<b>7,735</b>
<b>Other operating income</b>				
Net gain / (loss) from sale of securities:				
Available-for-sale	603	2,769	11,897	1,336
Gross dividend income from securities:				
Unquoted in Malaysia	(902)	-	-	1,066
	<b>(299)</b>	<b>2,769</b>	<b>11,897</b>	<b>2,402</b>
	<b>267,211</b>	<b>243,827</b>	<b>1,016,574</b>	<b>890,720</b>

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

	Individual Quarter 3 months ended		Cumulative Year to date 12 months ended	
	Unaudited	Audited	Unaudited	Audited
	30-Jun-10 RM '000	30-Jun-09 RM '000	30-Jun-10 RM '000	30-Jun-09 RM '000
<b>Financing income and hibah</b>				
Financing, advances and others	914	772	3,507	3,256
Available-for-sale	19,738	14,184	74,892	45,369
Money at call and deposit with financial institutions	3,458	1,390	6,139	62,130
	<b>24,110</b>	<b>16,346</b>	<b>84,538</b>	<b>110,755</b>
Amortisation of premium less accretion of discounts	3,809	5,285	17,986	19,528
	<b>27,919</b>	<b>21,631</b>	<b>102,524</b>	<b>130,283</b>
<b>Other dealing income</b>				
Net gain / (loss) from foreign exchange transactions	1,991	6,257	11,297	26,178
Net gain / (loss) from sale of securities held-for-trading	109	649	1,029	(108)
Net gain / (loss) on revaluation of securities held-for-trading	-	(4)	-	7
	<b>2,100</b>	<b>6,902</b>	<b>12,326</b>	<b>26,077</b>
<b>Other operating income</b>				
Net gain / (loss) from sale of securities:				
Available-for-sale	3,024	2,650	6,657	1,914
Unrealised forex gain/(loss) on cash balance	-	-	-	150
Profit on sale of foreign currencies	1,747	(210)	3,559	1,266
Reversal/(allowance) for diminution in value of investment	(52)	104	159	489
Reversal of allowance for doubtful debts	60	70	240	4,500
Profit from general takaful and family takaful funds attributable to the Group	31,894	69,819	162,722	147,732
Gross dividend income from securities:				
Quoted in Malaysia	80	17	815	301
Unit trust in Malaysia	-	-	1,064	138
Unit trust outside Malaysia	-	41	96	104
Unquoted in Malaysia	412	1,294	6,168	4,920
	<b>37,165</b>	<b>73,785</b>	<b>181,480</b>	<b>161,514</b>
<b>Fees and commission</b>				
ATM fees	4,386	3,593	15,114	12,123
Financing fees	1,635	3,602	12,667	17,362
Cheque issued & return, closing account and other fees	2,083	1,874	7,194	2,452
Takaful service fees and commission	2,704	2,384	9,629	5,784
Credit card fees and commission	9,552	4,850	33,210	17,137
Processing fees	301	194	654	412
Commitment fees	58	120	138	1,339
Commission on MEPS	1,224	998	4,440	3,885
Management fee	940	800	1,487	1,356
Corporate advisory fees	980	1,919	6,837	3,046
Commission on structured products	60	-	3,333	7,110
Ta'widh charges	268	-	2,216	1,381
Investment income	2,061	-	8,136	5,960
Wakalah fees	19,670	18,656	69,851	38,718
Other service charges fees	151	(359)	11,740	33,859
	<b>46,073</b>	<b>38,631</b>	<b>186,646</b>	<b>151,924</b>
<b>Other income</b>				
Net gain/(loss) on disposal of property, plant & equipment	(123)	601	(840)	835
Rental income	(17)	5	(124)	5
Others	205	2,129	266	2,286
	<b>65</b>	<b>2,735</b>	<b>(698)</b>	<b>3,126</b>
	<b>113,322</b>	<b>143,684</b>	<b>482,278</b>	<b>472,924</b>

**A17 ALLOWANCE FOR LOSSES ON FINANCING**

	Individual Quarter 3 months ended		Cumulative Year to date 12 months ended	
	Unaudited	Audited	Unaudited	Audited
	30-Jun-10 RM '000	30-Jun-09 RM '000	30-Jun-10 RM '000	30-Jun-09 RM '000
Allowance for bad and doubtful financing:				
- Specific allowance				
- Made in the financial year	75,120	109,424	378,342	303,755
- Written back	(29,607)	(54,959)	(148,263)	(133,074)
- General allowance				
- Made in the financial year	2,613	-	2,613	-
- Bad debts and financing:				
- Recovered	(23,705)	(22,290)	(107,974)	(44,964)
- Recoverable from Danaharta	-	-	-	(2,426)
	<b>24,421</b>	<b>32,175</b>	<b>124,718</b>	<b>123,291</b>

**A18 INCOME ATTRIBUTABLE TO DEPOSITORS**

	Individual Quarter 3 months ended		Cumulative Year to date 12 months ended	
	Unaudited	Audited	Unaudited	Audited
	30-Jun-10 RM '000	30-Jun-09 RM '000	30-Jun-10 RM '000	30-Jun-09 RM '000
Deposits from customers:				
- Mudharabah fund	63,963	43,293	206,952	176,630
- Non-Mudharabah fund	33,307	59,947	147,261	241,956
Deposits and placements of banks and other financial institutions:				
- Mudharabah fund	5,154	(1,096)	14,171	7,491
	<b>102,424</b>	<b>102,144</b>	<b>368,384</b>	<b>426,077</b>

**A19 CAPITAL ADEQUACY**

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

	Unaudited 30-Jun-10 RM '000	Audited 30-Jun-09 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)	540,000	-
Share premium	500,020	500,020
Accumulated losses	(1,212,569)	(1,309,362)
Other reserves	686,492	589,124
Less: Deferred tax assets	(59,609)	(61,660)
<b>Total Tier-I capital</b>	<b>2,179,824</b>	<b>1,443,612</b>
<b>Tier-II capital:</b>		
Redeemable subordinated mudharabah	-	20,000
General allowance for bad and doubtful financing	171,825	170,844
<b>Total Tier-II capital</b>	<b>171,825</b>	<b>190,844</b>
<b>Total capital base</b>	<b>2,351,649</b>	<b>1,634,456</b>
Core capital ratio	15.64%	12.25%
Risk-weighted capital ratio	16.87%	13.87%
Core capital ratio net of proposed dividends	15.64%	12.25%
Risk-weighted capital ratio net of proposed dividend	16.87%	13.87%

**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**

	12 months ended				Total 30-Jun-10 RM'000
	Banking 30-Jun-10 RM'000	Takaful 30-Jun-10 RM'000	Others 30-Jun-10 RM'000	Elimination RM'000	
<b>Current Year-to-Date</b>					
Revenue from external customers	1,365,826	252,812	4,674	-	1,623,312
Inter-segment revenue	18	1,456	29,466	(30,940)	-
<b>Total revenue</b>	<b>1,365,844</b>	<b>254,268</b>	<b>34,140</b>	<b>(30,940)</b>	<b>1,623,312</b>
Net income from operations (before allowance for losses on financing and advances)	984,051	254,268	34,140	(27,458)	1,245,001
Operating overhead	(545,804)	(187,375)	(12,923)	3,474	(742,628)
Operating profit	438,247	66,893	21,217	(23,984)	502,373
Allowance for losses on financing and advances	(124,718)	-	-	-	(124,718)
<b>Profit before zakat and taxation</b>	<b>313,529</b>	<b>66,893</b>	<b>21,217</b>	<b>(23,984)</b>	<b>377,655</b>
<b>Segment assets</b>	<b>30,355,221</b>	<b>4,717,684</b>	<b>1,825,329</b>	<b>(1,781,645)</b>	<b>35,116,589</b>

	12 months ended				Total 30-Jun-09 RM'000
	Banking 30-Jun-09 RM'000	Takaful 30-Jun-09 RM'000	Others 30-Jun-09 RM'000	Elimination RM'000	
<b>Previous Comparative Year-to-Date</b>					
Revenue from external customers	1,274,664	212,596	2,920	-	1,490,180
Inter-segment revenue	33	993	44,456	(45,482)	-
<b>Total revenue</b>	<b>1,274,697</b>	<b>213,589</b>	<b>47,376</b>	<b>(45,482)</b>	<b>1,490,180</b>
Net income from operations (before allowance for losses on financing and advances)	830,110	213,589	47,376	(45,482)	1,045,593
Operating overhead	(463,034)	(163,874)	(13,961)	17,699	(623,170)
Operating profit	367,076	49,715	33,415	(27,783)	422,423
Allowance for losses on financing and advances	(123,291)	-	-	-	(123,291)
<b>Profit before zakat and taxation</b>	<b>243,785</b>	<b>49,715</b>	<b>33,415</b>	<b>(27,783)</b>	<b>299,132</b>
<b>Segment assets</b>	<b>27,488,507</b>	<b>4,372,235</b>	<b>1,847,972</b>	<b>(1,810,506)</b>	<b>31,898,208</b>

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 June 2010 are as follow:

	Unaudited 30 June 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
<b><u>Credit-related exposures</u></b>						
Direct credit substitutes	539,669	539,669	498,218	615,699	615,699	417,935
Assets sold with recourse	242	242	242	6,220	6,220	6,220
Transaction-related contingent items	780,548	390,274	366,078	702,411	351,206	339,589
Short-term self-liquidating trade related contingencies	233,613	46,723	32,726	390,819	78,164	26,367
Other commitments, such as formal standby facilities and credit line, with an original maturity of:						
- exceeding one year	552,337	276,169	234,848	333,712	166,856	155,622
- not exceeding one year	18,745	3,749	3,773	238	48	71
Unutilized credit card lines	436,189	87,238	63,984	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	4,325,553	-	-	3,035,041	-	-
	6,886,896	1,344,064	1,199,869	5,992,736	1,399,912	1,082,093
<b><u>Derivative financial instruments</u></b>						
Foreign exchange related contracts						
- less than one year	1,816,198	32,688	13,660	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	671,740	33,474	9,018	185,453	20,579	4,116
	2,487,938	66,162	22,678	1,650,642	36,357	10,728
<b><u>Other treasury related exposures</u></b>						
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
<b>Total</b>	<b>9,429,834</b>	<b>1,437,726</b>	<b>1,250,047</b>	<b>7,693,378</b>	<b>1,461,269</b>	<b>1,117,821</b>

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

**A25 PROFIT RATE RISK**

Unaudited  
30-Jun-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			
<b>Assets</b>									
Cash and short-term funds and Deposits and placements with financial institutions	5,522,404	-	-	-	-	684,114	-	6,206,518	2.04%
Securities Held-for-trading	-	-	-	-	-	-	1,570,009	1,570,009	0.35%
Securities Held-to-maturity	-	-	-	85,092	69,389	-	-	154,481	4.29%
Securities Available-for-sale	745,896	2,076,872	916,037	5,465,713	1,888,600	-	-	11,093,118	2.81%
Financing, advances & others:									
- Performing	693,658	729,062	799,525	2,608,957	6,087,237	-	-	10,918,439	7.31%
- Non-performing	-	-	-	-	-	371,293	-	371,293	
Other assets	-	-	-	-	-	4,802,731	-	4,802,731	
<b>Total assets</b>	<b>6,961,958</b>	<b>2,805,934</b>	<b>1,715,562</b>	<b>8,159,762</b>	<b>8,045,226</b>	<b>5,858,138</b>	<b>1,570,009</b>	<b>35,116,589</b>	
<b>Liabilities</b>									
Deposits from customers	12,482,753	320,830	246,601	3,539,406	-	9,962,564	-	26,552,154	1.71%
Deposits and placements of banks and other financial institutions	361,575	6,477	-	6,698	-	-	-	374,750	1.43%
Bills and acceptance payable	295,841	-	-	-	-	-	-	295,841	2.40%
Other liabilities	-	-	-	-	-	1,156,584	-	1,156,584	
<b>Total liabilities</b>	<b>13,140,169</b>	<b>327,307</b>	<b>246,601</b>	<b>3,546,104</b>	<b>-</b>	<b>11,119,148</b>	<b>-</b>	<b>28,379,329</b>	
Shareholders' equity	-	-	-	-	-	1,397,965	-	1,397,965	
<b>Takaful funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,769,139</b>	<b>-</b>	<b>3,769,139</b>	
<b>Minority interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,570,156</b>	<b>-</b>	<b>1,570,156</b>	
<b>Total liabilities &amp; shareholders' equity</b>	<b>13,140,169</b>	<b>327,307</b>	<b>246,601</b>	<b>3,546,104</b>	<b>-</b>	<b>17,856,408</b>	<b>-</b>	<b>35,116,589</b>	
On-balance sheet profit sensitivity gap	(6,178,211)	2,478,627	1,468,961	4,613,658	8,045,226				
Off-balance sheet profit sensitivity gap	-	-	-	-	-				
<b>Net maturity mismatch</b>	<b>(6,178,211)</b>	<b>2,478,627</b>	<b>1,468,961</b>	<b>4,613,658</b>	<b>8,045,226</b>				



**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			
<b>Assets</b>									
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	
<b>Total assets</b>	<b>8,888,482</b>	<b>1,997,228</b>	<b>1,735,272</b>	<b>5,598,766</b>	<b>7,595,645</b>	<b>5,787,947</b>	<b>294,868</b>	<b>31,898,208</b>	
<b>Liabilities</b>									
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	
<b>Total liabilities</b>	<b>9,716,183</b>	<b>2,797,708</b>	<b>2,015,425</b>	<b>1,511,812</b>	<b>-</b>	<b>10,037,845</b>	<b>-</b>	<b>26,078,973</b>	
Shareholders' equity	-	-	-	-	-	1,272,533	-	1,272,533	
<b>Takaful funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,452,341</b>	<b>-</b>	<b>3,452,341</b>	
<b>Minority interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,094,361</b>	<b>-</b>	<b>1,094,361</b>	
<b>Total liabilities &amp; shareholders' equity</b>	<b>9,716,183</b>	<b>2,797,708</b>	<b>2,015,425</b>	<b>1,511,812</b>	<b>-</b>	<b>15,857,080</b>	<b>-</b>	<b>31,898,208</b>	
On-balance sheet profit sensitivity gap	(827,701)	(800,480)	(280,153)	4,086,954	7,595,645				
Off-balance sheet profit sensitivity gap	-	-	-	-	-				
<b>Net maturity mismatch</b>	<b>(827,701)</b>	<b>(800,480)</b>	<b>(280,153)</b>	<b>4,086,954</b>	<b>7,595,645</b>				

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

**B1 REVIEW OF PERFORMANCE**

**Twelve Months Performance to 30 June 2010**

With a positive revenue growth of 8.9% (2009: 4.4%) for the twelve (12) months period ended 30 June 2010, the Group registered a strong performance, with a profit before zakat and taxation ("PBZT") of RM377.6 million (2009: RM299.1 million), as both Bank Islam Malaysia Berhad ("the Bank") and Syarikat Takaful Malaysia Berhad ("STMB") continue to show better profitability with a return on assets ("ROA") of 1.1% (2009: 0.9%) and 1.5% (2009: 1.2%) respectively.

The Bank achieved a PBZT of RM313.0 million, exceeding the previous financial year by 34.3% or RM79.9 million. Based on the results, the Bank's Return on Equity ("ROE") was 16.2%, despite the increase in equity from the Islamic Convertible Redeemable Non-Cumulative Preference Shares ("ICRNCPS") of RM540 million issued during the year. The Bank's ROE of 16.2% was also higher than the Islamic Banking System average of 13.9% for 2009. The Bank's ROA increased from 0.9% as at June 2009 to 1.1% as at June 2010 arising from reshaping of the balance sheet with better product mix that maximize returns and lower the cost of deposits.

The Bank's improved performance was contributed by strong growth in financing, continued improvement in asset quality and increase in lower cost deposits. The Bank achieved a net financing growth of 16.8%, or by RM1.6 billion to RM11.3 billion. The Bank's lending remained focused on the retail sector which contributed to the bulk of the growth. Despite the growth in financing, non performing financing ("NPF") continued to trend downwards. The Bank's net NPF volume dropped by 44% or RM292 million to RM371 million. The reduction in the NPF volume saw the net NPF ratio (based on 3 months classification) declining to 3.24% compared to 6.74% as at June 2009.

The Bank's deposits also increased by 5.9% or RM1.5 billion to RM26.7 billion as at June 2010, with more than half of that growth coming from the lower cost Current and Savings deposits which increased by 9.3% or RM841 million. Two new deposit products, Ziyad, a Structured Deposit Investment product and Waheed-I, a Wakalah based deposit product launched during the period also contributed to the growth in deposits. Both the products far exceeded their initial targets.

The Bank's Risk Weighted Capital Ratio strengthened from 13.6% in June 2009 to 16.7% in June 2010, following the issuance of the ICRNCPS.

STMB, the Group's takaful arm, also registered a higher surplus transfer from its Family and General Takaful Fund of RM162.7 million (2009: RM147.7 million), a growth of 10.2% due to contribution growth and higher investment related income such as realized gains on disposal of investments and writebacks in both allowance for doubtful debts and allowance for diminution in value of investments. In addition, STMB's wakalah fee income of RM69.9 million grew by 80.4% compared to RM38.7 million in 2009. Thus, STMB's cost efficiency also improved from 76.7% to 73.7%. As a result, PBZT increased by RM17.2 million to RM66.9 million from RM49.7 million in the same period last year.

Given the profitability and cost efficiency indicators registered by both the Bank and STMB, the Group also showed better return on assets of 1.1% (2009: 1.0%). Return on equity to ordinary shareholders of the company was 10.0% (2009: 10.0%); with cost to net income ratio of 59.6%.

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

**For the three months performance (Fourth Quarter 2010 vs Third Quarter 2010)**

The Group continued to show growth in quarterly revenue by 5.2% (3rd Quarter 2010: RM394.8 million), as net financing assets of the Bank increased by 5.3% quarter on quarter ("QoQ") to RM11.3 billion as at 30 June 2010 (As at 31 March 2010: RM10.7 billion). However, STMB's quarterly revenue declined by RM11.3 million or 17.2%, mainly due to lower contribution and higher claims from General Takaful business.

The Group registered a lower quarterly PBZT of RM75.6 million (3rd Quarter 2010: RM100.3 million), as both the Bank and STMB recorded higher quarterly operating overheads, including Qardh Hassan written off in Asean Retakaful International (L) Ltd ("ARIL") by STMB.

The revenue for Bank Islam Group, shows a healthy growth of 7.4% QoQ to RM328.0 million. However, Bank Islam Group's PBZT of RM76.5 million for the fourth quarter declined marginally by RM2.4 million as compared to the previous quarter, mainly attributable to the higher operating expenses reported by the Bank.

For the quarter under review, STMB's PBZT registered RM0.4 million as compared to preceeding quarter of RM20.9 million. The decrease was mainly due to lower contribution and higher claims from General Takaful business, and Qardh Hasan written off in ARIL.

**B3 PROSPECTS**

**Outlook on the economy**

For the past seven (7) months, Bank Negara Malaysia ("BNM") had raised the Overnight Policy Rate ("OPR") three (3) times that brings it to the present level of 2.75%. With the 'normalisation' of the monetary policy, it is reasonable to expect that the broad spectrum of the economy is consolidating. Though the market foresees another one or two rate hikes in the second half of 2010, the monetary policy is expected to remain accommodative. A more modest consolidation is forecast due to the slower than expected unwinding of subsidies by the Government. Economic growth for 2010 and 2011 is projected to come from : (i) manufactured exports driven by electrical & electronics, commodities and resource-based manufactured exports; (ii) private expenditure which makes up about 62% of the real GDP, where private consumption shall spearhead domestic demand growth; and (iii) better terms-of-trade on the back of a sharp rebound in industrial production.

With this landscape, the banking and financial sector is expected to remain reasonably healthy, despite the continued pressure of competition amongst the domestic players and potentially by the new entrants, as the government advocates a more liberal operating environment. The financial crisis in the Eurozone remains largely a matter of concern, albeit improving, though economists and fund managers do not foresee any immediate direct impact to Asia-Pacific, including Malaysia.

**Islamic Banking**

The Bank implemented its new strategic blueprint, the Sustainable Growth Plan comprising six pillars, namely, Business Innovation; Robust Risk Management; Strengthening Enabling Infrastructure; Building Capability and Capacity; Franchise Development; and Corporate Expansion.

With the prospect of a positive economic outlook, 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. Having won the Top SMI Supporter Award 2009, the Bank will focus its efforts in financing viable SMEs across the economic sectors, as well as continuing with its corporate financing activities. Furthermore, the Bank will also continue to diversify its revenue stream by increasing fee based activities.

With the improvement in the net NPF volume by 44% to RM 371 million in the past twelve months, the Bank shall remain prudent and take proactive measures to ensure that its asset quality will be in line with the industry average. Furthermore, the Bank will also continue to diversify its income stream, especially its fee based income.

The Bank's customer franchise has been boosted by the Platinum Award for Islamic Financial Services won by the Bank for two consecutive years in the annual Reader's Digest Trusted Brands Award 2010 and Winner of the Brandlaureate Award 2009-2010 by the Asia Pacific Brands Foundation (APBF) for best brands in Corporate Branding. The Bank will continue to focus on improving its delivery of quality customer service, innovative and value-added financial products and services, delivery standards and infrastructure, cost efficiency, customer and marketing strategy, thus tapping on its Malaysian wide branch network and franchise. The Bank will see more new ventures such as the recent venture into Islamic Pawn-Broking Services.

**Takaful**

Syarikat Takaful Malaysia Berhad ("STMB") is gearing for growth in the current financial year with the introduction of new products and new retail distribution network. STMB shall continue to remain prudent in its investment strategy and improves its operational efficiency and customer service.

**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		12 months ended	
	Unaudited	Audited	Unaudited	Audited
	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09
	RM'000	RM'000	RM'000	RM'000
Current tax expense	28,579	53,798	108,216	84,121

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
	30-Jun-10 RM '000	30-Jun-09 RM '000
<b>Deposits from customers</b>		
Mudharabah accounts deposits and negotiable instruments of deposits		
One year or less (short-term)	14,011,552	14,928,380
More than one year (medium/long-term)	3,539,406	1,511,812
	17,550,958	16,440,192
Current accounts	6,715,132	6,336,054
Savings accounts	2,223,138	2,032,461
Others	62,926	62,744
<b>Total deposits</b>	<b>26,552,154</b>	<b>24,871,451</b>
<b>Deposits and placements of banks and other financial institutions</b>		
One year or less (short-term)	368,052	8,078
More than one year (medium/long-term)	6,698	-
	<b>374,750</b>	<b>8,078</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-Jun-10	up to 1 mth	>1-3 mths	>3-6 mths	>6-12 mths	Margin Requirement
	Principal Amount					
<b>Foreign exchange related contracts</b>						
- forwards	618,903	188,996	408,231	21,676	-	-
- swaps	1,713,856	462,625	608,151	643,080	-	-
- option	307,559	307,559	-	-	-	-
<b>Total</b>	<b>2,640,318</b>	<b>959,180</b>	<b>1,016,382</b>	<b>664,756</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 June 2010, the amount of contracts which were not hedged and, hence, exposed to market risk was RM403.3 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 30 June 2010, the credit risk measured in terms of the cost to replace the profitable contracts was RM66.2 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		12 months ended	
	Unaudited 30-Jun-10 RM'000	Audited 30-Jun-09 RM'000	Unaudited 30-Jun-10 RM'000	Audited 30-Jun-09 RM'000
<b>Net Operating profit after zakat &amp; tax (NOPAT)</b>				
Profit before zakat and taxation (PBZT)	75,644	116,651	377,655	299,132
Zakat & Taxation	(31,013)	(53,846)	(120,233)	(91,424)
<b>NOPAT</b>	<b>44,631</b>	<b>62,805</b>	<b>257,422</b>	<b>207,708</b>
Economic charge computation:				
Average invested capital	2,120,447	1,574,586	2,036,001	1,521,600
(includes minority interest less gain on disposal of interest in subsidiary)				
Weighted Average Cost of Capital (WACC)	8.20%	8.50%	8.20%	8.50%
(WACC as at 30 June 2009: 8.5% per annum)				
<b>Economic charge</b>	<b>43,350</b>	<b>33,368</b>	<b>166,952</b>	<b>129,336</b>
<b>Economic profit</b>	<b>1,281</b>	<b>29,437</b>	<b>90,470</b>	<b>78,372</b>

**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 August 2010 is RM42.5 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. On 20 May 2010, the Court has granted Bank Islam's application to auction the property. The auction date is fixed on 20 September 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. On 1 June 2010, the Court decided that the Plaintiff's claim for declaration on the termination of Istisna' Facility is valid and lawful. However, the Plaintiff's claim was disallowed and only awarded nominal damages of RM50,000.00 with costs. The Court had allowed Bank Islam's counterclaim for selling price of RM143,590,488 but to deduct unearned profit on the undisbursed amount less any unearned profit at the date of full realization. The Plaintiff on 3 June 2010 had filed Notice of Appeal against the decision and Bank Islam is appealing on the issue of unearned profit.

- (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 August 2010, the matter is pending Official Assignee to fix creditors' meeting.

- (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. On 31 May 2010, the Appeal Court has rejected the Defendant's appeal. On 8 July 2010, the Court has allowed Bank Islam application to obtain new auction date. At present, Bank Islam is waiting for a seal copy of Court Order.

- (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 23 August 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. In 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. On May 2010, the First Defendant has been wound up by other bank and as at August 2010, Bank Islam has filed Proof of Debt to recover the outstanding amount.

- (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. As at August 2010, 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 August 2010, this matter is pending creditors' meeting date.

- (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 August 2010, Bank Islam's solicitor proceeded with execution of judgment by way of Prohibitory Order against the Second Defendant's property.

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 2 to 4 August 2010, 9 to 11 August 2010 and 23 to 26 August 2010. However, on 9 August 2010, the Defendant filed an application to recuse Justice Rohana ( the Trial Judge) from hearing this matter. The Defendant claimed that there is a real danger of apparent bias on the part of the Trial Judge in hearing this action. This is pursuant to a letter from the Plaintiff to Bank Negara Malaysia, referring to a conversation between En Fazlur Rahman Ebrahim, then COO of the Plaintiff and the Trial Judge, in her capacity then as Deputy Head of BNM Islamic Banking and Takaful Department. The remaining of the dates for the trial has been vacated to enable parties to file their affidavits. The hearing of this application has been fixed on 23 August 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. On 30 June 2010, the Plaintiffs failed to comply with the settlement arrangement and Bank Islam will commence foreclosure action accordingly.

- (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 has been fixed for mention on 20 October 2010. Meanwhile, Bank Islam is negotiating for 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. 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. On August 2010, the Plaintiff's solicitor has filed Notice of Discontinuance for both suits and the Deputy Registrar recorded that both suits are to be closed.
- (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. On 9 June 2010, the Court has allowed the Plaintiff's claim with costs. As per solicitor's advice, Bank Islam has filed an appeal against the decision. In July 2010, the Plaintiff has agreed to accept payment with lower judgment sum, i.e. RM1.3 million (inclusive costs and total waiver of interests).
- (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. On 9 June 2010, the Court has allowed the Plaintiff's claim with costs. As per solicitor's advice, Bank Islam has filed an appeal against the decision. As at August 2010, Bank Islam is negotiating on judgment sum and total waiver of interest as granted by the Court.
- (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 case management on 26 August 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. The case is fixed for decision on 24 August 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 RM25.2 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 12 months ended	
	Unaudited	Audited	Unaudited	Audited
	30-Jun-10 RM '000	30-Jun-09 RM '000	30-Jun-10 RM '000	30-Jun-09 RM '000
Net profit/(loss) for the quarter attributable to equity holders of the parent	22,548	34,821	135,879	113,659
Weighted average number of ordinary shares	1,066,790	895,715	1,066,790	895,715
<b>Basic earnings per share attributable to equity holders of the parent (sen)</b>	<b>2.11</b>	<b>3.89</b>	<b>12.74</b>	<b>12.69</b>

By Order of the Board

**MARIA MAT SAID (LS 09400)**  
Company Secretary  
August 30, 2010