

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Income Statement
For the Fifteen Months Period Ended 30 September 2010**

	Note	Individual Quarter 3 months ended 30 September 2010 RM'000 Unaudited	Year to date 15 months ended 30 September 2010 RM'000 Unaudited
Income derived from investment of depositors' fund	A15	336,040	1,477,074
Income derived from investment of shareholders' fund	A16	115,310	597,588
Allowance for losses on financing	A17	(30,615)	(155,333)
Impairment losses		-	(234)
Profit equalisation reserve		-	8,308
Other expenses directly attributable to the investment of the depositors' and shareholders' funds		(4,813)	(22,814)
Total distributable income		415,922	1,904,589
Income attributable to depositors	A18	(116,783)	(485,167)
Total net income		299,139	1,419,422
Personnel expenses		(105,675)	(467,363)
Other overhead expenses		(85,120)	(419,754)
Depreciation		(12,272)	(58,578)
Profit before zakat and taxation		96,072	473,727
Zakat		(927)	(12,944)
Tax expense	B5	(28,810)	(137,026)
Profit for the period		66,335	323,757
Attributable to:			
Shareholders of the Company		34,600	170,479
Minority Interests		31,735	153,278
Profit for the period		66,335	323,757
Earnings Per Share - basic (sen)	B15	3.24	15.98

Note : There are no comparative figures disclosed for the current quarter and the cumulative year-to-date of the preceding quarter/year following the change in the financial year end to 31 December which was announced to Bursa Malaysia Securities Berhad on 26 October 2009. The financial disclosures made herewith are in accordance with FRS 134 on Interim Financial Reporting.

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

Condensed Consolidated Balance Sheet as at 30 September 2010

	Note	As at September 30, 2010 RM'000 Unaudited	As at June 30, 2009 RM'000 Audited
ASSETS			
Cash and short term funds		5,374,848	8,482,444
Deposits and placements with financial institutions		250,038	90,682
Securities:			
- Held for trading	A8	1,756,496	294,868
- Held-to-maturity	A9	215,337	233,143
- Available-for-sale	A10	11,792,514	8,564,932
Financing, advances and others	A11	11,560,142	9,661,864
Deferred tax assets		67,386	71,646
Assets held for sale		1,467	1,471
Other assets		327,656	210,457
Current tax assets		8,408	13,694
Investment in associates		24,020	149
Statutory deposit with Bank Negara Malaysia		13,000	139,729
Property, plant and equipment		186,808	160,714
Prepaid lease payments		24,313	24,800
General Takaful and Family Takaful assets		4,352,194	3,947,615
Total assets		35,954,627	31,898,208
LIABILITIES, EQUITY & TAKAFUL FUNDS			
Liabilities			
Deposits from customers	A13	27,573,906	24,871,451
Deposits and placements of banks and other financial institutions	A14	27,677	8,078
Bills and acceptances payable		253,333	283,212
Other liabilities		565,840	387,770
Provision for zakat and taxation		111,020	33,188
General Takaful and Family Takaful liabilities		505,976	495,274
General Takaful and Family Takaful participants' funds		3,846,218	3,452,341
Total liabilities		32,883,970	29,531,314
Equity			
Share capital		1,066,790	1,066,790
Reserves		382,893	205,743
Total equity attributable to shareholders of the Company		1,449,683	1,272,533
Minority interests		1,620,974	1,094,361
Total equity		3,070,657	2,366,894
Total equity and liabilities		35,954,627	31,898,208
COMMITMENTS AND CONTINGENCIES			
	A24	10,863,869	7,693,378
Net assets per share attributable to ordinary equity holders of the parent (RM)		1.36	1.19

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity
For the Fifteen Months Period Ended 30 September 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		-	-	-	19,297	-	-	-	19,297	17,526	36,823
- Unrealised net gain on revaluation of securities available-for-sale		-	-	-	-	-	56,686	-	56,686	54,498	111,184
Net profit for the period		-	-	-	-	-	-	170,479	170,479	153,278	323,757
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		-	-	-	-	-	-	-	-	526	526
Divestment of shares held by minority interests of a subsidiary		-	-	-	-	-	-	-	-	(347)	(347)
Dividends to shareholders	A7	-	-	-	-	-	-	(21,602)	(21,602)	-	(21,602)
Dividends to minority interests		-	-	-	-	-	-	-	-	(11,178)	(11,178)
At 30 September 2010		1,066,790	602,978	457,767	33,280	638,370	54,110	(1,403,612)	1,449,683	1,620,974	3,070,657

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

Condensed Consolidated Cash Flow Statement For the Fifteen Months Period Ended 30 September 2010

	15 months 30 September 2010 RM'000 <u>Unaudited</u>
Cash flows from operating activities	
Profit before zakat and taxation	473,727
Adjustment for non-cash flow items:-	
Depreciation of property, plant and equipment	58,578
Amortisation of prepaid lease payment	487
Reversal for doubtful debts	(300)
Allowance for losses on financing	155,333
(Reversal)/Allowance for diminution in investments	(1,134)
Dividend income	(13,143)
Net loss/(gain) on sale of securities held-for-trading	(26)
Net gain on sale of securities available-for- sale	(22,125)
Accretion of discount less amortisation of premium	(95,071)
Reversal of impairment loss on prepaid lease payment	-
Operating profit before working capital changes	<u>556,326</u>
Changes in working capital:	
Other receivables	(150,033)
Statutory deposits with Bank Negara Malaysia	126,729
Bills payable	(29,879)
Other payables	151,773
Financing of customers	(1,898,278)
Deposits from customers	2,702,455
Deposit and placements of banks and other financial institutions	19,599
Cash used in operation	<u>1,478,692</u>
Zakat and income taxes paid	(71,438)
Net cash used in operating activities	<u>1,407,254</u>

Note : There are no comparative figures disclosed for the current quarter and the cumulative year-to-date of the preceding quarter/year following the change in the financial year end to 31 December which was announced to Bursa Malaysia Securities Berhad on 26 October 2009. The financial disclosures made herewith are in accordance with FRS 134 on Interim Financial Reporting.

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

Condensed Consolidated Cash Flow Statement, continued For the Fifteen Months Period Ended 30 September 2010

	15 months 30 September 2010 RM'000 <u>Unaudited</u>
Cash flows from investing activities	
Purchase of property, plant and equipment	(84,672)
Dividend received from available-for-sale	377,138
Dividend received from held-for-trading	3,692
Dividend received from securities held-to-maturity	7,542
Net (purchase)/proceeds from disposal of securities	<u>(4,671,404)</u>
Net cash used in investing activities	<u>(4,367,704)</u>
Cash flows from financing activities	
Dividend paid to shareholders of the parent	<u>(9,601)</u>
Net cash generated from financing activities	<u>(9,601)</u>
Net decrease in cash and cash equivalent	(2,970,051)
Foreign exchange differences	21,811
Cash and cash equivalents at the beginning of period	8,573,126
Cash and cash equivalents at the end of period	<u>5,624,886</u>
Cash and cash equivalents comprise:	
Cash and short term funds	5,374,848
Deposits and placement with financial institutions	250,038
	<u>5,624,886</u>

Note : There are no comparative figures disclosed for the current quarter and the cumulative year-to-date of the preceding quarter/year following the change in the financial year end to 31 December which was announced to Bursa Malaysia Securities Berhad on 26 October 2009. The financial disclosures made herewith are in accordance with FRS 134 on Interim Financial Reporting.

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 fifteen months period ended 30 September 2010 comprising that of 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
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

	Unaudited 30-Sep-10 RM '000	Audited 30-Jun-09 RM '000
<u>Ordinary</u>		
Final paid		
2010 - 1.20%, (2009 - 1.45%)	9,601	9,693
Interim to be paid		
October 2010 - 1.50%	12,001	-
	<u>21,602</u>	<u>9,693</u>

A8 SECURITIES HELD-FOR-TRADING

	Unaudited 30-Sep-10 RM '000	Audited 30-Jun-09 RM '000
At fair value		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Islamic Commercial Papers	39,915	137,891
Malaysian Government Investment Issue	246,904	149,737
Bank Negara Negotiable Notes	1,451,925	-
Malaysian Islamic Treasury Bills	14,961	-
	<u>1,753,705</u>	<u>287,628</u>
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Shares	2,791	7,240
Total securities held-for-trading	<u>1,756,496</u>	<u>294,868</u>

A9 SECURITIES HELD-TO-MATURITY

	Unaudited 30-Sep-10 RM '000	Audited 30-Jun-09 RM '000
At amortised cost		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Islamic Debt Securities	176,624	175,050
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Bond	61,780	70,380
Less: Impairment losses	(23,067)	(12,287)
Total securities held-to-maturity	<u>215,337</u>	<u>233,143</u>

A10 SECURITIES AVAILABLE-FOR-SALE

	Unaudited 30-Sep-10 RM '000	Audited 30-Jun-09 RM '000
At fair value		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Malaysian Government Investment Issue	4,307,750	2,651,555
Unquoted shares	23,090	28,720
Promissory notes	5,108	5,604
Accepted bills	339,764	107,997
Negotiable Islamic Debt Certificate	1,840,110	1,437,982
Islamic Commercial Papers	571,056	453,816
Islamic Debt Securities	4,733,342	3,837,749
Malaysian Islamic Treasury Bills	-	29,819
<i>Outside Malaysia</i>		
Islamic Development Bank unit trust	1,923	1,923
Unquoted shares	380	2,996
	11,822,523	8,558,161
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Unit trust	15,333	45,816
Shares	-	22,506
	15,333	68,322
Less:		
Impairment losses	(45,342)	(61,551)
Total securities available-for-sale	11,792,514	8,564,932

A11 FINANCING, ADVANCES AND OTHERS

(i) By type

	Unaudited 30-Sep-10 RM '000	Audited 30-Jun-09 RM '000
Cash line	396,310	164,272
Term financing		
House financing	9,212,999	7,136,157
Syndicated financing	67,777	81,329
Lease receivables	530,836	329,189
Bridging financing	336,720	299,524
Personal financing	4,675,457	2,733,611
Other term financing	3,905,044	3,874,823
Staff financing	297,703	298,368
Credit/charge cards	437,870	393,442
Trust receipt	47,494	151,672
Trade bills discounted	1,242,450	1,539,200
Pawn broking	9,151	-
	21,159,811	17,001,587
Less: Unearned income	(8,830,220)	(6,290,584)
	12,329,591	10,711,003
Less: Allowance for bad and doubtful financing:		
General	(176,121)	(170,844)
Specific	(593,328)	(878,295)
Total net financing, advances and others	11,560,142	9,661,864

(ii) By contract

	Unaudited 30-Sep-10 RM '000	Audited 30-Jun-09 RM '000
Bai' Bithaman Ajil (deferred payment sale)	6,226,957	5,719,619
Bai'-Al-Inah	1,784,026	2,274,418
Ijarah (operating lease)	329,883	289,200
Ijarah Muntahia Bittamlik / AITAB (finance lease)	12,491	28,367
Mudharabah (profit sharing)	6,000	8,934
Murabahah (cost-plus)	1,285,051	1,680,071
At-Tawarruq	2,172,593	167,378
Istisna'	503,439	543,016
Ar-Rahn	9,151	-
	12,329,591	10,711,003

(iii) By type of customer

	Unaudited 30-Sep-10 RM '000	Audited 30-Jun-09 RM '000
Domestic banking institutions	62	94
Domestic non-bank financial institutions	4,807	12,459
Domestic business enterprise	2,213,682	2,093,772
Small medium industries	540,769	867,061
Government and statutory bodies	121,819	156,910
Individuals	9,002,830	7,145,048
Other domestic entities	39,522	17,932
Foreign entities	406,100	417,727
	12,329,591	10,711,003

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

	Unaudited 30-Sep-10 RM '000	Audited 30-Jun-09 RM '000
Fixed rate		
House financing	2,148,146	2,298,214
Others	7,954,447	7,462,649
Floating rate	2,226,998	950,140
	12,329,591	10,711,003

(v) By sector

	Unaudited 30-Sep-10 RM '000	Audited 30-Jun-09 RM '000
Primary agriculture	194,620	342,277
Mining and quarrying	918	18,835
Manufacturing (including agro-based)	732,393	962,784
Electricity, gas and water	145,941	105,367
Construction	688,005	750,994
Real estate	210,265	124,565
Household sector	9,015,125	7,077,728
Wholesale and retail trade and restaurants and hotels	652,695	546,741
Transport, storage and communications	429,416	360,304
Finance, insurance and business activities	157,074	280,621
Education, health and others	85,807	67,815
Other sectors	17,332	72,972
	12,329,591	10,711,003

A12 NON-PERFORMING FINANCING

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

	Unaudited 30-Sep-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	156,998	228,431
Reclassified as performing	(72,523)	(131,580)
Amount recovered	(233,165)	(184,080)
Amount written off	(411,734)	(540,033)
Exchange differences	(38,185)	37,807
At end of period	902,481	1,360,449
Less: - specific allowance	(593,328)	(878,295)
Net non-performing financing, advances and others	309,153	482,154

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

2.63% 4.90%

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

	Unaudited 30-Sep-10 RM '000	Audited 30-Jun-09 RM '000
General allowance		
At 1 July	170,844	169,382
Allowance made	7,762	-
Exchange differences	(2,485)	1,462
At end of period	176,121	170,844

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

1.50% 1.74%

Specific allowance

At 1 July	878,295	1,228,131
Allowance made	465,606	303,755
Amount recovered	(171,634)	(133,074)
Amount written off	(572,250)	(540,033)
Exchange differences	(6,689)	19,516
At end of period	593,328	878,295

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

	Unaudited	Audited
	30-Sep-10	30-Jun-09
	RM '000	RM '000
Primary agriculture	31,025	64,900
Mining and quarrying	869	2,130
Manufacturing (including agro-based)	137,276	290,385
Electricity, gas and water	50	75,046
Construction	259,606	403,423
Real estate	3,091	8,700
Household sector	384,776	338,344
Wholesale and retail trade and restaurants and hotels	67,504	94,821
Transport, storage and communications	2,026	13,476
Finance, insurance and business activities	7,549	51,598
Education, health and others	4,764	10,553
Other sectors	3,945	7,073
	902,481	1,360,449

A13 DEPOSITS FROM CUSTOMERS

(i) By type of deposit

	Unaudited	Audited
	30-Sep-10	30-Jun-09
	RM '000	RM '000
Non-Mudharabah Fund:		
Demand deposits	8,278,368	6,336,054
Savings deposits	2,316,802	2,032,461
Negotiable Islamic Debt Certificate (NIDC)	6,234,393	7,133,790
Others	63,340	62,744
	16,892,903	15,565,049
Mudharabah Fund:		
Savings deposits	972,512	680,589
General investment deposits	2,733,490	2,535,289
Special investment deposits	6,975,001	6,090,289
Others	-	235
	10,681,003	9,306,402
Total deposits from customers	27,573,906	24,871,451

(ii) By type of customer

	Unaudited	Audited
	30-Sep-10	30-Jun-09
	RM '000	RM '000
Government and statutory bodies	6,571,901	5,934,355
Business enterprises	8,922,628	10,153,734
Individuals	4,251,132	3,795,843
Others	7,828,245	4,987,519
	27,573,906	24,871,451

A14 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Unaudited	Audited
	30-Sep-10	30-Jun-09
	RM '000	RM '000
Mudharabah Fund:		
Licensed banks	7,982	8,078
Other financial institutions	19,695	-
	27,677	8,078

A15 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	Individual Quarter 3 months ended Unaudited 30-Sep-10 RM '000	Year to date 15 months ended Unaudited 30-Sep-10 RM '000
Income derived from investment of:		
(i) General investment deposits	37,456	161,916
(ii) Other deposits	298,584	1,315,158
	336,040	1,477,074

(i) Income derived from investment of general investment deposits

	Individual Quarter 3 months ended Unaudited 30-Sep-10 RM '000	Year to date 15 months ended Unaudited 30-Sep-10 RM '000
Financing income and hibah		
Financing, advances and others	24,155	104,414
Held-for-trading	164	406
Held-to-maturity	104	784
Available-for-sale	6,775	31,058
Money at call and deposit with financial institutions	2,707	13,015
	33,905	149,677
Amortisation of premium less accretion of discounts	2,046	8,063
	35,951	157,740
Other dealing income		
Net gain / (loss) from sale of securities held-for-trading	68	(3)
Net gain / (loss) on revaluation of securities held-for-trading	1,261	2,598
	1,329	2,595
Other operating income		
Net gain / (loss) from sale of securities:		
Available-for-sale	175	1,580
	175	1,580
Net gains on disposal of foreclosed properties		
Rental income	1	1
	1	1
	37,456	161,916

(ii) Income derived from investment of other deposits

	Individual Quarter 3 months ended Unaudited 30-Sep-10 RM '000	Year to date 15 months ended Unaudited 30-Sep-10 RM '000
Financing income and hibah		
Financing, advances and others	192,713	846,727
Held-for-trading	1,303	3,286
Held-to-maturity	826	6,758
Available-for-sale	53,981	252,426
Money at call and deposit with financial institutions	21,449	106,444
	270,272	1,215,641
Amortisation of premium less accretion of discounts	16,297	65,448
	286,569	1,281,089
Other dealing income		
Net gain / (loss) from sale of securities held-for-trading	561	(73)
Net gain / (loss) on revaluation of securities held-for-trading	10,000	20,791
	10,561	20,718
Other operating income		
Net gain / (loss) from sale of securities:		
Available-for-sale	1,444	13,341
	1,444	13,341
Other income		
Net gains on disposal of leased assets	10	10
	10	10
	298,584	1,315,158

A16 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	Individual Quarter 3 months ended Unaudited 30-Sep-10 RM '000	Year to date 15 months ended Unaudited 30-Sep-10 RM '000
Financing income and hibah		
Financing, advances and others	1,184	4,691
Available-for-sale	18,762	93,654
Money at call and deposit with financial institutions	4,712	10,851
	24,658	109,196
Amortisation of premium less accretion of discounts	3,574	21,560
	28,232	130,756
Other dealing income		
Net gain / (loss) from foreign exchange transactions	3,052	17,583
Net gain / (loss) from sale of securities held-for-trading	(927)	102
Net derivatives charges	(1,786)	(8,297)
	339	9,388
Other operating income		
Net gain / (loss) from sale of securities:		
Available-for-sale	547	7,204
Unrealised forex gain/(loss) on cash balance	-	-
Profit on sale of foreign currencies	669	4,228
Reversal/(allowance) for diminution in value of investment	975	1,134
Reversal of allowance for doubtful debts	60	300
Profit from general takaful and family takaful funds attributable to the Group	29,289	192,011
Gross dividend income from securities:		
Quoted in Malaysia	67	882
Unit trust in Malaysia	1,093	3,203
Unit trust outside Malaysia	34	130
Unquoted in Malaysia	2,760	8,928
	35,494	218,020
Fees and commission		
ATM fees	4,413	19,527
Financing fees	1,208	13,875
Cheque issued & return, closing account and other fees	2,120	9,314
Takaful service fees and commission	2,136	11,765
Credit card fees and commission	9,560	42,770
Processing fees	6	660
Commitment fees	100	238
Commission on MEPS	1,350	5,790
Management fee	571	2,058
Corporate advisory fees	583	7,420
Commission on structured products	21	3,354
Ta'widh charges	217	2,433
Investment income	1,529	10,165
Wakalah fees	25,628	95,479
Other service charges fees	1,699	15,170
	51,141	240,018
Other income		
Net gain/(loss) on disposal of property, plant & equipment	(32)	(872)
Rental income	124	-
Others	12	278
	104	(594)
	115,310	597,588

A17 ALLOWANCE FOR LOSSES ON FINANCING

	Individual Quarter 3 months ended Unaudited 30-Sep-10 RM '000	Year to date 15 months ended Unaudited 30-Sep-10 RM '000
Allowance for bad and doubtful financing:		
- Specific allowance		
- Made in the financial year	87,264	465,606
- Written back	(23,371)	(171,634)
- General allowance		
- Made in the financial year	5,148	7,761
- Bad debts and financing:		
- Recovered	(38,426)	(146,400)
	30,615	155,333

A18 INCOME ATTRIBUTABLE TO DEPOSITORS

	Individual Quarter 3 months ended Unaudited 30-Sep-10 RM '000	Year to date 15 months ended Unaudited 30-Sep-10 RM '000
Deposits from customers:		
- Mudharabah fund	65,254	272,206
- Non-Mudharabah fund	47,743	195,004
Deposits and placements of banks and other financial institutions:		
- Mudharabah fund	3,786	17,957
	116,783	485,167

A19 CAPITAL ADEQUACY

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

	Unaudited 30-Sep-10 RM '000	Audited 30-Jun-09 RM '000
Tier-I capital:		
Paid-up share capital	2,265,490	1,725,490
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)
Total Tier-I capital	2,179,824	1,443,612
Tier-II capital:		
Redeemable subordinated mudharabah	-	20,000
General allowance for bad and doubtful financing	176,121	170,844
Total Tier-II capital	176,121	190,844
Total capital base	2,355,945	1,634,456
Core capital ratio	15.16%	12.25%
Risk-weighted capital ratio	16.39%	13.87%
Core capital ratio net of proposed dividends	15.16%	12.25%
Risk-weighted capital ratio net of proposed dividend	16.39%	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

	15 months ended				Total 30-Sep-10 RM'000
	Banking 30-Sep-10 RM'000	Takaful 30-Sep-10 RM'000	Others 30-Sep-10 RM'000	Elimination RM'000	
Current Year-to-Date					
Revenue from external customers	1,757,491	311,119	6,052	-	2,074,662
Inter-segment revenue	20	1,674	42,166	(43,860)	-
Total revenue	1,757,511	312,793	48,218	(43,860)	2,074,662
Net income from operations (before allowance for losses on financing and advances)	1,253,014	312,793	48,218	(39,270)	1,574,755
Operating overhead	(698,924)	(233,967)	(17,080)	4,276	(945,695)
Operating profit	554,090	78,826	31,138	(34,994)	629,060
Allowance for losses on financing and advances	(155,333)	-	-	-	(155,333)
Profit before zakat and taxation	398,757	78,826	31,138	(34,994)	473,727
Segment assets	31,047,888	4,817,488	1,859,728	(1,782,478)	35,942,626

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

A21 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

A22 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

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

A23 CHANGES IN COMPOSITION OF THE GROUP

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

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

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

Risk Weighted Exposures arising from the commitments and contingencies of this subsidiary as at 30 September 2010 are as follow:

	Unaudited 30 September 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	487,129	487,129	455,383	615,699	615,699	417,935
Assets sold with recourse	242	242	242	6,220	6,220	6,220
Transaction-related contingent items	846,383	423,191	396,884	702,411	351,206	339,589
Short-term self-liquidating trade related contingencies	303,342	60,668	59,247	390,819	78,164	26,367
Other commitments, such as formal standby facilities and credit line, with an original maturity of:						
- exceeding one year	521,708	260,854	230,033	333,712	166,856	155,622
- not exceeding one year	10,759	2,152	2,176	238	48	71
Unutilized credit card lines	422,837	84,567	63,246	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	4,272,289	-	-	3,035,041	-	-
	6,864,689	1,318,803	1,207,211	5,992,736	1,399,912	1,082,093
<u>Derivative financial instruments</u>						
Foreign exchange related contracts						
- less than one year	3,240,915	39,663	12,346	1,455,651	15,753	6,607
- one year to less than five years	31,525	1,583	791	-	-	-
Profit rate related contracts						
- less than one year	-	-	-	9,538	25	5
- one year to less than five years	671,740	29,420	8,064	185,453	20,579	4,116
	3,944,180	70,666	21,201	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	10,863,869	1,416,969	1,255,912	7,693,378	1,461,269	1,117,821

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

A25 PROFIT RATE RISK

Unaudited
30-Sep-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	3,673,036	74,166	180,816	-	-	1,696,868	-	5,624,886	2.09%
Securities Held-for-trading	-	-	-	-	-	-	1,756,496	1,756,496	0.35%
Securities Held-to-maturity	-	-	-	146,872	68,465	-	-	215,337	2.80%
Securities Available-for-sale	379,022	1,970,870	1,721,932	5,815,302	1,905,388	-	-	11,792,514	3.62%
Financing, advances & others:									
- Performing	804,466	605,248	726,162	2,729,267	6,385,846	-	-	11,250,989	7.42%
- Non-performing	-	-	-	-	-	309,153	-	309,153	
Other assets	-	-	-	-	-	5,005,252	-	5,005,252	
Total assets	4,856,524	2,650,284	2,628,910	8,691,441	8,359,699	7,011,273	1,756,496	35,954,627	
Liabilities									
Deposits from customers	12,930,967	1,314,470	1,225,503	465,245	-	11,637,721	-	27,573,906	1.86%
Deposits and placements of banks and other financial institutions	20,979	-	-	6,698	-	-	-	27,677	1.48%
Bills and acceptance payable	253,333	-	-	-	-	-	-	253,333	2.36%
Other liabilities	-	-	-	-	-	1,182,836	-	1,182,836	
Total liabilities	13,205,279	1,314,470	1,225,503	471,943	-	12,820,557	-	29,037,752	
Shareholders' equity	-	-	-	-	-	1,449,683	-	1,449,683	
Takaful funds	-	-	-	-	-	3,846,218	-	3,846,218	
Minority interests	-	-	-	-	-	1,620,974	-	1,620,974	
Total liabilities & shareholders' equity	13,205,279	1,314,470	1,225,503	471,943	-	19,737,432	-	35,954,627	
On-balance sheet profit sensitivity gap	(8,348,755)	1,335,814	1,403,407	8,219,498	8,359,699				
Off-balance sheet profit sensitivity gap	-	-	-	-	-				
Net maturity mismatch	(8,348,755)	1,335,814	1,403,407	8,219,498	8,359,699				

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

Fifteen Months Performance to 30 September 2010

The Group registered a Profit before Zakat and Taxation ("PBZT") of RM473.7 million for the 15 (fifteen) months financial period ended 30 September 2010, with Bank Islam ("the Bank") and Syarikat Takaful Malaysia Berhad ("STMB") achieving a PBZT of RM400.2 million and RM78.8 million respectively.

Islamic Banking

As for the 12 (twelve) months period to September 2010, the Bank achieved a PBZT of RM325.0 million, higher by 37.4% or RM88.4 million compared to the corresponding 12 (twelve) months period ended 30 September 2009. The PBZT translated into a Return on Equity ("ROE") of 16.3%, higher than the Islamic Banking System average of 13.9% for 2009, despite the increase in equity from the Islamic Convertible Redeemable Non Cumulative Preference Shares (ICRNCPs) of RM540 million issued during the financial period. The ICRNCPs were subsequently converted to Ordinary Shares on 29 September 2010. Return on Assets ("ROA") increased from 0.9% as at 30 June 2009 to 1.09% as at 30 September 2010, arising from the reshaping of the balance sheet with better product mix that maximises returns. The higher growth in the lower cost Current and Savings ("CASA") deposits also contributed towards the Bank's better performance.

For the 12 (twelve) months period ended 30 September 2010, the Bank's net financing grew by 13.9% or RM1.4 billion to RM11.6 billion, with Consumer financing contributing the bulk of the growth. Non-performing financing (NPF) continued to trend downwards with total net NPF volume declining 51.7% or RM330.8 million to RM309.2 million, which resulted in more than halving of the net NPF ratio from 6.20% as at 30 September 2009 to 2.63% as at 30 September 2010.

Year-on-year, the Bank recorded a deposits growth of 22.1% or RM5.0 billion to reach RM27.7 billion as at 30 September 2010, mainly from the lower cost CASA deposits. The Bank's CASA deposits increased by 34.7% or RM 3.0 billion to RM11.6 billion as at 30 September 2010 and accounted for 41.7% of the Bank's total deposits.

With the issuance of the ICRNCPs and strong financial results, the Bank's Risk Weighted Capital Ratio strengthened from 13.6% as at 30 June 2009 to 16.2% as at 30 September 2010.

Takaful

For the 5th quarter ended 30 September 2010, STMB generated Operating Revenue of RM301.8 million comprising RM250.0 million in gross contribution and RM51.8 million in investment income. During the financial period ended 30 September 2010, STMB recorded Operating Revenue of RM1,367.5 million mainly attributable to contribution from Family Takaful group business and motor and fire class of business and investment income.

The surplus transfer in the quarter under review from Family Takaful revenue account was RM17.9 million. During the financial period ended 30 September 2010, STMB recorded surplus transfer of RM87.5 million mainly attributable to realized gains on disposal of investment, dividend and other investment income.

The surplus transfer in the quarter under review from General Takaful revenue account was RM11.3 million. During the financial period ended 30 September 2010, STMB recorded surplus transfer of RM104.6 million mainly attributable to underwriting results, coupled with write back of both allowance for doubtful debts and allowance for diminution in value of investments and realized gains on disposal of investments.

For the quarter under review, the group recorded a PBZT of RM11.9 million. During the financial period ended 30 September 2010, STMB recorded a PBZT of RM78.8 million mainly contributed by the underwriting results from General Takaful, surplus from Family Takaful and wakalah fee income.

B2 COMPARISON WITH THE PRECEDING QUARTER'S RESULTS

For the three months performance (Fifth Quarter 2010 vs Fourth Quarter 2010)

The Group's PBZT for the financial quarter ended 30 September 2010 of RM96.1 million registered an increase of RM20.5 million or 27.0% in comparison to the preceding quarter ended 30 June 2010 of RM75.6 million. The net profit attributable to equity holders too improved by RM12.1 million or 53.5% Quarter-on-Quarter ("QoQ"). The improved profitability was mainly attributable to higher financing income by 8.0%, higher fee and commission income by 15.8%, lower operating overheads by 2.2% and better asset quality as Net NPF ratio stood at 2.63% (30 June 2010: 3.24%).

The Bank's PBZT for the financial quarter ended 30 September 2010 of RM87.1 million was higher by 15.4% or RM 11.7 million compared to the PBZT for the preceding quarter ended 30 June 2010 of RM75.5 million. The strong performance was achieved on the back of a healthy QoQ growth in revenue of 9.0% or RM29.2 million and lower operating expenses of 2.1% or RM3.0 million.

For the quarter ended 30 September 2010, the Bank's net financing grew by 2.4% or RM275 million while the net NPF volume decreased by RM62.1 million to RM309.2 million. The decrease in the net NPF volume resulted in a decline in the net NPF ratio to 2.63% from 3.24% as at 30 June 2010. For the same period, the Bank saw a healthy deposits growth of RM1.0 billion or 3.8% to RM27.7 billion as at 30 September 2010. The growth came mainly from CASA deposits.

For the quarter under review, STMB registered PBZT of RM 11.9 million, which was higher than the preceding quarter by RM11.5 million. The increase was mainly attributable to contribution from General Takaful. The lower fourth quarter PBZT of RM0.4 million was mainly due to write-off of Qardh Hasan extended to Asean Retakaful International (L) Ltd.

B3 PROSPECTS

Outlook on the economy

As an emerging market, Malaysia is expected to face challenges in the wake of a weak global environment. Nevertheless, this is expected to be mitigated by the expansion in private domestic demand due to favourable employment, stable commodity prices and an accommodative monetary policy environment. In addition, intra-regional trades too are expected to boost external demand. A positive investment climate is expected on the back of the recently announced Economic Transformation Programme ("ETP") launched in October 2010.

The banking industry is expected to remain healthy. However, competition will continue to intensify due to strong domestic players, liberal operating environment and the potential of new entrants. Domestic banks are expected to further build capacity and capability to compete, to differentiate their business strategies and focus on new products and services. Product pricing will remain competitive.

Islamic Banking

The Bank implemented its new strategic blueprint, the Sustainable Growth Plan comprising of 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. Building on its performance as the winner of 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 53% to RM 309.2 million in the past fifteen 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 with innovative products, such as the recently launched TAP (Transact At Palm) mobile banking and Visa Debit Card.

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). 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. The Bank plans to increase its branches to 115 and its pawn-broking outlets to 5 by the end of 2010.

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. The Company will continue to remain prudent in its investment strategy and improve 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 3 months ended Unaudited 30-Sep-10 RM'000	Year to date 15 months ended Unaudited 30-Sep-10 RM'000
Current tax expense	28,810	137,026

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-Sep-10	30-Jun-09
	RM '000	RM '000
Deposits from customers		
Mudharabah accounts deposits and negotiable instruments of deposits		
One year or less (short-term)	15,455,102	14,928,380
More than one year (medium/long-term)	1,460,294	1,511,812
	16,915,396	16,440,192
Current accounts	8,278,368	6,336,054
Savings accounts	2,316,802	2,032,461
Others	63,340	62,744
Total deposits	27,573,906	24,871,451
Deposits and placements of banks and other financial institutions		
One year or less (short-term)	20,979	8,078
More than one year (medium/long-term)	6,698	-
	27,677	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	up to 1 mth	>1-3 mths	>3-6 mths	>6-12 mths	Margin Requirement
	30-Sep-10 Principal Amount					
Foreign exchange related contracts						
- forwards	330,609	202,029	119,949	8,631	-	-
- swaps	4,198,309	3,171,204	888,651	100,284	38,170	-
- option	417,361	417,361	-	-	-	-
Total	4,946,279	3,790,594	1,008,600	108,915	38,170	-

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk transactions may be reduced through offsetting on and off-balance sheet positions. As at 30 September 2010, the amount of contracts which were not hedged and, hence, exposed to market risk was RM475.8 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 September 2010, the credit risk measured in terms of the cost to replace the profitable contracts was RM70.7 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	Year to date
	3 months ended	15 months ended
	Unaudited	Unaudited
	30-Sep-10	30-Sep-10
	RM'000	RM'000
Net Operating profit after zakat & tax (NOPAT)		
Profit before zakat and taxation (PBZT)	96,072	473,727
Zakat & Taxation	(29,737)	(149,970)
NOPAT	66,335	323,757
Economic charge computation:		
Average invested capital	2,171,715	2,087,269
(includes minority interest less gain on disposal of interest in subsidiary)		
Weighted Average Cost of Capital (WACC)	8.20%	8.20%
(WACC as at 30 June 2009: 8.5% per annum)		
Economic charge	44,886	214,297
Economic profit	21,449	109,460

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 with the execution proceeding against the Defendants. The sum outstanding to Bank Islam as at November 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 of 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 the Bank's application to auction the property. On 20th September, the auction was unsuccessful as there was no bidder. The court has not yet fixed a new date for auction.

- (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 the Bank'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 the Bank is appealing on the issue of unearned profit. On 28 October 2010, the Court allowed the Plaintiff's stay of execution. The matter is pending hearing date of appeal.

- (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 November 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. The Court has granted our application for new auction. The new auction date is 15 November 2010 with a Reserve Price of RM6.0 million.

- (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 was fixed for case management on 23 August 2010. On 28 October 2010, the court has granted our application for Order for Sale. As at November 2010, the matter is pending hearing date of Summon For Direction.

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. In May 2010, the First Defendant has been wound up by other bank and in August 2010, Bank Islam has filed Proof of Debt to recover the outstanding amount. As at November 2010, the status remain the same.

- (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 November 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 November 2010, this matter is pending Creditor Meeting's 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. In August 2010, the Bank's solicitor proceeded with execution of judgment by way of Prohibitory Order (PO) against the Second Defendant's property. As at November 2010, the matter is pending hearing date for the Bank's application for Order For Sale.

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, 9 to 11 August 2010 and 23rd to 26th 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. On 22 September 2010, the Court has dismissed the Defendant's application and they filed an appeal. However, on 1 November 2010, the Court of Appeal allowed the Defendant's appeal and the case will be heard by other high court judge.
- (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. The Plaintiffs have appealed and submitted new settlement proposal to the Bank in August 2010. As at November 2010, the matter is still pending negotiation between both parties.
- (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 is 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 was fixed for mention on 20 October 2010 and the Court has yet fixed new date. As at November 2010, the matter is pending negotiation for settlement arrangement between both parties. Bank Islam's solicitors are of the view that Bank Islam will prevail in this matter.

B12 MATERIAL LITIGATION, continued

- (q) 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 Jailil ("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. The Bank has filed an appeal against the decision. In July 2010, the Plaintiff has agreed to accept payment with lower judgment sum, ie; RM1.3 million (inclusive costs and total waiver of interests). In view of the Plaintiff's goodwill to accept reduced judgment sum and total waiver of interests, in August 2010 the Bank has withdrawn the appeal accordingly.
- (r) 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 Jailil ("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. The Bank has filed an appeal against the decision. In August 2010, the Plaintiff has agreed to accept payment with lower judgment sum, ie; RM 224,900 (inclusive cost and total waiver of interest). In view of the Plaintiff's goodwill to accept reduced judgment sum and total waiver of interests, in September 2010 the Bank has withdrawn the appeal accordingly.
- (s) 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 12 January 2011.
- (t) 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. On 24 August 2010, the panel of arbitrators had directed both parties to file their Written Submissions. As at November 2010, both parties have filed Written Submissions and pending date for Oral Submissions.

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 RM25.5 million.

B14 DIVIDEND PAYABLE

An interim dividend of RM1.50 sen per share less 25% tax totalling RM12.0 million (RM1.13 net per share) has been declared by the directors in respect of the financial year ending 31 December 2010.

B15 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 Unaudited 30-Sep-10 RM '000	Year to date 15 months ended Unaudited 30-Sep-10 RM '000
Net profit/(loss) for the quarter attributable to equity holders of the parent	34,600	170,479
Weighted average number of ordinary shares	1,066,790	1,066,790
Basic earnings per share attributable to equity holders of the parent (sen)	3.24	15.98

By Order of the Board

MARIA MAT SAID (LS 09400)
Company Secretary
November 26, 2010