

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

Condensed Consolidated Statement of Financial Position as at 30 June 2011

	Note	As at 30 June, 2011 RM'000 Unaudited	As at 31 December, 2010 RM'000 Audited
ASSETS			
Cash and short term funds		1,436,408	2,762,195
Deposits and placements with financial institutions		250,021	412,798
Derivative financial assets	A8	39,241	44,326
Financial assets held-for-trading	A9	1,370,260	2,279,891
Financial assets held-to-maturity	A10	218,691	215,944
Financial assets available-for-sale	A11	11,229,872	12,936,655
Financing, advances and others	A12	12,792,975	11,860,631
Deferred tax assets		66,177	59,023
Other assets		198,061	200,727
Current tax assets		45,172	30,316
Investment in associates		22,410	1
Statutory deposit with Bank Negara Malaysia		245,000	10,000
Property, plant and equipment		209,550	195,586
Prepaid lease payments		22,691	23,989
General Takaful and Family Takaful assets		4,994,035	4,458,749
Total assets		33,140,564	35,490,831
LIABILITIES, EQUITY & TAKAFUL FUNDS			
Liabilities			
Deposits from customers	A14	23,553,082	26,798,107
Deposits and placements of banks and other financial institutions	A15	473,504	378,129
Bills and acceptances payable		211,173	163,191
Other liabilities		514,731	503,062
Provision for zakat and taxation		35,398	37,975
Derivative financial liabilities	A8	51,394	30,926
General Takaful and Family Takaful liabilities		817,165	504,190
General Takaful and Family Takaful participants' funds		4,176,870	3,954,559
Total liabilities		29,833,317	32,370,139
Equity			
Share capital		1,066,790	1,066,790
Reserves		704,288	587,945
Total equity attributable to shareholders of the Company		1,771,078	1,654,735
Minority interests		1,536,169	1,465,957
Total equity		3,307,247	3,120,692
Total equity and liabilities		33,140,564	35,490,831
COMMITMENTS AND CONTINGENCIES			
Net assets per share attributable to ordinary equity holders of the parent (RM)	A25	1.66	1.55

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Income Statements
For the Six Months Financial Period Ended 30 June 2011**

		Individual Quarter 3 months ended 30 June 2011 RM'000 Unaudited	Individual Quarter 3 months ended 30 June 2010 RM'000 Unaudited	Year-to-date 6 months ended 30 June 2011 RM'000 Unaudited	Year-to-date 6 months ended 30 June 2010 RM'000 Unaudited
	Note				
Income derived from investment of depositors' fund	A16	348,140	N/A	679,583	N/A
Income derived from investment of shareholders' fund	A17	154,121	N/A	306,549	N/A
Allowance for impairment on financing, advances and others	A18	14,043	N/A	(2,782)	N/A
Reversal / (Impairment) on other assets		1,414	N/A	1,414	N/A
Provision for contingent liability		(15,231)	N/A	(15,231)	N/A
Other expenses directly attributable to the investment of the depositors' and shareholders' funds		(6,395)	N/A	(11,231)	N/A
Total distributable income		496,092	-	958,302	-
Income attributable to depositors	A19	(118,627)	N/A	(237,021)	N/A
Total net income		377,465	-	721,281	-
Personnel expenses		(112,825)	N/A	(221,476)	N/A
Other overhead expenses		(96,909)	N/A	(181,895)	N/A
Depreciation		(14,008)	N/A	(28,578)	N/A
Operating profit		153,723	-	289,332	-
Share in the results of associated companies		(154)	N/A	(154)	N/A
Profit before zakat and taxation		153,569	-	289,178	-
Zakat		(1,093)	N/A	(2,636)	N/A
Tax expense	B5	(32,770)	N/A	(71,502)	N/A
Profit for the period		119,706	-	215,040	-
Attributable to:					
Shareholders of the Company		62,846	N/A	114,206	N/A
Minority Interests		56,860	N/A	100,834	N/A
Profit for the period		119,706	-	215,040	-
Earnings Per Share - basic (sen)	B14	5.89	N/A	10.71	N/A

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 Statement of Comprehensive Income
For the Six Months Financial Period Ended 30 June 2011**

	Year-to-date	
	6 months ended 30 June 2011 RM'000 Unaudited	6 months ended 30 June 2010 RM'000 Unaudited
Profit for the period	215,040	N/A
Other comprehensive income :		
Currency translation differences for foreign operations	7,352	N/A
Net gain on revaluation of available for sale financial assets	19,484	N/A
Total comprehensive income for the period	241,876	-
Attributable to:		
Shareholders of the Company	129,144	N/A
Minority Interests	112,732	N/A
Total comprehensive income for the period	241,876	-

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 Statement of Changes in Equity
For the Six Months Financial Period Ended 30 June 2011**

Group	Note	← Attributable to Equity Holders of the Company →						Total RM'000	Minority Interests RM'000	Total Equity RM'000
		Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Other Reserves RM'000	Capital Reserve RM'000	Accumulated Losses RM'000			
Audited										
At 1 July 2009										
- As previously stated		1,066,790	602,978	408,109	11,407	638,370	(1,455,121)	1,272,533	1,094,361	2,366,894
- Effect of adopting FRS 139		-	-	-	(510)	-	(26,624)	(27,134)	(27,826)	(54,960)
- Restated		1,066,790	602,978	408,109	10,897	638,370	(1,481,745)	1,245,399	1,066,535	2,311,934
Total comprehensive income for the period		-	-	-	-	-	230,837	230,837	219,628	450,465
- Net profit for the period		-	-	-	66,644	-	-	66,644	62,624	129,268
- Other comprehensive income		-	-	-	66,644	-	230,837	297,481	282,252	579,733
Transfer to statutory reserve		-	-	105,003	-	-	28,454	133,457	(133,457)	-
Convertible redeemable non-cumulative preference shares (CRNCPS) issued and converted to ordinary shares		-	-	-	-	-	-	-	264,600	264,600
Dividends paid to minority interests		-	-	-	-	-	-	-	(14,152)	(14,152)
Minority interests' subscription of shares of a subsidiary		-	-	-	-	-	-	-	526	526
Divestment of shares held by minority		-	-	-	-	-	-	-	(347)	(347)
Dividends to shareholders	A7	-	-	-	-	-	(21,602)	(21,602)	-	(21,602)
At 31 December 2010		1,066,790	602,978	513,112	77,541	638,370	(1,244,056)	1,654,735	1,465,957	3,120,692
Unaudited										
At 1 January 2011										
Total comprehensive income for the period		1,066,790	602,978	513,112	77,541	638,370	(1,244,056)	1,654,735	1,465,957	3,120,692
- Net profit for the period		-	-	-	-	-	114,206	114,206	100,834	215,040
- Other comprehensive income		-	-	-	14,938	-	-	14,938	11,898	26,836
		-	-	-	14,938	-	114,206	129,144	112,732	241,876
Transfer to statutory reserve		-	-	89,381	-	-	(89,381)	-	-	-
Dividends to shareholders	A7	-	-	-	-	-	(12,801)	(12,801)	-	(12,801)
Dividends to minority interests		-	-	-	-	-	-	-	(42,520)	(42,520)
At 30 June 2011		1,066,790	602,978	602,493	92,479	638,370	(1,232,032)	1,771,078	1,536,169	3,307,247

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Cash Flows
For the Six Months Financial Period Ended 30 June 2011**

	Year-to-date	
	6 months ended 30 June 2011 RM'000 Unaudited	6 months ended 30 June 2010 RM'000 Unaudited
Cash flows from operating activities		
Profit before zakat and taxation	289,178	N/A
Adjustment for non-cash flow items:-		
Depreciation of property, plant and equipment	28,578	N/A
Amortisation of prepaid lease payment	1,298	N/A
Allowance/(Writeback) for impairment on other assets	(1,414)	N/A
Reversal for doubtful debts	(120)	N/A
Allowance for impairment on financing and advances	2,782	N/A
Provision of contingent liabilities	15,231	N/A
Net (gain)/loss on disposal of property, plant and equipment	(3,018)	N/A
Net loss/(gain) on sale of financial assets held-for-trading	(3,467)	N/A
Net gain on sale of financial assets available-for- sale	(6,348)	N/A
Net gain on revaluation of financial assets held-for-trading	(11,849)	N/A
Net derivative gain	(850)	N/A
Operating profit before working capital changes	310,001	-
Changes in working capital:		
Other receivables	10,135	N/A
Statutory deposits with Bank Negara Malaysia	(235,000)	N/A
Bills payable	47,982	N/A
Other payables	16,906	N/A
Financing of customers	(935,126)	N/A
Deposits from customers	(3,245,025)	N/A
Deposit and placements of banks and other financial institutions	95,375	N/A
Cash used in operation	(3,934,752)	-
Zakat and income taxes paid	(98,725)	N/A
Net cash used in operating activities	(4,033,477)	-

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 Statement of Cash Flows, continued
For the Six Months Financial Period Ended 30 June 2011**

	Year-to-date	
	6 months ended 30 June 2011 RM'000 Unaudited	6 months ended 30 June 2010 RM'000 Unaudited
Cash flows from investing activities		
Purchase of property, plant and equipment	(39,524)	N/A
Investment in associates	(22,409)	N/A
Dividend paid	(12,801)	N/A
Dividend to minority interests	(42,520)	N/A
Net sale/(purchase) of financial assets	2,654,815	N/A
Net cash generated from/(used in) investing activities	2,537,561	-
Net decrease in cash and cash equivalent	(1,495,916)	N/A
Foreign exchange differences	7,352	N/A
Cash and cash equivalents at the beginning of period	3,174,993	N/A
Cash and cash equivalents at the end of period	1,686,429	-
Cash and cash equivalents comprise:		
Cash and short term funds	1,436,408	N/A
Deposits and placement with financial institutions	250,021	N/A
	1,686,429	-

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 six months financial period ended 30 June 2011 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 eighteen months financial period ended 31 December 2010 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.

(1) 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 eighteen months financial period ended 31 December 2010. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the 18 months financial period ended 31 December 2010.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the 18 months financial period ended 31 December 2010, except for the adoption of the following Financial Reporting Standards ("FRS"), Amendments to FRSs, IC Interpretations and Technical Release ("TR"):

- (i) **FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010**
- FRS 1, First-time Adoption of Financial Reporting Standards (revised)
 - FRS 3, Business Combinations (revised)
 - FRS 127, Consolidated and Separate Financial Statements (revised)
 - Amendments to FRS 1, First-time Adoption of Financial Reporting Standards
 - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
 - Additional Exemptions for First-time Adopters
 - Amendments to FRS 2, Share-based Payment
 - Amendments to FRS 5, Non-current Assets Held for Sale and Discontinued Operations
 - Amendments to FRS 7, Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments
 - Amendments to FRS 132, Financial Instruments: Presentation - Classification of Rights Issues
 - Amendments to FRS 138, Intangible Assets
 - IC Interpretation 4, Determining whether an Arrangement contains a Lease
 - IC Interpretation 12, Service Concession Agreements
 - IC Interpretation 16, Hedges of a Net Investment in a Foreign Operation
 - IC Interpretation 17, Distributions of Non-cash Assets to Owners
 - IC Interpretation 18, Transfers of Assets from Customers
 - Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives
 - Improvements to FRSs (2010)

The main change introduced under the revised FRS 127 will be the accounting for changes in ownership interest in a subsidiary, where changes in ownership which do not result in the loss of control are now accounted for within equity, instead of the income statement. Where changes in ownership interest result in loss of control, any remaining interest is remeasured at fair value and a gain or loss is recognised in the income statement. Minority interests is now referred to as "non-controlling interests". All total comprehensive income is proportionately allocated to non-controlling interests, even if it results in the non-controlling interests having a deficit balance.

The revised FRS 3 introduce the option, on an acquisition-by-acquisition basis, to measure non-controlling interests in a business combination, either at fair value or at the non-controlling interests' proportionate share of the net identifiable assets acquired. Goodwill is measured as the difference between the aggregate of the fair value of consideration transferred, any non-controlling interests in the acquiree and the fair value at acquisition date of any previously held equity interest in the acquiree, and the net identifiable assets acquired. Any negative goodwill (i.e. bargain purchase) is recognised in the income statement. Any consideration transferred in a business combination is measured at fair value as at the acquisition date.

There is no financial impact immediately upon adoption of these two accounting standards as they both only have prospective effect, and hence their adoption will only have impact on future acquisitions by the Group.

The adoption to the Amendments to FRS 7, which promotes enhanced disclosures on fair value measurement of financial instruments via the introduction of the concept of the fair value hierarchy, will only affect disclosures and will not have any financial impact on the results of the Group.

The adoption of the other FRSs, Amendments to FRSs, IC Interpretations and Technical Release above generally did not have any material impact on the financial results of the Group, as they mainly deal with accounting policies affecting transactions which do not form part of the Group normal business operations or transactions where the Group has only minimal exposure.

The following Financial Reporting Standards ("FRS"), Amendments to FRSs and IC Interpretations have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective, and have yet to be adopted by the Group:

- (i) **FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011**
- IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments
 - Amendments to IC Interpretation 14, Prepayments of a Minimum Funding Requirement
- (ii) **FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012**
- FRS 124, Related Party Disclosures (revised)
 - IC Interpretation 15, Agreements for the Construction of Real Estate

A2 AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2010

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

	Unaudited 30-Jun-11 RM '000	Audited 31-Dec-10 RM '000
<u>Ordinary</u>		
Final paid		
2010 - 1.60%, (2009 - 1.20%)	12,801	9,601
Interim paid		
2011 - Nil, (2010 - 1.50%)	-	12,001
	<u>12,801</u>	<u>21,602</u>

A8 DERIVATIVE FINANCIAL ASSETS

	Principal amount RM '000	Fair value Assets RM '000	Liabilities RM '000
30.6.2011 - Unaudited			
Forward Contract	3,843,128	198	(12,701)
Cross Currency Profit Rate Swap	85,870	65	-
Profit Rate Swap	500,000	1,539	(1,254)
Structured Deposits	462,035	37,439	(37,439)
	<u>4,891,033</u>	<u>39,241</u>	<u>(51,394)</u>
31.12.2010 - Audited			
Forward Contract	5,208,060	15,496	-
Cross Currency Profit Rate Swap	85,870	91	-
Profit Rate Swap	500,000	970	(3,157)
Structured Deposits	462,995	27,769	(27,769)
	<u>6,256,925</u>	<u>44,326</u>	<u>(30,926)</u>

A9 FINANCIAL ASSETS HELD-FOR-TRADING

	Unaudited 30-Jun-11 RM '000	Audited 31-Dec-10 RM '000
At fair value		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Malaysian Government Investment Issues	101,365	50,573
Negotiable Islamic Debt Certificate	199,675	-
Bank Negara Negotiable Notes	918,803	2,202,117
Islamic Debt Securities	141,311	26,757
Accepted Bills	9,106	-
	<u>1,370,260</u>	<u>2,279,447</u>
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Shares	-	444
Total financial assets held-for-trading	<u>1,370,260</u>	<u>2,279,891</u>

A10 FINANCIAL ASSETS HELD-TO-MATURITY

	Unaudited 30-Jun-11 RM '000	Audited 31-Dec-10 RM '000
At amortised cost		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Islamic Debt Securities	179,944	177,361
<u>Quoted securities</u>		
<i>Outside Malaysia</i>		
Bond	60,400	61,650
	<u>240,344</u>	<u>239,011</u>
Less: Impairment losses	(21,653)	(23,067)
Total financial investments held-to-maturity	<u>218,691</u>	<u>215,944</u>

A11 FINANCIAL ASSETS AVAILABLE-FOR-SALE

	Unaudited 30-Jun-11 RM '000	Audited 31-Dec-10 RM '000
At fair value		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Malaysian Government Investment Issue	2,963,203	4,444,171
Bank Negara Negotiable Notes	-	149,364
Unquoted shares	21,780	22,061
Promissory notes	5,108	5,108
Accepted bills	342,654	384,155
Negotiable Islamic Debt Certificate	822,665	2,277,443
Islamic Commercial Papers	376,171	872,867
Islamic Debt Securities	6,650,001	4,776,288
<i>Outside Malaysia</i>		
Islamic Development Bank unit trust	1,923	1,923
Unquoted shares	1,688	1,688
	11,185,193	12,935,068
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Unit trust	15,616	15,458
Shares	42,653	-
<i>Outside Malaysia</i>		
Bond	-	-
	58,269	15,458
Less:		
Impairment losses	(13,590)	(13,871)
Total financial investments available-for-sale	11,229,872	12,936,655

A12 FINANCING, ADVANCES AND OTHERS

(i) **By type**

	Unaudited 30-Jun-11 RM '000	Audited 31-Dec-10 RM '000
Cash line	608,081	520,835
Term financing		
House financing	10,133,613	9,461,194
Syndicated financing	393,603	356,238
Lease receivables	611,841	632,741
Bridging financing	229,238	361,215
Personal financing	5,747,186	5,127,450
Other term financing	4,042,309	3,636,239
Staff financing	314,658	298,667
Credit/charge cards	445,009	450,542
Trust receipt	44,119	60,969
Trade bills discounted	1,371,859	1,067,736
Pawn broking	24,731	13,897
	23,966,247	21,987,723
Less: Unearned income	(10,735,717)	(9,702,990)
	13,230,530	12,284,733
Less: Allowance for impaired financing, advances and others:		
Collective assessment allowance	(358,252)	(345,041)
Individual assessment allowance	(79,303)	(79,061)
Total net financing, advances and others	12,792,975	11,860,631

(ii) **By contract**

	Unaudited 30-Jun-11 RM '000	Audited 31-Dec-10 RM '000
Bai' Bithaman Ajil (deferred payment sale)	6,648,786	6,209,417
Bai'-Al-Inah	1,528,353	1,662,823
Ijarah (operating lease)	308,351	334,106
Ijarah Muntahia Bittamlik / AITAB (finance lease)	21,499	11,657
Mudharabah (profit sharing)	6,000	6,000
Murabahah (cost-plus)	1,407,782	1,120,380
At-Tawarruq	3,019,770	2,573,328
Istisna'	265,258	353,125
Ar-Rahn	24,731	13,897
	13,230,530	12,284,733

(iii) **By type of customer**

	Unaudited 30-Jun-11 RM '000	Audited 31-Dec-10 RM '000
Domestic non-bank financial institutions	22,816	1,218
Domestic business enterprise	2,295,453	2,082,941
Small medium industries	430,917	401,119
Government and statutory bodies	170,164	151,526
Individuals	10,014,300	9,324,459
Other domestic entities	42,072	57,741
Foreign entities	254,808	265,729
	13,230,530	12,284,733

A12 FINANCING, ADVANCES AND OTHERS, continued
(iv) By profit rate sensitivity

	Unaudited 30-Jun-11 RM '000	Audited 31-Dec-10 RM '000
Fixed rate		
House financing	2,234,290	2,198,946
Others	8,478,476	8,005,296
Floating rate	2,517,764	2,080,491
	13,230,530	12,284,733

(v) By remaining contractual maturity

	Unaudited 30-Jun-11 RM '000	Audited 31-Dec-10 RM '000
Maturity within one year	2,481,157	2,071,456
More than one year to three years	1,007,928	705,542
More than three years to five years	935,078	1,385,004
More than five years	8,806,367	8,122,731
	13,230,530	12,284,733

(vi) By sector

	Unaudited 30-Jun-11 RM '000	Audited 31-Dec-10 RM '000
Primary agriculture	178,394	182,111
Mining and quarrying	43	897
Manufacturing (including agro-based)	917,231	791,995
Electricity, gas and water	13,955	150,860
Construction	598,490	508,293
Real estate	294,460	187,445
Household sector	10,022,795	9,321,823
Wholesale and retail trade and restaurants and hotels	578,781	479,868
Transport, storage and communication	289,491	408,349
Finance, insurance and business activities	161,933	154,408
Education, health and others	84,475	85,375
Other sectors	90,482	13,309
	13,230,530	12,284,733

A13 IMPAIRED FINANCING, ADVANCES AND OTHERS

(i) Movements in impaired financing, advances and others
(including income receivable)

	Unaudited 30-Jun-11 RM '000	Audited 31-Dec-10 RM '000
At 1 July		
As previously stated	552,221	1,360,449
Effect of adopting FRS 139	-	675,069
As restated as at 1 July 2009/ 1 January 2011	552,221	2,035,518
Classified as impaired during the period/year	340,269	315,241
Reclassified as not impaired during the period/year	(148,953)	(362,279)
Amount recovered	(115,804)	(311,447)
Amount written off	(71,126)	(1,079,122)
Exchange differences	(1,032)	(45,690)
At end of period	555,575	552,221
Gross impaired financing, advances and others as a percentage of gross financing, advances and others	4.20%	4.50%

(ii) Movements in the allowance for impaired financing, advances and others

	Unaudited 30-Jun-11 RM '000	Audited 31-Dec-10 RM '000
Collective Assessment Allowance		
At 1 July 2009/ 1 January 2011		
As previously stated	345,041	-
Effect of adopting FRS 139	-	504,927
As restated as at 1 July 2009/ 1 January 2011	345,041	504,927
Allowance made during the period/ year	96,759	538,979
Amount recovered	(24,317)	(111,808)
Amount written off	(57,315)	(555,129)
Exchange differences	(1,916)	(31,928)
At end of period	358,252	345,041
Individual Assessment Allowance		
At 1 July 2009/ 1 January 2011		
As previously stated	79,061	-
Effect of adopting FRS 139	-	859,374
As restated as at 1 July 2009/ 1 January 2011	79,061	859,374
Allowance made during the period/ year	37,566	124,827
Amount recovered	(15,396)	(163,025)
Amount written off	(21,928)	(740,797)
Exchange differences	-	(1,318)
At end of period	79,303	79,061

A13 IMPAIRED FINANCING, ADVANCES AND OTHERS, continued

(iii) Impaired financing, advances and others by sector

	Unaudited 30-Jun-11 RM '000	Audited 31-Dec-10 RM '000
Primary agriculture	10,656	10,947
Mining and quarrying	-	851
Manufacturing (including agro-based)	77,783	83,810
Construction	108,497	130,925
Real estate	1,228	1,263
Household sector	246,345	270,847
Wholesale and retail trade and restaurants and hotels	47,917	42,729
Transport, storage and communication	1,280	1,538
Finance, insurance and business activities	55,692	-
Education, health and others	2,336	6,112
Other sectors	3,841	3,199
	555,575	552,221

A14 DEPOSITS FROM CUSTOMERS

(i) By type of deposit

	Unaudited 30-Jun-11 RM '000	Audited 31-Dec-10 RM '000
Non-Mudharabah Fund:		
Demand deposits	7,196,950	7,090,732
Savings deposits	2,374,109	2,576,870
Negotiable Islamic Debt Certificate (NIDC)	4,697,027	5,819,875
Others	84,991	80,336
	14,353,077	15,567,813
Mudharabah Fund:		
Savings deposits	1,086,383	987,346
General investment deposits	2,239,956	2,449,607
Special investment deposits	5,873,666	7,793,341
	9,200,005	11,230,294
Total deposits from customers	23,553,082	26,798,107

Maturity structure of investment deposits and NIDCs are as follows:

Due within six months	9,954,450	10,365,051
More than six months to one year	1,767,596	4,616,743
More than one year to three years	722,128	638,204
More than three years to five years	24,261	20,955
Over five years	342,214	421,870
	12,810,649	16,062,823

(ii) By type of customer

	Unaudited 30-Jun-11 RM '000	Audited 31-Dec-10 RM '000
Government and statutory bodies	6,862,759	6,795,607
Business enterprises	6,331,488	8,536,877
Individuals	4,421,319	4,511,477
Others	5,937,516	6,954,146
	23,553,082	26,798,107

A15 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Unaudited 30-Jun-11 RM '000	Audited 31-Dec-10 RM '000
Mudharabah Fund:		
Licensed banks	347,965	307,984
Other financial institutions	125,539	70,145
	473,504	378,129

A16 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	Unaudited Quarter 3 months ended 30-Jun-11 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-11 RM '000
Income derived from investment of:		
(i) General investment deposits	33,957	68,352
(ii) Other deposits	314,183	611,231
	348,140	679,583

(i) Income derived from investment of general investment deposits

	Unaudited Quarter 3 months ended 30-Jun-11 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-11 RM '000
Financing income and hibah		
Financing, advances and others	21,944	44,249
Held-for-trading	105	175
Held-to-maturity	99	204
Available-for-sale	9,021	18,242
Money at call and deposit with financial institutions	1,942	3,708
	33,111	66,578
<i>Of which financing income earned on impaired financing</i>	1,003	2,111
Other dealing income		
Net gain / (loss) from sale of financial assets held-for-trading	341	338
Net gain / (loss) on revaluation of financial assets held-for-trading	475	1,198
	816	1,536
Other operating income		
Net gain / (loss) from sale of financial assets:		
Available-for-sale	30	238
Gross dividend income from securities:		
Unquoted in Malaysia	-	-
	30	238
	33,957	68,352

(ii) Income derived from investment of other deposits

	Unaudited Quarter 3 months ended 30-Jun-11 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-11 RM '000
Financing income and hibah		
Financing, advances and others	202,817	395,313
Held-for-trading	977	1,588
Held-to-maturity	920	1,831
Available-for-sale	83,545	163,348
Money at call and deposit with financial institutions	17,990	33,187
	306,249	595,267
<i>Of which financing income earned on impaired financing</i>	9,298	18,852
Other dealing income		
Net gain / (loss) from sale of financial assets held-for-trading	3,202	3,176
Net gain / (loss) on revaluation of financial assets held-for-trading	4,438	10,651
	7,640	13,827
Other operating income		
Net gain / (loss) from sale of financial assets :		
Available-for-sale	294	2,137
Gross dividend income from securities:		
Unquoted in Malaysia	-	-
	294	2,137
	314,183	611,231

A17 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	Unaudited Quarter 3 months ended 30-Jun-11 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-11 RM '000
Financing income and hibah		
Financing, advances and others	1,739	3,829
Available-for-sale	13,902	36,894
Money at call and deposit with financial institutions	3,114	7,444
	18,755	48,167
Other dealing income		
Net gain / (loss) from foreign exchange transactions	6,666	13,639
Net gain / (loss) from sale of financial assets held-for-trading	-	(47)
Net derivatives (losses)/gain	(1,967)	850
	4,699	14,442
Other operating income		
Net gain / (loss) from sale of financial assets :		
Available-for-sale	2,191	3,973
Profit on sale of foreign currencies	622	954
Reversal/(allowance) for diminution in value of investment	-	38
Reversal of allowance for doubtful debts	8	120
Profit from general takaful and family takaful funds attributable to the Group	46,281	94,126
Gross dividend income from securities		
Quoted in Malaysia	855	1,456
Unit trust in Malaysia	-	-
Unit trust outside Malaysia	64	71
Unquoted in Malaysia	4,137	4,137
	54,158	104,875
Fees and commission		
ATM fees	5,511	9,527
Financing fees	5,736	8,474
Cheque issued & return, closing account and other fees	3,003	5,024
Takaful service fees and commission	2,164	4,343
Credit card fees and commission	10,061	20,023
Processing fees	203	590
Commitment fees	142	375
Commission on MEPS	1,697	3,343
Unit trust management fees	836	1,559
Corporate advisory fees	1,005	1,700
Commission on structured products	27	113
Ta'widh charges	812	828
Investment income	5,158	11,856
Wakalah fees	32,946	59,548
Other service charges fees	4,080	8,591
	73,381	135,894
Other income		
Net gain/(loss) on disposal of property, plant & equipment	3,018	3,022
Rental income	14	21
Others	96	128
	3,128	3,171
	154,121	306,549

A18 ALLOWANCE FOR IMPAIRMENT ON FINANCING, ADVANCES AND OTHERS

	Unaudited Quarter 3 months ended 30-Jun-11 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-11 RM '000
Allowance for impaired financing, advances and others:		
- Collective assessment allowance	58,064	96,759
- Individual assessment allowance	6,576	37,566
- Specific allowance	-	-
- General allowance	-	-
Impaired financing, advances and others recovered	(16,866)	(39,713)
Bad debts and financing recovered	(61,817)	(91,830)
	(14,043)	2,782

A19 INCOME ATTRIBUTABLE TO DEPOSITORS

	Unaudited Quarter 3 months ended 30-Jun-11 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-11 RM '000
Deposits from customers:		
- Mudharabah fund	64,138	129,523
- Non-Mudharabah fund	50,038	99,012
Deposits and placements of banks and other financial institutions:		
- Mudharabah fund	4,451	8,486
	118,627	237,021

A20 CAPITAL ADEQUACY

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

	Unaudited 30-Jun-11 RM '000	Audited 31-Dec-10 RM '000
Tier-I capital:		
Paid-up share capital	2,265,490	2,265,490
Share premium	500,020	500,020
Accumulated losses	(1,176,789)	(1,185,132)
Other reserves	884,394	795,013
Less: Deferred tax assets	(47,095)	(44,224)
Total Tier-I capital	2,426,020	2,331,167
Tier-II capital:		
Collective assessment allowance #	198,302	182,452
Total Tier-II capital	198,302	182,452
Total capital base	2,624,322	2,513,619
Core capital ratio	15.62%	15.75%
Risk-weighted capital ratio	16.90%	16.99%
Core capital ratio net of proposed dividends	15.62%	15.21%
Risk-weighted capital ratio net of proposed dividend	16.90%	16.44%

Excludes collective assessment allowance restricted from Tier II capital by BNM amounting RM159,959,000 (31.12.2010: RM162,590,000).

A21 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 leasing, stockbroking and unit trust.

(i) Information about reportable segments

	6 months ended			Elimination RM'000	Total 30-Jun-11 RM'000
	Banking 30-Jun-11 RM'000	Takaful 30-Jun-11 RM'000	Others 30-Jun-11 RM'000		
Current Year-to-Date					
Revenue from external customers	811,013	172,139	2,980	-	986,132
Inter-segment revenue	-	441	64,979	(65,420)	-
Total revenue	811,013	172,580	67,959	(65,420)	986,132
Net income from operations (before allowance for Impairment on financing)	560,378	172,580	67,959	(63,037)	737,880
Operating overhead	(302,860)	(122,663)	(7,149)	723	(431,949)
Operating profit	257,518	49,917	60,810	(62,314)	305,931
Allowance for Impairment on financing and advances	(2,782)	-	-	-	(2,782)
Provision for contingent liability	(15,231)	-	-	-	(15,231)
Reversal on impairment on other assets	1,414	-	-	-	1,414
Share in the results of associated companies	(154)	-	-	-	(154)
Profit before zakat and taxation	240,765	49,917	60,810	(62,314)	289,178
Segment assets	27,836,732	5,535,473	1,905,005	(2,136,646)	33,140,564

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.

A22 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.

A23 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.

A24 CHANGES IN COMPOSITION OF THE GROUP

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

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

A25 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 2011 are as follow:

	Unaudited 30 June 2011				Audited 31 December 2010			
	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Amount	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Amount
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<u>Credit-related exposures</u>								
Direct credit substitutes	463,884	-	463,884	455,925	459,840	-	459,840	439,315
Assets sold with recourse	2	-	2	2	242	-	242	242
Transaction-related contingent items	808,604	-	404,302	400,050	846,719	-	423,360	396,877
Short-term self-liquidating trade related contingencies	367,069	-	73,414	71,978	312,745	-	62,549	61,078
Other commitments, such as formal standby facilities and credit line, with an original maturity of:								
- not exceeding one year	1	-	-	-	1,003	-	201	224
- exceeding one year	603,660	-	301,830	241,723	618,138	-	309,069	251,715
Unutilized credit card lines	787,074	-	157,414	118,062	768,840	-	153,768	115,326
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	3,921,719	-	-	-	4,118,965	-	-	-
	6,952,013	-	1,400,846	1,287,740	7,126,492	-	1,409,029	1,264,777
<u>Derivative financial instruments</u>								
Foreign exchange related contracts								
- less than one year	3,793,028	12,828	28,860	9,165	5,208,060	42,284	93,866	26,161
- one year to less than five years	50,100	95	2,600	1,946	-	-	-	-
Profit rate related contracts								
- less than one year	-	-	-	-	-	-	-	-
- one year to less than five years	671,740	16	23,320	6,214	671,740	-	27,304	7,007
	4,514,868	12,939	54,780	17,325	5,879,800	42,284	121,170	33,168
<u>Other treasury related exposures</u>								
Obligations under an on-going underwriting agreements	59,000	-	29,500	29,500	75,000	-	37,500	37,500
	59,000	-	29,500	29,500	75,000	-	37,500	37,500
Total	11,525,881	12,939	1,485,126	1,334,565	13,081,292	42,284	1,567,699	1,335,445

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

B1 REVIEW OF PERFORMANCE

Six Months Performance to 30 June 2011

The Group's profit before zakat and taxation ("PBZT") of RM289.2 million for the six months financial period ended 30 June 2011 registered an increase of RM113.2 million or 64% higher than the last corresponding financial period. Net profit attributable to the shareholders improved by RM54.3 million or 91% to RM114.2 million. The higher profitability recorded for the six months financial period ended 30 June 2011 was mainly due to higher operating results registered by the Group's subsidiaries, mainly Bank Islam Malaysia Berhad Group and Syarikat Takaful Malaysia Berhad Group ("STMB") by 31% and 134% respectively.

The growth in the Group's net income was driven by higher profit from continued growth in financing, higher non-fund based income and improved asset quality in Bank Islam Malaysia Berhad ("Bank Islam" or "the Bank"), as well as higher profit generated from Takaful businesses.

Islamic Banking

For the six months financial period ended 30 June 2011, Bank Islam achieved a PBZT of RM240.9 million, a 56.2% or RM86.7 million increase compared to the corresponding period last year. The Bank's commendable performance is attributed to the strong growth in financing as well as continued improvement in the asset quality and ability to maintain the core current and savings deposits.

The strong performance translated to an annualised Return on Equity ("ROE") of 18.2% in June 2011 compared to a ROE of 16.5% as at December 2010. The Return on Assets ("ROA") increased significantly to 1.7% compared to 1.2% as at December 2010. The Islamic Banking System ROE was at 14.5%, whilst ROA was at 1.2% as at December 2010. The higher ROA was a result of the continued reshaping of the Bank's balance sheet focusing on better product mix that maximises returns.

The improved performance was from higher income contributed by both fund based income and non-fund based income. The higher income on financing assets was achieved on the back of 6 months' growth of net financing assets of RM956 million or an annualised growth of 16.1% to reach RM12.8 billion as at 30 June 2011. Consumer financing continued to contribute largely to the overall financing growth.

Non-fund based income was higher by RM41.3 million or 72.1%. The increase came from foreign exchange gain, as well as higher fees and commissions. The Bank recorded a non-fund based income ratio of 12.2% as at 30 June 2011. The Islamic Banking System non-fund based income ratio stood at 8.6% as at December 2010.

The Bank's asset quality continued to record significant improvement. The Bank's net impaired financing was RM118 million as at 30 June 2011 compared to the net non-performing financing ("NPF") of RM371 million as at 30 June 2010, an improvement of 68.2% or RM253 million. Consequently, the net impaired financing ratio was at a commendable level of 0.9%.

Total customer deposits stood at RM24.0 billion as at 30 June 2011. With the reshaping of the balance sheet, the Bank has reduced the higher cost deposits whilst maintaining the core current and savings deposits at above industry levels. The current and savings deposits accounted for 44.3% of the Bank's total deposits as at 30 June 2011 compared to 39.7% as at 31 December 2010. Consequently, the Bank's Financing to Deposits ratio increased from 45.7% as at 31 December 2010 to 55.1% as at 30 June 2011.

The Bank's Risk Weighted Capital Ratio ("RWCR") was strong at 16.6% as at 30 June 2011. The Islamic Banking System recorded a RWCR average of 15.4% as at May 2011.

Takaful

For the six months financial period ended 30 June 2011, STMB recorded Operating Revenue of RM636.2 million comprising RM532.5 million in gross contribution and RM103.7 million in investment income. The gross contribution was mainly attributable to Family Takaful group business and motor and fire class of business.

The surplus transfer from Family Takaful revenue account for the six months financial period ended 30 June 2011 was RM50.9 million, mainly attributable to underwriting results, investment income and realized gains on disposal of investments.

The surplus transfer from General Takaful revenue account was RM41.0 million for the six months financial period ended 30 June 2011, mainly attributable to underwriting results, coupled with write back of allowance for doubtful debts and realized gains on disposal of investments.

During the six months financial period ended 30 June 2011, STMB recorded a PBZT of RM49.9 million mainly contributed by the surplus from Family Takaful and General Takaful and wakalah fee income.

B2 COMPARISON WITH THE PRECEDING QUARTER'S RESULTS

For the three months performance (Second Quarter 2011 vs First Quarter 2011)

The Group's PBZT for the quarter under review of RM153.6 million depicted a growth of RM17.9 million or 13% compared to the PBZT of the preceding quarter ended 31 March 2011 of RM135.6 million. This achievement was mainly attributable to writeback in allowance for impairment on financing and advances. As a result, the Group's net profit attributable to shareholders increased by RM11.4 million or 22%.

Bank Islam's PBZT for the quarter ended 30 June 2011 of RM133.1 million registered an improvement of RM25.3 million or 23.5% compared to the previous quarter ended 31 March 2011. The better performance was due mainly to lower net impairment allowances of RM17.0 million and higher net income of RM15.0 million or 5.4%. The higher net income was contributed by both fund based income and non-fund based income. The Bank's non-fund based ratio improved to 12.2% as at June 2011 compared to 11.4% as at March 2011.

During the quarter, financing grew by RM394 million. Both the gross and net impaired financing ratios improved from 4.29% and 0.95% as at 31 March 2011 to 4.19% and 0.92% respectively as at 30 June 2011. As for customer deposits, the percentage of current and savings deposits to total deposits increased to 44.3% as at June 2011 compared to 44.0% as at March 2011.

For the quarter under review, STMB recorded a PBZT of RM 21.8 million which was RM6.3 million lower than the preceding quarter of RM 28.1 million. The decrease was mainly attributable to lower surplus transfers from Family Takaful and higher management expenses. The increase in management expenses was mainly due to Perbadanan Insurans Deposit Malaysia ("PIDM") levy and wakalah fee expense.

B3 PROSPECTS

Outlook on the economy

The Malaysian economy continued to be in tandem with its Asian counterparts with slower growth and higher inflation. In 1Q2011, gross domestic product ("GDP") growth continued to moderate to 4.6%, year-on-year ("YoY") following weaker external factors, despite the domestic demand remaining resilient. The policy response to the uptrending inflation, led by higher food and beverages, as well as transport sub-indices, had been forthcoming. The overnight policy rate ("OPR") was raised by 25 bps to 3.00%, while subsidy rationalisation has been more gradual than anticipated. GDP growth is expected to be between 4% and 5% for 2011, as domestic demand will continue to be underpinned by private consumption, amidst steady labour market conditions and easy access to credit. As for investment, indicators such as import of investment goods, foreign direct investment and sales of commercial vehicles suggest that private investment will likely show a healthy growth this year. Under these circumstances, the monetary policy conduct is expected to be more challenging in 2H2011. The combination of a positive output gap and strong credit growth calls for tightening measures by Bank Negara Malaysia ("BNM"). However, the influx of capital inflows has put a challenge on the direction of monetary policy, as the need to promote domestic investment as well as the nature of Malaysia's inflationary dynamics warrant the extension of the accommodative stance.

Going forward, the banking system's loan/financing activities are expected to expand at a slower pace of between 8-9% in 2011, from +12.8% in 2010, in line with the projected slowdown in the economic growth. BNM signalled its readiness to undertake "further normalisation of monetary conditions" to safeguard overall price stability, despite keeping OPR at 3.00% at the Monetary Policy Committee ("MPC") meeting on 7 July 2011. MPC's assessment is that the inflationary risk is on the upside. Thus, BNM announced the rise in Statutory Reserve Requirement ("SRR") ratio from 3.00% to 4.00%, with effect from July 16, 2011. Nevertheless, the banking industry in Malaysia is expected to remain robust, despite intensified competition within the industry.

For 2011, Bank Islam will continue to focus on enhancing revenue generation and sustainability, especially in diversifying its non-fund based income and achieving a more balanced portfolio between Wholesale and Retail banking segments. In view of the possible rise in OPR, the Bank's strategy now is to promote more floating rate products and continue to increase its cheaper core deposits.

Takaful Malaysia is expected to increase its market share in the Takaful industry by introducing new products, growing its agency workforce for selling retail Family products and by strategic tie-ups with Islamic Banks to market its bancassurance products.

B4 VARIANCE FROM PROFIT FORECAST AND PROFIT GUARANTEE

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

B5 TAXATION

Tax expense

Unaudited Quarter	Unaudited Year-to-date
3 months ended	6 months ended
30-Jun-11	30-Jun-11
RM'000	RM'000
32,770	71,502

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	
	6 months ended	Audited
	30-Jun-11	31-Dec-10
	RM '000	RM '000
Deposits from customers		
Mudharabah accounts deposits and negotiable instruments of deposits		
One year or less (short-term)	12,332,409	16,911,974
More than one year (medium/long-term)	1,564,623	1,446,172
	13,897,032	18,358,146
Current accounts	7,196,950	6,347,081
Savings accounts	2,374,109	2,032,461
Others	84,991	60,419
Total deposits	23,553,082	26,798,107
Deposits and placements of banks and other financial institutions		
One year or less (short-term)	473,504	378,129
	473,504	378,129

B10 OFF BALANCE SHEET FINANCIAL INSTRUMENTS BY VALUE OF CONTRACTS CLASSIFIED BY REMAINING PERIOD TO MATURITY/ NET RE-PRICING DATE(WHICHEVER EARLIER)

GROUP (RM '000)

Items	Unaudited				
	30-Jun-11 Principal Amount	up to 1 mth	>1-3 mths	>3-6 mths	>6-12 mths
Foreign exchange related contracts					
- forwards	489,260	235,721	93,778	159,761	-
- swaps	2,416,996	1,801,124	490,224	125,648	-
- option	936,872	936,872	-	-	-
Total	3,843,128	2,973,717	584,002	285,409	-

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 2011, the amount of contracts which were not hedged and, hence, exposed to market risk was RM525.2 million. (31 December 2010: RM572.6 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 2011, the credit risk measured in terms of the cost to replace the profitable contracts was RM54.8 million (31 December 2010: RM121.2 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

	Unaudited Year-to-date 6 months ended 30-Jun-11 RM'000
Net Operating profit after zakat & tax (NOPAT)	
Profit before zakat and taxation (PBZT)	289,178
Zakat & Taxation	(74,138)
NOPAT	215,040
Economic charge computation:	
Average invested capital	2,582,463
(includes minority interest less gain on disposal of interest in subsidiary)	
Weighted Average Cost of Capital (WACC) at 8.2% per annum	8.20%
Economic charge	105,011
Economic profit	110,029

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 31 December 2010.

- (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 Defendants. The sum outstanding to Bank Islam as at February 2011 is RM 42.5 million. However, as per solicitor's advice, the Plaintiffs withheld the execution proceeding pending completion of transfer of auctioned property. As at August 2011, the status remains the same.

- (b) 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 case was fixed for hearing of appeal on 22 February 2011 and the Court of Appeal Judges reserved their decision pending issuance of written judgment on issue of unearned profit. As at August 2011, the status remains the same.

- (c) 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 30 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 2011, the matter is pending Official Assignee to fix creditors meeting.

- (d) 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 5 August 2010. On 28 October 2010, the court has granted our application for Order for Sale. This case is fixed for auction on 12 October 2011.

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.

- (e) 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 August 2011, the status remains the same.

- (f) 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 2011, the Court has yet to fix a date for the appeal.

- (g) 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. The matter was fixed for Creditor's Meeting on 30 June 2011. As at August 2011, this case is pending issuance of minutes of Public Examination from the court.

B12 MATERIAL LITIGATION, continued

- (h) 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.
- (i) 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. On 20 June 2011, the Court dismissed the Second Defendants' application to set aside the Prohibitory Order and Proclamation of 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.

- (j) On 24 May 2007, Bank Islam Malaysia Berhad ("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 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. 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. This case will be heard before a new judge, YA Dato' Hj Mohd Zawawi Salleh. The case fixed for trial on 11 to 14, 18 to 21 and 25 to 28 July 2011. In the course of trial, Bank Islam had filed an application pursuant to Section 56 of the Central Bank Act to refer several Shariah issues to the Shariah Advisory Council of Bank Negara Malaysia but the application was objected to by the Defendant. The Defendant raised several issues including constitutionality of the said section. On 7 July 2011, the judge had directed that the issue be referred directly to the Federal Court. The case is fixed for case management on 22 September 2011.

- (k) 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.
- (l) 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 skills and express and/or implied contractual duties. The matter has been fixed for Case Management on 15 September 2011.
- (m) 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. Both parties have filed their written submissions in November 2010. On 13 April 2011, the arbitrators have directed both parties to exchange the submission as to costs by 2 May 2011. In the meantime, in order for the Tribunal to give decision as to pre and post award interest is not against Riba', the Arbitrators will refer the issue to the Shariah Advisory Council (SAC) of Bank Negara Malaysia. As at August 2011, the matter is pending the resolution from the SAC of Bank Negara Malaysia.

B13 CONTINGENT LIABILITIES

There were no contingent liabilities as at the date of this report.

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.

	Unaudited Quarter 3 months ended 30-Jun-11 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-11 RM '000
Net profit/(loss) for the quarter attributable to equity holders of the parent	62,846	114,206
Number of ordinary shares	1,066,790	1,066,790
Number of average ordinary shares	1,066,790	1,066,790
Basic earnings per share attributable to equity holders of the parent (sen)	5.89	10.71

B15 DISCLOSURE OF REALISED AND UNREALISED PROFIT/LOSSES

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits/(losses) pursuant to the directive is as follows:

	Unaudited 30-Jun-11 RM'000	Audited 31-Dec-10 RM'000
Total accumulated losses of BIMB Holdings Berhad and its subsidiaries:		
Realised	(942,132)	(1,056,682)
Unrealised	37,097	65,355
	(905,035)	(991,327)
Less: Consolidation adjustments	(326,997)	(252,729)
Total group accumulated losses as per condensed consolidated financial statements	(1,232,032)	(1,244,056)

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirement*, issued by Malaysia Institute of Accountants on 20 December 2010.

The unrealised retained profits of the Group as disclosed above excludes translation gains and losses on monetary items denominated in a currency and foreign exchange contracts, as these translation gains and losses are incurred in the ordinary course of business of the Group, and are hence deemed as realised.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not apply for any other purposes.

By Order of the Board

MARIA MAT SAID (LS 09400)
Company Secretary
August 25, 2011