

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

Condensed Consolidated Statement of Financial Position as at 31 December 2011

	Note	As at 31 December, 2011 RM'000 Unaudited	As at 31 December, 2010 RM'000 Restated
ASSETS			
Cash and short term funds		3,460,092	2,762,195
Deposits and placements with financial institutions		1,075,330	412,798
Derivative financial assets	A8	15,877	80,108
Financial assets held-for-trading	A9	1,228,952	2,279,891
Financial assets held-to-maturity	A10	331,486	215,944
Financial assets available-for-sale	A11	11,281,711	12,936,655
Financing, advances and others	A12	14,140,970	11,860,631
Deferred tax assets		41,560	59,023
Other assets		184,044	200,727
Current tax assets		7,718	30,316
Investment in associates		21,181	1
Statutory deposit with Bank Negara Malaysia		912,000	10,000
Property, plant and equipment		244,390	219,575
Prepaid lease payments		-	-
General Takaful and Family Takaful assets		5,299,921	4,787,016
Total assets		38,245,232	35,854,880
LIABILITIES, EQUITY & TAKAFUL FUNDS			
Liabilities			
Deposits from customers	A14	28,208,203	26,798,107
Deposits and placements of banks and other financial institutions	A15	384,628	378,129
Bills and acceptances payable		259,153	163,191
Other liabilities		600,770	503,062
Provision for zakat and taxation		28,655	37,975
Derivative financial liabilities	A8	23,299	66,708
General Takaful and Family Takaful liabilities		1,180,859	1,069,319
General Takaful and Family Takaful participants' funds		4,119,062	3,717,697
Total liabilities		34,804,629	32,734,188
Equity			
Share capital		1,066,790	1,066,790
Reserves		758,863	587,945
Total equity attributable to shareholders of the Company		1,825,653	1,654,735
Non-controlling interests		1,614,950	1,465,957
Total equity		3,440,603	3,120,692
Total equity and liabilities		38,245,232	35,854,880
COMMITMENTS AND CONTINGENCIES			
Net assets per share attributable to ordinary equity holders of the parent (RM)	A25	1.71	1.55

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

Condensed Consolidated Income Statements**For the Twelve Months Financial Period Ended 31 December 2011**

		Individual Quarter 3 months ended 31 December 2011 RM'000 Unaudited	Individual Quarter 3 months ended 31 December 2010 RM'000 Unaudited	Year-to-date 12 months ended 31 December 2011 RM'000 Unaudited	Year-to-date 12 months ended 31 December 2010 RM'000 Unaudited
	Note				
Income derived from investment of depositors' fund	A16	377,927	N/A	1,393,918	N/A
Income derived from investment of shareholders' fund	A17	190,818	N/A	642,274	N/A
Allowance for impairment on financing, advances and others	A18	(23,491)	N/A	(44,023)	N/A
Allowance for Impairment on investments		(17,559)	N/A	(15,406)	N/A
Allowance for contingent liability		-	N/A	(15,231)	N/A
Other expenses directly attributable to the investment of the depositors' and shareholders' funds		(9,984)	N/A	(28,425)	N/A
Total distributable income		517,711	-	1,933,107	-
Income attributable to depositors	A19	(120,215)	N/A	(473,133)	N/A
Total net income		397,496	-	1,459,974	-
Personnel expenses		(121,162)	N/A	(455,568)	N/A
Other overhead expenses		(94,928)	N/A	(379,892)	N/A
Depreciation		(13,370)	N/A	(55,531)	N/A
Operating profit		168,036	-	568,983	-
Share in the results of associated companies		(238)	N/A	(1,383)	N/A
Profit before zakat and taxation		167,798	-	567,600	-
Zakat		(4,842)	N/A	(9,196)	N/A
Tax expense	B5	(22,389)	N/A	(151,198)	N/A
Profit for the period		140,567	-	407,206	-
Attributable to:					
Shareholders of the Company		73,884	N/A	204,406	N/A
Non-controlling interests		66,683	N/A	202,800	N/A
Profit for the period		140,567	-	407,206	-
Earnings Per Share - basic (sen)	B15	6.93	N/A	19.16	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 Twelve Months Financial Period Ended 31 December 2011**

	Year-to-date	
	12 months ended 31 December 2011 RM'000 Unaudited	12 months ended 31 December 2010 RM'000 Unaudited
Profit for the period	407,206	N/A
Other comprehensive income :		
Currency translation differences for foreign operations	(8,491)	N/A
Net gain on revaluation of available for sale financial assets	39,908	N/A
Total comprehensive income for the period	438,623	-
Attributable to:		
Shareholders of the Company	221,424	N/A
Non-controlling interests	217,199	N/A
Total comprehensive income for the period	438,623	-

Note :

There are no comparative figures disclosed for the cumulative year-to-date of the preceding year-to-date 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 Twelve Months Financial Period Ended 31 December 2011**

		← Attributable to Equity Holders of the Company →								
		← Non-distributable →			Distributable					
Group	Note	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Other Reserves RM'000	Capital Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity 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		<u>1,066,790</u>	<u>602,978</u>	<u>408,109</u>	<u>10,897</u>	<u>638,370</u>	<u>(1,481,745)</u>	<u>1,245,399</u>	<u>1,066,535</u>	<u>2,311,934</u>
Total comprehensive income for the period										
- Net profit for the period		-	-	-	-	-	230,837	230,837	219,628	450,465
- Other comprehensive income		-	-	-	66,644	-	-	66,644	62,624	129,268
		<u>-</u>	<u>-</u>	<u>-</u>	<u>66,644</u>	<u>-</u>	<u>230,837</u>	<u>297,481</u>	<u>282,252</u>	<u>579,733</u>
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 non-controlling interests		-	-	-	-	-	-	-	(14,152)	(14,152)
Non-controlling interests' subscription of shares of a subsidiary		-	-	-	-	-	-	-	526	526
Divestment of shares held by non-controlling interests		-	-	-	-	-	-	-	(347)	(347)
Dividends to shareholders	A7	-	-	-	-	-	(21,602)	(21,602)	-	(21,602)
At 31 December 2010		<u>1,066,790</u>	<u>602,978</u>	<u>513,112</u>	<u>77,541</u>	<u>638,370</u>	<u>(1,244,056)</u>	<u>1,654,735</u>	<u>1,465,957</u>	<u>3,120,692</u>
Unaudited										
At 1 January 2011										
Total comprehensive income for the period										
- Net profit for the period		-	-	-	-	-	204,406	204,406	202,800	407,206
- Other comprehensive income		-	-	-	17,018	-	-	17,018	14,399	31,417
		<u>-</u>	<u>-</u>	<u>-</u>	<u>17,018</u>	<u>-</u>	<u>204,406</u>	<u>221,424</u>	<u>217,199</u>	<u>438,623</u>
Transfer to statutory reserve		-	-	89,791	-	-	(89,791)	-	-	-
Acquisition of additional interest from non-controlling interests		-	-	-	-	-	(367)	(367)	(533)	(900)
Dividends to shareholders	A7	-	-	-	-	-	(50,139)	(50,139)	-	(50,139)
Dividends to non-controlling interests		-	-	-	-	-	-	-	(67,673)	(67,673)
At 31 December 2011		<u>1,066,790</u>	<u>602,978</u>	<u>602,903</u>	<u>94,559</u>	<u>638,370</u>	<u>(1,179,947)</u>	<u>1,825,653</u>	<u>1,614,950</u>	<u>3,440,603</u>

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Cash Flows For the Twelve Months Financial Period Ended 31 December 2011

	Year-to-date	
	12 months ended 31 December 2011 RM'000 Unaudited	12 months ended 31 December 2010 RM'000 Unaudited
Cash flows from operating activities		
Profit before zakat and taxation	567,600	N/A
Adjustment for non-cash flow items:-		
Share of results in associate companies	1,383	N/A
Depreciation of property, plant and equipment	55,531	N/A
Allowance for Impairment on investments	15,406	N/A
Reversal for doubtful debts	(240)	N/A
Allowance for impairment on financing and advances	44,023	N/A
Provision of contingent liabilities	15,231	N/A
Net gain on disposal of property, plant and equipment	(2,429)	N/A
Property, plant and equipment written off	44	-
Net gain on sale of financial assets held-for-trading	(6,774)	N/A
Net gain on sale of financial assets available-for-sale	(54,811)	N/A
Net gain on revaluation of financial assets held-for-trading	(20,873)	N/A
Net gain on sale of financial assets held-to-maturity	(1,452)	-
Net derivative loss	8,618	N/A
Operating profit before working capital changes	621,257	-
Changes in working capital:		
Other receivables	16,683	N/A
Statutory deposits with Bank Negara Malaysia	(902,000)	N/A
Bills payable	95,962	N/A
Other payables	74,757	N/A
Financing of customers	(2,339,593)	N/A
Deposits from customers	1,410,096	N/A
Deposit and placements of banks and other financial institutions	6,499	N/A
Cash used in operation	(1,016,339)	-
Zakat and income taxes paid	(145,560)	N/A
Net cash used in operating activities	(1,161,899)	-

Note:

There are no comparative figures disclosed for the cumulative year-to-date of the preceding year-to-date 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 Twelve Months Financial Period Ended 31 December 2011**

	Year-to-date	
	12 months ended 31 December 2011 RM'000 Unaudited	12 months ended 31 December 2010 RM'000 Unaudited
Cash flows from investing activities		
Acquisition of additional interest from non-controlling interests	(900)	N/A
Purchase of property, plant and equipment	(22,386)	N/A
Investment in associates	(22,563)	N/A
Dividend paid	(50,139)	N/A
Dividend to non-controlling interests	(67,673)	N/A
Net sales of financial assets	2,694,480	N/A
Net cash generated from/(used in) investing activities	2,530,819	-
Net decrease in cash and cash equivalent	1,368,920	N/A
Foreign exchange differences	(8,491)	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	4,535,422	-
Cash and cash equivalents comprise:		
Cash and short term funds	3,460,092	N/A
Deposits and placement with financial institutions	1,075,330	N/A
	4,535,422	-

Note:

There are no comparative figures disclosed for the cumulative year-to-date of the preceding year-to-date 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 financial statements of the Group as at and for the financial year ended 31 December 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 18 months financial period ended 31 December 2010 are available upon request from the Company's registered office at Level 31, Menara Bank Islam, 22 Jalan Perak, 50450 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 18 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.

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)
 - Amendments to FRS 1, First-time Adoption of Financial Reporting Standards- Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
 - Amendments to FRS 7, Financial Instruments: Disclosures - Transfers of Financial Assets
 - Amendments to FRS 112, Income Taxes - Deferred Tax: Recovery of Underlying Assets
- (iii) **FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012**
 - Amendments to FRS 101, Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income
- (iv) **FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013**
 - FRS 9, Financial Instruments (2009)
 - FRS 9, Financial Instruments (2010)
 - FRS 10, Consolidated Financial Statements
 - FRS 11, Joint Arrangements
 - FRS 12, Disclosure of Interests in Other Entities
 - FRS 13, Fair Value Measurement
 - FRS 119, Employee Benefits (2011)
 - FRS 127, Separate Financial Statements (2011)
 - FRS 128, Investment in Associates and Joint Ventures (2011)
 - IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine

The Group financial statements for annual period beginning on 1 January 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") issued by the MASB that will also comply with International Financial Reporting Standards ("IFRS"). As a result, the Group will not be adopting the above FRSs, interpretations and amendments that are effective for annual periods beginning on or after 1 January 2012.

A2 AUDIT REPORT OF PRECEDING 18 MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2010

The audited report on the financial statements of the preceding financial period 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 31-Dec-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 - 3.50%, (2010 - 1.50%)	37,338	12,001
	<u>50,139</u>	<u>21,602</u>

A8 DERIVATIVE FINANCIAL ASSETS

	Principal amount RM '000	Fair value	
		Assets RM '000	Liabilities RM '000
31.12.2011 - Unaudited			
Forward Contract	1,684,899	5,589	(4,854)
Cross Currency Profit Rate Swaps	171,740	7,549	(7,509)
Profit Rate Swaps	500,000	-	(8,197)
Structured Deposits	137,005	2,739	(2,739)
	<u>2,493,644</u>	<u>15,877</u>	<u>(23,299)</u>
31.12.2010 - Restated			
Forward Contract	5,208,060	42,284	(26,788)
Cross Currency Profit Rate Swaps	171,740	10,055	(9,964)
Profit Rate Swaps	500,000	-	(2,187)
Structured Deposits	462,995	27,769	(27,769)
	<u>6,342,795</u>	<u>80,108</u>	<u>(66,708)</u>

A9 FINANCIAL ASSETS HELD-FOR-TRADING

	Unaudited 31-Dec-11 RM '000	Audited 31-Dec-10 RM '000
At fair value		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Malaysian Government Investment Issues	71,804	50,573
Negotiable Islamic Debt Certificate	-	-
Bank Negara Negotiable Notes	1,116,264	2,202,117
Islamic Debt Securities	31,032	26,757
Islamic Commercial Papers	9,852	-
	<u>1,228,952</u>	<u>2,279,447</u>
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Shares	-	444
Total financial assets held-for-trading	<u>1,228,952</u>	<u>2,279,891</u>

A10 FINANCIAL ASSETS HELD-TO-MATURITY

	Unaudited 31-Dec-11 RM '000	Audited 31-Dec-10 RM '000
At amortised cost		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Islamic Debt Securities	288,432	177,361
<u>Quoted securities</u>		
<i>Outside Malaysia</i>		
Bond	63,369	61,650
	351,801	239,011
Less: Impairment losses	(20,315)	(23,067)
Total financial investments held-to-maturity	<u>331,486</u>	<u>215,944</u>

During the year, there was reclassification of financial assets available-for-sale to financial assets held-to-maturity as follows:

	RM '000
Islamic Debt Securities*	<u>111,088</u>

* The reclassification of the financial assets was done at fair value.

A11 FINANCIAL ASSETS AVAILABLE-FOR-SALE

	Unaudited 31-Dec-11 RM '000	Audited 31-Dec-10 RM '000
At fair value		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Malaysian Government Investment Issues	2,583,230	4,444,171
Bank Negara Negotiable Notes	-	149,364
Unquoted shares	22,448	22,061
Promissory notes	5,108	5,108
Accepted bills	243,500	384,155
Negotiable Islamic Debt Certificate	1,170,238	2,277,443
Islamic Commercial Papers	208,566	872,867
Islamic Debt Securities	7,006,543	4,776,288
<i>Outside Malaysia</i>		
Islamic Development Bank unit trust	1,923	1,923
Unquoted shares	1,688	1,688
	11,243,244	12,935,068
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Unit trust	15,525	15,458
Shares	37,200	-
<i>Outside Malaysia</i>		
Bond	-	-
	52,725	15,458
Less:		
Impairment losses	(14,258)	(13,871)
Total financial investments available-for-sale	11,281,711	12,936,655

A12 FINANCING, ADVANCES AND OTHERS

(i) By type

	Unaudited 31-Dec-11 RM '000	Audited 31-Dec-10 RM '000
Cash line	406,590	254,278
Term financing		
House financing	4,393,020	3,911,363
Syndicated financing	164,649	82,237
Leasing financing	280,403	303,884
Bridging financing	160,779	238,595
Personal financing	3,786,432	3,001,049
Other term financing	3,358,527	2,760,392
Staff financing	157,510	148,425
Credit/charge cards	451,538	450,542
Trust receipt	48,897	59,854
Trade bills discounted	1,309,598	1,060,217
Pawn broking	47,352	13,897
	14,565,295	12,284,733
Less: Allowance for impaired financing, advances and others:		
Collective assessment allowance	(348,555)	(345,041)
Individual assessment allowance	(75,770)	(79,061)
Total net financing, advances and others	14,140,970	11,860,631

(ii) By contract

	Unaudited 31-Dec-11 RM '000	Audited 31-Dec-10 RM '000
Bai' Bithaman Ajil (deferred payment sale)	7,291,742	6,209,417
Bai'-Al-Inah	1,435,588	1,662,823
Ijarah (operating lease)	295,881	334,106
Ijarah Muntahia Bittamleek / AITAB (finance lease)	22,648	11,657
Mudharabah (profit sharing)	6,000	6,000
Murabahah (cost-plus)	1,316,853	1,120,380
At-Tawarruq	3,903,981	2,573,328
Istisna'	245,250	353,125
Ar-Rahn	47,352	13,897
	14,565,295	12,284,733

(iii) By type of customer

	Unaudited 31-Dec-11 RM '000	Audited 31-Dec-10 RM '000
Domestic non-bank financial institutions	25,755	1,218
Domestic business enterprise	2,683,710	2,082,941
Small medium industries	391,947	401,119
Government and statutory bodies	129,766	151,526
Individuals	10,989,077	9,324,459
Other domestic entities	73,239	57,741
Foreign entities	271,801	265,729
	14,565,295	12,284,733

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

	Unaudited 31-Dec-11 RM '000	Audited 31-Dec-10 RM '000
Fixed rate		
House financing	2,087,060	2,198,946
Others	8,680,517	8,005,296
Floating rate	3,797,718	2,080,491
	14,565,295	12,284,733

(v) By remaining contractual maturity

	Unaudited 31-Dec-11 RM '000	Audited 31-Dec-10 RM '000
Maturity within one year	2,672,329	2,071,456
More than one year to three years	863,680	705,542
More than three years to five years	818,561	1,385,004
More than five years	10,210,725	8,122,731
	14,565,295	12,284,733

(vi) By sector

	Unaudited 31-Dec-11 RM '000	Audited 31-Dec-10 RM '000
Primary agriculture	149,182	182,111
Mining and quarrying	48,249	897
Manufacturing (including agro-based)	904,779	791,995
Electricity, gas and water	7,221	150,860
Construction	756,014	508,293
Real estate	385,261	187,445
Household sector	11,016,473	9,321,823
Wholesale and retail trade and restaurants and hotels	558,811	479,868
Transport, storage and communication	233,766	408,349
Finance, insurance and business activities	180,770	154,408
Education, health and others	122,204	85,375
Other sectors	202,565	13,309
	14,565,295	12,284,733

A13 IMPAIRED FINANCING, ADVANCES AND OTHERS

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

	Unaudited 31-Dec-11 RM '000	Audited 31-Dec-10 RM '000
At 1 January 2011 / 1 July 2009	552,221	2,035,518
Classified as impaired during the year / period	549,075	315,241
Reclassified as not impaired during the year / period	(297,191)	(362,279)
Amount recovered	(238,876)	(311,447)
Amount written off	(187,141)	(1,079,122)
Exchange differences	1,702	(45,690)
At 31 December 2011 / 31 December 2010	379,790	552,221
Gross impaired financing, advances and others as a percentage of gross financing, advances and others	2.61%	4.50%

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

	Unaudited 31-Dec-11 RM '000	Audited 31-Dec-10 RM '000
<u>Collective Assessment Allowance</u>		
At 1 January 2011 / 1 July 2009	345,041	504,927
Allowance made during the year / period	204,593	538,979
Amount recovered	(97,426)	(111,808)
Amount written off	(100,816)	(555,129)
Exchange differences	(2,837)	(31,928)
At 31 December 2011 / 31 December 2010	348,555	345,041
<u>Individual Assessment Allowance</u>		
At 1 January 2011 / 1 July 2009	79,061	859,374
Allowance made during the year / period	119,056	124,827
Amount recovered	(31,955)	(163,025)
Amount written off	(90,392)	(740,797)
Exchange differences	-	(1,318)
At 31 December 2011 / 31 December 2010	75,770	79,061

A13 IMPAIRED FINANCING, ADVANCES AND OTHERS, continued

(iii) Impaired financing, advances and others by sector

	Unaudited 31-Dec-11 RM '000	Audited 31-Dec-10 RM '000
Primary agriculture	3,511	10,947
Mining and quarrying	-	851
Manufacturing (including agro-based)	42,184	83,810
Construction	71,680	130,925
Real estate	1,203	1,263
Household sector	217,371	270,847
Wholesale and retail trade and restaurants and hotels	23,606	42,729
Transport, storage and communication	1,062	1,538
Finance, insurance and business activities	16,255	-
Education, health and others	71	6,112
Other sectors	2,847	3,199
	379,790	552,221

A14 DEPOSITS FROM CUSTOMERS

(i) By type of deposit

	Unaudited 31-Dec-11 RM '000	Audited 31-Dec-10 RM '000
Non-Mudharabah Fund:		
Demand deposits	8,412,372	7,090,732
Savings deposits	2,599,243	2,576,870
Negotiable Islamic Debt Certificate (NIDC)	5,622,290	5,819,875
Others	106,718	80,336
	16,740,623	15,567,813
Mudharabah Fund:		
Savings deposits	1,263,591	987,346
General investment deposits	1,851,695	2,449,607
Special investment deposits	8,352,294	7,793,341
	11,467,580	11,230,294
Total deposits from customers	28,208,203	26,798,107

Maturity structure of investment deposits and NIDCs are as follows:

Due within six months	13,332,195	10,365,051
More than six months to one year	1,444,323	4,616,743
More than one year to three years	1,020,357	638,204
More than three years to five years	29,404	20,955
Over five years	-	421,870
	15,826,279	16,062,823

(ii) By type of customer

	Unaudited 31-Dec-11 RM '000	Audited 31-Dec-10 RM '000
Government and statutory bodies	7,769,225	6,795,607
Business enterprises	7,188,454	8,536,877
Individuals	4,754,178	4,511,477
Others	8,496,346	6,954,146
	28,208,203	26,798,107

A15 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Unaudited 31-Dec-11 RM '000	Audited 31-Dec-10 RM '000
Mudharabah Fund:		
Licensed banks	253,122	307,984
Other financial institutions	131,506	70,145
	384,628	378,129

A16 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	Unaudited Quarter 3 months ended 31-Dec-11 RM '000	Unaudited Year-to-date 12 months ended 31-Dec-11 RM '000
Income derived from investment of:		
(i) General investment deposits	33,064	132,729
(ii) Other deposits	344,863	1,261,189
	377,927	1,393,918

(i) Income derived from investment of general investment deposits

	Unaudited Quarter 3 months ended 31-Dec-11 RM '000	Unaudited Year-to-date 12 months ended 31-Dec-11 RM '000
Financing income and hibah		
Financing, advances and others	20,950	86,808
Held-for-trading	67	381
Held-to-maturity	362	747
Available-for-sale	6,895	32,475
Money at call and deposit with financial institutions	1,304	6,347
	29,578	126,758
<i>Of which financing income earned on impaired financing</i>	1,473	4,392
Other dealing income		
Net gain / (loss) from sale of financial assets held-for-trading	123	641
Net gain / (loss) on revaluation of financial assets held-for-trading	319	2,015
	442	2,656
Other operating income		
Net gain / (loss) from sale of financial assets:		
Held-to-maturity	127	127
Available-for-sale	2,917	3,188
	3,044	3,315
	33,064	132,729

(ii) Income derived from investment of other deposits

	Unaudited Quarter 3 months ended 31-Dec-11 RM '000	Unaudited Year-to-date 12 months ended 31-Dec-11 RM '000
Financing income and hibah		
Financing, advances and others	217,556	823,211
Held-for-trading	702	3,649
Held-to-maturity	3,815	7,417
Available-for-sale	71,893	306,923
Money at call and deposit with financial institutions	13,616	59,849
	307,582	1,201,049
<i>Of which financing income earned on impaired financing</i>	15,376	42,120
Other dealing income		
Net gain / (loss) from sale of financial assets held-for-trading	1,257	6,177
Net gain / (loss) on revaluation of financial assets held-for-trading	3,383	18,858
	4,640	25,035
Other operating income		
Net gain / (loss) from sale of financial assets :		
Held-to-maturity	1,325	1,325
Available-for-sale	31,316	33,780
	32,641	35,105
	344,863	1,261,189

A17 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	Unaudited Quarter 3 months ended 31-Dec-11 RM '000	Unaudited Year-to-date 12 months ended 31-Dec-11 RM '000
Financing income and hibah		
Financing, advances and others	2,715	8,714
Available-for-sale	22,931	86,929
Money at call and deposit with financial institutions	1,949	10,856
	27,595	106,499
Other dealing income		
Net gain from foreign exchange transactions	12,052	31,808
Net loss from sale of financial assets held-for-trading	-	(44)
Net derivatives losses	(2,237)	(8,618)
	9,815	23,146
Other operating income		
Net gain from sale of financial assets :		
Available-for-sale	6,517	17,843
Profit on sale of foreign currencies	575	2,335
Reversal for diminution in value of investment	-	38
Reversal of allowance for doubtful debts	60	240
Profit from general takaful and family takaful funds attributable to the Group	60,423	183,365
Gross dividend income from securities		
Quoted in Malaysia	-	2,142
Unit trust in Malaysia	-	351
Unit trust outside Malaysia	750	878
Unquoted in Malaysia	5,909	10,426
	74,234	217,618
Fees and commission		
ATM fees	4,764	19,717
Financing fees	8,547	19,699
Cheque issued & return, closing account and other fees	2,960	10,069
Takaful service fees and commission	2,743	9,267
Credit card fees and commission	9,906	40,416
Processing fees	352	1,609
Commitment fees	313	797
Commission on MEPS	1,842	7,053
Unit trust management fees	1,242	3,697
Corporate advisory fees	804	4,185
Ta'widh charges	378	1,381
Investment income	2,275	16,001
Wakalah fees	39,796	144,432
Other service charges fees	3,671	13,665
	79,593	291,988
Other income		
Net gain/(loss) on disposal of property, plant & equipment	(609)	2,429
Rental income	185	308
Others	5	286
	(419)	3,023
	190,818	642,274

A18 ALLOWANCE FOR IMPAIRMENT ON FINANCING, ADVANCES AND OTHERS

	Unaudited Quarter 3 months ended 31-Dec-11 RM '000	Unaudited Year-to-date 12 months ended 31-Dec-11 RM '000
Allowance for impaired financing, advances and others:		
- Collective assessment allowance	60,841	204,593
- Individual assessment allowance	48,099	119,056
Impaired financing, advances and others recovered	(53,091)	(129,381)
Bad debts and financing recovered	(32,358)	(150,245)
	23,491	44,023

A19 INCOME ATTRIBUTABLE TO DEPOSITORS

	Unaudited Quarter 3 months ended 31-Dec-11 RM '000	Unaudited Year-to-date 12 months ended 31-Dec-11 RM '000
Deposits from customers:		
- Mudharabah fund	70,600	263,713
- Non-Mudharabah fund	45,483	190,205
Deposits and placements of banks and other financial institutions:		
- Mudharabah fund	4,132	19,215
	120,215	473,133

A20 CAPITAL ADEQUACY

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

	Unaudited 31-Dec-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	(1,132,381)	(1,185,132)
Other reserves	974,594	795,013
Less: Deferred tax assets	(23,386)	(44,224)
Total Tier-I capital	2,584,337	2,331,167
Tier-II capital:		
Collective assessment allowance	224,776	182,452
Total Tier-II capital	224,776	182,452
Total capital	2,809,113	2,513,619
Less: Investment in associate	(21,180)	-
Total capital base	2,787,933	2,513,619
Core capital ratio	15.27%	15.75%
Risk-weighted capital ratio	16.47%	16.99%
Core capital ratio net of proposed dividend	15.00%	15.21%
Risk-weighted capital ratio net of proposed dividend	16.21%	16.44%

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

	12 months ended				Total 31-Dec-11 RM'000
	Banking 31-Dec-11 RM'000	Takaful 31-Dec-11 RM'000	Others 31-Dec-11 RM'000	Elimination RM'000	
Current Year-to-Date					
Revenue from external customers	1,666,313	362,504	7,375	-	2,036,192
Inter-segment revenue	-	815	106,606	(107,421)	-
Total revenue	1,666,313	363,319	113,981	(107,421)	2,036,192
Net income from operations (before allowance for impairment on financing)	1,189,206	363,319	113,981	(103,447)	1,563,059
Operating overhead	(643,595)	(261,901)	(15,389)	1,469	(919,416)
Operating profit	545,611	101,418	98,592	(101,978)	643,643
Allowance for impairment on financing and advances	(44,023)	-	-	-	(44,023)
Allowance for contingent liability	(15,231)	-	-	-	(15,231)
Reversal on impairment on other assets	(15,406)	-	-	-	(15,406)
Share in the results of associated companies	(1,383)	-	-	-	(1,383)
Profit before zakat and taxation	469,568	101,418	98,592	(101,978)	567,600
Segment assets	32,186,451	5,878,364	1,911,611	(1,731,194)	38,245,232

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 31 December 2011 are as follow:

	Unaudited 31 December 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	452,553	-	452,553	444,839	459,840	-	459,840	439,315
Assets sold with recourse	2	-	2	2	242	-	242	242
Transaction-related contingent items	884,095	-	442,048	435,825	846,719	-	423,360	396,877
Short-term self-liquidating trade related contingencies	-	-	-	-	-	-	-	-
	288,665	-	57,733	57,221	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	589,414	-	294,707	274,384	618,138	-	309,068	251,715
Unutilized credit card lines	817,113	-	163,423	122,567	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								
	3,897,622	-	-	-	4,118,965	-	-	-
	6,929,465	-	1,410,466	1,334,838	7,126,492	-	1,409,028	1,264,777
<u>Derivative financial instruments</u>								
Foreign exchange related contracts								
- less than one year	1,644,655	5,589	14,344	8,409	5,208,060	42,284	93,866	26,161
- one year to less than five years	40,244	-	2,754	1,944	-	-	-	-
Profit rate related contracts								
- less than one year	171,740	7,549	5,582	1,116	-	-	-	-
- one year to less than five years	500,000	-	12,000	2,400	671,740	10,055	27,304	7,007
	2,356,639	13,138	34,680	13,869	5,879,800	52,339	121,170	33,168
<u>Other treasury related exposures</u>								
Obligations under an on-going underwriting agreements								
	-	-	-	-	75,000	-	37,500	37,500
	-	-	-	-	75,000	-	37,500	37,500
Total	9,286,104	13,138	1,445,146	1,348,707	13,081,292	52,339	1,567,698	1,335,445

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

B1 REVIEW OF PERFORMANCE

Twelve Months Performance to 31 December 2011

The Group's profit before zakat and taxation ("PBZT") of RM567.6 million for the twelve months financial period ended 31 December 2011 registered an increase of RM181.1 million or 47% over the previous corresponding financial period. Net profit attributable to the shareholders improved by RM51.2 million or 33% to RM204.4 million. The improved earnings were mainly due to higher operating profits generated by the two major subsidiaries, namely Bank Islam Malaysia Berhad Group ("Bank Islam" or "the Bank") and Syarikat Takaful Malaysia Berhad Group ("Takaful Malaysia") by 21% and 94% respectively. The growth in the Group's net income was driven by higher fund and non-fund based income and improved asset quality by Bank Islam, as well as better Takaful underwriting results with strong business growth, higher realized gains on disposal of investments and the release of contingent special reserves.

The higher income was attributable to net financing growth of RM2.3 billion or 19% to RM14.1 billion as at 31 December 2011 as compared to RM11.8 billion as at 31 December 2010 mainly arising from consumer lending.

The Group's gross impaired financing reduced to RM379.8 million as at 31 December 2011 from RM552.2 million as at 31 December 2010, a reduction of 31.2% or RM172.4 million whilst the net impaired financing was a negative RM45 million compared to RM128 million during the said period. Consequently, the gross impaired financing ratio dropped to 2.61% (end-Dec 2010: 4.50%) and net impaired ratio also dropped to a negative 0.31% as at 31 December 2011 (end-Dec 2010: 1.08%).

Islamic Banking

Bank Islam achieved a strong set of results for the financial year ended 31 December 2011 with a Profit Before Zakat and Tax of RM470.1 million, representing a 36.5% or RM125.6 million increase as compared to the corresponding twelve months period in 2010.

The impressive achievement translated into a Return on Equity (ROE) of 17.7% compared to an annualised 16.5% reported for the 18 months period ended 31 December 2010. The Islamic Banking System average ROE was 14.5% as at end December 2010. The Return on Assets (ROA) was 1.5% as compared to an annualised 1.2% reported for the 18 months period ended 31 December 2010. The Islamic Banking System average ROA was 1.2% as at end of December 2010.

The improved performance was attributed to the Bank's robust financing growth together with the steady growth in lower cost core customer deposits. The notably lower gross impaired financing, intensified efforts to increase non-fund based income as well as the adoption of cost control initiatives also contributed to the commendable performance of the Bank.

The Bank's strong growth in financing and CASA assisted in the strengthening of its core revenue streams. Total income grew 10.5% or RM123.1 million to RM1.18 billion. On the other hand, the impaired financing portfolio continued to improve and allowance for impairment reduced by 47.9%. As for non fund based income, there was an increase of 52.3% or RM78.7 million to RM229.1 million on the back of higher investment income, gains from foreign exchange and increase in fee-based income. Operating overheads also increased but at a lower rate of 4.7%.

The Bank's net financing as at 31 December 2011 stood at RM14.1 billion, representing a growth of 19.2% or RM2.3 billion as compared to 31 December 2010. Financing continued to be focused on consumer lending which accounted for 75.5% of the total financing portfolio.

Customer deposits grew by RM1.4 billion or 5.3% to reach RM28.3 billion as at 31 December 2011. CASA, one of the Bank's major strength, grew at a stronger rate of 15.2% or RM1.6 billion to reach RM12.3 billion as at 31 December 2011. CASA represented 43.4% of total deposits as at 31 December 2011 compared to 39.7% as at 31 December 2010. The Islamic Banking System CASA represented 25.0% of total deposits as at end December 2011.

For the financial year ended 31 December 2011, allowance for impairment was lower by 47.9% or RM68.8 million compared to the corresponding period last year. This was a result of the Bank's continuous efforts to enhance the asset quality, among others, prudent lending policies, adoption of sound risk management practices and aggressive recovery efforts.

The volume of impaired financing and the financing impairment ratios also improved tremendously. The Bank's gross impaired financing reduced to RM379.8 million as at 31 December 2011 from RM552.2 million as at 31 December 2010, a reduction of 31.2% or RM172.4 million whilst the net impaired financing was a negative RM45 million compared to RM128 million during the said period. Consequently, the gross impaired financing ratio dropped to 2.61% (end-Dec 2010: 4.50%) and net impaired ratio also dropped to a negative 0.31% as at 31 December 2011 (end-Dec 2010: 1.08%).

As at 31 December 2011, the Bank's Risk Weighted Capital Ratio was a healthy 16.3%, above the Islamic Banking system average of 14.1% as at end December 2011.

Takaful

For the fourth quarter ended 31 December 2011, Takaful Malaysia group generated Operating Revenue of RM304.2 million comprising RM248.3 million in gross contributions and RM55.9 million in investment income. During the financial year ended 31 December 2011, Takaful Malaysia group recorded Operating Revenue of RM1,352.6 million comprising RM1,140.8 million in gross contribution and RM211.8 million in investment income. The gross contribution was mainly attributable to Family Takaful group business and General Takaful motor and fire class of business.

The surplus transfers from Family and General takaful funds were mainly attributable to favourable underwriting results, coupled with the release of contingent special reserves, and realized gains on disposal of investments.

During the twelve months financial period ended 31 December 2011, Takaful Malaysia recorded a PBZT of RM101.4 million mainly contributed by the surplus from Family and General Takaful and wakalah fee income.

B2 COMPARISON WITH THE PRECEDING QUARTER'S RESULTS

For the three months performance (Fourth Quarter 2011 vs. Third Quarter 2011)

The Group's PBZT for the quarter under review of RM167.8 million depicted a growth of RM57.2 million or 52% compared to the PBZT of the preceding quarter ended 30 September 2011 of RM110.6 million. The achievement was mainly attributable to higher fund and non-fund based income and improved asset quality by Bank Islam, as well as better Takaful underwriting results, higher realized gains on disposal of investments and a one-off exceptional item, in the form of release of contingent special reserves from Family and General Takaful funds.

Bank Islam's PBZT for the quarter ended 31 December 2011 of RM128.1 million was higher compared to the previous quarter ended 30 September 2011 by RM27.5 million or 27%. The increase was mainly due to higher fund and non-fund based income and improved asset quality of the Bank.

For the quarter under review, Takaful Malaysia recorded a PBZT of RM41.4 million which was higher than the preceding quarter by RM31.3 million. The increase was attributable to higher wakalah fee income and surplus transfers from Family and General takaful funds. In addition, the release of contingent special reserves from the Family and General takaful funds amounting to RM24.6 million also contributed to the higher PBZT.

B3 PROSPECTS

Outlook on the economy

As a trading nation, Malaysia is not immune to global vagaries especially macroeconomic misfortunes befalling its major trading partners. Nonetheless, Malaysia is blessed with a host of factors that could somehow limit the effects of the evolving global slowdown in particular its resilient domestic demand. The implementation of various projects under the 10th Malaysia Plan (10MP) and the Economic Transformation Programme (ETP) are also expected to be important impetus to domestic economic activities in 2012.

Islamic Banking

The banking system's loans growth for 2012 is expected to ease after showing a 13.6% growth for 2011. Bank Islam's net financing is projected to continue to grow in 2012 with the objective of building a high quality credit portfolio. In terms of infrastructure, Bank Islam will continue its focus on improving its customer service and increasing presence in new locations. As at 31 December 2011, the Bank's total delivery channels comprised 122 branches, more than a thousand Self Service Terminals, seven Customer Business Centres, five strategically located Bureau De Change and three Ar-Rahnu outlets.

Takaful

Takaful Malaysia is expected to further increase its market share in the takaful industry by introducing new products, growth in the agency workforce for selling retail Family products and to have strategic tie-ups with Islamic Banks to market Bancatakaful 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

With effect from year of assessment 2009, corporate tax rate is at 25%.

Unaudited Quarter	Unaudited Year-to-date
3 months ended 31-Dec-11	12 months ended 31-Dec-11
<u>RM'000</u>	<u>RM'000</u>
22,389	151,198

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 31-Dec-11 RM '000	Audited 31-Dec-10 RM '000
Deposits from customers		
Mudharabah accounts deposits and negotiable instruments of deposits		
One year or less (short-term)	16,040,109	15,969,140
More than one year (medium/long-term)	1,049,761	1,081,029
	17,089,870	17,050,169
Current accounts	8,412,372	7,090,732
Savings accounts	2,599,243	2,576,870
Others	106,718	80,336
Total deposits	28,208,203	26,798,107
Deposits and placements of banks and other financial institutions		
One year or less (short-term)	384,628	378,129
	384,628	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					
	31-Dec-11 Principal Amount	up to 1 mth	>1-3 mths	>3-6 mths	>6-12 mths	>1-5 years
Foreign exchange related contracts						
- forwards	374,357	93,750	170,947	9,397	60,019	40,244
- swaps	1,007,541	871,007	135,906	628	-	-
- option	303,001	303,001	-	-	-	-
Total	1,684,899	1,267,758	306,853	10,025	60,019	40,244

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk transactions may be reduced through offsetting on and off-balance sheet positions. As at 31 December 2011, the amount of contracts which were not hedged and, hence, exposed to market risk was RM501.3 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 31 December 2011, the credit risk measured in terms of the cost to replace the profitable contracts was RM34.7 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 12 months ended 31-Dec-11 RM'000
Net Operating profit after zakat & tax (NOPAT)	
Profit before zakat and taxation (PBZT)	567,600
Zakat & Taxation	(160,394)
NOPAT	407,206
Economic charge computation:	
Average invested capital	2,649,141
(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	217,230
Economic profit	189,976

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 private treaty property. As at January 2012, 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. On 21 December 2011 the Court of Appeal has dismissed the Plaintiff's appeal and the Bank is entitled on the amount disbursed of RM58.7 million plus profits of disbursed amount. The Bank's cross appeal on the computation of unearned profit was also dismissed. In line with Shariah's principle and pursuant to the solicitor's advice, the Bank does not appeal against the decision and will proceed with execution proceeding against the Plaintiff.

- (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 30th November 2009 at a discounted bid price of RM2.80 million. Bank Islam is proceeding to recover the shortfall amount from the Defendant. The Creditor's Meeting was fixed on 1 November 2011. As at January 2012, this case is pending issuance of minutes of Public Examination from the court.

- (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. Bank Islam has successfully auctioned the property on 12 October 2011. Bank Islam will receive the balance of auction proceeds by end of February 2012.

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 January 2012, 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. On 16 November 2011, the Court of Appeal dismissed the plaintiff's appeal with costs. In December 2011, the plaintiff filed Notice of Motion for leave for appeal to Federal Court on dismissal of 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 January 2012, this case is pending issuance of minutes of Public Examination from the court.

- (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.

B12 MATERIAL LITIGATION, continued

- (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. The case is fixed for auction on 28 February 2012.

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 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. 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 (SAC) 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 High Court judge had directed that the issue be referred directly to the Federal Court. On 25 October 2011, the Federal Court Judges directed both parties to revert the case to the High Court for decision of the Bank's application on referral to the SAC of Bank Negara Malaysia. On 2 December 2011, the High Court allowed Bank Islam application to refer the Shariah issues to the SAC of BNM and on 8 December 2011, the Defendant appealed to the Court of Appeal against the order. The case fixed for hearing appeal on 23 February 2012.

- (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 appealed against the said decision and the Court dismissed the Plaintiff's appeal. The High Court fixed full trial on 31 October 2011 to 4 November 2011. However, on the trial date the Plaintiff filed an application under Order 14A of the Rules of High Court in determining the question of law. Bank Islam then filed an objection. On 28 December 2011 the Court dismissed the Plaintiff's application with costs. The Court fixed the trial date on 14 to 18 May 2012.

- (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 fixed for Case Management on 6 December 2011. The court fixed for further Case Management on 20 April 2012.

- (m) On 12 May 2009, Swiber Marine (Malaysia) Sdn Bhd ("the Defendant/Claimant") 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 order for the Tribunal to give decision as to pre and post award interest is not against Riba', the Arbitrators referred the issue to the Shariah Advisory Council (SAC) of Bank Negara Malaysia. On 29 August 2011, the SAC replied to the Arbitrators and ruled that the Arbitrators may impose late payment charge on judgment debt based on ta'widh (compensation) and gharamah (penalty) mechanism. On 30 September 2011, the Arbitrators ordered that the Claimant's claim is dismissed with costs. In November 2011, the Claimant filed an originating summons at the Kuala Lumpur High Court to appeal on point of law against the final award. Bank Islam also filed an originating summons at Kuala Lumpur High Court to register the award as a judgment and enforce it against the Claimant.

- (n) On 20 April 2010, Bank Islam Malaysia Berhad ("Bank Islam/Claimant") has referred a dispute in connection with Services Agreement and a Software Agreement ("Agreements") with a vendor for arbitration. Bank Islam claims rescission of the Agreements and a refund of the sum paid to-date of RM19.0 million and/or damages, compensation/cost of fund on all sums found to be due to it and an appropriate order as to costs. The Vendor has subsequently filed a counterclaim. The arbitration commenced on 15 February 2012. The Bank is of the view that the Vendor's counterclaim can be successfully resisted.

B13 CONTINGENT LIABILITY

On 20 April 2010, Bank Islam has referred a dispute in connection with a Services Agreement and Software Agreement ("Agreements") with a vendor for arbitration. The Bank claims rescission of the Agreements and a refund of the sum paid to-date of RM19.0 million and/or damages, compensation / cost of funds on all sums found to be due to it and an appropriate order as to costs. The vendor has subsequently filed a counterclaim. The arbitration commenced on 15 February 2012. Based on the legal opinion obtained, the Directors of Bank Islam are of the view that the vendor's counterclaim can be successfully resisted and therefore no provision has been recognised in respect of this matter.

B14 PROFIT FOR THE PERIOD

	Unaudited Quarter 3 months ended 31-Dec-11 RM '000	Unaudited Year-to-date 12 months ended 31-Dec-11 RM '000
Profit for the period is arrived at after charging:		
Depreciation of property, plant and equipment	13,370	55,531
Impairment loss:		
- Allowance for impairment on financing advances and others	23,491	44,023
- Allowance for contingent liability	-	15,231
- Allowance for Impairment on investments	17,559	15,406
Net losses on disposal of property, plant & equipment	609	-
Net derivative losses	2,237	8,618
and after crediting:		
Profit on sale of foreign currencies	575	2,335
Reversal of allowance for diminution in value of investment	-	38
Reversal of allowance for doubtful debts	60	240
Net gain on disposal of property, plant & equipment	-	2,429

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.

	Unaudited Quarter 3 months ended 31-Dec-11 RM '000	Unaudited Year-to-date 12 months ended 31-Dec-11 RM '000
Net profit/(loss) for the quarter attributable to equity holders of the parent	73,884	204,406
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)	6.93	19.16

B16 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 31-Dec-11 RM'000	Audited 31-Dec-10 RM'000
Total accumulated losses of BIMB Holdings Berhad and its subsidiaries:		
Realised	(848,705)	(1,056,682)
Unrealised	23,748	65,355
	(824,957)	(991,327)
Less: Consolidation adjustments	(354,990)	(252,729)
Total group accumulated losses as per condensed consolidated financial statements	(1,179,947)	(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