

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

**Condensed Consolidated Statement of Financial Position as at 31 December 2012**

		As at 31 December, 2012 RM'000	As at 31 December, 2011 RM'000	As at 1 January, 2011 RM'000
	Note	Unaudited		
<b>ASSETS</b>				
Cash and short term funds		2,057,982	3,785,354	3,076,068
Deposits and placements with financial institutions		558,969	1,075,330	412,798
Derivative financial assets	A8	16,736	15,877	80,108
Financial assets held-for-trading	A9	1,611,312	1,228,952	2,279,891
Financial assets held-to-maturity	A10	472,886	636,913	215,944
Financial assets available-for-sale	A11	17,078,229	14,445,933	16,259,499
Financing, advances and others	A12	19,507,799	14,161,837	11,858,599
Retakaful assets		437,981	415,424	328,133
Deferred tax assets		53,131	39,429	59,023
Takaful receivables		93,557	109,814	107,222
Assets held for sale		3,240	668	-
Other assets		473,853	946,170	679,323
Current tax assets		6,447	7,718	30,316
Investment in associates		22,913	21,181	1
Statutory deposit with Bank Negara Malaysia		1,059,900	912,000	10,000
Investment properties		36,677	55,237	47,493
Property, plant and equipment		447,648	414,424	408,910
<b>Total assets</b>		<b>43,939,260</b>	<b>38,272,261</b>	<b>35,853,328</b>
<b>LIABILITIES, EQUITY &amp; TAKAFUL FUNDS</b>				
<b>Liabilities</b>				
Deposits from customers	A14	32,418,323	28,208,203	26,798,107
Deposits and placements of banks and other financial institutions	A15	860,278	384,628	378,129
Bills and acceptances payable		385,138	259,153	163,191
Takaful contract liabilities		5,447,036	5,055,091	4,644,401
Takaful payables		43,072	45,537	50,454
Other liabilities		953,838	807,521	595,089
Provision for zakat and taxation		51,539	34,104	37,467
Derivative financial liabilities	A8	14,339	23,299	66,708
<b>Total liabilities</b>		<b>40,173,563</b>	<b>34,817,536</b>	<b>32,733,546</b>
<b>Equity</b>				
Share capital		1,066,790	1,066,790	1,066,790
Reserves		950,745	765,676	587,568
<b>Total equity attributable to shareholders of the Company</b>		<b>2,017,535</b>	<b>1,832,466</b>	<b>1,654,358</b>
Non-controlling interests		1,748,162	1,622,259	1,465,424
<b>Total equity</b>		<b>3,765,697</b>	<b>3,454,725</b>	<b>3,119,782</b>
<b>Total equity and liabilities</b>		<b>43,939,260</b>	<b>38,272,261</b>	<b>35,853,328</b>
<b>COMMITMENTS AND CONTINGENCIES</b>				
Net assets per share attributable to ordinary equity holders of the parent (RM)	A25	<b>1.89</b>	<b>1.72</b>	<b>1.55</b>

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

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the Financial Year Ended 31 December 2012**

		Quarter ended 31 December 2012 RM'000	Quarter ended 31 December 2011 RM'000	Year-to-date 12 months ended 31 December 2012 RM'000	Year-to-date 12 months ended 31 December 2011 RM'000
	<b>Note</b>				
Income derived from investment of depositors' fund	A16	444,347	377,532	1,650,642	1,393,918
Income derived from investment of shareholders' fund	A17	224,825	190,716	866,341	642,132
Allowance for impairment on financing, advances and others	A18	(32,301)	(17,372)	(66,073)	(21,124)
Reversal for Impairment on investments and other assets		2,150	(17,559)	3,990	(15,406)
Provision for contingent liability		15,231	-	(14,769)	(15,231)
Other expenses directly attributable to the investment of the depositors' and shareholders' funds		(9,773)	(9,984)	(31,153)	(28,425)
<b>Total distributable income</b>		<b>644,479</b>	<b>523,333</b>	<b>2,408,978</b>	<b>1,955,864</b>
Income attributable to depositors	A19	(175,729)	(120,215)	(591,498)	(473,133)
<b>Total net income</b>		<b>468,750</b>	<b>403,118</b>	<b>1,817,480</b>	<b>1,482,731</b>
Personnel expenses		(137,454)	(121,162)	(519,974)	(455,568)
Other overhead expenses		(118,869)	(94,786)	(527,350)	(379,750)
Depreciation		(16,961)	(13,382)	(57,744)	(55,543)
<b>Operating profit</b>		<b>195,466</b>	<b>173,788</b>	<b>712,412</b>	<b>591,870</b>
Share in the results of associated companies		(283)	(238)	1,732	(1,383)
<b>Profit before zakat and taxation</b>		<b>195,183</b>	<b>173,550</b>	<b>714,144</b>	<b>590,487</b>
Zakat		(3,608)	(4,842)	(9,286)	(9,196)
Tax expense	B5	(56,244)	(26,046)	(210,543)	(159,050)
<b>Profit for the period</b>		<b>135,331</b>	<b>142,662</b>	<b>494,315</b>	<b>422,241</b>
<b>Attributable to:</b>					
Shareholders of the Company		67,125	74,884	250,778	212,005
Non-controlling interests		68,206	67,778	243,537	210,236
<b>Profit for the period</b>		<b>135,331</b>	<b>142,662</b>	<b>494,315</b>	<b>422,241</b>
<b>Earnings Per Share - basic (sen)</b>	B15	<b>6.29</b>	<b>7.02</b>	<b>23.51</b>	<b>19.87</b>

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

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income, continued  
For the Financial Year Ended 31 December 2012**

	Quarter ended 31 December 2012 RM'000	Quarter ended 31 December 2011 RM'000	Year-to-date 12 months ended 31 December 2012 RM'000	Year-to-date 12 months ended 31 December 2011 RM'000
Profit for the period	135,331	142,662	494,315	422,241
Other comprehensive income :				
Currency translation differences for foreign operations	183	(790)	6,508	(8,491)
Net gain on revaluation of properties	-	-	-	-
Net gain on revaluation of available for sale financial assets	(6,870)	(13,105)	7,468	39,905
<b>Total comprehensive income for the period</b>	<b>128,644</b>	<b>128,767</b>	<b>508,291</b>	<b>453,655</b>
<b>Attributable to:</b>				
Shareholders of the Company	63,851	67,716	258,057	228,614
Non-controlling interests	64,793	61,051	250,234	225,041
<b>Total comprehensive income for the period</b>	<b>128,644</b>	<b>128,767</b>	<b>508,291</b>	<b>453,655</b>

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

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity  
For the Financial Year Ended 31 December 2012**

Group	Note	Attributable to Equity Holders of the Company					Accumulated Losses RM'000	Total RM'000	Non-controlling 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				
<b>At 1 January 2011</b>		1,066,790	603,630	513,112	38,546	638,370	(1,206,090)	1,654,358	1,465,424	3,119,782
Total comprehensive income for the year										
- Net profit for the period		-	-	-	-	-	212,005	212,005	210,236	422,241
- Other comprehensive income										
<i>Currency translation differences in respect of foreign operations</i>		-	-	-	(4,562)	-	-	(4,562)	(3,929)	(8,491)
<i>Net gain on revaluation of financial assets available-for-sale</i>		-	-	-	21,171	-	-	21,171	18,734	39,905
- Total comprehensive income for the year		-	-	-	16,609	-	212,005	228,614	225,041	453,655
Transfer to statutory reserve		-	-	89,381	-	-	(89,381)	-	-	-
Acquisition of additional interest from non-controlling interests		-	-	-	-	-	(367)	(367)	(533)	(900)
Dividends to shareholders	A7	-	-	-	-	-	(50,139)	(50,139)	-	(50,139)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(67,673)	(67,673)
<b>At 31 December 2011</b>		<b>1,066,790</b>	<b>603,630</b>	<b>602,493</b>	<b>55,155</b>	<b>638,370</b>	<b>(1,133,972)</b>	<b>1,832,466</b>	<b>1,622,259</b>	<b>3,454,725</b>
<b>Unaudited</b>										
<b>At 1 January 2012</b>		1,066,790	603,630	602,493	55,155	638,370	(1,133,972)	1,832,466	1,622,259	3,454,725
Total comprehensive income for the period										
- Net profit for the period		-	-	-	-	-	250,778	250,778	243,537	494,315
- Other comprehensive income										
<i>Currency translation differences in respect of foreign operations</i>		-	-	-	3,660	-	-	3,660	2,848	6,508
<i>Net gain on revaluation of financial assets available-for-sale</i>		-	-	-	3,619	-	-	3,619	3,849	7,468
- Total comprehensive income for the year		-	-	-	7,279	-	250,778	258,057	250,234	508,291
Transfer to statutory reserve		-	-	105,237	-	-	(46,266)	58,971	(58,971)	-
Dividends to shareholders	A7	-	-	-	-	-	(152,018)	(152,018)	-	(152,018)
Dividends to non-controlling interests		-	-	-	-	-	-	-	(85,520)	(85,520)
Disposal of interest in subsidiary		-	-	-	-	-	20,059	20,059	20,160	40,219
Zerorisation of accumulated losses of subsidiary		-	-	(349,011)	-	(631,507)	980,518	-	-	-
<b>At 31 December 2012</b>		<b>1,066,790</b>	<b>603,630</b>	<b>358,719</b>	<b>62,434</b>	<b>6,863</b>	<b>(80,901)</b>	<b>2,017,535</b>	<b>1,748,162</b>	<b>3,765,697</b>

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

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Cash Flows  
For the Financial Year Ended 31 December 2012**

	Year-to-date	
	12 months ended 31 December 2012 RM'000 Unaudited	12 months ended 31 December 2011 RM'000
<b>Cash flows from operating activities</b>		
Profit before zakat and taxation	714,144	590,487
Adjustment for non-cash flow items:-		
Depreciation of property, plant and equipment	57,744	55,543
Reversal of allowance for doubtful debts	(240)	(240)
Allowance/(reversal) for impairment on financing, advances and others	66,073	21,124
Dividend from securities	(9,005)	(13,797)
Allowance for Impairment on investments and other assets	(3,990)	15,406
Provision for contingent liability	14,769	15,231
Goodwill on consolidation written off	776	-
Net gain on disposal of property, plant and equipment	(132)	(1,720)
Net (gain) / loss on sale of financial assets held-for-trading	(4,369)	(6,818)
Net gain on revaluation of financial assets held-for-trading	(17,266)	(20,873)
Net gain on sale of financial assets available-for- sale	(35,088)	(54,811)
(Gain) on redemption on financial assets held-to-maturity	-	(1,452)
Net derivative (gain) / loss	(9,805)	8,618
Share of results of associate company	(1,732)	1,383
Operating profit before working capital changes	771,879	608,081
Changes in working capital:		
Deposits and placements of banks and other financial institutions	475,650	6,499
Financing of customers	(5,345,962)	(2,303,238)
Statutory deposits with Bank Negara Malaysia	(147,000)	(902,000)
Other receivables	465,241	(356,730)
Deposits from customers	4,210,120	1,410,096
Takaful contract liabilities	391,945	410,690
Other payables	68,909	62,364
Bills payable	125,985	95,962
Cash (used in)/generated from operations	1,016,767	(968,276)
Tax paid	(166,153)	(145,583)
<b>Net cash (used in)/generated from operating activities</b>	<b>850,614</b>	<b>(1,113,859)</b>

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

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Cash Flows, continued  
For the Financial Year Ended 31 December 2012**

	Year-to-date	
	12 months ended 31 December 2012 RM'000 Unaudited	12 months ended 31 December 2011 RM'000 Unaudited
<b>Cash flows from investing activities</b>		
Net sales/(purchases) from disposal of securities	(2,843,161)	2,698,749
Disposal in interest in subsidiary	40,219	-
Dividend from securities	9,005	13,797
Acquisition of additional interest from non-controlling interests	-	(900)
Acquisition of investment in associate company	-	(22,563)
Purchase of property, plant and equipment	(69,380)	(77,103)
<b>Net cash generated from/(used in) investing activities</b>	<b>(2,863,317)</b>	<b>2,611,980</b>
<b>Cash flows from financing activities</b>		
Dividend paid to non-controlling interests	(85,520)	(67,673)
Dividend paid to shareholders of the parent	(152,018)	(50,139)
<b>Net cash generated from/(used in) financing activities</b>	<b>(237,538)</b>	<b>(117,812)</b>
<b>Net increase/(decrease) in cash and cash equivalent</b>	<b>(2,250,241)</b>	<b>1,380,309</b>
<b>Cash and cash equivalents at the beginning of year/period</b>	<b>4,860,684</b>	<b>3,488,866</b>
<b>Foreign exchange differences</b>	<b>6,508</b>	<b>(8,491)</b>
<b>Cash and cash equivalents at the end of year/period</b>	<b>2,616,951</b>	<b>4,860,684</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and short term funds	2,057,982	3,785,354
Deposits and placement with financial institutions	558,969	1,075,330
	<b>2,616,951</b>	<b>4,860,684</b>

**EXPLANATORY NOTES OF FRS 134: INTERIM FINANCIAL REPORTING (PARAGRAPH 16) AND REVISED GUIDELINES ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS (GP8-i)**

**A1 BASIS OF PREPARATION**

BIMB Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The condensed consolidated financial statements of the Group as at and for the financial year ended 31 December 2012 comprising that of the Company and its subsidiaries (together referred to as the Group) and the Group's interests in associates.

These condensed consolidated interim financial statements were approved for issue 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 MFRS 134, Interim Financial Reporting in Malaysia and with IAS 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 financial year ended 31 December 2011.

The audited consolidated financial statements of the Group as at and for the financial year ended 31 December 2011, which were prepared under Financial Reporting Standards (FRSs), are available upon request from the Company's registered office at Level 31, Menara Bank Islam, 22 Jalan Perak, 50450 Kuala Lumpur.

These are the Group's condensed consolidated interim financial statements for the part of the period covered by the Group's first Malaysian Financial Reporting Standards ("MFRS") framework annual financial statements and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

Since the previous annual audited financial statements as at and for the financial year ended 31 December 2011 were issued, the Group has adopted the MFRS framework issued by the Malaysian Accounting Standards Board ("MASB") with effect from 1 January 2012. This MFRS framework was introduced by MASB in order to fully converge Malaysia's existing FRSs framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board ("IASB"). Whilst all FRSs issued under the previous FRS framework were equivalent to the MFRSs issued under the MFRS framework, there are some differences in relation to the transitional provisions and effective dates contained in certain of the FRSs. The financial effects of the convergence to the MFRS framework and any consequential changes in accounting policies as a result of the convergence are discussed in Note A 26 Changes in Accounting Policies.

The following MFRSs and IC Interpretations have been issued by MASB but are not yet effective, and have yet to be adopted by the Group:

- (i) **Effective for annual periods beginning on or after 1 July 2012**
  - Amendments to MFRS 101, Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income
- (ii) **Effective for annual periods beginning on or after 1 January 2013**
  - MFRS 10, Consolidated Financial Statements
  - MFRS 11, Joint Arrangements
  - MFRS 12, Disclosure of Interests in Other Entities
  - MFRS 13, Fair Value Measurement
  - MFRS 119, Employee Benefits (as amended in June 2011)
  - MFRS 127, Separate Financial Statements (as amended by IASB in May 2011)
  - MFRS 128, Investment in Associates and Joint Ventures (as amended by IASB in May 2011)
  - IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine
  - Amendments to MFRS 7, Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
  - Amendments to MFRS 1, First-time Adoption of Malaysia Financial Reporting Standards - Government Loans
  - Amendments to MFRS 1, First-time Adoption of Malaysia Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)
  - Amendments to MFRS 101, Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
  - Amendments to MFRS 116, Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
  - Amendments to MFRS 132, Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
  - Amendments to MFRS 134, Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
  - Amendments to MFRS 10, Consolidated Financial Statements: Transition Guidance
  - Amendments to MFRS 11, Joint Arrangements: Transition Guidance
  - Amendments to MFRS 12, Disclosure of Interests in Other Entities: Transition Guidance
- (iii) **Effective for annual periods beginning on or after 1 January 2014**
  - Amendments to MFRS 10, Consolidated Financial Statements: Investment Entities
  - Amendments to MFRS 12, Disclosure of Interests in Other Entities: Investment Entities
  - Amendments to MFRS 127, Separate Financial Statements (2011): Investment Entities
  - Amendments to MFRS 132, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
- (iv) **Effective for annual periods beginning on or after 1 January 2015**
  - MFRS 9, Financial Instruments (2009)
  - MFRS 9, Financial Instruments (2010)
  - Amendments to MFRS 7, Financial Instruments: Disclosures - Mandatory Effective Date of MFRS 9 and Transition Disclosures

The Group plans to apply the abovementioned standards, amendments and interpretations:

- From the annual period beginning on 1 January 2013 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2012 and 1 January 2013;
- From the annual period beginning on 1 January 2014 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014; and
- From the annual period beginning on 1 January 2015 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2015.

**A1 BASIS OF PREPARATION, continued**

Material impact of initial application of a standard, an amendment or an interpretation, which will be applied retrospectively, are discussed below:

- **MFRS 9, Financial Instruments**

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities.

The adoption of MFRS 9 may result in a change in accounting policy for financial assets. The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

- **MFRS 10, Consolidated Financial Statements**

MFRS 10 introduces a new single control model to determine which investees should be consolidated. MFRS 10 supersedes MFRS 127, Consolidated and Separate Financial Statements and IC Interpretation 112, Consolidation - Special Purpose Entities. There are three elements to the definition of control in MFRS 10:

- \* Power by investor over an investee;
- \* Exposure or rights to variable returns from investor's involvement with the investee; and
- \* Investor's ability to affect those returns through its power over the investee.

The initial application of the other standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior periods financial statements of the Group upon their first adoption.

**A2 AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2011**

The audited report on the financial statements of the preceding financial year ended 31 December 2011 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 in the financial year ended 31 December 2012.

**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 in the financial year ended 31 December 2012.

**A5 CHANGES IN ESTIMATES OF AMOUNTS REPORTED PREVIOUSLY**

Other than as disclosed in Note A 26 Changes in Accounting Policies, there were no material changes in estimates of amounts reported in prior financial years that may have a material effect in the financial year ended 31 December 2012.

**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 financial year ended 31 December 2012.



**A7 DIVIDENDS PAID**

	<b>31-Dec-12</b>	<b>31-Dec-11</b>
	<b>RM '000</b>	<b>RM '000</b>
<u>Ordinary</u>		
Final paid		
2011 - 7.25%, (2010 - 1.60%)	77,342	12,801
Interim paid		
First 2012 - 3.50%, (2011 - 3.50%)	37,338	37,338
Second 2012 - 3.50%, (2011 - NIL)	37,338	-
	<b>152,018</b>	<b>50,139</b>

**A8 DERIVATIVE FINANCIAL ASSETS**

	<b>Principal amount</b>	<b>Fair value</b>	
		<b>Assets</b>	<b>Liabilities</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b>31.12.2012</b>			
Forward Contract	680,789	2,523	(1,365)
Profit Rate Swaps	1,434,000	12,200	(10,961)
Structured Deposits	114,095	2,013	(2,013)
	<b>2,228,884</b>	<b>16,736</b>	<b>(14,339)</b>
<b>31.12.2011</b>			
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)
	<b>2,493,644</b>	<b>15,877</b>	<b>(23,299)</b>
<b>1.12.2011</b>			
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)
	<b>6,342,795</b>	<b>80,108</b>	<b>(66,708)</b>

**A9 FINANCIAL ASSETS HELD-FOR-TRADING**

	<b>31-Dec-12</b>	<b>Audited 31-Dec-11</b>	<b>Audited 01-Jan-11</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b>At fair value</b>			
<u>Unquoted securities</u>			
<i>In Malaysia</i>			
Malaysian Government Investment Issues	20,190	71,804	50,573
Malaysian Islamic Treasury Bills	9,807	-	-
Islamic Commercial Papers	49,884	9,852	-
Bank Negara Negotiable Notes	846,786	1,116,264	2,202,117
Islamic Debt Securities	683,891	31,032	26,757
	1,610,558	1,228,952	2,279,447
<u>Quoted securities</u>			
<i>In Malaysia</i>			
Shares	754	-	444
<b>Total financial assets held-for-trading</b>	<b>1,611,312</b>	<b>1,228,952</b>	<b>2,279,891</b>

**A10 FINANCIAL ASSETS HELD-TO-MATURITY**

	<b>31-Dec-12</b>	<b>31-Dec-11</b>	<b>01-Jan-11</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b>At amortised cost</b>			
<u>Unquoted securities</u>			
<i>In Malaysia</i>			
Malaysian Government Islamic papers	145,502	145,609	-
Islamic Debt Securities	347,122	417,493	-
<i>Outside Malaysia</i>			
Islamic Debt Securities	-	30,757	177,361
	492,624	593,859	177,361
<u>Quoted securities</u>			
<i>Outside Malaysia</i>			
Bond	-	63,369	61,650
	492,624	657,228	239,011
Less: Impairment losses	(19,738)	(20,315)	(23,067)
<b>Total financial investments held-to-maturity</b>	<b>472,886</b>	<b>636,913</b>	<b>215,944</b>

**A11 FINANCIAL ASSETS AVAILABLE-FOR-SALE**

	31-Dec-12 RM '000	31-Dec-11 RM '000	01-Jan-11 RM '000
<b>At fair value</b>			
<u>Unquoted securities</u>			
<i>In Malaysia</i>			
Malaysian Government Investment Issues	2,557,938	2,583,230	4,444,171
Malaysian Government Islamic papers	-	581,415	700,129
Negotiable Islamic Debt Certificate	2,239,370	1,170,238	2,277,443
Islamic Commercial Papers	-	208,566	872,867
Islamic Debt Securities	11,129,111	8,904,259	6,882,559
Accepted bills	-	243,500	384,155
Promissory notes	-	5,108	5,108
Bank Negara Negotiable Notes	-	-	149,364
Shares	22,477	22,448	22,061
Others - Investment linked funds	-	-	-
<i>Outside Malaysia</i>			
Islamic Development Bank unit trust	1,530	1,923	1,923
Unquoted shares	1,130	1,688	1,688
Islamic Debt Securities	-	29,266	-
	<b>15,951,556</b>	<b>13,751,641</b>	<b>15,741,468</b>
<u>Quoted securities</u>			
<i>In Malaysia</i>			
Unit trust	373,236	39,302	15,458
Equity securities	616,257	410,633	390,757
<i>Outside Malaysia</i>			
Unit trust	118,516	258,200	124,704
Equity securities	32,425	415	983
	<b>1,140,434</b>	<b>708,550</b>	<b>531,902</b>
Less:			
Impairment losses	(13,761)	(14,258)	(13,871)
<b>Total financial investments available-for-sale</b>	<b>17,078,229</b>	<b>14,445,933</b>	<b>16,259,499</b>

**A12 FINANCING, ADVANCES AND OTHERS**

**(i) By type**

	31-Dec-12 RM '000	31-Dec-11 RM '000	01-Jan-11 RM '000
Cash line	618,555	406,590	254,278
Term financing			
House financing	5,186,253	4,393,020	3,911,363
Syndicated financing	426,066	164,649	82,237
Leasing financing	203,580	280,403	303,884
Bridging financing	151,127	160,779	238,595
Personal financing	6,608,116	3,786,432	3,001,049
Other term financing	4,546,959	3,358,527	2,760,392
Staff financing	165,380	157,510	148,425
Credit/charge cards	430,984	451,538	450,542
Trade bills discounted	1,480,215	1,309,598	1,060,217
Trust receipts	50,314	48,897	59,854
Pawn broking	80,572	47,352	13,897
	<b>19,948,121</b>	<b>14,565,295</b>	<b>12,284,733</b>
Less: Allowance for impaired financing, advances and others:			
Collective assessment allowance	(313,334)	(327,688)	(347,073)
Individual assessment allowance	(126,988)	(75,770)	(79,061)
<b>Total net financing, advances and others</b>	<b>19,507,799</b>	<b>14,161,837</b>	<b>11,858,599</b>

**(ii) By contract**

	31-Dec-12 RM '000	31-Dec-11 RM '000	01-Jan-11 RM '000
Bai' Bithaman Ajil (deferred payment sale)	8,720,001	7,291,742	6,209,417
Ijarah (operating lease)	206,889	295,881	334,106
Ijarah Muntahia Bittamleek / AITAB (finance lease)	30,627	22,648	11,657
Mudharabah (profit sharing)	-	6,000	6,000
Murabahah (cost-plus)	1,403,165	1,316,853	1,120,380
Al Inah Cash Note	1,729,672	1,435,588	1,662,823
Istisna'	246,614	245,250	353,125
At-Tawarruq	7,530,581	3,903,981	2,573,328
Ar-Rahn	80,572	47,352	13,897
	<b>19,948,121</b>	<b>14,565,295</b>	<b>12,284,733</b>

**(iii) By type of customer**

	31-Dec-12 RM '000	31-Dec-11 RM '000	01-Jan-11 RM '000
Domestic non-bank financial institutions	57,558	25,755	1,218
Domestic business enterprise	4,327,447	2,683,710	2,082,941
Small medium industries	493,352	391,947	401,119
Government and statutory bodies	165,550	129,766	151,526
Individuals	14,679,594	10,989,077	9,324,459
Other domestic entities	5,646	73,239	57,741
Foreign entities	218,974	271,801	265,729
	<b>19,948,121</b>	<b>14,565,295</b>	<b>12,284,733</b>

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

	<b>31-Dec-12</b>	<b>31-Dec-11</b>	<b>01-Jan-11</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Fixed rate			
House financing	1,552,555	2,087,060	2,198,946
Others	8,926,966	8,680,517	8,005,296
Floating rate	9,468,600	3,797,718	2,080,491
	<b>19,948,121</b>	<b>14,565,295</b>	<b>12,284,733</b>

**(v) By remaining contractual maturity**

	<b>31-Dec-12</b>	<b>31-Dec-11</b>	<b>01-Jan-11</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Maturity within one year	3,065,264	2,672,329	2,071,456
More than one year to three years	969,154	863,680	705,542
More than three years to five years	1,082,872	818,561	1,385,004
More than five years	14,830,831	10,210,725	8,122,731
	<b>19,948,121</b>	<b>14,565,295</b>	<b>12,284,733</b>

**(vi) By sector**

	<b>31-Dec-12</b>	<b>31-Dec-11</b>	<b>01-Jan-11</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Primary agriculture	223,163	149,182	182,111
Mining and quarrying	5,334	48,249	897
Manufacturing (including agro-based)	1,016,127	904,779	791,995
Electricity, gas and water	175,743	7,221	150,860
Construction	1,725,523	756,014	508,293
Real estate	572,787	385,261	187,445
Household sector	14,693,126	11,016,473	9,321,823
Wholesale and retail trade and restaurants and hotels	673,210	558,811	479,868
Transport, storage and communication	208,945	233,766	408,349
Finance, insurance and business activities	391,521	180,770	154,408
Education, health and others	254,018	122,204	85,375
Other sectors	8,624	202,565	13,309
	<b>19,948,121</b>	<b>14,565,295</b>	<b>12,284,733</b>

**A13 IMPAIRED FINANCING, ADVANCES AND OTHERS****(i) Movements in impaired financing, advances and others (including income receivable)**

	<b>31-Dec-12</b>	<b>31-Dec-11</b>	<b>01-Jan-11</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b>At 1 January 2012/ 1 January 2011</b>	379,790	552,221	2,035,518
Classified as impaired during the year / period	427,775	549,075	315,241
Reclassified as not impaired during the year / period	(254,872)	(297,191)	(362,279)
Amount recovered	(92,264)	(238,876)	(311,447)
Amount written off	(151,472)	(187,141)	(1,079,122)
Exchange differences	(248)	1,702	(45,690)
<b>At 31 December 2012 / 31 December 2011</b>	<b>308,709</b>	<b>379,790</b>	<b>552,221</b>
<b>Gross impaired financing, advances and others as a percentage of gross financing, advances and others</b>	1.55%	2.61%	4.50%

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

	<b>31-Dec-12</b>	<b>31-Dec-11</b>	<b>01-Jan-11</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b>Collective Assessment Allowance</b>			
<b>At 1 January 2012/ 1 January 2011</b>			
As previously stated	348,555	345,041	504,927
Effect of change in accounting policy	(20,867)	2,032	2,032
As restated	327,688	347,073	506,959
Allowance made during the year / period	102,185	84,268	427,171
Amount written off	(116,848)	(100,816)	(555,129)
Exchange differences	309	(2,837)	(31,928)
<b>At 31 December 2012 / 31 December 2011</b>	<b>313,334</b>	<b>327,688</b>	<b>347,073</b>
<b>Individual Assessment Allowance</b>			
<b>At 1 January 2012/ 1 January 2011</b>			
Allowance/ (Recovery) made during the year / period	75,770	79,061	859,374
Amount written off	(33,824)	(90,392)	(740,797)
Exchange differences	-	-	(1,318)
<b>At 31 December 2012 / 31 December 2011</b>	<b>126,988</b>	<b>75,770</b>	<b>79,061</b>

**A13 IMPAIRED FINANCING, ADVANCES AND OTHERS, continued**

(iii) Impaired financing, advances and others by sector

	31-Dec-12 RM '000	31-Dec-11 RM '000	01-Jan-11 RM '000
Primary agriculture	207	3,511	10,947
Mining and quarrying	-	-	851
Manufacturing (including agro-based)	46,483	42,184	83,810
Electricity, gas and water	160	-	-
Wholesale and retail trade and restaurants and hotels	17,422	23,606	42,729
Construction	74,341	71,680	130,925
Real estate	101	1,203	1,263
Transport, storage and communication	722	1,062	1,538
Finance, insurance and business activities	9,977	16,255	-
Education, health and others	-	71	6,112
Household sector	159,273	217,371	270,847
Other sectors	23	2,847	3,199
	<b>308,709</b>	<b>379,790</b>	<b>552,221</b>

**A14 DEPOSITS FROM CUSTOMERS**

(i) By type of deposit

	31-Dec-12 RM '000	31-Dec-11 RM '000	01-Jan-11 RM '000
<b>Non-Mudharabah Fund:</b>			
Demand deposits	8,962,434	8,412,372	7,090,732
Savings deposits	2,515,341	2,599,243	2,576,870
Negotiable Islamic Debt Certificate (NIDC)	1,638,528	1,690,306	2,434,020
Waheed-i	2,213,836	3,809,248	2,968,104
Ziyad	101,664	104,736	105,299
An-Najah	-	18,000	312,452
Others	81,929	106,718	80,336
	<b>15,513,732</b>	<b>16,740,623</b>	<b>15,567,813</b>
<b>Mudharabah Fund:</b>			
Savings deposits	1,942,190	1,263,591	987,346
General investment deposits	2,173,818	1,851,695	2,449,607
Special investment deposits	12,788,583	8,352,294	7,793,341
	<b>16,904,591</b>	<b>11,467,580</b>	<b>11,230,294</b>
<b>Total deposits from customers</b>	<b>32,418,323</b>	<b>28,208,203</b>	<b>26,798,107</b>

Maturity structure of investment deposits and NIDCs are as follows:

Due within six months	16,849,178	13,314,195	10,052,599
More than six months to one year	1,243,158	1,444,323	4,616,743
More than one year to three years	775,333	1,020,357	638,204
More than three years to five years	48,760	29,404	20,955
Over five years	-	-	421,870
	<b>18,916,429</b>	<b>15,808,279</b>	<b>15,750,371</b>

(ii) By type of customer

	31-Dec-12 RM '000	31-Dec-11 RM '000	01-Jan-11 RM '000
Government and statutory bodies	7,378,695	7,769,225	6,795,607
Business enterprises	8,806,974	7,188,454	8,536,877
Individuals	5,267,357	4,754,178	4,511,477
Others	10,965,297	8,496,346	6,954,146
	<b>32,418,323</b>	<b>28,208,203</b>	<b>26,798,107</b>

**A15 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**

	31-Dec-12 RM '000	31-Dec-11 RM '000	01-Jan-11 RM '000
<b>Non-Mudharabah Fund:</b>			
Licensed banks	1,475	1,424	1,286
Other financial institutions	50,153	81,506	19,667
	<b>51,628</b>	<b>82,930</b>	<b>20,953</b>
<b>Mudharabah Fund:</b>			
Licensed banks	768,360	251,698	306,676
Other financial institutions	40,290	50,000	50,500
	<b>808,650</b>	<b>301,698</b>	<b>357,176</b>
	<b>860,278</b>	<b>384,628</b>	<b>378,129</b>

A16 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	Quarter 3 months ended 31-Dec-12 RM '000	Quarter 3 months ended 31-Dec-11 RM '000	Year-to-date 12 months ended 31-Dec-12 RM '000	Year-to-date 12 months ended 31-Dec-11 RM '000
Income derived from investment of:				
(i) General investment deposits	28,903	33,026	120,644	132,729
(ii) Other deposits	415,444	344,506	1,529,998	1,261,189
	<b>444,347</b>	<b>377,532</b>	<b>1,650,642</b>	<b>1,393,918</b>

(i) Income derived from investment of general investment deposits

	Quarter 3 months ended 31-Dec-12 RM '000	Quarter 3 months ended 31-Dec-11 RM '000	Year-to-date 12 months ended 31-Dec-12 RM '000	Year-to-date 12 months ended 31-Dec-11 RM '000
<b>Financing income and hibah</b>				
Financing, advances and others	20,546	20,912	82,259	86,808
Financial assets held-for-trading	373	67	847	381
Financial assets held-to-maturity	326	362	4,360	747
Financial assets available-for-sale	5,906	6,895	25,918	32,475
Money at call and deposit with financial institutions	976	1,304	4,004	6,347
	<b>28,127</b>	<b>29,540</b>	<b>117,388</b>	<b>126,758</b>
<i>Of which financing income earned on impaired financing</i>	<b>777</b>	<b>1,473</b>	<b>2,043</b>	<b>4,392</b>
<b>Other dealing income</b>				
Net gain / (loss) from sale of financial assets held-for-trading	52	123	321	641
Net gain / (loss) on revaluation of financial assets held-for-trading	501	319	1,273	2,015
	<b>553</b>	<b>442</b>	<b>1,594</b>	<b>2,656</b>
<b>Other operating income</b>				
Net gain / (loss) from sale of financial assets available-for-sale	223	2,917	1,662	3,188
Gain on redemption of financial assets held-to-maturity	-	127	-	127
	<b>223</b>	<b>3,044</b>	<b>1,662</b>	<b>3,315</b>
	<b>28,903</b>	<b>33,026</b>	<b>120,644</b>	<b>132,729</b>

(ii) Income derived from investment of other deposits

	Quarter 3 months ended 31-Dec-12 RM '000	Quarter 3 months ended 31-Dec-11 RM '000	Year-to-date 12 months ended 31-Dec-12 RM '000	Year-to-date 12 months ended 31-Dec-11 RM '000
<b>Financing income and hibah</b>				
Financing, advances and others	295,718	217,199	1,045,032	823,211
Financial assets held-for-trading	5,391	702	11,279	3,649
Financial assets held-to-maturity	4,646	3,815	55,732	7,417
Financial assets available-for-sale	84,944	71,893	328,135	306,923
Money at call and deposit with financial institutions	13,822	13,616	49,974	59,849
	<b>404,521</b>	<b>307,225</b>	<b>1,490,152</b>	<b>1,201,049</b>
<i>Of which financing income earned on impaired financing</i>	<b>10,947</b>	<b>15,376</b>	<b>26,408</b>	<b>42,120</b>
<b>Other dealing income</b>				
Net gain / (loss) from sale of financial assets held-for-trading	741	1,257	4,009	6,177
Net gain / (loss) on revaluation of financial assets held-for-trading	7,068	3,383	15,993	18,858
	<b>7,809</b>	<b>4,640</b>	<b>20,002</b>	<b>25,035</b>
<b>Other operating income</b>				
Net gain / (loss) from sale of financial assets available-for-sale	3,114	31,316	19,844	33,780
Gain on redemption of financial assets held-to-maturity	-	1,325	-	1,325
	<b>3,114</b>	<b>32,641</b>	<b>19,844</b>	<b>35,105</b>
	<b>415,444</b>	<b>344,506</b>	<b>1,529,998</b>	<b>1,261,189</b>

**A17 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS**

	Quarter 3 months ended 31-Dec-12 RM '000	Quarter 3 months ended 31-Dec-11 RM '000	Year-to-date 12 months ended 31-Dec-12 RM '000	Year-to-date 12 months ended 31-Dec-11 RM '000
<b>Financing income and hibah</b>				
Financing, advances and others	1,091	2,715	6,796	8,714
Financial assets available-for-sale	27,911	22,931	104,320	86,929
Money at call and deposit with financial institutions	1,279	1,949	5,688	10,856
	<b>30,281</b>	<b>27,595</b>	<b>116,804</b>	<b>106,499</b>
<b>Other dealing income</b>				
Net gain from foreign exchange transactions	16,821	12,052	51,599	31,808
Net gain/(loss) from sale of financial assets held-for-trading	-	-	21	(44)
Net gain / (loss) on revaluation of financial assets held-for-trading	23	-	39	-
Net derivatives gain/(loss)	8,313	(2,237)	9,805	(8,618)
	<b>25,157</b>	<b>9,815</b>	<b>61,464</b>	<b>23,146</b>
<b>Other operating income</b>				
Net gain from sale of financial assets available-for-sale	8,857	6,517	13,582	17,843
Profit on sale of foreign currencies	477	575	3,124	2,335
Reversal for diminution in value of investments	-	-	-	38
Reversal of allowance for doubtful debts	60	60	240	240
Profits from General Takaful and Family Takaful funds attributable to the Group	108,505	99,539	476,548	327,797
Gross dividend income from securities				
Quoted in Malaysia	1,904	-	4,091	2,142
Unit trust in Malaysia	44	-	1,641	351
Unit trust outside Malaysia	-	750	56	878
Unquoted in Malaysia	-	5,909	3,217	10,426
	<b>119,847</b>	<b>113,350</b>	<b>502,499</b>	<b>362,050</b>
<b>Fees and commission</b>				
ATM fees	4,068	4,764	17,691	19,717
Financing fees	3,616	8,547	13,842	19,699
Cheque issued & return, closing account and other fees	2,731	2,960	9,815	10,069
Takaful service fees and commission	4,368	2,743	16,393	9,267
Credit card fees and commission	10,300	9,906	39,484	40,416
Processing fees	2,099	352	4,318	1,609
Commitment fees	76	313	890	797
Commission on MEPS	2,426	1,842	8,802	7,053
Unit trust management fees	1,932	1,242	6,212	3,697
Corporate advisory fees	2,825	804	10,110	4,185
Commission on structured products	(3)	(164)	-	-
Ta'widh charges	1,243	378	1,999	1,381
Ar Rahn fees	2,738	-	7,851	-
Investment income	(464)	2,571	16,500	16,297
Other service charges fees	480	4,077	18,557	13,227
	<b>38,435</b>	<b>40,335</b>	<b>172,464</b>	<b>147,414</b>
<b>Other income</b>				
Net gain/(loss) on disposal of property, plant & equipment	48	(609)	272	2,429
Rental income	1,142	185	2,330	308
Others	9,915	45	10,508	286
	<b>11,105</b>	<b>(379)</b>	<b>13,110</b>	<b>3,023</b>
	<b>224,825</b>	<b>190,716</b>	<b>866,341</b>	<b>642,132</b>

**A18 ALLOWANCE FOR IMPAIRMENT ON FINANCING, ADVANCES AND OTHERS**

	Quarter 3 months ended 31-Dec-12 RM '000	Quarter 3 months ended 31-Dec-11 RM '000	Year-to-date 12 months ended 31-Dec-12 RM '000	Year-to-date 12 months ended 31-Dec-11 RM '000
Allowance for impaired financing, advances and others:				
- Collective assessment allowance	1,694	13,420	102,185	84,268
- Individual assessment allowance	61,387	36,311	85,042	87,101
Bad debts and financing recovered	(30,780)	(32,359)	(121,154)	(150,245)
	<b>32,301</b>	<b>17,372</b>	<b>66,073</b>	<b>21,124</b>

**A19 INCOME ATTRIBUTABLE TO DEPOSITORS**

	Quarter 3 months ended 31-Dec-12 RM '000	Quarter 3 months ended 31-Dec-11 RM '000	Year-to-date 12 months ended 31-Dec-12 RM '000	Year-to-date 12 months ended 31-Dec-11 RM '000
Deposits from customers:				
- Mudharabah fund	127,728	70,600	388,802	263,713
- Non-Mudharabah fund	45,040	45,483	190,924	190,205
Deposits and placements of banks and other financial institutions:				
- Mudharabah fund	2,961	4,132	11,772	19,215
	<b>175,729</b>	<b>120,215</b>	<b>591,498</b>	<b>473,133</b>

**A20 CAPITAL ADEQUACY**

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

	31-Dec-12 RM '000	31-Dec-11 RM '000	01-Jan-11 RM '000
<b>Tier-I capital:</b>			
Paid-up share capital	2,265,490	2,265,490	2,265,490
Share premium	-	500,020	500,020
Retained earnings/(Accumulated losses)	209,318	(1,040,270)	(1,110,195)
Other reserves	505,651	974,594	795,013
Less: Deferred tax assets	(18,455)	(23,386)	(44,224)
<b>Total Tier-I capital</b>	<b>2,962,004</b>	<b>2,676,448</b>	<b>2,406,104</b>
<b>Tier-II capital:</b>			
Collective assessment allowance (#)	257,769	218,864	184,484
<b>Total Tier-II capital</b>	<b>257,769</b>	<b>218,864</b>	<b>184,484</b>
<b>Total capital</b>	<b>3,219,773</b>	<b>2,895,312</b>	<b>2,590,588</b>
Less: Investment in associate	(22,912)	(21,180)	-
<b>Total capital base</b>	<b>3,196,861</b>	<b>2,874,132</b>	<b>2,590,588</b>
Core capital ratio	13.17%	15.81%	16.26%
Risk-weighted capital ratio	14.21%	16.98%	17.51%
Core capital ratio net of proposed dividend	12.94%	15.55%	15.71%
Risk-weighted capital ratio net of proposed dividend	13.99%	16.72%	16.96%

# Excludes collective assessment allowance restricted from Tier II capital by BNM amounting RM55,565,000 (31.12.2011: RM123,779,000; 1.1.2011: RM162,590,000).

**A21 OPERATING SEGMENT INFORMATION**

The Group comprises the following main operating segments:

<b>Banking operations</b>	Islamic banking and provision of related services.
<b>Takaful operations</b>	Underwriting of family and general Islamic insurance (Takaful).
<b>Others</b>	Investment holding, currency trading, ijarah leasing, stockbroking and unit trust.

**(i) Information about reportable segments**

	12 months ended				
	Banking 31-Dec-12 RM'000	Takaful 31-Dec-12 RM'000	Others 31-Dec-12 RM'000	Elimination 31-Dec-12 RM'000	Total 31-Dec-12 RM'000
<b>Current Year-to-Date</b>					
Revenue from external customers	1,990,478	517,111	9,394	-	2,516,983
Inter-segment revenue	-	-	176,648	(176,648)	-
<b>Total revenue</b>	<b>1,990,478</b>	<b>517,111</b>	<b>186,042</b>	<b>(176,648)</b>	<b>2,516,983</b>
Net income from operations (before allowance for Impairment on financing)	1,397,424	517,111	186,042	(175,092)	1,925,485
Operating overhead	(724,924)	(395,664)	(19,405)	3,772	(1,136,221)
<b>Operating results</b>	<b>672,500</b>	<b>121,447</b>	<b>166,637</b>	<b>(171,320)</b>	<b>789,264</b>
Allowance for Impairment on financing and advances	(66,073)	-	-	-	(66,073)
Allowance for contingent liability	(14,769)	-	-	-	(14,769)
Allowance for impairment on other assets	3,990	-	-	-	3,990
Share in the results of associated companies	1,732	-	-	-	1,732
<b>Profit / (loss) before zakat and taxation</b>	<b>597,380</b>	<b>121,447</b>	<b>166,637</b>	<b>(171,320)</b>	<b>714,144</b>
Zakat	(9,287)	8	(7)	-	(9,286)
Taxation	(160,834)	(24,685)	(25,024)	-	(210,543)
<b>Net profit/(loss) for the year</b>	<b>427,259</b>	<b>96,770</b>	<b>141,606</b>	<b>(171,320)</b>	<b>494,315</b>
Segment assets	37,422,891	6,342,696	2,154,643	(1,980,970)	43,939,260
	12 months ended				
	Banking 31-Dec-11 RM'000	Takaful 31-Dec-11 RM'000	Others 31-Dec-11 RM'000	Elimination 31-Dec-11 RM'000	Total 31-Dec-11 RM'000
<b>Previous Comparative Year-to-Date</b>					
Revenue from external customers	1,666,313	362,504	7,233	-	2,036,050
Inter-segment revenue	-	815	106,606	(107,421)	-
<b>Total revenue</b>	<b>1,666,313</b>	<b>363,319</b>	<b>113,839</b>	<b>(107,421)</b>	<b>2,036,050</b>
Net income from operations (before allowance for losses on financing and advances)	1,189,206	363,319	113,839	(103,447)	1,562,917
Operating overhead	(643,595)	(261,901)	(15,259)	1,469	(919,286)
<b>Operating results</b>	<b>545,611</b>	<b>101,418</b>	<b>98,580</b>	<b>(101,978)</b>	<b>643,631</b>
Allowance for Impairment on financing and advances	(21,124)	-	-	-	(21,124)
Allowance for contingent liability	(15,231)	-	-	-	(15,231)
Allowance for impairment on other assets	(15,406)	-	-	-	(15,406)
Share in the results of associated companies	(1,383)	-	-	-	(1,383)
<b>Profit / (loss) before zakat and taxation</b>	<b>492,467</b>	<b>101,418</b>	<b>98,580</b>	<b>(101,978)</b>	<b>590,487</b>
Zakat	(8,059)	(733)	(404)	-	(9,196)
Taxation	(109,082)	(24,306)	(25,662)	-	(159,050)
<b>Profit / (loss) after zakat and taxation</b>	<b>375,326</b>	<b>76,379</b>	<b>72,514</b>	<b>(101,978)</b>	<b>422,241</b>
Segment assets	32,207,318	5,878,364	1,917,773	(1,731,194)	38,272,261

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 financial year ended 31 December 2012.

**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 financial ended 31 December 2012.

**A24 CHANGES IN COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group for the financial year ended 31 December 2012.



**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 2012 are as follow:

	Principal Amount RM '000	Positive Fair Value of Derivative Contracts RM '000	Credit Equivalent Amount RM '000	Risk Weighted Amount RM '000
<b>31 December 2012</b>				
<b><u>Credit-related exposures</u></b>				
Direct credit substitutes	562,654		562,654	555,499
Assets sold with recourse	2		2	2
Transaction-related contingent items	910,688		455,344	444,161
Short-term self-liquidating trade related contingencies	338,488		67,698	64,913
Other commitments, such as formal standby facilities and credit lines with original maturity of:				
- not exceeding one year	82		16	6
- exceeding one year	662,657		331,329	302,722
Unutilized credit card lines	949,115		189,823	142,367
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	5,276,220		-	-
	<u>8,699,906</u>		<u>1,606,866</u>	<u>1,509,670</u>
<b><u>Derivative financial instruments</u></b>				
Foreign exchange related contracts				
- less than one year	680,789	2,523	7,390	4,223
Profit rate related contracts				
- less than one year	100,000	70	100	20
- one year to less than five years	600,000	2,210	15,000	3,000
- five years and above	734,000	9,920	42,462	23,262
Equity related contracts				
- one year to less than five years	114,095	2,013	9,128	4,564
	<u>2,228,884</u>	<u>16,736</u>	<u>74,080</u>	<u>35,069</u>
<b>Total</b>	<b><u>10,928,790</u></b>	<b><u>16,736</u></b>	<b><u>1,680,946</u></b>	<b><u>1,544,739</u></b>

	Principal Amount RM '000	Positive Fair Value of Derivative Contracts RM '000	Credit Equivalent Amount RM '000	Risk Weighted Amount RM '000
<b>31 December 2011</b>				
<b><u>Credit-related exposures</u></b>				
Direct credit substitutes	452,553		452,553	444,839
Assets sold with recourse	2		2	2
Transaction-related contingent items	884,095		442,048	435,825
Short-term self-liquidating trade related contingencies	288,665		57,733	57,221
Other commitments, such as formal standby facilities and credit lines with original maturity of:				
- not exceeding one year	1		-	-
- exceeding one year	589,414		294,707	274,384
Unutilized credit card lines	817,113		163,423	122,567
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		-	-
	<u>6,929,465</u>		<u>1,410,466</u>	<u>1,334,838</u>
<b><u>Derivative financial instruments</u></b>				
Foreign exchange related contracts				
- less than one year	1,644,655	5,589	14,344	8,409
- 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
Equity related contracts				
- less than one year	20,000	-	1,959	392
- one year to less than five years	117,005	2,739	9,360	4,680
	<u>2,493,644</u>	<u>15,877</u>	<u>45,999</u>	<u>18,941</u>
<b>Total</b>	<b><u>9,423,109</u></b>	<b><u>15,877</u></b>	<b><u>1,456,465</u></b>	<b><u>1,353,779</u></b>

	Principal Amount RM '000	Positive Fair Value of Derivative Contracts RM '000	Credit Equivalent Amount RM '000	Risk Weighted Amount RM '000
<b>1 January 2011</b>				
<b><u>Credit-related exposures</u></b>				
Direct credit substitutes	459,840		459,840	439,315
Assets sold with recourse	242		242	242
Transaction-related contingent items	846,719		423,360	396,877
Short-term self-liquidating trade related contingencies	312,745		62,549	61,078
Other commitments, such as formal standby facilities and credit lines with original maturity of:				
- not exceeding one year	1,003		201	224
- exceeding one year	618,138		309,068	251,715
Unutilized credit card lines	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	4,118,965		-	-
	<u>7,126,492</u>		<u>1,409,028</u>	<u>1,264,777</u>
<b><u>Derivative financial instruments</u></b>				
Foreign exchange related contracts				
- less than one year	5,208,060	42,284	93,866	26,161
Profit rate related contracts				
- one year to less than five years	671,740	10,055	27,304	7,007
Equity related contracts				
- less than one year	324,800	20,239	19,488	3,898
- one year to less than five years	138,195	7,530	11,404	5,117
	<u>6,342,795</u>	<u>80,108</u>	<u>152,062</u>	<u>42,183</u>
<b>Other treasury related exposures</b>				
Obligations under an on-going underwriting agreements	75,000	-	37,500	37,500
<b>Total</b>	<b><u>13,544,287</u></b>	<b><u>80,108</u></b>	<b><u>1,598,590</u></b>	<b><u>1,344,460</u></b>

**A26 CHANGES IN ACCOUNTING POLICIES**

**(a) Transition to the MFRS Framework**

These unaudited interim financial statements are for part of the period covered by the Group's first annual financial statements prepared under the MFRS framework. Accordingly, the Group has applied MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards in its transition to the MFRS framework on 1 January 2012. The policy elections made on transition date are listed in the audited financial statements of the Group for the financial year ended 31 December 2011. The MFRS did not result in any financial impact to the Group, other than the financial impact arising from the change in accounting policy on collective assessment allowance, as the accounting policies adopted under the previous FRS framework were already in line with the requirements of the MFRS framework.

The transition to the MFRS framework has resulted in the following changes:

(i) **MFRS 139 Financial Instruments: Recognition and Measurement ("MFRS 139")**

With the issuance of the MFRS framework, BNM has revised the Guidelines on Classification and Impairment Provisions for Financing to align the requirements on the determination of collective assessment allowance with that of MFRS 139. The transitional provision which was allowed under the earlier guidelines was removed with effect from 1 January 2012.

Financing and advances which are not individually significant are collectively assessed using the incurred loss approach. If it is determined that no objective evidence exists for an individually assessed financing or the individually assessed financing does not result in impairment provisions, the financing is also included in the group of financing with similar credit risk characteristics for collective impairment assessment. The future cash flows of each group of financing with similar credit risk characteristics are estimated on the basis of historical loss experience for such assets and discounted to present value. Collective assessment allowance is made on any shortfall in these discounted cash flow against the carrying value of the group of financing.

The adoption of the accounting policy has been accounted for retrospectively and the collective assessment allowances charged in the Income Statement have been restated. Consequently, the accumulated losses and the collective assessment allowances in the statement of financial position have also been restated.

A summary of the financial impact of the change in accounting policy on the financial statements of the Group are as follows:

	<b>31 December, 2011</b>	<b>1 January, 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Statement of Financial Position</u></b>		
<b><u>Financing, advances and others -</u></b>		
<b><u>Collective Assessment Allowance</u></b>		
As previously stated	348,555	345,041
Effect of change in accounting policy	<u>(20,867)</u>	<u>2,032</u>
As restated	<u>327,688</u>	<u>347,073</u>
<b><u>Income Statement</u></b>		
<b><u>Allowance for Impairment on Financing, Advances and Others</u></b>		
<b><u>Collective Assessment Allowance</u></b>		
As previously stated	(44,023)	(207,702)
Effect of change in accounting policy	<u>22,899</u>	<u>(2,032)</u>
As restated	<u>(21,124)</u>	<u>(209,734)</u>

(ii) **Foreign currency translation differences**

Under the FRSs, the Bank Islam Malaysia Berhad Group ("Bank Islam Group" or "the Bank"), a subsidiary of the Company, recognised foreign currency translation differences in other comprehensive income and accumulated the amount in the foreign currency translation reserve in equity.

Upon transition to MFRSs, Bank Islam Group has elected to deem all foreign currency translation differences that arose prior to the date of transition of the Bank, in respect of all foreign operations to be nil at the date of transition.

The financial impact arising from the change is summarised as follows:

	<b>31 December, 2011</b>	<b>1 January, 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Statement of Financial Position</u></b>		
Foreign currency translation reserve	<u>(76,461)</u>	<u>(76,461)</u>
Adjustment to accumulated losses	<u>(76,461)</u>	<u>(76,461)</u>

A26 CHANGES IN ACCOUNTING POLICIES, continued

(iii) **MFRS 116: Property, Plant and Equipment ("PPE") - Deemed Cost Exemption**

Upon transition to MFRSs, Syarikat Takaful Malaysia Berhad Group ("STMB Group"), a subsidiary of the Company, had reclassified its self-occupied investment properties to PPE, and has elected to apply the exemption under MFRS 1 to measure them at fair value at the date of transition to MFRSs, and that the fair value is then taken as deemed cost under MFRS 116.

However, BHB Group maintains its cost model approach in the measurement of its PPE (as opposed to STMB Group which adopts the revaluation model approach). Therefore subsequent revaluation to properties in PPE after the date of transition shall not be effected by BHB Group, the higher of the revalued amount against the carrying value as at the date of transition of RM614,000 shall be effected in the PPE as deemed cost, with the corresponding entry adjusted to accumulated losses. Furthermore, the properties in PPE shall be depreciated in accordance with the adopted policy based on the deemed cost as at the date of transition.

The financial impact arising from the change is summarised as follows:

	31 December, 2011 RM'000	1 January, 2011 RM'000
<b>Statement of Financial Position</b>		
Property, plant and equipment	602	614
Adjustment to accumulated losses	602	614
<b>Income Statement</b>		
<b>Depreciation</b>		
As previously stated	(55,531)	
Effect of change in accounting policy	(12)	
As restated	(55,543)	

**(c) Financial Impact of Changes in Accounting Policies**

In the preparation of the Group's opening MFRS statements of financial position, the amounts previously reported in accordance with the previous FRS framework have been adjusted for the financial effects of the adoption of the MFRS framework. A reconciliation of these changes is summarised in the following tables:

(i) **Statement of Financial Position as at 31 December 2011**

	Under the FRS Framework RM'000	Effect of the transition to MFRSs MFRS 139 RM'000	MFRS 116 RM'000	Reclassification under BNM GP8-i RM'000	Under the MFRS Framework RM'000
<b>ASSETS</b>					
Cash and short term funds	3,460,092	-	-	325,262	3,785,354
Deposits and placements with financial institutions	1,075,330	-	-	-	1,075,330
Derivative financial assets	15,877	-	-	-	15,877
Financial assets held-for-trading	1,228,952	-	-	-	1,228,952
Financial assets held-to-maturity	331,486	-	-	305,427	636,913
Financial assets available-for-sale	11,281,711	-	-	3,164,222	14,445,933
Financing, advances and others	14,140,970	20,867	-	-	14,161,837
Retakaful assets	-	-	-	415,424	415,424
Deferred tax assets	39,429	-	-	-	39,429
Takaful receivables	-	-	-	109,814	109,814
Assets held for sale	-	-	-	668	668
Other assets	181,624	-	-	764,546	946,170
Current tax assets	7,718	-	-	-	7,718
Investment in associates	21,181	-	-	-	21,181
Statutory deposit with Bank Negara Malaysia	912,000	-	-	-	912,000
Investment properties	-	-	-	55,237	55,237
Property, plant and equipment	244,390	-	602	169,432	414,424
General Takaful and Family Takaful assets	5,310,032	-	-	(5,310,032)	-
<b>Total assets</b>	<b>38,250,792</b>	<b>20,867</b>	<b>602</b>	<b>-</b>	<b>38,272,261</b>
<b>LIABILITIES, EQUITY &amp; TAKAFUL FUNDS</b>					
<b>Liabilities</b>					
Deposits from customers	28,208,203	-	-	-	28,208,203
Deposits and placements of banks and other financial institutions	384,628	-	-	-	384,628
Bills and acceptances payable	259,153	-	-	-	259,153
Takaful contract liabilities	-	-	-	5,055,091	5,055,091
Takaful payables	-	-	-	45,537	45,537
Other liabilities	598,117	-	-	209,404	807,521
Provision for zakat and taxation	28,890	5,217	(3)	-	34,104
Derivative financial liabilities	23,299	-	-	-	23,299
General Takaful and Family Takaful liabilities	1,210,991	-	-	(1,210,991)	-
General Takaful and Family Takaful participants' funds	4,099,041	-	-	(4,099,041)	-
<b>Total liabilities</b>	<b>34,812,322</b>	<b>5,217</b>	<b>(3)</b>	<b>-</b>	<b>34,817,536</b>
<b>Equity</b>					
Share capital	1,066,790	-	-	-	1,066,790
Reserves	757,300	7,982	394	-	765,676
<b>Total equity attributable to the shareholders</b>	<b>1,824,090</b>	<b>7,982</b>	<b>394</b>	<b>-</b>	<b>1,832,466</b>
Non-controlling interests	1,614,380	7,668	211	-	1,622,259
<b>Total equity</b>	<b>3,438,470</b>	<b>15,650</b>	<b>605</b>	<b>-</b>	<b>3,454,725</b>
<b>Total equity and liabilities</b>	<b>38,250,792</b>	<b>20,867</b>	<b>602</b>	<b>-</b>	<b>38,272,261</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	<b>1.71</b>				<b>1.72</b>

A26 CHANGES IN ACCOUNTING POLICIES, continued

**(c) Financial Impact of Changes in Accounting Policies, continued**

(ii) **Statement of Financial Position as at 1 January 2011**

	Under the FRS	Effect of the transition to MFRSs		Reclassification	Under the MFRS
	Framework	MFRS 139	MFRS 116	under BNM GP8-i	Framework
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>					
Cash and short term funds	2,762,195	-	-	313,873	3,076,068
Deposits and placements with financial institutions	412,798	-	-	-	412,798
Derivative financial assets	80,108	-	-	-	80,108
Financial assets held-for-trading	2,279,891	-	-	-	2,279,891
Financial assets held-to-maturity	215,944	-	-	-	215,944
Financial assets available-for-sale	12,936,655	-	-	3,322,844	16,259,499
Financing, advances and others	11,860,631	(2,032)	-	-	11,858,599
Retakaful assets	-	-	-	328,133	328,133
Deferred tax assets	59,023	-	-	-	59,023
Takaful receivables	-	-	-	107,222	107,222
Other assets	200,727	-	-	478,596	679,323
Current tax assets	30,316	-	-	-	30,316
Investment in associates	1	-	-	-	1
Statutory deposit with Bank Negara Malaysia	10,000	-	-	-	10,000
Investment properties	-	-	-	47,493	47,493
Property, plant and equipment	219,575	-	614	188,721	408,910
General Takaful and Family Takaful assets	4,786,882	-	-	(4,786,882)	-
<b>Total assets</b>	<b>35,854,746</b>	<b>(2,032)</b>	<b>614</b>	<b>-</b>	<b>35,853,328</b>
<b>LIABILITIES, EQUITY &amp; TAKAFUL FUNDS</b>					
<b>Liabilities</b>					
Deposits from customers	26,798,107	-	-	-	26,798,107
Deposits and placements of banks and other financial institutions	378,129	-	-	-	378,129
Bills and acceptances payable	163,191	-	-	-	163,191
Takaful contract liabilities	-	-	-	4,644,401	4,644,401
Takaful payables	-	-	-	50,454	50,454
Other liabilities	503,062	-	-	92,027	595,089
Provision for zakat and taxation	37,975	(508)	-	-	37,467
Derivative financial liabilities	66,708	-	-	-	66,708
General Takaful and Family Takaful liabilities	1,078,867	-	-	(1,078,867)	-
General Takaful and Family Takaful participants' funds	3,708,015	-	-	(3,708,015)	-
<b>Total liabilities</b>	<b>32,734,054</b>	<b>(508)</b>	<b>-</b>	<b>-</b>	<b>32,733,546</b>
<b>Equity</b>					
Share capital	1,066,790	-	-	-	1,066,790
Reserves	587,945	(777)	400	-	587,568
<b>Total equity attributable to the shareholders</b>	<b>1,654,735</b>	<b>(777)</b>	<b>400</b>	<b>-</b>	<b>1,654,358</b>
Non-controlling interests	1,465,957	(747)	214	-	1,465,424
<b>Total equity</b>	<b>3,120,692</b>	<b>(1,524)</b>	<b>614</b>	<b>-</b>	<b>3,119,782</b>
<b>Total equity and liabilities</b>	<b>35,854,746</b>	<b>(2,032)</b>	<b>614</b>	<b>-</b>	<b>35,853,328</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	<b>1.55</b>				<b>1.55</b>

A26 CHANGES IN ACCOUNTING POLICIES, continued

**(c) Financial Impact of Changes in Accounting Policies, continued**

(iii) **Reconciliation of Income Statement and Statement of Comprehensive Income**  
**For financial year ended 31 December 2011**

	Effect of the		Under the MFRS Framework RM'000	
	Under the FRS Framework RM'000	Transition to MFRSs MFRS 139 RM'000		MFRS 116 RM'000
<b><u>Income Statement</u></b>				
Income derived from investment of depositors' funds	1,393,918	-	-	1,393,918
Income derived from investment of shareholders' funds	642,132	-	-	642,132
Allowance for impairment of financing, advances & others	(44,023)	22,899	-	(21,124)
Reversal for Impairment on investments and other assets	(15,406)	-	-	(15,406)
Provision for contingent liability	(15,231)	-	-	(15,231)
Other expenses directly attributable to the investment of the depositors' and shareholders' funds	(28,425)	-	-	(28,425)
<b>Total distributable income</b>	1,932,965	22,899	-	1,955,864
Income attributable to depositors	(473,133)	-	-	(473,133)
<b>Total net income</b>	1,459,832	22,899	-	1,482,731
Personnel expenses	(455,568)	-	-	(455,568)
Other overhead expenses	(379,750)	-	-	(379,750)
Depreciation	(55,531)	-	(12)	(55,543)
<b>Operating profit</b>	568,983	22,899	(12)	591,870
Share in the results of associated companies	(1,383)	-	-	(1,383)
<b>Profit before zakat and taxation</b>	567,600	22,899	(12)	590,487
Zakat	(9,196)	-	-	(9,196)
Tax expense	(153,328)	(5,725)	3	(159,050)
<b>Profit for the period</b>	405,076	17,174	(9)	422,241
<b>Attributable to:</b>				
Shareholders of the Company	203,252	8,759	(6)	212,005
Non-controlling interests	201,824	8,415	(3)	210,236
<b>Profit for the period</b>	405,076	17,174	(9)	422,241
<b><u>Statement of Comprehensive Income</u></b>				
<b>Profit for the period</b>	405,076	17,174	(9)	422,241
<b>Other comprehensive income :</b>				
Currency translation differences for foreign operations	(8,491)	-	-	(8,491)
Net gain on revaluation of available-for-sale financial assets	39,905	-	-	39,905
<b>Total comprehensive income for the period</b>	436,490	17,174	(9)	453,655
<b>Attributable to:</b>				
Shareholders of the Company	219,861	8,759	(6)	228,614
Non-controlling interests	216,629	8,415	(3)	225,041
<b>Total comprehensive income for the period</b>	436,490	17,174	(9)	453,655

A26 CHANGES IN ACCOUNTING POLICIES, continued

**(c) Financial Impact of Changes in Accounting Policies, continued**

(iv) There are no material differences between the statement of cash flows presented under the MFRSs and the statement of cash flows presented under FRSs.

(v) **Capital adequacy**

The adjustments to the financial statements of Bank Islam Malaysia Berhad, a subsidiary of the Group, as a result of the transition to the MFRS framework and the changes in accounting policies, as discussed above, also had consequential effects on the comparative capital adequacy ratios. These are summarised below:

	As at 31 December 2011		As at 1 January 2011	
	As previously stated under the FRS Framework	As restated under the MFRS Framework	As previously stated under the FRS Framework	As restated under the MFRS Framework
	RM'000	RM'000	RM'000	RM'000
<b>Tier-I capital:</b>				
Paid-up share capital	2,265,490	2,265,490	2,265,490	2,265,490
Share premium	500,020	500,020	500,020	500,020
Retained earnings/(Accumulated losses)	(1,132,381)	(1,040,270)	(1,185,132)	(1,110,195)
Other reserves	974,594	974,594	795,013	795,013
Less: Deferred tax assets	(23,386)	(23,386)	(44,224)	(44,224)
<b>Total Tier-I capital</b>	<b>2,584,337</b>	<b>2,676,448</b>	<b>2,331,167</b>	<b>2,406,104</b>
<b>Tier-II capital:</b>				
Collective assessment allowance (#)	224,776	218,864	182,452	184,484
<b>Total Tier-II capital</b>	<b>224,776</b>	<b>218,864</b>	<b>182,452</b>	<b>184,484</b>
<b>Total capital</b>	<b>2,809,113</b>	<b>2,895,312</b>	<b>2,513,619</b>	<b>2,590,588</b>
Less: Investment in associate	(21,180)	(21,180)	-	-
<b>Total capital base</b>	<b>2,787,933</b>	<b>2,874,132</b>	<b>2,513,619</b>	<b>2,590,588</b>
Core capital ratio	15.27%	15.81%	15.75%	16.26%
Risk-weighted capital ratio	16.47%	16.98%	16.98%	17.51%
Core capital ratio net of proposed dividend	15.00%	15.55%	15.20%	15.71%
Risk-weighted capital ratio net of proposed dividend	16.21%	16.72%	16.44%	16.96%

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

**B1 REVIEW OF PERFORMANCE**

**Twelve Months Performance to 31 December 2012**

BIMB Holdings Berhad ("BHB") posted a Profit before Zakat and Taxation ("PBZT") of RM714.1 million for the year ended 31 December 2012, an increase of RM123.7 million or 20.9% over the last corresponding period ended 31 December 2011. The Group's consolidated net profit for the year ended 31 December 2012 increased by RM72.1 million or 17.1%, driven by the growth in its net income on healthy financing and deposits from customers growth, coupled with improved asset quality. The RM145.6 million or 22.6% growth in operating results was achieved on the back of RM480.9 million or 23.6% increase in revenue.

The net profit attributable to the shareholders also grew by RM38.8 million or 18.3%, as the Group's net profit for the year ended 31 December 2012 stood at RM494.3 million (31 December 2011: RM422.2 million). To date, BHB (at Company level) had distributed a total of RM74.7 million out of its net profit for 2012 as interim dividends on 31 October 2012 and 27 December 2012 respectively, which represents a total payout of 52.8% of its net profit for the year.

The Group registered net financing growth of RM5.3 billion or 37.8% for 2012, which outpaced the domestic banking industry's growth of 10.4%. In 2011, the Group recorded a net financing growth of RM2.3 billion or 19.4%. The asset quality of the Group also improved as the gross impaired financing ratio as at 31 December 2012 stood at 1.55% (31 December 2011: 2.61%). Risk Weighted Capital Ratio ("RWCR") remained healthy at 14.0%.

**Islamic Banking**

For the twelve months ended 31 December 2012, Bank Islam Group ("Bank Islam" or "the Bank") reported a PBZT of RM597.4 million, an increase of RM104.9 million or 21.3% compared to the last financial year of RM492.5 million. The improved performance was mainly attributed to growth in business activities during the period under review.

The Bank's net financing grew by RM5.3 billion to reach RM19.5 billion as at end December 2012. Correspondingly, fund based income from financing increased by RM215.4 million or 23.4%. Income on securities, both Held-to-maturity and Available-for-sale also increased by RM84.0 million or 19.3%. Non-fund based income also reported a 14.2% or RM33.5 million growth, mainly from fees and commission and gain from foreign exchange transactions.

Customer deposits recorded a year-on-year growth of 15.1% or RM4.3 billion to reach RM32.6 billion as at end December 2012. Similarly, the low cost current and savings accounts ("CASA") also increased by RM1.1 billion or 9.3% year-on-year. The CASA ratio as at end December 2012 was 41.2%, well above the Islamic Banking Industry ratio of 26.9% as at end December 2012.

The Bank's impaired financing ratio continued to record significant improvements. The gross impaired financing ratio fell from 2.61% as at end December 2011 to 1.55% as at end December 2012. Consequently, the net impaired financing ratio also improved from a negative 0.17% as at end December 2011 to a negative 0.67% as at end December 2012. The Islamic Banking Industry gross and net impaired ratios were 1.8% and negative 0.4% respectively as at end November 2012.

Bank Islam's key performance ratios as at end December 2012 also compared favourably against the Islamic Banking Industry ratios as at end December 2011. The Return on Equity ("ROE") was 20.21% against the Islamic Banking Industry ratio of 13.7% and Return on Asset ("ROA") was 1.72% against the Islamic Banking Industry ratio of 1.0%.

**Takaful**

For the twelve months period, Takaful Malaysia Group ("Takaful Malaysia") recorded a PBZT of RM125.5 million, increased by 23.7% as compared to RM101.4 million in the same period last year. In addition to the higher surplus transfers, the higher profit is also attributable to higher net wakalah fee income.

For the fourth quarter ended 31 December 2012, Takaful Malaysia generated Operating Revenue of RM316.1 million, an increase of 3.9% compared to RM304.1 million in the corresponding quarter of the preceding year. For the 12 months period, Operating Revenue increased by 19.5% to RM1,607.5 million from RM1,345.5 million in the same period of the preceding year. The increase was mainly attributable to higher sales generated by Family Takaful business.

For the quarter under review, Family Takaful recorded gross earned contributions of RM198.3 million against RM205.6 million for the same period last year and General Takaful generated gross earned contributions of RM125.1 million compared to RM105.8 million in the corresponding quarter of the preceding year. For the 12 months period, Family Takaful generated gross earned contributions of RM987.7 million compared to RM694.7 million in the corresponding period last year whereas General Takaful's gross earned contribution was RM457.1 million compared to RM401.7 million in the corresponding period last year. The Family Takaful recorded gross earned contribution growth of 42.2% for the 12 months period, mainly attributable to higher sales and release of unearned contribution reserve arising from the change in reserving estimates from Group Family Takaful products.

The surplus transfer in the quarter under review from Family Takaful was RM28.3 million as compared to RM33.1 million in the same period last year, while the surplus transfer from General Takaful was RM15.9 million as compared to RM27.3 million in the same period last year. For the 12 months period under review, the surplus transfer from Family Takaful increased by RM32.0 million to RM129.8 million as compared to the same period last year while General Takaful recorded RM66.5 million compared to RM85.5 million last year. The higher surplus transfer from Family Takaful is mainly due to better underwriting, investment results and release of unearned contribution reserve. The General Takaful reported lower surplus transfer mainly due to shift to wakalah model products.

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

**For the three months performance (Fourth Quarter 2012 vs. Third Quarter 2012)**

BHB Group registered a PBZT of RM195.2 million for the Fourth Quarter ended 31 December 2012, an increase of RM16.8 million or 9.4%, in comparison to the revised PBZT of RM178.4 million for the Third Quarter ended 30 September 2012 (previously reported at RM207.2 million). The revision is due to the reclassification of gain arising on disposal of subsidiary (of which BHB still remained as a controlling shareholder of the subsidiary) from income statement to movement in equity. Despite the higher income attributable to depositors and allowance for impairment on financing, the significant writeback on contingent liability provision made in the previous quarter and reversal of impairment on investments and other assets contributed to the higher profitability of the Group for the quarter under review.

Bank Islam's PBZT of RM163.6 million for the three months ended 31 December 2012 was 5.3% or RM8.2 million higher than the preceding quarter ended 30 September 2012 of RM155.4 million. The higher PBZT was achieved from quarter-on-quarter growth in revenue of RM13.3 million or 2.5%.

Takaful Malaysia reported a PBZT of RM38.9 million which was higher than the preceding quarter of RM22.6 million by RM16.3 million due to higher provision for wakalah fee.

For the quarter under review, the Operating Revenue registered RM316.1 million as compared to preceding quarter of RM416.2 million. The lower operating revenue is attributable to lower contribution generated by both Family and General Takaful business.

**B3 PROSPECTS**

**Outlook on the economy**

The economic growth in 2013 will largely hinge on global economic momentum, which at this juncture is clouded by the prospects of recovery in the European region. Nevertheless, real exports is anticipated to rebound mildly and expand by 4 percent in 2013.

On the domestic front, demand will likely stay resilient amidst rising contributions from private investment and private consumption. Private investment will continue to remain upbeat in view of the ongoing infrastructure as well as mega projects to be undertaken by the government in the next few years, while private consumption is expected to remain resilient.

Monetary policy is not expected to change in 2013 as inflation remains benign. However, there is a possible upward bias towards the end of the year if the United States of America economy continues to cruise steadily. On the fiscal side, the government's deficit target of 4 percent should not be difficult to achieve, particularly as revenue growth is likely to be on the upside.

Taking into consideration domestic forces that may offset weaknesses in the external sector, another resilient growth performance is expected in 2013 with gross domestic product growing at 5.3 percent pace.

On the back of strong capitalisation, strong profitability and stable asset quality, the banking and financial sector in Malaysia will continue to remain healthy in 2013. This will ensure steady access to credit for households and businesses in facilitating growth of the Malaysian economy. With the implementation of the new Financial Sector Blueprint 2011-2020, the banking and financial sector will continue to play an important role as financial intermediary in supporting the nation towards a high income economy.

**Islamic Banking**

Bank Islam expects to maintain last financial year's robust growth. The Bank will continue to grow its consumer financing products as well as focus on resilient industries in particular those that are set to benefit from the Economic Transformation Programme. Other initiatives include increasing the proportion of floating-rate financing, shortening personal-financing tenures and optimising the financing-to-deposits ratio. At the same time, the Bank remains mindful of the challenging economic conditions and the importance of acquiring good quality assets amidst such an environment. As such the Bank will continue to enhance its operating controls and practices.

The Bank shall continue to grow its key sources of fee-based income from deposit products, wealth management and bancatakaful services as well as corporate advisory services, foreign exchange and trade businesses.

Focus will also be on expanding the low-cost deposits in particular current and savings accounts and retail deposits to ensure a stable funding base.

The Bank will also continue to strengthen its presence by expanding its current delivery channels to meet customers' expectations and remain competitive. As at 31 December 2012, the Bank's delivery channels comprised 127 branches, 1,190 Self Service Terminals (SSTs), 8 Consumer Banking Centres (CBCs), 4 strategically located Bureau De Change (BDCs) and 4 Ar-Rahnu outlets. In 2013, the Bank plan to reach out to another 6 new locations, through new branch opening, additional 5 Ar-Rahnu outlets, an addition of 108 SSTs, establishment of another 2 BDCs, and 3 CBCs while 4 branches will be relocated and 7 refurbished.

**Takaful**

Takaful Malaysia will continue its "We Should Talk" marketing campaign to propel growth rate to outpace the industry growth rate to be the leading takaful operator in Malaysia. With the introduction of new products and services in 2013, Takaful Malaysia is expected to increase its market share while improving shareholder value. Takaful Malaysia will also be looking at increasing the number of exclusive or preferred partnerships with major financial institutions to grow the bancatakaful business.

**B4 VARIANCE FROM PROFIT FORECAST AND PROFIT GUARANTEE**

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

**B5 TAXATION**

	Quarter 3 months ended 31-Dec-12 RM '000	Quarter 3 months ended 31-Dec-11 RM '000	Year-to-date 12 months ended 31-Dec-12 RM'000	Year-to-date 12 months ended 31-Dec-11 RM'000
Tax expense	56,244	26,046	210,543	159,050

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 period under review.

**B7 PURCHASE AND SALE OF QUOTED SECURITIES**

This note does not apply to the Group.

**B8 CORPORATE PROPOSALS**

**Consent of Bank Negara Malaysia ("BNM") for BIMB Holdings Berhad ("BHB") to commence negotiations with Dubai Financial Group LLC ("DFG") and Lembaga Tabung Haji ("TH") in relation to a preliminary interest to acquire DFG's equity interest in Bank Islam Malaysia Berhad ("Bank Islam").**

BHB had on 8 October 2012, announced that BNM had, vide its letter dated 4th October 2012 which was received on 5th October 2012, stated that BNM has no objection in principle for BHB to commence negotiations with DFG and TH in relation to a preliminary interest to acquire DFG's equity interest in Bank Islam. The negotiations are to be completed on or before 31 March 2013 ("the Negotiation").

The Negotiation with DFG and TH as announced by BHB on 8 October 2012, is still ongoing. Any further development on the Negotiation will be announced in due course.



**B9 DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES**

	Group		
	31-Dec-12 RM '000	31-Dec-11 RM '000 #	01-Jan-11 RM '000
<b>Deposits from customers</b>			
Mudharabah accounts deposits and			
One year or less (short-term)	20,034,526	16,022,109	15,656,688
More than one year (medium/long-term)	824,093	1,049,761	1,081,029
	20,858,619	17,071,870	16,737,717
Current accounts	8,962,434	8,412,372	7,090,732
Savings accounts	2,515,341	2,599,243	2,576,870
Others	81,929	124,718	392,788
<b>Total deposits</b>	<b>32,418,323</b>	<b>28,208,203</b>	<b>26,798,107</b>
<b>Deposits and placements of banks and</b>			
One year or less (short-term)	860,278	384,628	378,129
	<b>860,278</b>	<b>384,628</b>	<b>378,129</b>

**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-12 Principal Amount	up to 1 mth	>1-3 mths	>3-6 mths	>6-12 mths	>1-5 years
<b>Foreign exchange related contracts</b>						
- forwards	220,932	58,674	86,072	34,082	42,104	-
- swaps	365,837	328,450	3,766	33,621	-	-
- option	94,020	94,020	-	-	-	-
<b>Total</b>	<b>680,789</b>	<b>481,144</b>	<b>89,838</b>	<b>67,703</b>	<b>42,104</b>	-

**Market risk**

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk transactions may be reduced through offsetting on and off-balance sheet positions. As at 31 December 2012, the amount of contracts which were not hedged and, hence, exposed to market risk was RM917.23 million. (31 December 2011: RM501.31 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 2012, the credit risk measured in terms of the cost to replace the profitable contracts was RM74.08 million (31 December 2011: RM34.68 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**

	Quarter	Quarter	Year-to-date	Year-to-date
	3 months ended 31-Dec-12 RM '000	3 months ended 31-Dec-11 RM '000	12 months ended 31-Dec-12 RM'000	12 months ended 31-Dec-11 RM'000
<b>Net Operating profit after zakat &amp; tax (NOPAT)</b>				
Profit before zakat and taxation (PBZT)	195,183	173,550	714,144	590,487
Zakat & Taxation	(59,852)	(30,888)	(219,829)	(168,246)
<b>NOPAT</b>	<b>135,331</b>	<b>142,662</b>	<b>494,315</b>	<b>422,241</b>
Economic charge computation:				
Average invested capital	2,978,704	2,655,747	2,978,704	2,655,747
(includes minority interest less gain on disposal of interest in subsidiary)				
Weighted Average Cost of Capital (WACC) at 8.2% per annum	8.20%	8.20%	8.20%	8.20%
<b>Economic charge</b>	<b>61,397</b>	<b>54,890</b>	<b>244,254</b>	<b>217,771</b>
<b>Economic profit</b>	<b>73,934</b>	<b>87,772</b>	<b>250,061</b>	<b>204,470</b>

**B12 MATERIAL LITIGATION**

Save as disclosed below, there were no changes in material litigation, including the status of pending material litigations since the last annual balance sheet date of 31 December 2011.

- (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 February 2013, the status remained 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 on 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. In February 2012, the Plaintiff filed a leave to appeal to the Federal Court and the Bank filed an affidavit in reply in opposing the Plaintiff's leave to appeal. On July 2012 the Federal Court dismissed the application for leave with costs. In November 2012, the Bank proceeded with execution process against the Plaintiff. In the course of execution, on 23 November 2012 the Plaintiff filed an originating summons against the Bank for declarations that (1) the Bank is not entitled to enforce the Security Documents to satisfy the amount payable by the Plaintiff under Court of Appeal order, (2) the Plaintiff is required to pay RM57,872.15 to satisfy the amount payable under the Court of Appeal order (3) order to discharge the charge created (4) order to revoke all assignments, securities & guarantees (5) injunction to restrain the Bank from enforcing the security documents. Upon hearing the case on 15 February 2013, the Court had fixed 19 March 2013 for decision.

- (c) 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. However, in February 2012 Bank Islam did not received the balance of auction proceeds from the successful bidder. Hence the property will be auctioned again. As at February 2013 the matter was pending a new auction date from court.

- (d) 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. In November 2012, the Third Defendant has filed an application to set aside the judgment in default against him. The matter was pending hearing date from court.

- (e) 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. On 14 May 2012 the Court dismissed the Defendant appeal. The Defendant then filed a leave to appeal to the Federal Court. On 14 November 2012, the leave application was allowed by the Federal Court. The case was pending hearing date of appeal.

- (f) In 2010, Tan Sri Abdul Khalid Ibrahim ("the Plaintiff") filed another civil suit against Bank Islam Malaysia Berhad ("Bank Islam") alleging that Bank Islam and Permodalan Nasional Berhad purportedly conspired and/or acted in concert to cause loss to the Plaintiff by way of wrongfully recalling monies advanced to the Plaintiff by way of a Bai Bithaman Ajil facility. There is no claim amount specified but the Plaintiff sought general damages and loss of profits. The matter has been fixed for trial from 29 July 2013 to 2 August 2013. A final case management is also fixed on 2 May 2013. The trial judge has taken note of the fact that the trial of another suit (item above) is proceeding between the parties, and that the findings of facts arrived at by the Court in that suit will be directly applicable to this suit. The trial of this suit is therefore contingent on the conclusion of the trial of the ongoing suit between the Plaintiff and Bank Islam. Bank Islam's solicitors are of the view that Bank Islam has a strong defence.

**B12 MATERIAL LITIGATION, continued**

- (g) 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.
- On 11 January 2012, the Plaintiff has been wound up by another third party. Therefore, a sanction from Official Assignee must be obtained by the Plaintiff as the Plaintiff has no capacity to appear before the court for trial. The case proceeded with full trial from 14 to 17 May 2012. On 6 August 2012 the court dismissed the Plaintiff's case with costs. The Plaintiff appealed to the Court of Appeal. On 11 January 2012, the Plaintiff has been wound up by another third party. Therefore, a sanction from Official Assignee must be obtained by the Plaintiff as the Plaintiff has no capacity to appear before the court for trial. The case proceeded with full trial from 14 to 17 May 2012. On 6 August 2012 the court dismissed the Plaintiff's case with costs. The Plaintiff appealed to the Court of Appeal. The appeal has been fixed for hearing on 13 May 2013.
- (h) 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., 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 was fixed for trial on 18th February to 21st February 2013.
- (i) 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. On 26 April 2012 the Claimant's appeal on the arbitral award was dismissed with costs. On 24 May 2012, the Claimant filed Notice of Appeal to the Court of Appeal. On 18 September 2012 the Claimant's appeal was dismissed with costs. In October 2012, the Claimant filed application for leave to appeal to the Federal Court.
- (j) On 20 April 2010, Bank Islam Malaysia Berhad ("Bank Islam") has referred a dispute in connection with a 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 RM19.03 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. As at February 2013, the matter was pending decision date. Based on the legal opinion obtained, Bank Islam 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 RM19.03 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 also filed a counterclaim. The arbitration commenced on 15 February 2012. As at February 2013, the matter was pending decision date. 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**

	Quarter 3 months ended 31-Dec-12 RM '000	Quarter 3 months ended 31-Dec-11 RM '000	Year-to-date 12 months ended 31-Dec-12 RM '000	Year-to-date 12 months ended 31-Dec-11 RM '000
<b>Profit for the period is arrived at after charging:</b>				
Depreciation of property, plant and equipment	16,961	13,382	57,744	55,543
Impairment loss:				
- Allowance for impairment on financing advances and others	32,301	17,372	66,073	21,124
- Provision for contingent liability	(15,231)	-	14,769	15,231
<b>and after crediting:</b>				
Profit on sale of foreign currencies	477	575	3,124	2,335
Reversal of allowance for diminution in value of investment	-	-	-	38
Reversal of allowance for doubtful debts	60	60	240	240
Allowance for Impairment on investments and other assets	2,150	(17,559)	3,990	(15,406)
Net gain on disposal of property, plant & equipment	48	(609)	272	2,429
Net derivative gain/(loss)	8,313	(2,237)	9,805	(8,618)

**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.

	Quarter	Quarter	Year-to-date	Year-to-date
	3 months ended	3 months ended	12 months ended	12 months ended
	31-Dec-12	31-Dec-11	31-Dec-12	31-Dec-11
	RM '000	RM '000	RM '000	RM '000
Net profit/(loss) for the quarter attributable to equity holders of the parent	67,125	74,884	250,778	212,005
Number of ordinary shares	1,066,790	1,066,790	1,066,790	1,066,790
Number of average ordinary shares	1,066,790	1,066,790	1,066,790	1,066,790
<b>Basic earnings per share attributable to equity holders of the parent (sen)</b>	<b>6.29</b>	<b>7.02</b>	<b>23.51</b>	<b>19.87</b>

**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:

	31-Dec-12	31-Dec-11
	RM'000	RM'000
<b>Total accumulated profits/(losses) of BIMB Holdings Berhad and its subsidiaries:</b>		
Realised	695,836	(662,473)
Unrealised	1,677	52,335
	697,513	(610,138)
Less: Consolidation adjustments	(778,414)	(523,834)
<b>Total group accumulated losses as per condensed consolidated financial statements</b>	<b>(80,901)</b>	<b>(1,133,972)</b>

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  
February 27, 2013