

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

Condensed Consolidated Statement of Financial Position as at 31 March 2013

| | As at 31 March, 2013 | As at 31 December, 2012 |
|--|-------------------------|----------------------------|
| Note | RM'000 Unaudited | RM'000 Audited |
| ASSETS | | |
| Cash and short-term funds | 5,036,101 | 2,063,444 |
| Deposits and placements with financial institutions | 769,676 | 519,646 |
| Derivative financial assets | A7 16,000 | 16,736 |
| Financial assets held-for-trading | A8 1,807,387 | 1,831,606 |
| Financial assets held-to-maturity | A9 466,496 | 468,721 |
| Financial assets available-for-sale | A10 16,548,311 | 16,862,202 |
| Financing, advances and others | A11 20,435,620 | 19,507,799 |
| Deferred tax assets | 60,084 | 55,830 |
| Assets classified as held for sale | 3,374 | 3,374 |
| Takaful assets | 707,891 | 531,316 |
| Other assets | 244,644 | 473,983 |
| Current tax assets | 6,565 | 6,604 |
| Investments in associates | 22,561 | 22,913 |
| Statutory deposit with Bank Negara Malaysia | 1,145,900 | 1,059,900 |
| Investment properties | 29,008 | 29,136 |
| Property, plant and equipment | 446,678 | 454,413 |
| Total assets | 47,746,296 | 43,907,623 |
| LIABILITIES & EQUITY | | |
| Liabilities | | |
| Deposits from customers | A13 36,220,677 | 32,379,000 |
| Deposits and placements of banks and other financial institutions | A14 737,573 | 860,278 |
| Bills and acceptances payable | 242,328 | 385,138 |
| Takaful liabilities | A15 5,812,561 | 5,580,755 |
| Other liabilities | 764,374 | 869,414 |
| Zakat and taxation | 59,898 | 51,506 |
| Derivative financial liabilities | A7 13,862 | 14,339 |
| Total liabilities | 43,851,273 | 40,140,430 |
| Equity | | |
| Share capital | 1,066,790 | 1,066,790 |
| Reserves | 1,020,372 | 952,788 |
| Equity attributable to owners of the Company | 2,087,162 | 2,019,578 |
| Non-controlling interests | 1,807,861 | 1,747,615 |
| Total equity | 3,895,023 | 3,767,193 |
| Total liabilities and equity | 47,746,296 | 43,907,623 |
| Commitments and contingencies | A25 11,085,953 | 10,928,790 |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | 1.96 | 1.89 |

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the quarter ended 31 March 2013**

| | | Quarter ended 31 March 2013 RM'000 | Quarter ended 31 March 2012 RM'000 | Year-to-date 3 months ended 31 March 2013 RM'000 | Year-to-date 3 months ended 31 March 2012 RM'000 |
|---|------|---|---|--|--|
| | Note | | | | |
| Income derived from investment of depositors' funds | A16 | 447,167 | 380,439 | 447,167 | 380,439 |
| Income derived from investment of shareholders' funds | A17 | 84,487 | 78,969 | 84,487 | 78,969 |
| Net income from Takaful business | A18 | 123,625 | 117,541 | 123,625 | 117,541 |
| Reversal for/ (allowance of) impairment on financing, advances and others | A19 | 807 | (15,289) | 807 | (15,289) |
| Allowance for impairment on investments and on other assets | | - | (8,421) | - | (8,421) |
| Direct expenses | | (6,188) | (6,881) | (6,188) | (6,881) |
| Total distributable income | | 649,898 | 546,358 | 649,898 | 546,358 |
| Income attributable to depositors | A20 | (180,678) | (133,157) | (180,678) | (133,157) |
| Total net income | | 469,220 | 413,201 | 469,220 | 413,201 |
| Personnel expenses | | (148,871) | (120,563) | (148,871) | (120,563) |
| Other overhead expenses | | (116,681) | (113,416) | (116,681) | (113,416) |
| Depreciation | | (14,325) | (12,424) | (14,325) | (12,424) |
| Operating profit | | 189,343 | 166,798 | 189,343 | 166,798 |
| Share in the results of associated company, net of tax | | (352) | 540 | (352) | 540 |
| Profit before zakat and tax | | 188,991 | 167,338 | 188,991 | 167,338 |
| Zakat | | (2,640) | (1,900) | (2,640) | (1,900) |
| Tax expense | B5 | (45,679) | (45,716) | (45,679) | (45,716) |
| Profit for the period | | 140,672 | 119,722 | 140,672 | 119,722 |
| Attributable to: | | | | | |
| Owners of the Company | | 74,142 | 64,906 | 74,142 | 64,906 |
| Non-controlling interests | | 66,530 | 54,816 | 66,530 | 54,816 |
| Profit for the period | | 140,672 | 119,722 | 140,672 | 119,722 |
| Earnings per share - basic (sen) | B15 | 6.95 | 6.08 | 6.95 | 6.08 |

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the quarter ended 31 March 2013, continued**

| | Quarter ended 31 March 2013 RM'000 | Quarter ended 31 March 2012 RM'000 | Year-to-date 3 months ended 31 March 2013 RM'000 | Year-to-date 3 months ended 31 March 2012 RM'000 |
|---|---|---|--|--|
| Profit for the period | 140,672 | 119,722 | 140,672 | 119,722 |
| Other comprehensive income | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Currency translation differences in respect of foreign operations | (3,050) | 7,291 | (3,050) | 7,291 |
| Net gain on revaluation of financial assets available-for-sale | (10,629) | 9,816 | (10,629) | 9,816 |
| Total comprehensive income for the period | 126,993 | 136,829 | 126,993 | 136,829 |
| Attributable to: | | | | |
| Owners of the Company | 67,150 | 73,680 | 67,150 | 73,680 |
| Non-controlling interests | 59,843 | 63,149 | 59,843 | 63,149 |
| Total comprehensive income for the period | 126,993 | 136,829 | 126,993 | 136,829 |

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity
For the quarter ended 31 March 2013**

| Group | Note | ← Attributable to owners of the company → | | | | | Accumulated Losses RM'000 | Total RM'000 | Non-controlling Interests RM'000 | Total Equity RM'000 |
|--|------|---|----------------------------|--------------------------------|-----------------------------|------------------------------|------------------------------|------------------|--|---------------------------|
| | | ← Non-distributable → | | | Distributable | | | | | |
| | | Share Capital RM'000 | Share Premium RM'000 | Statutory Reserve RM'000 | Other Reserves RM'000 | Capital Reserve RM'000 | | | | |
| At 1 January 2012 | | 1,066,790 | 603,630 | 602,493 | 55,155 | 638,370 | (1,133,837) | 1,832,601 | 1,622,330 | 3,454,931 |
| Total comprehensive income for the year | | | | | | | | | | |
| - Net profit for the period | | - | - | - | - | - | 64,906 | 64,906 | 54,816 | 119,722 |
| - Other comprehensive income | | | | | | | | | | |
| <i>Currency translation differences in respect of foreign operations</i> | | - | - | - | 3,341 | - | - | 3,341 | 3,950 | 7,291 |
| <i>Net gain on revaluation of financial assets available-for-sale</i> | | - | - | - | 5,433 | - | - | 5,433 | 4,383 | 9,816 |
| - Total comprehensive income for the year | | - | - | - | 8,774 | - | 64,906 | 73,680 | 63,149 | 136,829 |
| Zerorisation of accumulated losses in subsidiary | | - | - | (349,011) | - | - | 349,011 | - | - | - |
| Transfer to accumulated losses | | - | - | - | - | (631,507) | 631,507 | - | - | - |
| At 31 March 2012 | | 1,066,790 | 603,630 | 253,482 | 63,929 | 6,863 | (88,413) | 1,906,281 | 1,685,479 | 3,591,760 |
| Unaudited | | | | | | | | | | |
| At 1 January 2013 | | 1,066,790 | 603,630 | 358,719 | 62,851 | 6,863 | (79,275) | 2,019,578 | 1,747,615 | 3,767,193 |
| Total comprehensive income for the period | | | | | | | | | | |
| - Net profit for the period | | - | - | - | - | - | 74,142 | 74,142 | 66,530 | 140,672 |
| - Other comprehensive income | | | | | | | | | | |
| <i>Currency translation differences in respect of foreign operations</i> | | - | - | - | (1,501) | - | - | (1,501) | (1,549) | (3,050) |
| <i>Net gain on revaluation of financial assets available-for-sale</i> | | - | - | - | (5,491) | - | - | (5,491) | (5,138) | (10,629) |
| - Total comprehensive income for the year | | - | - | - | (6,992) | - | 74,142 | 67,150 | 59,843 | 126,993 |
| Disposal of interest in subsidiary | | - | - | - | - | - | 434 | 434 | 403 | 837 |
| At 31 March 2013 | | 1,066,790 | 603,630 | 358,719 | 55,859 | 6,863 | (4,699) | 2,087,162 | 1,807,861 | 3,895,023 |

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Cash Flows
For the quarter ended 31 March 2013**

| | Year-to-date | |
|---|---|--|
| | 3 months ended 31 March 2013 RM'000 Unaudited | 3 months ended 31 March 2012 RM'000 |
| Cash flows from operating activities | | |
| Profit before zakat and taxation | 188,991 | 167,338 |
| Adjustment for non-cash flow items:- | | |
| Depreciation of property, plant and equipment | 14,325 | 12,424 |
| Reversal of allowance for doubtful debts | (60) | (60) |
| Allowance/(reversal) for impairment on financing, advances and others | (807) | 15,289 |
| Allowance for Impairment on investments and other assets | - | 8,421 |
| Net gain on disposal of property, plant and equipment | 1,034 | (6) |
| Net (gain) / loss on sale of financial assets held-for-trading | (285) | (1,282) |
| Net gain on revaluation of financial assets held-for-trading | (5,475) | - |
| Net gain on sale of financial assets available-for- sale | (1,826) | (10,416) |
| Net derivative (gain) / loss | 388 | (6,291) |
| Share of results of associate company | 352 | (540) |
| Operating profit before working capital changes | 196,637 | 184,877 |
| Changes in working capital: | | |
| Deposits and placements of banks and other financial institutions | (122,705) | (2,222,128) |
| Financing of customers | (927,014) | (735,144) |
| Statutory deposits with Bank Negara Malaysia | (85,100) | (105,000) |
| Other receivables | 42,481 | (177,379) |
| Deposits from customers | 3,841,677 | 1,104,608 |
| Other liabilities | 126,289 | 233,377 |
| Bills payable | (142,810) | (65,932) |
| Cash (used in)/generated from operations | 2,929,455 | (1,782,721) |
| Tax paid | (26,637) | (24,350) |
| Net cash (used in)/generated from operating activities | 2,902,818 | (1,807,071) |

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Cash Flows, continued
For the quarter ended 31 March 2013**

| | Year-to-date | |
|--|---|---|
| | 3 months ended 31 March 2013 RM'000 Unaudited | 3 months ended 31 March 2012 RM'000 Unaudited |
| Cash flows from investing activities | | |
| Net sales/(purchases) from disposal of securities | 329,706 | (1,067,957) |
| Disposal in interest in subsidiary | 837 | - |
| Purchase of property, plant and equipment | (7,624) | (26,747) |
| Net cash generated from/(used in) investing activities | 322,919 | (1,094,704) |
| Net increase/(decrease) in cash and cash equivalent | 3,225,737 | (2,901,775) |
| Cash and cash equivalents at the beginning of year/period | 2,583,090 | 5,477,574 |
| Foreign exchange differences | (3,050) | 7,291 |
| Cash and cash equivalents at the end of year/period | 5,805,777 | 2,583,090 |
| Cash and cash equivalents comprise: | | |
| Cash and short term funds | 5,036,101 | 2,063,444 |
| Deposits and placement with financial institutions | 769,676 | 519,646 |
| | 5,805,777 | 2,583,090 |

EXPLANATORY NOTES OF MFRS 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 quarter ended 31 March 2013 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 Main Market 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 2012.

The audited consolidated financial statements of the Group as at and for the financial year ended 31 December 2012, which were prepared in accordance with the applicable Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS), the provisions of Companies Act 1965 and Shariah requirements, are available upon request from the Company's registered office at Level 31, Menara Bank Islam, 22 Jalan Perak, 50450 Kuala Lumpur.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2012, except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs during the current financial period:

- MFRS 10, Consolidated Financial Statements
- MFRS 11, Joint Arrangements
- MFRS 12, Disclosure of Interests in Other Entities
- MFRS 13, Fair Value Measurement
- 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)
- MFRS 3, Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)
- MFRS 127, Consolidated and Separate Financial Statements (IAS 27 Consolidated and Separate Financial Statements revised by IASB in December 2003)
- 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
- Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to MFRS 10, MFRS 11 and MFRS 12)

IC Interpretation 20 is not applicable to the Group as it is not relevant to the Group's operations.

The adoption of all the other MFRSs and amendments to MFRSs did not have any financial impact to the Group.

With effect from 1 January 2013, Bank Islam Malaysia Berhad has complied with the latest approach set out by the Capital Adequacy Framework for Islamic Banking (CAFIB) issued on 28 November 2012 for computing total capital and capital adequacy ratios, based on CAFIB-Basel III capital structure. The comparative total capital and capital adequacy ratios are computed in accordance to the earlier approach set out in CAFIB-Basel II capital structure, applicable until 31 December 2012.

The following accounting standards, amendments and interpretations have been issued by the Malaysian Accounting Standards Board (MASB), but are not yet effective for the Group:

(i) **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

(ii) **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 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.

MFRS 9 introduces significant changes in the way the Group accounts for financial instruments. Due to the complexity of this standard and its proposed changes, the financial effects of its adoption are still being assessed by the Group.

The adoption of Amendments to MFRS 132 is not expected to have any financial impact to the Group as the current practice for offsetting arrangements remained unchanged. The adoption of Amendments to MFRS 10, MFRS 12 and MFRS 127 is not expected to have any financial impact to the Group as the Group is not an investment entity as defined in MFRS 10.

A2 AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2012

The audited report on the financial statements of the preceding financial year ended 31 December 2012 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 quarter ended 31 March 2013.

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 quarter ended 31 March 2013.

A5 CHANGES IN ESTIMATES OF AMOUNTS REPORTED PREVIOUSLY

There were no material changes in estimates of amounts reported in prior financial years that may have a material effect in the quarter ended 31 March 2013.

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 quarter ended 31 March 2013.

A7 DERIVATIVE FINANCIAL ASSETS/ LIABILITIES

| | Principal amount RM '000 | Fair value | |
|-------------------------------|-----------------------------|-------------------|------------------------|
| | | Assets RM '000 | Liabilities RM '000 |
| 31.03.2013 - Unaudited | | | |
| Forward Contract | 1,420,413 | 3,450 | (2,939) |
| Profit Rate Swaps | 1,328,485 | 11,478 | (9,851) |
| Structured Deposits | 112,080 | 1,072 | (1,072) |
| | 2,860,978 | 16,000 | (13,862) |
| 31.12.2012 - Audited | | | |
| 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) |
| | 2,228,884 | 16,736 | (14,339) |

A8 FINANCIAL ASSETS HELD-FOR-TRADING

| | Unaudited 31-Mar-13 RM '000 | Audited 31-Dec-12 RM '000 |
|--|-----------------------------------|---------------------------------|
| At fair value | | |
| <u>Unquoted securities</u> | | |
| <i>In Malaysia</i> | | |
| Malaysian Government Investment Issues | 80,953 | 20,190 |
| Malaysian Islamic Treasury Bills | - | 9,807 |
| Islamic Commercial Papers | 99,783 | 49,884 |
| Bank Negara Negotiable Notes | 768,736 | 846,786 |
| Investment funds | 60,186 | 59,662 |
| Islamic Debt Securities | 680,728 | 698,158 |
| <i>Outside Malaysia</i> | | |
| Islamic Debt Securities | 15,541 | 44,707 |
| <u>Quoted securities</u> | | |
| <i>In Malaysia</i> | | |
| Shares | 39,691 | 40,502 |
| <i>Outside Malaysia</i> | | |
| Shares | 35,013 | 32,330 |
| Unit trusts | 26,756 | 29,580 |
| Total financial assets held-for-trading | 1,807,387 | 1,831,606 |

A9 FINANCIAL ASSETS HELD-TO-MATURITY

| | Unaudited 31-Mar-13 RM '000 | Audited 31-Dec-12 RM '000 |
|--|-----------------------------------|---------------------------------|
| At amortised cost | | |
| <u>Unquoted securities</u> | | |
| <i>In Malaysia</i> | | |
| Malaysian Government Islamic papers | 145,474 | 145,502 |
| Islamic Debt Securities | 328,470 | 327,156 |
| <i>Outside Malaysia</i> | | |
| Islamic Debt Securities | 12,290 | 15,801 |
| | 486,234 | 488,459 |
| Less: Accumulated impairment loss | (19,738) | (19,738) |
| Total financial assets held-to-maturity | 466,496 | 468,721 |

A10 FINANCIAL ASSETS AVAILABLE-FOR-SALE

| | Unaudited 31-Mar-13 RM '000 | Audited 31-Dec-12 RM '000 |
|--|-----------------------------------|---------------------------------|
| At fair value | | |
| <u>Unquoted securities</u> | | |
| <i>In Malaysia</i> | | |
| Malaysian Government Investment Issues | 1,285,971 | 1,893,477 |
| Malaysian Government Islamic Papers | 608,430 | 664,459 |
| Negotiable Islamic Debt Certificates | 1,418,022 | 2,239,370 |
| Islamic Debt Securities | 11,664,756 | 11,063,793 |
| Accepted bills | 44,141 | - |
| Bank Negara Negotiable Notes | 476,630 | - |
| Shares | 380 | 380 |
| Unit trusts | 288,333 | 284,981 |
| <i>Outside Malaysia</i> | | |
| Islamic Development Bank unit trusts | 1,548 | 1,530 |
| Shares | 43 | 43 |
| Islamic Debt Securities | 67,343 | 10,617 |
| <u>Quoted securities</u> | | |
| <i>In Malaysia</i> | | |
| Unit trusts | 87,571 | 88,253 |
| Shares | 508,606 | 516,460 |
| <i>Outside Malaysia</i> | | |
| Unit trusts | 86,623 | 88,941 |
| Shares | 54 | 52 |
| | 16,538,451 | 16,852,356 |
| At cost | | |
| <u>Unquoted securities</u> | | |
| <i>In Malaysia</i> | | |
| Shares | 22,637 | 22,477 |
| <i>Outside Malaysia</i> | | |
| Shares | 1,144 | 1,130 |
| | 23,781 | 23,607 |
| Less: Accumulated impairment loss | (13,921) | (13,761) |
| | 9,860 | 9,846 |
| Total financial assets available-for-sale | 16,548,311 | 16,862,202 |

A11 FINANCING, ADVANCES AND OTHERS

(i) By type

| | Unaudited 31-Mar-13 RM '000 | Audited 31-Dec-12 RM '000 |
|---|-----------------------------------|---------------------------------|
| At amortised cost | | |
| Cash line | 665,057 | 618,555 |
| Term financing | | |
| House financing | 5,402,959 | 5,186,253 |
| Syndicated financing | 484,412 | 426,066 |
| Leasing financing | 202,089 | 203,580 |
| Bridging financing | 153,431 | 151,127 |
| Personal financing | 6,931,126 | 6,608,116 |
| Other term financing | 5,011,735 | 4,546,959 |
| Staff financing | 166,406 | 165,380 |
| Credit/charge cards | 420,059 | 430,984 |
| Trade bills discounted | 1,360,668 | 1,480,215 |
| Trust receipts | 36,702 | 50,314 |
| Pawn broking | 79,956 | 80,572 |
| Gross financing, advances and others | 20,914,600 | 19,948,121 |
| Less: Allowance for impaired financing, advances and others: | | |
| Collective assessment allowance | (348,791) | (313,334) |
| Individual assessment allowance | (130,189) | (126,988) |
| Net financing, advances and others | 20,435,620 | 19,507,799 |

(ii) By contract

| | Unaudited 31-Mar-13 RM '000 | Audited 31-Dec-12 RM '000 |
|------------------------------|-----------------------------------|---------------------------------|
| Bai' Bithaman Ajil | 9,079,799 | 8,720,001 |
| Ijarah | 206,638 | 206,889 |
| Ijarah Muntahiah Bit-Tamleek | 29,208 | 30,627 |
| Murabahah | 1,227,331 | 1,403,165 |
| Bai Al-Inah | 1,596,317 | 1,729,672 |
| Istisna' | 245,403 | 246,614 |
| At-Tawarruq | 8,449,948 | 7,530,581 |
| Ar-Rahnu | 79,956 | 80,572 |
| | 20,914,600 | 19,948,121 |

(iii) By type of customer

| | Unaudited 31-Mar-13 RM '000 | Audited 31-Dec-12 RM '000 |
|--|-----------------------------------|---------------------------------|
| Domestic non-bank financial institutions | 210,203 | 57,558 |
| Domestic business enterprise | 4,231,594 | 4,327,447 |
| Small medium industries | 549,494 | 493,352 |
| Government and statutory bodies | 228,099 | 165,550 |
| Individuals | 15,449,381 | 14,679,594 |
| Other domestic entities | 4,916 | 5,646 |
| Foreign entities | 240,913 | 218,974 |
| | 20,914,600 | 19,948,121 |

A11 FINANCING, ADVANCES AND OTHERS, continued

(iv) By profit rate sensitivity

| | Unaudited 31-Mar-13 RM '000 | Audited 31-Dec-12 RM '000 |
|-----------------|--|--|
| Fixed rate | | |
| House financing | 1,491,142 | 1,552,555 |
| Others | 8,642,177 | 8,926,966 |
| Floating rate | | |
| Others | 10,781,281 | 9,468,600 |
| | 20,914,600 | 19,948,121 |

(v) By remaining maturity

| | Unaudited 31-Mar-13 RM '000 | Audited 31-Dec-12 RM '000 |
|-------------------------------------|--|--|
| Maturity within one year | 3,261,269 | 3,065,264 |
| More than one year to three years | 928,168 | 969,154 |
| More than three years to five years | 1,425,535 | 1,082,872 |
| More than five years | 15,299,628 | 14,830,831 |
| | 20,914,600 | 19,948,121 |

(vi) By sector

| | Unaudited 31-Mar-13 RM '000 | Audited 31-Dec-12 RM '000 |
|--|--|--|
| Primary agriculture | 205,786 | 223,163 |
| Mining and quarrying | 8,193 | 5,334 |
| Manufacturing (including agro-based) | 980,710 | 1,016,127 |
| Electricity, gas and water | 234,021 | 175,743 |
| Construction | 1,680,639 | 1,725,523 |
| Real estate | 575,884 | 572,787 |
| Household sectors | 15,431,903 | 14,693,126 |
| Wholesale & retail trade, and hotels & restaurants | 683,062 | 673,210 |
| Transport, storage and communications | 212,948 | 208,945 |
| Finance, insurance and business activities | 617,305 | 391,521 |
| Education, health and others | 278,862 | 254,018 |
| Other sectors | 5,287 | 8,624 |
| | 20,914,600 | 19,948,121 |

A12 IMPAIRED FINANCING AND ADVANCES ("IMPAIRED FINANCING")

(i) Movements in impaired financing and advances

| | Unaudited 31-Mar-13 RM '000 | Audited 31-Dec-12 RM '000 |
|---|--|--|
| At 1 January 2013/ 1 January 2012 | 308,709 | 379,790 |
| Classified as impaired during the period/year | 103,437 | 427,775 |
| Reclassified as not impaired during the period/year | (56,907) | (254,872) |
| Amount recovered | (17,376) | (92,264) |
| Amount written off | (27,816) | (151,472) |
| Exchange differences | 912 | (248) |
| At 31 March 2013 / 31 December 2012 | 310,959 | 308,709 |
| Gross impaired financing as a percentage of gross financing, advances and others | 1.49% | 1.55% |

(ii) Movements in the allowance for impaired financing

| | Unaudited 31-Mar-13 RM '000 | Audited 31-Dec-12 RM '000 |
|--|--|--|
| Collective assessment allowance | | |
| At 1 January 2013/ 1 January 2012 | 313,334 | 327,688 |
| Allowance made during the period/year | 62,784 | 102,185 |
| Amount recovered | (2,929) | - |
| Amount written off | (25,300) | (116,848) |
| Exchange differences | 902 | 309 |
| At 31 March 2013 / 31 December 2012 | 348,791 | 313,334 |

| | Unaudited 31-Mar-13 RM '000 | Audited 31-Dec-12 RM '000 |
|--|--|--|
| Individual assessment allowance | | |
| At 1 January 2013/ 1 January 2012 | 126,988 | 75,770 |
| Allowance made during the period/year | 6,965 | 85,042 |
| Amount recovered | (1,248) | - |
| Amount written off | (2,516) | (33,824) |
| At 31 March 2013 / 31 December 2012 | 130,189 | 126,988 |

A12 IMPAIRED FINANCING AND ADVANCES, continued

(iii) Impaired financing by sector

| | Unaudited 31-Mar-13 RM '000 | Audited 31-Dec-12 RM '000 |
|--|-----------------------------------|---------------------------------|
| Primary agriculture | 634 | 207 |
| Mining and quarrying | - | - |
| Manufacturing (including agro-based) | 0 44,077 | 46,483 |
| Electricity, gas and water | 96 | 160 |
| Wholesale & retail trade, and hotels & restaurants | 19,636 | 17,422 |
| Construction | 73,451 | 74,341 |
| Real estate | 11 | 101 |
| Transport, storage and communications | 6,134 | 722 |
| Finance, insurance and business activities | 13,974 | 9,977 |
| Household sectors | 152,923 | 159,273 |
| Other sectors | 23 | 23 |
| | 310,959 | 308,709 |

A13 DEPOSITS FROM CUSTOMERS

(i) By type of deposit

| | Unaudited 31-Mar-13 RM '000 | Audited 31-Dec-12 RM '000 |
|---|-----------------------------------|---------------------------------|
| Non-Mudharabah fund: | | |
| Demand deposits | 8,168,129 | 8,962,434 |
| Savings deposits | 2,672,000 | 2,515,341 |
| Negotiable Islamic Debt Certificates (NIDC) | 2,149,108 | 1,638,528 |
| Waheed-i | 3,150,195 | 2,217,203 |
| Ziyad | 99,869 | 101,664 |
| Others | 76,202 | 78,562 |
| | 16,315,503 | 15,513,732 |
| Mudharabah fund: | | |
| Savings deposits | 2,004,636 | 1,942,190 |
| General investment deposits | 2,309,717 | 2,173,818 |
| Special investment deposits | 15,590,821 | 12,749,260 |
| | 19,905,174 | 16,865,268 |
| Total deposits from customers | 36,220,677 | 32,379,000 |

Maturity structure of NIDC, Waheed-I, Ziyad and investment deposits are as follows:

| | | |
|-------------------------------------|-------------------|-------------------|
| Due within six months | 21,296,267 | 16,813,222 |
| More than six months to one year | 1,721,921 | 1,243,158 |
| More than one year to three years | 229,798 | 775,333 |
| More than three years to five years | 51,724 | 48,760 |
| | 23,299,710 | 18,880,473 |

(ii) By type of customer

| | Unaudited 31-Mar-13 RM '000 | Audited 31-Dec-12 RM '000 |
|---------------------------------|-----------------------------------|---------------------------------|
| Government and statutory bodies | 6,777,837 | 7,378,695 |
| Business enterprises | 10,840,570 | 8,771,118 |
| Individuals | 5,535,993 | 5,263,990 |
| Others | 13,066,277 | 10,965,197 |
| | 36,220,677 | 32,379,000 |

A14 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

| | Unaudited 31-Mar-13 RM '000 | Audited 31-Dec-12 RM '000 |
|------------------------------|-----------------------------------|---------------------------------|
| Non-Mudharabah fund: | | |
| Licensed banks | 1,473 | 1,475 |
| Other financial institutions | 47,337 | 50,153 |
| | <u>48,810</u> | <u>51,628</u> |
| Mudharabah fund: | | |
| Licensed banks | 628,763 | 768,360 |
| Other financial institutions | 60,000 | 40,290 |
| | <u>688,763</u> | <u>808,650</u> |
| | <u>737,573</u> | <u>860,278</u> |

A15 TAKAFUL LIABILITIES

| | Unaudited 31-Mar-13 RM '000 | Audited 31-Dec-12 RM '000 |
|---|-----------------------------------|---------------------------------|
| Takaful contract liabilities | 5,629,295 | 5,448,143 |
| Expense reserves | 123,987 | 89,486 |
| Takaful payables | 59,279 | 43,126 |
| Total takaful liabilities | <u>5,812,561</u> | <u>5,580,755</u> |
| (a) Takaful contract liabilities | | |
| <i>Provision for claims reported by participants</i> | 412,936 | 417,944 |
| <i>Provision for Incurred-but-not-reported (IBNR)</i> | 341,329 | 315,130 |
| Provision for outstanding claims | 754,265 | 733,074 |
| Provision for unearned contributions | 341,329 | 295,439 |
| Participants' fund | 4,533,701 | 4,419,630 |
| Total takaful contract liabilities | <u>5,629,295</u> | <u>5,448,143</u> |

(b) Participants' fund

| | Gross RM '000 | Group Retakaful RM '000 | Net RM '000 |
|--|-------------------------|-------------------------------|-------------------------|
| 31.03.2013 - Unaudited | | | |
| Actuarial liabilities | 3,557,074 | (108,994) | 3,448,080 |
| Unallocated surplus/ accumulated surplus | 698,921 | - | 698,921 |
| AFS reserve | 66,995 | - | 66,995 |
| Translation reserve | 1,437 | - | 1,437 |
| Net assets value attributable to unitholders | 209,274 | - | 209,274 |
| | <u>4,533,701</u> | <u>(108,994)</u> | <u>4,424,707</u> |
| 31.12.2012 - Audited | | | |
| Actuarial liabilities | 3,273,504 | (63,856) | 3,209,648 |
| Unallocated surplus/ accumulated surplus | 877,426 | - | 877,426 |
| AFS reserve | 107,790 | - | 107,790 |
| Translation reserve | 1,335 | - | 1,335 |
| Net assets value attributable to unitholders | 159,575 | - | 159,575 |
| | <u>4,419,630</u> | <u>(63,856)</u> | <u>4,355,774</u> |

A16 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS

| | Unaudited Quarter 3 months ended 31-Mar-13 RM '000 | Unaudited Quarter 3 months ended 31-Mar-12 RM '000 | Unaudited Year-to-date 3 months ended 31-Mar-13 RM '000 | Unaudited Year-to-date 3 months ended 31-Mar-12 RM '000 |
|------------------------------------|--|--|---|---|
| Income derived from investment of: | | | | |
| (i) General investment deposits | 29,483 | 31,223 | 29,483 | 31,223 |
| (ii) Other deposits | 417,684 | 349,216 | 417,684 | 349,216 |
| | 447,167 | 380,439 | 447,167 | 380,439 |

(i) Income derived from investment of general investment deposits

| | Unaudited Quarter 3 months ended 31-Mar-13 RM '000 | Unaudited Quarter 3 months ended 31-Mar-12 RM '000 | Unaudited Year-to-date 3 months ended 31-Mar-13 RM '000 | Unaudited Year-to-date 3 months ended 31-Mar-12 RM '000 |
|---|--|--|---|---|
| Financing income and hibah | | | | |
| Financing, advances and others | 21,025 | 21,110 | 21,025 | 21,110 |
| Financial assets held-for-trading | 461 | 127 | 461 | 127 |
| Financial assets held-to-maturity | 227 | 309 | 227 | 309 |
| Financial assets available-for-sale | 6,338 | 6,904 | 6,338 | 6,904 |
| Money at call and deposit with financial institutions | 934 | 1,361 | 934 | 1,361 |
| | 28,985 | 29,811 | 28,985 | 29,811 |
| <i>Of which financing income earned on impaired financing</i> | 429 | 521 | 429 | 521 |
| Other dealing income | | | | |
| Net gain from sale of financial assets held-for-trading | 16 | 104 | 16 | 104 |
| Net gain on revaluation of financial assets held-for-trading | 361 | 434 | 361 | 434 |
| | 377 | 538 | 377 | 538 |
| Other operating income | | | | |
| Net gain from sale of financial assets available-for-sale | 121 | 874 | 121 | 874 |
| | 121 | 874 | 121 | 874 |
| | 29,483 | 31,223 | 29,483 | 31,223 |

(ii) Income derived from investment of other deposits

| | Unaudited Quarter 3 months ended 31-Mar-13 RM '000 | Unaudited Quarter 3 months ended 31-Mar-12 RM '000 | Unaudited Year-to-date 3 months ended 31-Mar-13 RM '000 | Unaudited Year-to-date 3 months ended 31-Mar-12 RM '000 |
|---|--|--|---|---|
| Financing income and hibah | | | | |
| Financing, advances and others | 297,837 | 236,029 | 297,837 | 236,029 |
| Financial assets held-for-trading | 6,530 | 1,423 | 6,530 | 1,423 |
| Financial assets held-to-maturity | 3,218 | 3,437 | 3,218 | 3,437 |
| Financial assets available-for-sale | 89,810 | 77,576 | 89,810 | 77,576 |
| Money at call and deposit with financial institutions | 13,235 | 15,223 | 13,235 | 15,223 |
| | 410,630 | 333,688 | 410,630 | 333,688 |
| <i>Of which financing income earned on impaired financing</i> | 6,070 | 5,838 | 6,070 | 5,838 |
| Other dealing income | | | | |
| Net gain from sale of financial assets held-for-trading | 235 | 1,164 | 235 | 1,164 |
| Net gain on revaluation of financial assets held-for-trading | 5,114 | 4,822 | 5,114 | 4,822 |
| | 5,349 | 5,986 | 5,349 | 5,986 |
| Other operating income | | | | |
| Net gain from sale of financial assets available-for-sale | 1,705 | 9,542 | 1,705 | 9,542 |
| | 1,705 | 9,542 | 1,705 | 9,542 |
| | 417,684 | 349,216 | 417,684 | 349,216 |

A17 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

| | Unaudited Quarter 3 months ended 31-Mar-13 RM '000 | Unaudited Quarter 3 months ended 31-Mar-12 RM '000 | Unaudited Year-to-date 3 months ended 31-Mar-13 RM '000 | Unaudited Year-to-date 3 months ended 31-Mar-12 RM '000 |
|--|--|--|---|---|
| Financing income and hibah | | | | |
| Financing, advances and others | 1,083 | 3,062 | 1,083 | 3,062 |
| Financial assets available-for-sale | 26,438 | 25,284 | 26,438 | 25,284 |
| Money at call and deposit with financial institutions | 2,051 | 1,508 | 2,051 | 1,508 |
| | 29,572 | 29,854 | 29,572 | 29,854 |
| Other dealing income | | | | |
| Net gain from foreign exchange transactions | 16,456 | 9,016 | 16,456 | 9,016 |
| Net gain from sale of financial assets held-for-trading | 34 | 14 | 34 | 14 |
| Net gain on revaluation of financial assets held-for-trading | - | 8 | - | 8 |
| Net derivatives gains/(losses) | (388) | 6,291 | (388) | 6,291 |
| | 16,102 | 15,329 | 16,102 | 15,329 |
| Other operating income | | | | |
| Profit on sale of foreign currencies | - | 647 | - | 647 |
| Reversal of allowance for doubtful debts | 60 | 60 | 60 | 60 |
| Gross dividend income from securities | | | | |
| Quoted in Malaysia | 4 | 3 | 4 | 3 |
| Unit trusts in Malaysia | 211 | 43 | 211 | 43 |
| Unquoted in Malaysia | 414 | - | 414 | - |
| | 689 | 753 | 689 | 753 |
| Fees and commission | | | | |
| ATM fees | 2,933 | 4,463 | 2,933 | 4,463 |
| Financing fees | 3,470 | 3,119 | 3,470 | 3,119 |
| Cheque issued & return, closing account and other fees | 1,826 | 2,093 | 1,826 | 2,093 |
| Takaful service fees and commission | 3,766 | 2,999 | 3,766 | 2,999 |
| Credit card fees and commission | 8,829 | 9,915 | 8,829 | 9,915 |
| Processing fees | 181 | 273 | 181 | 273 |
| Commitment fees | 87 | 376 | 87 | 376 |
| Commission on MEPS | 2,361 | 2,028 | 2,361 | 2,028 |
| Unit trust management fees | 1,878 | 1,277 | 1,878 | 1,277 |
| Corporate advisory fees | 983 | 736 | 983 | 736 |
| Commission on structured products | - | 2 | - | 2 |
| Ar Rahnu fees | 2,823 | - | 2,823 | - |
| Debit card fees | 1,865 | 410 | 1,865 | 410 |
| Other service charges fees | 7,388 | 4,436 | 7,388 | 4,436 |
| | 38,390 | 32,127 | 38,390 | 32,127 |
| Other income | | | | |
| Net gain/(loss) on disposal of property, plant & equipment | (1,034) | 6 | (1,034) | 6 |
| Rental income | 695 | 251 | 695 | 251 |
| Others | 73 | 649 | 73 | 649 |
| | (266) | 906 | (266) | 906 |
| | 84,487 | 78,969 | 84,487 | 78,969 |

A18 NET INCOME FROM TAKAFUL BUSINESS

| | Unaudited Quarter 3 months ended 31-Mar-13 RM '000 | Unaudited Quarter 3 months ended 31-Mar-12 RM '000 | Unaudited Year-to-date 3 months ended 31-Mar-13 RM '000 | Unaudited Year-to-date 3 months ended 31-Mar-12 RM '000 |
|---|--|--|---|---|
| Net earned contributions | | | | |
| Gross earned contributions | 397,483 | 345,240 | 397,483 | 345,240 |
| Contribution ceded to retakaful | (45,284) | (38,035) | (45,284) | (38,035) |
| | 352,199 | 307,205 | 352,199 | 307,205 |
| Other income | | | | |
| Administration income | 6,674 | 5,104 | 6,674 | 5,104 |
| Investment income | 55,704 | 53,634 | 55,704 | 53,634 |
| Realised gains and losses | 32,595 | 48,119 | 32,595 | 48,119 |
| Fair value gains and losses | (335) | 4,794 | (335) | 4,794 |
| Other operating income | 1,663 | 3,029 | 1,663 | 3,029 |
| | 96,301 | 114,680 | 96,301 | 114,680 |
| Net benefits and claims | | | | |
| Gross benefits and claims paid | (168,933) | (143,247) | (168,933) | (143,247) |
| Claims receded to retakaful | 18,485 | 10,413 | 18,485 | 10,413 |
| Gross change to contract liabilities | (21,134) | (51,215) | (21,134) | (51,215) |
| Change to contract liabilities ceded to takaful | 13,663 | 38,251 | 13,663 | 38,251 |
| | (157,919) | (145,798) | (157,919) | (145,798) |
| Expense reserves | (56,089) | (19,666) | (56,089) | (19,666) |
| Income from takaful business | 234,492 | 256,421 | 234,492 | 256,421 |
| Profits attributable to participants/takaful operator | (110,867) | (138,880) | (110,867) | (138,880) |
| Net income from takaful business | 123,625 | 117,541 | 123,625 | 117,541 |

A19 ALLOWANCE FOR IMPAIRMENT ON FINANCING AND ADVANCES

| | Unaudited Quarter 3 months ended 31-Mar-13 RM '000 | Unaudited Quarter 3 months ended 31-Mar-12 RM '000 | Unaudited Year-to-date 3 months ended 31-Mar-13 RM '000 | Unaudited Year-to-date 3 months ended 31-Mar-12 RM '000 |
|--|--|--|---|---|
| Allowance for impaired financing, advances and others: | | | | |
| - Collective assessment allowance | 59,855 | 35,067 | 59,855 | 35,067 |
| - Individual assessment allowance | 5,717 | 17,255 | 5,717 | 17,255 |
| Bad debts and financing recovered | (66,379) | (37,033) | (66,379) | (37,033) |
| | (807) | 15,289 | (807) | 15,289 |

A20 INCOME ATTRIBUTABLE TO DEPOSITORS

| | Unaudited Quarter 3 months ended 31-Mar-13 RM '000 | Unaudited Quarter 3 months ended 31-Mar-12 RM '000 | Unaudited Year-to-date 3 months ended 31-Mar-13 RM '000 | Unaudited Year-to-date 3 months ended 31-Mar-12 RM '000 |
|--|--|--|---|---|
| Deposits from customers: | | | | |
| - Mudharabah fund | 138,370 | 81,241 | 138,370 | 81,241 |
| - Non-Mudharabah fund | 37,885 | 48,969 | 37,885 | 48,969 |
| Deposits and placements of banks and other financial institutions: | | | | |
| - Mudharabah fund | 3,545 | 2,947 | 3,545 | 2,947 |
| - Non-Mudharabah fund | 878 | - | 878 | - |
| | 180,678 | 133,157 | 180,678 | 133,157 |

A21 CAPITAL ADEQUACY

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

| | Based on CAFIB- Basel III 31-Mar-13 | Based on CAFIB- Basel II 31-Dec-12 Audited |
|--|---|---|
| Common Equity Tier 1 (CET 1) Capital Ratio | 12.72% | N/A |
| Total Tier 1 Capital Ratio | 12.72% | 12.94% |
| Total Capital Ratio | 13.80% | 13.99% |
| | 31-Mar-13 RM '000 | 31-Dec-12 RM '000 |
| Tier-I capital: | | |
| Paid-up share capital | 2,265,490 | 2,265,490 |
| Retained earnings | 158,344 | 209,318 |
| Other reserves | 553,352 | 505,651 |
| Less: Deferred tax assets | (18,475) | (18,455) |
| Less: Investment in associate company | (22,560) | - |
| Total Common Equity Tier-I Capital | 2,936,151 | 2,962,004 |
| Total Additional Tier-I Capital | - | - |
| Total Tier-I Capital | 2,936,151 | 2,962,004 |
| Tier-II capital: | | |
| Collective assessment allowance | 249,227 | 257,769 |
| Total Tier-II capital | 249,227 | 257,769 |
| Total capital | 3,185,378 | 3,219,773 |
| Less: Investment in associate | - | (22,912) |
| Total capital base | 3,185,378 | 3,196,861 |

A22 OPERATING SEGMENT INFORMATION

The Group comprises the following main operating segments:

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

(i) Information about reportable segments

| | 3 months ended | | | Elimination 31-Mar-13 RM'000 | Consolidated 31-Mar-13 RM'000 |
|---|--------------------------------|--------------------------------|-------------------------------|------------------------------------|-------------------------------------|
| | Banking 31-Mar-13 RM'000 | Takaful 31-Mar-13 RM'000 | Others 31-Mar-13 RM'000 | | |
| Current Year-to-Date | | | | | |
| Revenue from external customers | 529,792 | 123,625 | 1,862 | - | 655,279 |
| Inter-segment revenue | - | 649 | 3,824 | (4,473) | - |
| Total revenue | 529,792 | 124,274 | 5,686 | (4,473) | 655,279 |
| Net income from operations (before allowance for Impairment on financing) | 347,812 | 124,274 | 5,686 | (3,171) | 474,601 |
| Operating overheads | (197,941) | (84,059) | (5,028) | 963 | (286,065) |
| Operating results | 149,871 | 40,215 | 658 | (2,208) | 188,536 |
| Reversal of/(Allowance for) impairment on financing | 807 | - | - | - | 807 |
| Share of results of associate company | (352) | - | - | - | (352) |
| Profit before zakat and taxation | 150,326 | 40,215 | 658 | (2,208) | 188,991 |
| Segment assets | 41,077,035 | 6,615,554 | 2,054,880 | (2,001,173) | 47,746,296 |
| Segment liabilities | 37,877,198 | 6,065,204 | 84,886 | (176,015) | 43,851,273 |
| | | | | | |
| | 3 months ended | | | Elimination 31-Mar-12 RM'000 | Consolidated 31-Mar-12 RM'000 |
| | Banking 31-Mar-12 RM'000 | Takaful 31-Mar-12 RM'000 | Others 31-Mar-12 RM'000 | | |
| Previous Comparative Year-to-Date | | | | | |
| Revenue from external customers | 456,590 | 117,541 | 2,818 | - | 576,949 |
| Inter-segment revenue | - | 215 | 544 | (759) | - |
| Total revenue | 456,590 | 117,756 | 3,362 | (759) | 576,949 |
| Net income from operations (before allowance for losses on financing and advances) | 323,089 | 117,756 | 3,362 | (415) | 443,792 |
| Operating overheads | (169,292) | (80,244) | (4,163) | 415 | (253,284) |
| Operating results | 153,797 | 37,512 | (801) | - | 190,508 |
| Allowance for impairment on financing | (15,289) | - | - | - | (15,289) |
| Allowance for contingent liability | - | - | - | - | - |
| Allowance for impairment on investments and on other assets | (8,421) | - | - | - | (8,421) |
| Share of results of associate company | 540 | - | - | - | 540 |
| Profit / (loss) before zakat and taxation | 130,627 | 37,512 | (801) | - | 167,338 |
| Segment assets | 31,244,374 | 6,118,022 | 2,078,898 | (2,001,978) | 37,439,316 |
| Segment liabilities | 28,374,225 | 5,609,146 | 67,539 | (203,097) | 33,847,813 |

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.

A23 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 quarter ended 31 March 2013.

A24 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

Saved as disclosed in Note B8, there were no material events subsequent to the end of the quarter ended 31 March 2013.

A25 CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the quarter ended 31 March 2013.

A26 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.

The off-balance sheet and counterparties credit risk for this subsidiary as at 31 March 2013 are as follow:

| | Unaudited 31 March 2013 | | | |
|--|---|--|---|---|
| | Principal Amount RM '000 | Positive Fair Value of Derivative Contracts RM '000 | Credit Equivalent Amount RM '000 | Risk Weighted Amount RM '000 |
| <u>Credit-related exposures</u> | | | | |
| Direct credit substitutes | 547,002 | | 547,002 | 539,450 |
| Assets sold with recourse | 2 | | 2 | 2 |
| Transaction-related contingent items | 788,039 | | 394,020 | 384,051 |
| Short-term self-liquidating trade related contingencies | 287,042 | | 57,408 | 55,975 |
| Other commitments, such as formal standby facilities and credit lines with original maturity of: | | | | |
| - not exceeding one year | 3,690 | | 738 | 720 |
| - exceeding one year | 500,522 | | 250,261 | 219,645 |
| Unutilized credit card lines | 977,273 | | 195,454 | 146,591 |
| 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 | 5,121,405 | | - | - |
| | <u>8,224,975</u> | | <u>1,444,885</u> | <u>1,346,434</u> |
| <u>Derivative financial instruments</u> | | | | |
| Foreign exchange related contracts | | | | |
| - less than one year | 1,420,413 | 3,450 | 13,886 | 7,215 |
| Profit rate related contracts | | | | |
| - one year to less than five years | 600,000 | 2,225 | 12,000 | 2,400 |
| - five years and above | 728,485 | 9,253 | 40,515 | 21,315 |
| Equity related contracts | | | | |
| - one year to less than five years | 112,080 | 1,072 | 8,966 | 4,483 |
| | <u>2,860,978</u> | <u>16,000</u> | <u>75,367</u> | <u>35,413</u> |
| Total | <u>11,085,953</u> | <u>16,000</u> | <u>1,520,252</u> | <u>1,381,847</u> |

| | Audited 31 December 2013 | | | |
|--|---|--|---|---|
| | Principal Amount RM '000 | Positive Fair Value of Derivative Contracts RM '000 | Credit Equivalent Amount RM '000 | Risk Weighted Amount RM '000 |
| <u>Credit-related exposures</u> | | | | |
| 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> |
| <u>Derivative financial instruments</u> | | | | |
| 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> |
| Total | <u>10,928,790</u> | <u>16,736</u> | <u>1,680,946</u> | <u>1,544,739</u> |

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

B1 REVIEW OF PERFORMANCE

Three Months Performance to 31 March 2013

BIMB Holdings Berhad ("BHB") posted a Profit before Zakat and Taxation ("PBZT") of RM189.0 million for the first quarter ended 31 March 2013, an increase of RM21.6 million or 12.9% over the last corresponding period ended 31 March 2012. The higher profitability was mainly achieved on the back of RM78.3 million increase in revenue and RM24.5 million improvement in allowances for impairment on financing and advances, investment and other assets. Consequently, the consolidated net profit for the quarter under review recorded a growth of RM20.9 million or 17.5% compared to the same period last year.

In tandem with the higher profitability, the net profit attributable to the shareholders of the Company increased by RM9.2 million or 14.2%, as the Group's net profit for the quarter ended 31 March 2013 stood at RM140.7 million (Quarter ended 31 March 2012: RM119.7 million).

The Group registered net financing growth of RM3.7 billion or 19.0% for the first quarter under review, as asset quality continue to improve further with a gross impaired financing ratio of 1.49% as at 31 March 2013 (As at 31 December 2012: 1.55%). Total capital ratio of Bank Islam Malaysia Berhad (computed in accordance to CAFIB-Basel III with effect from 1 January 2013) remained healthy at 13.80%.

Islamic Banking

Bank Islam Group ("Bank Islam" or "the Bank") achieved a PBZT of RM150.3 million for the three months ended 31 March 2013, an increase of RM19.7 million or 15.1% over the previous corresponding period of RM130.6 million. The improved performance was mainly attributed to increase in fund based income by RM77.0 million or 19.6%

The higher fund based income came mainly from financing income of RM59.7 million with the Bank's net financing year-on-year growth of RM5.6 billion or 37.3% to reach RM20.4 billion as at end March 2013.

Customer deposits reported a year-on-year growth of 39.2% or RM10.2 billion to reach RM36.4 billion as at end March 2013. Similarly, the low cost current and savings accounts ("CASA") also increased by RM0.6 billion or 4.8% year-on-year. The CASA ratio as at end March 2013 was 35.3%, much higher than the Islamic Banking Industry ratio of 27.2% as at end February 2013.

The Bank's impaired financing ratio continued to improve further. The gross impaired financing ratio improved from 1.55% as at end December 2012 to 1.49% as at end March 2013. Consequently, the net impaired financing ratio also improved from a negative 0.67% as at end December 2012 to a negative 0.82% as at end March 2013. The Islamic Banking Industry gross and net impaired ratios were at 1.70% and negative 0.25% respectively as at end February 2013.

Takaful

For the first quarter ended 31 March 2013, Takaful Malaysia Group ("Takaful Malaysia") recorded a PBZT of RM40.2 million, increased by 7.2% as compared to RM37.5 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 first quarter ended 31 March 2013, Takaful Malaysia generated Operating Revenue of RM519.4 million, an increase of 21.1% compared to RM429.0 million in the corresponding quarter 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 RM284.8 million (growth of 14.6%) against RM248.5 million for the same period last year. General Takaful generated gross earned contributions of RM112.8 million (growth of 16.5%) compared to RM96.8 million in the corresponding quarter of the preceding year. The gross earned contributions growth for the period under review for both Family Takaful and General Takaful were mainly attributable to higher sales of their respective products.

The surplus transfer in the quarter under review from Family Takaful was RM35.5 million as compared to RM56.1 million in the same period last year, while the surplus transfer from General Takaful was RM10.1 million as compared to RM12.8 million in the same period last year. The higher surplus transfer from Family Takaful in the same period last year is mainly due to the release of unearned contribution reserve arising from the change in reserving estimates from Group Family takaful products, whilst the General Takaful reported lower surplus transfer mainly due to shift to wakalah model products where margins are being transferred in the form of wakalah fee to Takaful Operator.

B2 COMPARISON WITH THE PRECEDING QUARTER'S RESULTS

For the three months performance (First Quarter 2013 vs. Fourth Quarter 2012)

BHB Group registered a PBZT of RM189.0 million for the first quarter ended 31 March 2013, lower by RM6.2 million or 3.2% in comparison to the PBZT of RM195.2 million for the fourth quarter ended 31 December 2012. Notwithstanding the improvement in asset quality which resulted in a lower net allowance for impairment and provision for contingent liability of RM15.7 million, the lower PBZT for the current quarter under review was mainly attributable to non-recurring revenue items earned in the fourth quarter of 2012 amounting RM14.0 million, higher income attributable to depositors' of RM4.9 million and higher operating overheads of RM3.0 million.

Bank Islam's PBZT of RM150.3 million for the three months ended 31 March 2013 was 8.1% or RM13.3 million lower than the preceding quarter ended 31 December 2012 of RM166.3million. The lower PBZT was due to higher profit attributable to depositors and higher overhead expenses.

Takaful Malaysia reported a PBZT of RM40.2 million which was higher than the preceding quarter of RM38.9 million by RM1.3 million due to higher net wakalah fee income.

For the quarter under review, the Operating Revenue registered RM519.5 million as compared to RM316.1 million in the preceding quarter. The higher operating revenue is attributable to higher 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 and lower-than-expected growth in US and China. Nevertheless, real exports is anticipated to rebound mildly and expand by 4 percent in 2013.

Malaysia's economy is expected to sustain a 5% growth in 2013, as the continuity of the nation's leadership remains intact to ensure the Economic Transformation Programme (ETP) projects and policy reforms are duly implemented. Bank Negara Malaysia is expecting the country's gross domestic product (GDP) to grow between 5% and 6% this year, led by private investment growth.

On the back of strong capitalisation, strong profitability and stable asset quality, the banking and financial sector in Malaysia will continue to facilitate growth in the economy, by providing steady access to credit for households and businesses. Nevertheless, competition in the banking industry will remain intense. 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 intermediaries in supporting the nation towards a high income economy.

Islamic Banking

The Malaysian economy is expected to grow between 5% and 6% in 2013. Economic activity will be anchored by the continued resilience of domestic demand and supported by gradual improvement in the external sector.

As such, Bank Islam had embarked on its new corporate plan for 2013-2015, "Hijrah to Excellence" or H2E Plan. Robust growth strategies are in place to achieve the targets set in the new corporate plan. In terms of financing, the Bank had targeted a 25% growth for the current financial year. The Bank will continue to grow its consumer financing portfolio as well as focus on resilient industries in particular those that are set to benefit from the ETP. 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 environment. In addition, the Bank will continue to make enhancements to the current controls and practices.

Bank Islam's financing to deposits ratio is targeted at 65% as at end 2013. To this end, deposits are expected to grow by 15% per annum. Competition has been stiff for CASA and the Bank expects to maintain the CASA composition at 35%. The Bank had launched a campaign for Al-Awfar product that will see two draws per year with a grand prize of RM1.0 million each plus 20 prizes of RM10,000 each.

Bank Islam also expects a higher contribution from non-fund based income, namely from the key sources of fee-based income from deposit products, wealth management and bancatakaful services as well as the corporate advisory services, foreign exchange and trade businesses.

The Bank will continue to strengthen its presence by expanding its current delivery channels to meet customers' expectations and remain competitive. The Bank's branches currently stand at 127.

At the same time, the Bank will promote other delivery channels such as internet banking, mobile banking and self-service terminals in the form of automated teller machines, cash and cheque deposit machines.

Takaful

Takaful Malaysia will continue its "We Should Talk" marketing campaign to create more awareness of the "15% No Claim Rebate" in positioning itself 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

| | Unaudited Quarter 3 months ended 31-Mar-13 RM '000 | Unaudited Quarter 3 months ended 31-Mar-12 RM '000 | Unaudited Year-to-date 3 months ended 31-Mar-13 RM'000 | Unaudited Year-to-date 3 months ended 31-Mar-12 RM'000 |
|-------------|--|--|--|--|
| Tax expense | 45,679 | 45,716 | 45,679 | 45,716 |

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").

On 8 April 2013, BHB had announced that Bank Negara Malaysia ("BNM") vide its letter dated 3 April 2013, had stated that BNM has no objection to an extension of time until 30 June 2013 for BHB to complete the Negotiation with DFG and TH.

The Negotiation is still on-going and any further development on the Negotiation will be announced in due course.

B9 DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES

| | Group | |
|--|-------------------------------------|---------------------------------|
| | Unaudited 31-Mar-13 RM '000 # | Audited 31-Dec-12 RM '000 |
| Deposits from customers | | |
| Mudharabah accounts deposits and | | |
| One year or less (short-term) | 25,022,824 | 19,998,570 |
| More than one year (medium/long-term) | 281,522 | 824,093 |
| | 25,304,346 | 20,822,663 |
| Current accounts | 8,168,129 | 8,962,434 |
| Savings accounts | 2,672,000 | 2,515,341 |
| Others | 76,202 | 78,562 |
| Total deposits | 36,220,677 | 32,379,000 |
| Deposits and placements of banks and other financial institutions | | |
| One year or less (short-term) | 737,573 | 860,278 |
| | 737,573 | 860,278 |

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 | up to 1 mth | >1-3 mths | >3-6 mths | >6-12 mths | >1-5 years |
|---|----------------------------------|----------------|----------------|----------------|---------------|---------------|
| | 31-Mar-13 Principal Amount | | | | | |
| Foreign exchange related contracts | | | | | | |
| - forwards | 467,911 | 57,578 | 244,056 | 126,033 | 40,244 | - |
| - swaps | 442,356 | 235,925 | 127,588 | 78,843 | - | - |
| - option | 510,146 | 510,146 | - | - | - | - |
| Total | 1,420,413 | 803,649 | 371,644 | 204,876 | 40,244 | - |

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk transactions may be reduced through offsetting on and off-balance sheet positions. As at 31 March 2013, the amount of contracts which were not hedged and, hence, exposed to market risk was RM873.50 million. (31 December 2012: RM917.23 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 March 2013, the credit risk measured in terms of the cost to replace the profitable contracts was RM75.37 million (31 December 2012: RM74.08 million).

B11 ECONOMIC PROFIT STATEMENT

| | Unaudited Quarter 3 months ended | Unaudited Quarter 3 months ended | Unaudited Year-to-date 3 months ended | Unaudited Year-to-date 3 months ended |
|--|--|--|---|---|
| | 31-Mar-13 RM '000 | 31-Mar-12 RM '000 | 31-Mar-13 RM '000 | 31-Mar-12 RM '000 |
| Net Operating profit after zakat & tax (NOPAT) | | | | |
| Profit before zakat and taxation (PBZT) | 188,991 | 167,338 | 188,991 | 167,338 |
| Zakat & Taxation | (48,319) | (47,616) | (48,319) | (47,616) |
| NOPAT | 140,672 | 119,722 | 140,672 | 119,722 |
| Economic charge computation: | | | | |
| Average invested capital | 3,199,601 | 2,891,839 | 3,199,601 | 2,891,839 |
| (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% |
| Economic charge | 64,693 | 58,959 | 64,693 | 58,959 |
| Economic profit | 75,979 | 60,763 | 75,979 | 60,763 |

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 2012.

- (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 May 2013, the status remains the same.

- (b) On 17 May 2003, Tahan Steel Corporation Sdn Bhd ("the Plaintiff") filed a civil suit against Bank Islam to claim for damages amounting to USD12,275,000.00 for breach of contract and RM109,776,000.00 for general damages for failure to disburse the balance of a financing facility granted by Bank Islam to the Plaintiff. Bank Islam had filed a counterclaim to recover the amount of RM143,590,488.09 from the Plaintiff being the outstanding financing facility amount. On 1 June 2010, the Court decided that the Plaintiff's claim for declaration on the termination of Istisna' Facility is valid and lawful. However, the Plaintiff's claim was disallowed and only awarded nominal damages of RM50,000.00 with costs. The Court had allowed the Bank's counterclaim for selling price of RM143,590,488 but to deduct unearned profit on the undisbursed amount less any unearned profit at the date of full realization. The Plaintiff on 3 June 2010 had filed Notice of Appeal against the decision and the Bank is appealing on the issue of unearned profit. On 28 October 2010, the Court allowed the Plaintiff's stay of execution. The case was fixed for hearing of appeal on 22 February 2011 and the Court of Appeal Judges reserved their decision pending issuance of written judgment on issue of unearned profit. On 21 December 2011 the Court of Appeal has dismissed the Plaintiff's appeal and the Bank is entitled on the amount disbursed of RM58.7 million plus profits 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. The case was fixed for mediation on 17 April 2013. The parties have agreed with settlement arrangement in which the Plaintiff is liable to pay RM87 million as full and final settlement. The settlement terms would be recorded though consent judgment on 14 May 2013. The Court has fixed 19 August 2013 for case management to monitor the progress of the settlement.

- (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 receive the balance of auction proceeds from the successful bidder. Hence the property will be auctioned again. On 14 May 2013, the auction did not proceed and a new auction date has been fixed on 14 June 2013.

- (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. On 24 April 2013, the hearing has been taken off and converted to a case management. The matter was fixed for hearing on 2 September 2013. While the High Court has fixed trial date from 1st October to 4th October and 7th October to 10th October 2013.

- (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. The matter has been fixed for case management on 6 June 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 did not proceed on 13 May 2013 and postponed to 24 September 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., Crest Group, Crestek Inc. and Trident Timber Co. Ltd. Bank Islam is claiming that the Defendants have acted contrary to the interest of BILL and was in breach of their statutory duties, common law duty of care and skills and express and/or implied contractual duties. The matter was fixed for trial on 18th February to 21st February 2013. However the case was postponed to October 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. The hearing of the Claimant's notice of motion for leave to appeal is fixed on 29 May 2013.
- (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 May 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 May 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

| | Unaudited Quarter 3 months ended 31-Mar-13 RM '000 | Unaudited Quarter 3 months ended 31-Mar-12 RM '000 | Unaudited Year-to-date 3 months ended 31-Mar-13 RM '000 | Unaudited Year-to-date 3 months ended 31-Mar-12 RM '000 |
|--|--|--|---|---|
| Profit for the period is arrived at after charging: | | | | |
| Depreciation of property, plant and equipment | 14,325 | 12,424 | 14,325 | 12,424 |
| Net loss on disposal of property, plant & equipment | 1,034 | - | 1,034 | - |
| Net derivative losses | 388 | - | 388 | - |
| Impairment loss: | | | | |
| - Allowance for impairment on financing and advances | - | 15,289 | - | 15,289 |
| - Allowance for Impairment on investments and other assets | - | 8,421 | - | 8,421 |
| - Provision for contingent liability | - | - | - | - |
| and after crediting: | | | | |
| Profit on sale of foreign currencies | - | 647 | - | 647 |
| Reversal of allowance for impairment on financing and advances | 807 | - | 807 | - |
| Reversal of allowance for diminution in value of investment | - | - | - | - |
| Reversal of allowance for doubtful debts | 60 | 60 | 60 | 60 |
| Net gain on disposal of property, plant & equipment | - | 6 | - | 6 |
| Net derivative gains | - | 6,291 | - | 6,291 |

B15 EARNINGS PER SHARE

Basic earnings per share attributable to equity holders of the parent ("Basic EPS")

Basic EPS is calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the number of ordinary shares in issue during the period.

| | Unaudited Quarter 3 months ended 31-Mar-13 RM '000 | Unaudited Quarter 3 months ended 31-Mar-12 RM '000 | Unaudited Year-to-date 3 months ended 31-Mar-13 RM '000 | Unaudited Year-to-date 3 months ended 31-Mar-12 RM '000 |
|--|---|---|--|--|
| Net profit/(loss) for the quarter attributable to equity holders of the parent | 74,142 | 64,906 | 74,142 | 64,906 |
| 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 |
| Basic earnings per share attributable to equity holders of the parent (sen) | 6.95 | 6.08 | 6.95 | 6.08 |

B16 DISCLOSURE OF REALISED AND UNREALISED PROFIT/LOSSES

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

| | Unaudited 31-Mar-13 RM'000 | Audited 31-Dec-12 RM'000 |
|--|---|---|
| Total accumulated profits/(losses) of BIMB Holdings Berhad and its subsidiaries: | | |
| Realised | 815,750 | 652,449 |
| Unrealised | 4,111 | 25,270 |
| Less: Consolidation adjustments | (824,560) | (756,994) |
| Total group accumulated losses as per condensed consolidated financial statements | (4,699) | (79,275) |

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
May 28, 2013