

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

Condensed Consolidated Statement of Financial Position as at 31 March 2014

		As at 31 March, 2014 RM'000 Unaudited	As at 31 December, 2013 RM'000 Audited
	Note		
ASSETS			
Cash and short-term funds		1,711,994	3,953,896
Deposits and placements with financial institutions		847,609	701,302
Derivative financial assets	A7	19,981	29,118
Financial assets held-for-trading	A8	1,464,445	1,405,198
Financial assets held-to-maturity	A9	470,638	467,935
Financial assets available-for-sale	A10	16,375,136	16,536,010
Financing, advances and others	A11	24,962,517	23,740,948
Deferred tax assets		73,091	69,191
Assets classified as held for sale		10,041	7,209
Other assets		438,677	250,801
Takaful assets		843,505	753,089
Current tax assets		40,946	9,448
Investments in associates		1	1
Statutory deposits with Bank Negara Malaysia		1,401,000	1,297,100
Investment properties		13,281	16,721
Property, plant and equipment		431,158	436,578
Total assets		49,104,020	49,674,545
LIABILITIES, EQUITY & TAKAFUL FUNDS			
Liabilities			
Deposits from customers	A13	35,932,275	36,924,367
Deposits and placements of banks and other financial institutions	A14	1,679,648	1,529,975
Bills and acceptances payable		135,954	170,598
Takaful liabilities	A15	6,163,347	6,082,001
Other liabilities		838,940	774,566
Zakat and taxation		71,571	39,598
Derivative financial liabilities	A7	7,565	13,565
Sukuk liabilities	A28	1,106,914	1,089,935
Total liabilities		45,936,214	46,624,605
Equity			
Share capital		1,493,506	1,493,506
Reserves		1,420,992	1,316,831
Equity attributable to owners of the Company		2,914,498	2,810,337
Non-controlling interests		253,308	239,603
Total equity		3,167,806	3,049,940
Total liabilities and equity		49,104,020	49,674,545
Commitments and contingencies	A26	10,761,203	11,211,680
Net assets per share attributable to owners of the Company (RM)		1.95	1.88

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Three Months Period ended 31 March 2014**

		Quarter ended 31 March 2014 RM'000	Quarter ended 31 March 2013 RM'000	Year-to-date 3 months ended 31 March 2014 RM'000	Year-to-date 3 months ended 31 March 2013 RM'000
	Note				
Income derived from investment of depositors' funds	A16	473,639	447,167	473,639	447,167
Income derived from investment of shareholders' funds	A17	103,989	84,487	103,989	84,487
Net income from Takaful business	A18	149,267	123,625	149,267	123,625
Reversal of / (allowance for) impairment on financing and advances	A19	(16,632)	807	(16,632)	807
Direct expenses		(3,792)	(6,188)	(3,792)	(6,188)
Total distributable income		706,471	649,898	706,471	649,898
Income attributable to depositors	A20	(191,060)	(180,678)	(191,060)	(180,678)
Total net income		515,411	469,220	515,411	469,220
Personnel expenses		(151,481)	(148,871)	(151,481)	(148,871)
Other overhead expenses		(137,564)	(116,681)	(137,564)	(116,681)
Depreciation		(15,000)	(14,325)	(15,000)	(14,325)
Operating profit		211,366	189,343	211,366	189,343
Finance cost		(16,979)	-	(16,979)	-
Share in the results of associated company, net of tax		-	(352)	-	(352)
Profit before zakat and tax		194,387	188,991	194,387	188,991
Zakat		(2,595)	(2,640)	(2,595)	(2,640)
Tax expense	B5	(54,687)	(45,679)	(54,687)	(45,679)
Profit for the period		137,105	140,672	137,105	140,672
Attributable to:					
Owners of the Company		123,455	74,142	123,455	74,142
Non-controlling interests		13,650	66,530	13,650	66,530
Profit for the period		137,105	140,672	137,105	140,672
Earnings per share - basic (sen)	B15	8.27	6.95	8.27	6.95

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Three Months Period ended 31 March 2014, continued**

	Quarter ended 31 March 2014 RM'000	Quarter ended 31 March 2013 RM'000	Year-to-date 3 months ended 31 March 2014 RM'000	Year-to-date 3 months ended 31 March 2013 RM'000
Profit for the period	137,105	140,672	137,105	140,672
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences in respect of foreign operations	5,774	(3,050)	5,774	(3,050)
Net gain on revaluation of financial assets available-for-sale	(26,231)	(10,629)	(26,231)	(10,629)
Total comprehensive income for the period	116,648	126,993	116,648	126,993
Attributable to:				
Owners of the Company	103,424	67,150	103,424	67,150
Non-controlling interests	13,224	59,843	13,224	59,843
Total comprehensive income for the period	116,648	126,993	116,648	126,993

BIMB HOLDINGS BERHAD (423858-X)

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**Condensed Consolidated Statement of Changes in Equity
For the Three Months Period ended 31 March 2014**

Group	Note	← Attributable to Equity Holders of the Company →					← Non-distributable → Distributable				
		Share Capital RM'000	Share Premium RM'000	Warrant Reserves RM'000	Statutory Reserves RM'000	Acquisition Reserves RM'000	Other Reserves RM'000	Retained earnings /(Accumulated losses) RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 January 2013		1,066,790	603,630	-	358,719	-	69,714	(18,078)	2,080,775	1,747,615	3,828,390
Total comprehensive income for the year											
- 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	-	62,722	56,498	2,148,359	1,807,861	3,956,220
Unaudited											
At 1 January 2014		1,493,506	1,859,628	129,300	484,089	(1,199,747)	(6,047)	49,608	2,810,337	239,603	3,049,940
Total comprehensive income for the period											
- Net profit for the period		-	-	-	-	-	-	123,455	123,455	13,650	137,105
- Other comprehensive income											
<i>Currency translation differences in respect of foreign operations</i>		-	-	-	-	-	4,497	-	4,497	1,277	5,774
<i>Net gain on revaluation of financial assets available-for-sale</i>		-	-	-	-	-	(24,528)	-	(24,528)	(1,703)	(26,231)
- Total comprehensive income for the year		-	-	-	-	-	(20,031)	123,455	103,424	13,224	116,648
Transfer to statutory reserve		-	-	-	59,921	-	-	(59,921)	-	-	-
Share-based payment transactions		-	-	-	-	-	737	-	737	481	1,218
At 31 December 2014		1,493,506	1,859,628	129,300	544,010	(1,199,747)	(25,341)	113,142	2,914,498	253,308	3,167,806

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Cash Flows For the Three Months Period ended 31 March 2014

	Year-to-date	
	3 months ended 31 March 2014 RM'000 Unaudited	3 months ended 31 March 2013 RM'000 Unaudited
Cash flows from operating activities		
Profit before zakat and taxation	194,387	188,991
Adjustment for non-cash flow items:-		
Depreciation of property, plant and equipment	15,000	14,325
Reversal of allowance for doubtful debts	-	(60)
Allowance for/(reversal of) impairment on financing, advances and others	16,632	(807)
Net (gain) / loss on disposal of property, plant and equipment	852	1,034
Net (gain) / loss on sale of financial assets held-for-trading	2,686	(285)
Fair value gain on revaluation of financial assets held-for-trading	(3,633)	(5,475)
Net (gain) / loss on sale of financial assets available-for-sale	1,729	(1,826)
Net derivative losses	1,878	388
Finance cost	16,979	-
Share of results of associate company	-	352
Operating profit before working capital changes	246,510	196,637
Changes in working capital:		
Deposits and placements of banks and other financial institutions	149,673	(122,705)
Financing of customers	(1,238,201)	(927,014)
Statutory deposits with Bank Negara Malaysia	(103,900)	(85,100)
Other assets	(278,292)	42,481
Deposits from customers	(992,092)	3,841,677
Other liabilities	139,720	126,289
Bills payable	(34,644)	(142,810)
Cash (generated from) / used in operations	(2,111,226)	2,929,455
Tax paid	(56,696)	(26,637)
Net cash (generated from) / used in operating activities	(2,167,922)	2,902,818

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Cash Flows
For the Three Months Period ended 31 March 2014, continued**

	Year-to-date	
	3 months ended 31 March 2014 RM'000 Unaudited	3 months ended 31 March 2013 RM'000 Unaudited
Cash flows from investing activities		
Net proceeds from (purchases) / disposal of securities	72,693	329,706
Disposal of investment in subsidiary	-	837
Purchase of property, plant and equipment	(6,140)	(7,624)
Net cash generated from/(used in) investing activities	66,553	322,919
Net increase/(decrease) in cash and cash equivalent	(2,101,369)	3,225,737
Cash and cash equivalents at the beginning of period	4,655,198	2,583,090
Foreign exchange differences	5,774	(3,050)
Cash and cash equivalents at the end of period	2,559,603	5,805,777
Cash and cash equivalents comprise:		
Cash and short term funds	1,711,994	5,036,101
Deposits and placement with financial institutions	847,609	769,676
	2,559,603	5,805,777

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTINGS STANDARD 134 ("MFRS 134") AND POLICY DOCUMENT ON FINANCIAL REPORTING FOR LICENSED ISLAMIC BANKS ("GP8-I") ISSUED BY BANK NEGARA MALAYSIA

A1 BASIS OF PREPARATION

BIMB Holdings Berhad ("BHB") 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 2014 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.

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 2013.

The audited consolidated financial statements of the Group as at and for the financial year ended 31 December 2013, 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 2013.

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the Malaysian Accounting Standards Board (MASB), but have not adopted by the Group:

Effective for annual periods commencing on or after 1 July 2014

Defined Benefit Plans: Employee Contributions (Amendments to MFRS 119)

Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2010-2012 Cycle"

Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2011-2013 Cycle"

Effective for annual period to be announced by MASB

MFRS 9, Financial Instruments (IFRS 9 issued by IASB in November 2009)

MFRS 9, Financial Instruments (IFRS 9 issued by IASB in October 2010)

Mandatory Effective Date of MFRS 9 and Transition Disclosures (Amendments to MFRS 9 (IFRS 9 issued by IASB in November 2009), MFRS 9 (IFRS 9 issued by IASB in October 2010) and MFRS 7)

MFRS 9, Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139))

The amendments to MFRS 119 provide a practical expediency in accounting for contributions from employees or third parties to defined benefit plans. The adoption of the amendments to MFRS 119 will not have any financial impact to the Group as the Group's defined benefit plan does not require employees or third parties to contribute to the plan.

The Annual Improvements to MFRSs 2010-2012 Cycle consist of the following amendments:

- (i) MFRS 2, Share-based Payment
The amendment clarifies the definition of 'vesting conditions' by separately defining 'performance condition' and 'service condition' to ensure consistent classification of conditions attached to a share-based payment.
- (ii) MFRS 3, Business Combinations
The amendment clarifies that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132 Financial Instruments: Presentation. In addition, contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in the statement of profit or loss.
- (iii) MFRS 8, Operating Segments
The amendment requires the disclosure of judgements made in applying the aggregation criteria to operating segments. This includes a brief description of the operating segment and the economic indicators that have been assessed in determining that aggregated operating segments share similar economic characteristics. In addition, a reconciliation of the total reportable segments' assets to the entity's assets is required if that amount is regularly provided to the chief operating decision maker.
- (iv) MFRS 13, Fair Value Measurement
The amendment relates to the IASB's Basis for conclusions which clarifies that when IASB issued IFRS 13, it did not remove the practical ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.
- (v) MFRS 116, Property, Plant and Equipment and MFRS 138 Intangible Assets
The amendment clarifies the accounting for the accumulated depreciation or amortisation when an asset is revalued.
- (vi) MFRS 124, Related Party Disclosures
The amendment extends the definition of 'related party' to include an entity, or any member of a group of which it is a party, that provides key management personnel services to the reporting entity or the parent of the reporting entity.

The adoption of the Annual Improvements to MFRSs 2010-2012 Cycle is not expected to have any financial impact to the Group.

The Annual Improvements to MFRSs 2011-2013 Cycle consist of the following amendments:

- (i) MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards
The amendment relates to the IASB's Basis for Conclusions which clarifies that a first-time adopter is permitted but not required to apply a new revised Standard that is not yet mandatory but is available for early application.
- (ii) MFRS 3, Business Combinations
The amendment clarifies that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11 Joint Arrangements) in the financial statements of the joint arrangement itself, but not to the parties to the joint arrangements for their interests in the joint arrangement.
- (iii) MFRS 13, Fair Value Measurement
The amendment clarifies that the scope of the portfolio exception of MFRS 13 includes all contracts accounted for within the scope of MFRS 139 Financial Instruments: Recognition and Measurement or MFRS 9 Financial Instruments, regardless of whether they meet the definition of the financial assets or financial liabilities as defined in MFRS 132 Financial Instruments: Presentation.
- (iv) MFRS 140, Investment Property
The amendment clarifies that the determination of whether an acquisition of investment property meets the definition of both a business combination as defined in MFRS 3 and investment property as defined in MFRS 140 requires the separate application on both Standards independently of each other.

The adoption of the Annual Improvements to MFRSs 2011-2013 Cycle is not expected to have any financial impact to the Group.

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.

A1 BASIS OF PREPARATION, continued

On 4 February 2014, Bank Negara Malaysia ("BNM") issued a letter requiring banking institutions to maintain, in aggregate, collective impairment provisions and regulatory reserves of no less than 1.2% of total outstanding financing, net of individual impairment provisions, pursuant to paragraph 13 of the BNM's Policy Document on Classification and Impairment Provisions for Financing. The regulatory reserves is maintained in addition to the impairment provisions required under MFRSs, and it will be set aside from the retained profits to a separate reserves within equity as an additional credit risk absorbent. Banking institutions are required to comply with this requirement by 31 December 2015. The adoption of this new requirement is not expected to have any impact to the profit and loss of the Group.

A2 AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2013

The audited report on the financial statements of the preceding financial year ended 31 December 2013 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 2014.

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 2014.

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 2014.

A6 ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchases and repayments of debts and equity securities for the quarter ended 31 March 2014.

A7 DERIVATIVE FINANCIAL ASSETS / LIABILITIES

The following tables summarise the contractual or underlying principal amounts of derivatives financial instruments held at fair value through profit or loss and hedging purposes. The principal or contractual amount of these instruments reflect the volume of transactions outstanding at financial position date, and do not represent amounts at risk.

Trading derivative financial instruments are revalued on a gross position and the unrealised gains or losses are reflected as derivative financial assets and liabilities reflectively.

	Notional amount RM '000	Fair value	
		Assets RM '000	Liabilities RM '000
31 March 2014 - Unaudited			
Forward contracts	808,253	802	(2,035)
Profit rate swaps	1,305,656	19,040	(5,391)
Structured deposits	109,450	139	(139)
	2,223,359	19,981	(7,565)
31 December 2013 - Audited			
Forward contracts	1,381,894	8,681	(6,594)
Profit rate swaps	1,311,481	19,855	(6,389)
Structured deposits	110,495	582	(582)
	2,803,870	29,118	(13,565)

A8 FINANCIAL ASSETS HELD-FOR-TRADING

	Unaudited 31-Mar-14 RM '000	Audited 31-Dec-13 RM '000
At fair value		
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Shares	49,630	51,239
<i>Outside Malaysia</i>		
Shares	33,393	29,583
Unit trusts	10,961	18,451
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Malaysian Government Investment Issues	551,642	726,353
Bank Negara Negotiable Notes	248,782	178,058
Islamic Debt Securities	478,799	328,751
Other investments	5,952	-
<i>Outside Malaysia</i>		
Islamic Debt Securities	85,286	72,763
Total financial assets held-for-trading	1,464,445	1,405,198

A9 FINANCIAL ASSETS HELD-TO-MATURITY

	Unaudited 31-Mar-14 RM '000	Audited 31-Dec-13 RM '000
At amortised cost		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Malaysian Government Islamic papers	145,362	145,391
Islamic Debt Securities	318,173	319,089
<i>Outside Malaysia</i>		
Islamic Debt Securities	14,228	10,580
	477,763	475,060
Less: Accumulated impairment loss	(7,125)	(7,125)
Total financial assets held-to-maturity	470,638	467,935

A10 FINANCIAL ASSETS AVAILABLE-FOR-SALE

	Unaudited 31-Mar-14 RM '000	Audited 31-Dec-13 RM '000
At fair value		
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Unit trusts	202,663	148,399
Shares	904,159	930,897
<i>Outside Malaysia</i>		
Unit trusts	75,289	73,827
Shares	3,205	542
Islamic Debt Securities	3,618	5,134
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Malaysian Government Investment Issues	1,258,556	1,269,943
Malaysian Government Islamic papers	311,728	455,731
Negotiable Islamic Debt Certificate	348,031	447,825
Islamic Debt Securities	13,003,264	12,868,937
Shares	380	380
Unit trusts	229,513	298,897
<i>Outside Malaysia</i>		
Islamic Development Bank unit trust	1,647	1,647
Shares	39	36
Islamic Debt Securities	1,435	1,345
	16,343,527	16,503,540
At cost		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Shares	22,893	23,456
<i>Outside Malaysia</i>		
Shares	23,406	23,754
	46,299	47,210
Less: Accumulated impairment loss	(14,690)	(14,740)
Total financial investments available-for-sale	16,375,136	16,536,010

A11 FINANCING, ADVANCES AND OTHERS

(i) By type

At amortised cost

	Unaudited 31-Mar-14 RM '000	Audited 31-Dec-13 RM '000
Cash line	743,767	749,246
Term financing		
House financing	7,307,702	6,701,052
Syndicated financing	1,076,665	732,677
Leasing financing	241,920	217,681
Bridging financing	46,885	40,052
Personal financing	8,516,408	8,332,211
Other term financing	6,027,447	5,900,585
Staff financing	172,612	172,708
Credit/charge cards	423,452	445,242
Trade bills discounted	810,568	819,488
Trust receipts	35,824	35,957
Pawn broking	85,305	95,621
	25,488,555	24,242,520
Less: Allowance for impaired financing, advances and others:		
Collective assessment allowance	(381,466)	(365,375)
Individual assessment allowance	(144,572)	(136,197)
Total net financing, advances and others	24,962,517	23,740,948

(ii) By contract

	Unaudited 31-Mar-14 RM '000	Audited 31-Dec-13 RM '000
Bai' Bithaman Ajil	9,062,293	9,162,344
Ijarah Thumma Al-Bai	160,288	192,966
Ijarah Muntahiah Bit-Tamleek	57,836	57,931
Murabahah	856,401	841,338
Bai Al-Inah	1,049,364	1,282,498
Istisna'	137,414	131,875
At-Tawarruq	14,079,654	12,477,947
Ar-Rahnu	85,305	95,621
	25,488,555	24,242,520

(iii) By type of customer

	Unaudited 31-Mar-14 RM '000	Audited 31-Dec-13 RM '000
Domestic non-bank financial institutions	362,831	352,438
Domestic business enterprise	4,967,564	4,630,194
Small medium industries	626,963	631,069
Government and statutory bodies	201,213	200,885
Individuals	19,139,550	18,216,908
Other domestic entities	5,229	5,483
Foreign entities	185,205	205,543
	25,488,555	24,242,520

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

	Unaudited 31-Mar-14 RM '000	Audited 31-Dec-13 RM '000
Fixed rate		
House financing	1,708,033	1,512,408
Others	7,427,549	7,954,409
Floating rate		
Others	16,352,973	14,775,703
	25,488,555	24,242,520

(v) **By remaining contractual maturity**

	Unaudited 31-Mar-14 RM '000	Audited 31-Dec-13 RM '000
Maturity within one year	2,928,473	2,927,612
More than one year to three years	1,099,787	816,371
More than three years to five years	1,577,715	1,373,079
More than five years	19,882,580	19,125,458
	25,488,555	24,242,520

(vi) **By sector**

	Unaudited 31-Mar-14 RM '000	Audited 31-Dec-13 RM '000
Primary agriculture	263,739	243,148
Mining and quarrying	7,981	8,135
Manufacturing (including agro-based)	857,465	829,577
Electricity, gas and water	377,050	365,014
Construction	1,881,501	1,872,011
Real estate	502,266	517,731
Household sectors	19,140,593	18,216,799
Wholesale and retail trade and hotels and restaurants	788,480	750,364
Transport, storage and communications	447,911	236,616
Finance, insurance and business activities	854,545	850,283
Education, health and others	357,015	342,942
Other sectors	10,009	9,900
	25,488,555	24,242,520

A12 IMPAIRED FINANCING, ADVANCES AND OTHERS

(i) **Movements in impaired financing and advances**

	Unaudited 31-Mar-14 RM '000	Audited 31-Dec-13 RM '000
At 1 January 2013/ 1 January 2012	285,302	308,709
Classified as impaired during the year	102,188	440,665
Reclassified as not impaired during the year	(53,029)	(236,056)
Amount recovered	(16,945)	(71,626)
Amount written off	(17,965)	(160,388)
Exchange differences	(171)	3,998
At 31 December 2013 / 31 December 2012	299,380	285,302
Gross impaired financing as a percentage of gross financing, advances and others	1.17%	1.18%

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

	Unaudited 31-Mar-14 RM '000	Audited 31-Dec-13 RM '000
Collective assessment allowance		
At 1 January 2013/ 1 January 2012	365,375	313,334
Allowance made during the year	33,977	141,621
Amount written off	(17,965)	(90,373)
Exchange differences	79	793
At 31 December 2013 / 31 December 2012	381,466	365,375

	Unaudited 31-Mar-14 RM '000	Audited 31-Dec-13 RM '000
Individual assessment allowance		
At 1 January 2013/ 1 January 2012	136,197	126,988
Allowance/ (Recovery) made during the year	8,527	79,103
Amount written off	-	(69,901)
Exchange differences	(152)	7
At 31 December 2013 / 31 December 2012	144,572	136,197

A12 IMPAIRED FINANCING, ADVANCES AND OTHERS, continued

(iii) Impaired financing by sector

	Unaudited 31-Mar-14 RM '000	Audited 31-Dec-13 RM '000
Primary agriculture	1,272	-
Manufacturing (including agro-based)	32,447	32,302
Electricity, gas and water	41	108
Wholesale and retail trade and hotels and restaurants	18,392	15,525
Construction	30,808	21,601
Transport, storage and communications	33,282	33,117
Finance, insurance and business activities	61,508	61,393
Education, health and others	287	-
Household sectors	121,343	121,226
Other sectors	-	30
	299,380	285,302

A13 DEPOSITS FROM CUSTOMERS

(i) By type of deposit

	Unaudited 31-Mar-14 RM '000	Audited 31-Dec-13 RM '000
Non-Mudharabah fund:		
Demand deposits	9,174,793	9,790,057
Savings deposits	2,645,038	2,379,204
Negotiable Islamic Debt Securities (NIDC)	1,975,029	1,466,205
Waheed-i	437,652	358,516
Ziyad - structured deposits	97,527	98,457
Others	90,998	88,022
	14,421,037	14,180,461
Mudharabah fund:		
Savings deposits	2,459,274	2,295,278
General investment deposits	2,029,539	2,012,162
Special investment deposits	17,022,425	18,436,466
	21,511,238	22,743,906
	35,932,275	36,924,367

Total deposits from customers

Maturity structure of NIDCs, Waheed-i, Ziyad and investment deposits are as follows:

Due within six months	19,601,777	20,152,221
More than six months to one year	1,590,891	2,036,519
More than one year to three years	321,913	136,897
More than three years to five years	47,591	46,169
	21,562,172	22,371,806

(ii) By type of customer

	Unaudited 31-Mar-14 RM '000	Audited 31-Dec-13 RM '000
Government and statutory bodies	8,035,362	8,069,129
Business enterprises	7,758,316	9,688,640
Individuals	5,583,365	5,127,254
Others	14,555,232	14,041,841
	35,932,275	36,926,864

A14 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Unaudited 31-Mar-14 RM '000	Audited 31-Dec-13 RM '000
Non-Mudharabah Fund:		
Licensed banks	-	1,538
Other financial institutions	40,990	44,564
	<u>40,990</u>	<u>46,102</u>
Mudharabah Fund:		
Licensed banks	1,343,658	1,298,873
Other financial institutions	295,000	185,000
	<u>1,638,658</u>	<u>1,483,873</u>
	<u>1,679,648</u>	<u>1,529,975</u>

A15 TAKAFUL LIABILITIES

	Unaudited 31-Mar-14 RM '000	Audited 31-Dec-13 RM '000
Takaful contract liabilities	5,956,072	5,875,051
Expense reserves	148,413	131,522
Takaful payables	58,862	75,428
Total takaful liabilities	<u>6,163,347</u>	<u>6,082,001</u>

(a) Takaful contract liabilities

The takaful contract liabilities comprise the following :

Provision for claims reported by participants	460,310	473,365
Provision for Incurred-but-not-reported (IBNR)	408,089	387,909
Provision for outstanding claims	868,399	861,274
Provision for unearned contributions	313,271	296,425
Participants' fund	<u>4,774,402</u>	<u>4,717,352</u>
Total takaful contract liabilities	<u>5,956,072</u>	<u>5,875,051</u>

(b) Participants' fund

	Gross RM '000	Group Retakaful RM '000	Net RM '000
31 December 2013 - Unaudited			
Actuarial liabilities	3,810,345	(157,679)	3,652,666
Unallocated surplus/ Accumulated surplus	900,622	-	900,622
AFS reserve	(61,349)	-	(61,349)
Translation reserve	1,110	-	1,110
Net assets value attributable to unit holders	123,674	-	123,674
	<u>4,774,402</u>	<u>(157,679)</u>	<u>4,616,723</u>
31 December 2012 - Audited			
Actuarial liabilities	3,708,819	(148,340)	3,560,479
Unallocated surplus/ Accumulated surplus	897,061	-	897,061
AFS reserve	1,379	-	1,379
Translation reserve	1,129	-	1,129
Net assets value attributable to unit holders	108,964	-	108,964
	<u>4,717,352</u>	<u>(148,340)</u>	<u>4,569,012</u>

A16 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS

	Unaudited Quarter 3 months ended 31-Mar-14 RM '000	Unaudited Quarter 3 months ended 31-Dec-13 RM '000	Unaudited Year-to-date 3 months ended 31-Mar-14 RM '000	Unaudited Year-to-date 3 months ended 31-Dec-13 RM '000
Income derived from investment of:				
(i) General investment deposits	28,483	29,483	28,483	29,483
(ii) Other deposits	445,156	417,684	445,156	417,684
	473,639	447,167	473,639	447,167

(i) Income derived from investment of general investment deposits

	Unaudited Quarter 3 months ended 31-Mar-14 RM '000	Unaudited Quarter 3 months ended 31-Dec-13 RM '000	Unaudited Year-to-date 3 months ended 31-Mar-14 RM '000	Unaudited Year-to-date 3 months ended 31-Dec-13 RM '000
Financing income and hibah				
Financing, advances and others	21,855	21,025	21,855	21,025
Financial assets held-for-trading	660	461	660	461
Financial assets available-for-sale	5,531	6,338	5,531	6,338
Financial assets held-to-maturity	43	227	43	227
Money at call and deposit with financial institutions	434	934	434	934
	28,523	28,985	28,523	28,985
<i>Of which financing income earned on impaired financing</i>	327	429	327	429
Other dealing income				
Net gain / (loss) from sale of financial assets held-for-trading	(169)	16	(169)	16
Net gain / (loss) on revaluation of financial assets held-for-trading	213	361	213	361
	44	377	44	377
Other operating income				
Net gain / (loss) from sale of financial assets available-for-sale	(84)	121	(84)	121
	(84)	121	(84)	121
	28,483	29,483	28,483	29,483

(ii) Income derived from investment of other deposits

	Unaudited Quarter 3 months ended 31-Mar-14 RM '000	Unaudited Quarter 3 months ended 31-Dec-13 RM '000	Unaudited Year-to-date 3 months ended 31-Mar-14 RM '000	Unaudited Year-to-date 3 months ended 31-Dec-13 RM '000
Financing income and hibah				
Financing, advances and others	341,580	297,837	341,580	297,837
Financial assets held-for-trading	10,319	6,530	10,319	6,530
Financial assets available for sale	86,450	89,810	86,450	89,810
Financial assets held-to-maturity	665	3,218	665	3,218
Money at call and deposit with financial institutions	6,756	13,235	6,756	13,235
	445,770	410,630	445,770	410,630
<i>Of which financing income earned on impaired financing</i>	5,105	6,070	5,105	6,070
Other dealing income				
Net gain / (loss) from sale of financial assets held-for-trading	(2,607)	235	(2,607)	235
Net gain / (loss) on revaluation of financial assets held-for-trading	3,322	5,114	3,322	5,114
	715	5,349	715	5,349
Other operating income				
Net gain / (loss) from sale of financial assets available-for-sale	(1,329)	1,705	(1,329)	1,705
	(1,329)	1,705	(1,329)	1,705
	445,156	417,684	445,156	417,684

A17 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	Unaudited Quarter 3 months ended 31-Mar-14 RM '000	Unaudited Quarter 3 months ended 31-Dec-13 RM '000	Unaudited Year-to-date 3 months ended 31-Mar-14 RM '000	Unaudited Year-to-date 3 months ended 31-Dec-13 RM '000
Financing income and hibah				
Financing, advances and others	1,517	1,083	1,517	1,083
Financial assets available for sale	26,260	26,438	26,260	26,438
Money at call and deposit with financial institutions	4,038	2,051	4,038	2,051
	31,815	29,572	31,815	29,572
Other dealing income				
Net gain from foreign exchange transactions	31,846	16,456	31,846	16,456
Net gain/(loss) from sale of financial assets held-for-trading	90	34	90	34
Net gain / (loss) on revaluation of financial assets held-for-trading	98	-	98	-
Net derivatives loss	(1,878)	(388)	(1,878)	(388)
	30,156	16,102	30,156	16,102
Other operating income				
Net loss from sale of financial assets available-for-sale	(316)	-	(316)	-
Reversal of allowance for doubtful debts	-	60	-	60
Gross dividend income from securities				
Quoted in Malaysia	31	4	31	4
Unit trust in Malaysia	97	211	97	211
Unquoted in Malaysia	-	414	-	414
	(188)	689	(188)	689
Fees and commission				
ATM fees	2,725	2,933	2,725	2,933
Financing fees	3,221	3,470	3,221	3,470
Cheque issued & return, closing account and other fees	1,622	1,826	1,622	1,826
Takaful service fees and commission	5,857	3,766	5,857	3,766
Credit card fees and commission	8,634	8,829	8,634	8,829
Processing fees	188	181	188	181
Commitment fees	1,207	87	1,207	87
Commission on MEPS	2,434	2,361	2,434	2,361
Unit trust management fees	1,551	1,878	1,551	1,878
Corporate advisory fees	1,097	983	1,097	983
Ar Rahnun fees	3,251	2,823	3,251	2,823
Others	10,658	9,253	10,658	9,253
	42,445	38,390	42,445	38,390
Other income				
Net gain/(loss) on disposal of property, plant & equipment	(852)	(1,034)	(852)	(1,034)
Rental income	568	695	568	695
Others	45	73	45	73
	(239)	(266)	(239)	(266)
	103,989	84,487	103,989	84,487

A18 NET INCOME FROM TAKAFUL BUSINESS

	Unaudited Quarter 3 months ended 31-Mar-14 RM '000	Unaudited Quarter 3 months ended 31-Dec-13 RM '000	Unaudited Year-to-date 3 months ended 31-Mar-14 RM '000	Unaudited Year-to-date 3 months ended 31-Dec-13 RM '000
Net earned contributions				
Gross earned contributions	322,171	397,483	322,171	397,483
Contribution ceded to retakaful	(48,503)	(45,284)	(48,503)	(45,284)
	273,668	352,199	273,668	352,199
Other income				
Administration income	9,712	6,674	9,712	6,674
Investment income	54,234	55,704	54,234	55,704
Realised gains and losses	47,716	32,595	47,716	32,595
Fair value gains and losses	(392)	(335)	(392)	(335)
Other operating income	2,199	1,663	2,199	1,663
	113,469	96,301	113,469	96,301
Net benefits and claims				
Gross benefits and claims paid	(187,063)	(168,933)	(187,063)	(168,933)
Claims receded to retakaful	21,273	18,485	21,273	18,485
Gross change to contract liabilities	(5,727)	(21,134)	(5,727)	(21,134)
Change to contract liabilities ceded to takaful	20,386	13,663	20,386	13,663
	(151,131)	(157,919)	(151,131)	(157,919)
Expense reserves	(16,608)	(56,089)	(16,608)	(56,089)
Income from takaful business	219,398	234,492	219,398	234,492
Profits attributable to participants/takaful operator	(70,131)	(110,867)	(70,131)	(110,867)
Net income from takaful business	149,267	123,625	149,267	123,625

A19 ALLOWANCE FOR / (REVERSAL OF) IMPAIRMENT ON FINANCING AND ADVANCES

	Unaudited	Unaudited	Unaudited	Unaudited
	Quarter	Quarter	Year-to-date	Year-to-date
	3 months ended	3 months ended	3 months ended	3 months ended
	31-Mar-14	31-Dec-13	31-Mar-14	31-Dec-13
	RM '000	RM '000	RM '000	RM '000
Allowance for impaired financing, advances and others:				
- Collective assessment allowance	33,977	59,855	33,977	59,855
- Individual assessment allowance	8,527	5,717	8,527	5,717
Bad debts and financing recovered	(25,872)	(66,379)	(25,872)	(66,379)
	16,632	(807)	16,632	(807)

A20 INCOME ATTRIBUTABLE TO DEPOSITORS

	Unaudited	Unaudited	Unaudited	Unaudited
	Quarter	Quarter	Year-to-date	Year-to-date
	3 months ended	3 months ended	3 months ended	3 months ended
	31-Mar-14	31-Dec-13	31-Mar-14	31-Dec-13
	RM '000	RM '000	RM '000	RM '000
Deposits from customers:				
- Mudharabah fund	159,687	138,370	159,687	138,370
- Non-Mudharabah fund	24,744	37,885	24,744	37,885
Deposits and placements of banks and other financial institutions:				
- Mudharabah fund	6,475	3,545	6,475	3,545
- Non-Mudharabah fund	154	878	154	878
	191,060	180,678	191,060	180,678

A21 CAPITAL ADEQUACY

(i) Capital adequacy

With effect from 1 January 2013, total capital and capital adequacy ratios of Bank Islam Malaysia Berhad and its subsidiaries have been computed based on BNM's Capital Adequacy Framework for Islamic Banks (Capital Components and Risk-Weighted Assets) issued on 28 November 2012. The comparative total capital and capital adequacy ratios are computed in accordance to the approach set out in the then prevailing capital framework and are thus not directly comparable to those pertaining to dates from 1 January 2013 onwards. The Bank has adopted the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk. The capital adequacy ratios of the banking group are set out below:

	31-Mar-14	31-Dec-13
	RM '000	RM '000
Common Equity Tier 1 (CET 1) Capital Ratio	12.832%	12.964%
Total Tier 1 Capital Ratio	12.832%	12.964%
Total Capital Ratio	13.928%	14.056%

(ii) Capital structure

The components of Common Equity Tier I, Total Tier I and Total Tier II capital:

	31-Mar-14	31-Dec-13
	RM '000	RM '000
Tier-I capital:		
Paid-up share capital	2,298,165.00	2,298,165
Share premium	52,281	52,281
Retained earnings	314,168	449,221
Other reserves	-	(195,399)
Less: Interim and/or final dividend declared	(30,020)	(8,009)
Fair value reserves	(18,356)	(20,898)
Statutory reserves	811,395	751,474
Less: Deferred tax assets	(24,613)	(24,613)
Total Common Equity Tier 1 Capital / Total Tier-I capital	3,403,020	3,302,222
Tier-II capital:		
Collective assessment allowance	290,818	278,155
Total Tier-II capital	290,818	278,155
Total Capital	3,693,838	3,580,377

(iii) Breakdown of risk weighted assets in the various categories of risk weights:

	31 March 2014		31 December 2013	
	Principal	Risk	Principal	Risk
	amount	weighted	amount	weighted
	RM '000	amount	amount	amount
	RM '000	RM '000	RM '000	RM '000
0%	8,819,441	-	10,893,185	-
20%	6,834,045	1,366,809	7,140,337	1,428,067
35%	2,142,244	749,786	2,013,232	704,631
50%	2,018,731	1,009,365	2,099,498	1,049,749
75%	8,450,850	6,338,137	8,242,619	6,181,964
100%	13,185,824	13,185,824	12,230,094	12,230,095
150%	410,319	615,479	438,618	657,927
Total risk-weighted assets for credit risk	41,861,454	23,265,400	43,057,583	22,252,433
Total risk-weighted assets for market risk	-	726,318	-	761,777
Total risk-weighted assets for operational risk	-	2,528,433	-	2,457,803
Total risk-weighted assets	41,861,454	26,520,151	43,057,583	25,472,013

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-14 RM'000	Total 31-Mar-14 RM'000
	Banking 31-Mar-14 RM'000	Takaful 31-Mar-14 RM'000	Others 31-Mar-14 RM'000		
Current Year-to-Date					
Revenue from external customers	575,090	149,267	2,538	-	726,895
Inter-segment revenue	-	670	2,062	(2,732)	-
Total revenue	575,090	149,937	4,600	(2,732)	726,895
Net income from operations (before allowance for impairment on financing)	382,401	149,937	4,600	(1,103)	535,835
Operating overheads	(198,728)	(105,100)	(5,112)	1,103	(307,837)
Operating results	183,673	44,837	(512)	-	227,998
Allowance for impairment on financing and advance	(16,632)	-	-	-	(16,632)
Finance cost	-	-	(16,979)	-	(16,979)
Share of results of associate company	-	-	-	-	-
Profit before zakat and taxation	167,041	44,837	(17,491)	-	194,387
Segment assets	41,919,626	7,020,452	5,104,507	(4,940,565)	49,104,020
Segment liabilities	38,491,993	6,408,716	1,238,117	(202,612)	45,936,214
	3 months ended			Elimination 31-Mar-13 RM'000	Total 31-Mar-13 RM'000
	Banking 31-Mar-13 RM'000	Takaful 31-Mar-13 RM'000	Others 31-Mar-13 RM'000		
Previous Comparative 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
Allowance for impairment on financing and advance	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	(1,968,887)	47,778,582
Segment liabilities	37,877,198	6,065,204	84,886	(204,926)	43,822,362

Performance is measured based on segment profitability, as included in the internal management reports that are reviewed by the Group Managing Director/Chief Executive Officer. Segment profitability 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 2014.

A24 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 quarter ended 31 March 2014.

A25 CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the quarter ended 31 March 2014.

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 of this subsidiary as at 31 March 2014 are as follows:

	Unaudited 31 March 2014			
	Principal Amount RM '000	Positive Fair Value of Derivative Contracts RM '000	Credit Equivalent Amount RM '000	Risk Weighted Asset RM '000
<u>Credit-related exposures</u>				
Direct credit substitutes	285,438		285,438	279,920
Assets sold with recourse	2		2	2
Transaction-related contingent items	851,004		425,502	376,328
Short-term self-liquidating trade related contingencies	231,373		46,275	43,489
Other commitments, such as formal standby facilities and credit lines with original maturity of:				
- not exceeding one year	415		83	67
- exceeding one year	881,944		440,972	356,288
Unutilized credit card lines	1,023,557		204,711	153,533
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	5,264,111		-	-
	<u>8,537,844</u>		<u>1,402,983</u>	<u>1,209,627</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts				
- less than one year	808,253	802	9,166	4,710
Profit rate related contracts				
- less than one year	400,000	921	850	170
- one year to less than five years	200,000	2,737	6,000	1,200
- five years and above	705,656	15,382	33,835	17,835
Equity related contracts				
- one year to less than five years	109,450	139	6,567	3,284
	<u>2,223,359</u>	<u>19,981</u>	<u>56,418</u>	<u>27,199</u>
Total	<u>10,761,203</u>	<u>19,981</u>	<u>1,459,401</u>	<u>1,236,826</u>

	Audited 31 December 2013			
	Principal Amount RM '000	Positive Fair Value of Derivative Contracts RM '000	Credit Equivalent Amount RM '000	Risk Weighted Asset RM '000
<u>Credit-related exposures</u>				
Direct credit substitutes	319,032		319,032	312,160
Assets sold with recourse	2		2	2
Transaction-related contingent items	877,246		438,623	386,730
Short-term self-liquidating trade related contingencies	278,297		55,659	54,695
Other commitments, such as formal standby facilities and credit lines with original maturity of:				
- not exceeding one year	1,714		343	327
- exceeding one year	823,818		411,909	338,294
Unutilized credit card lines	991,097		198,219	148,665
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	5,116,604		-	-
	<u>8,407,810</u>		<u>1,423,787</u>	<u>1,240,873</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts				
- less than one year	1,381,894	8,681	18,546	10,290
Profit rate related contracts				
- less than one year	100,000	695	250	50
- one year to less than five years	500,000	2,705	9,000	1,800
Equity related contracts	711,481	16,455	35,660	19,660
- less than one year				
- one year to less than five years	110,495	582	8,840	4,420
	<u>2,803,870</u>	<u>29,118</u>	<u>72,296</u>	<u>36,220</u>
Total	<u>11,211,680</u>	<u>29,118</u>	<u>1,496,083</u>	<u>1,277,093</u>

A27 FAIR VALUES OF FINANCIAL INSTRUMENTS

Determination of Fair Value and Fair Value Hierarchy

MFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Group's market assumptions. The fair value hierarchy is as follows:

- Level 1 – Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes listed equity securities and debt instruments.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This level includes profit rates swap and structured debt. The sources of input parameters include Bank Negara Malaysia (BNM) indicative yields or counterparty credit risk.
There has been no transfer between Level 1 and 2 fair values during the financial quarter.
- Level 3 – Inputs for asset or liability that are not based on observable market data (unobservable inputs). This level includes equity instruments and debt instruments with significant unobservable components.

A27 FAIR VALUES OF FINANCIAL INSTRUMENTS, continued

Determination of Fair Value and Fair Value Hierarchy, continued

The table below shows the analysis on financial instruments that are carried at fair value and those not carried at fair value, together with their fair values and carrying amounts shown in the statement of financial position:

31 March 2014

RM '000	Fair value of financial instruments carried at fair value				Total	Fair value of financial instruments not carried at fair value			Total	Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3			
Assets											
Financial assets held-for-trading	99,936	1,364,509	-	1,464,445	-	-	-	-	1,464,445	1,464,445	
Derivative financial assets	-	19,981	-	19,981	-	-	-	-	19,981	19,981	
Financial assets held-to-maturity	-	-	-	-	14,154	388,818	85,138	488,110	488,110	470,638	
Financial assets available-for-sale	1,197,662	14,911,311	234,134	16,343,107	-	-	33,620	33,620	16,376,727	16,375,136	
Financing, advances & others	-	-	-	-	-	-	25,242,833	25,242,833	25,242,833	24,962,517	
	1,297,598	16,295,801	234,134	17,827,533	14,154	388,818	25,361,591	25,764,563	43,592,096	43,292,717	
Liabilities											
Derivative financial liabilities	-	7,565	-	7,565	-	-	-	-	7,565	7,565	
Total liabilities	-	7,565	-	7,565	-	-	-	-	7,565	7,565	

31 December 2013

RM '000	Fair value of financial instruments carried at fair value				Total	Fair value of financial instruments not carried at fair value			Total	Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3			
Assets											
Financial assets held-for-trading	172,036	1,233,162	-	1,405,198	-	-	-	-	1,405,198	1,405,198	
Derivative financial assets	-	29,118	-	29,118	-	-	-	-	29,118	29,118	
Financial assets held-to-maturity	-	-	-	-	10,451	392,470	85,318	488,239	488,239	467,935	
Financial assets available-for-sale	1,083,423	15,116,184	303,517	16,503,124	-	-	34,481	34,481	16,537,605	16,536,010	
Financing, advances & others	-	-	-	-	-	-	24,040,733	24,040,733	24,040,733	23,740,948	
	1,255,459	16,378,464	303,517	17,937,440	10,451	392,470	24,160,532	24,563,453	42,500,893	42,179,209	
Liabilities											
Derivative financial liabilities	-	13,565	-	13,565	-	-	-	-	13,565	13,565	
Total liabilities	-	13,565	-	13,565	-	-	-	-	13,565	13,565	

A27 FAIR VALUES OF FINANCIAL INSTRUMENTS, continued

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Determination of Fair Value and Fair Value Hierarchy, continued

The following table presents the changes in Level 3 instruments carried at fair value for the financial period ended 31 March 2014 for the Group:

	Unaudited	Audited
	31-Mar-14	31-Dec-13
	RM '000	RM '000
Financial assets available-for-sale		
At 1 January 2014/2013	303,517	305,204
Gain/(losses)	(72,495)	-
Settlement	3,112	13,493
Impairment	-	(5,643)
At 31 March 2014/31 December 2013	234,134	303,517

A28 SUKUK LIABILITIES

The Company has issued a 10-year Islamic securities of RM1.660 billion in nominal value as follows:

Nominal value	RM1,660,000,000
Gross proceeds raised	RM1,086,585,810
Issue date	12 December 2013
Maturity date	12 December 2023
Tenure	10 years
Yield to maturity	6.25% per annum
Profit rate	1.50% per annum
Subscriber	Lembaga Tabung Haji

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

B1 REVIEW OF PERFORMANCE

Three Months Performance to 31 March 2014

BIMB Holdings Berhad ("BHB") posted a consolidated Profit before Zakat and Taxation ("PBZT") of RM194.4 million for the three months period ended 31 March 2014, an increase of RM5.4 million or 2.9% compared to the previous corresponding period. However, BHB's consolidated net profit for the period under review declined by RM3.6 million (2.5%), as a result of an increase in tax expense of RM9.0 million, mainly due to Sukuk finance cost which is a non-tax deductible expense.

Nevertheless, the net profit attributable to the shareholders increased by RM49.3 million or 66.5%, as a result of incremental profit contribution from the acquisition of 49% interest in Bank Islam Malaysia Berhad on 19 December 2013. Consequently, the basic earnings per share ("EPS") also recorded a growth of 19.0%.

Year-on-year net financing assets grew RM4.5 billion or 22.2% to reach close to RM25.0 billion as at 31 March 2014, as asset quality improved further with a gross impaired financing ratio of 1.17% as at 31 March 2014 (As at 31 March 2013: 1.49%). Total capital ratio of Bank Islam Malaysia Berhad (computed in accordance to CAFIB-Basel III with effect from 1 January 2013) remained healthy at 13.9%.

Islamic Banking

Bank Islam Group ("Bank Islam" or "the Bank") recorded a PBZT of RM167.0 million and net profit of RM120.3 million for the three months period ended 31 March 2014. These represented an increase of 11.1% and 9.0% respectively compared to the previous corresponding period. The improved performance was mainly attributed to growth in business activities.

Year-on-year net financing assets grew RM4.5 billion or 22.2% to reach RM25.0 billion as at end March 2014. Correspondingly, fund based income from financing also increased by RM45.0 million or 14.1%. Non-fund based income also reported a 14.0% growth or RM8.5 million mainly from foreign exchange transactions and fees and commission.

As at end of March 2014, customer deposits stood at RM36.2 billion with a year-on-year slight decrease of RM0.2 billion or 0.6%, whereas, the low cost current and savings accounts ("CASA") reported a year-on-year increase of RM1.4 billion or 11.2%. The CASA ratio as at end March 2014 was 39.5% compared to 35.3% as at end March 2013. The Islamic Banking Industry CASA ratio was 27.3% as at end February 2014.

The Bank's gross impaired financing ratio improved from 1.18% as at end December 2013 to 1.17% as at end March 2014. The net impaired financing ratio remained at a negative 0.91% as at end March 2014. The Banking System gross impaired ratio was 1.84% and the net impaired ratio was a negative 0.08% as at end February 2014.

The Bank's key performance indicators as at end March 2014 also compared favourably against the Banking System as at end December 2013. The Bank's return on equity based on PBZT was 19.0% against the Banking System's 15.9%. The return on assets, also based on PBZT was 1.6% against the Banking System's 1.5%. The Risk Weighted Capital Adequacy ratio was 13.9% compared to the Banking System's 14.4% as at end December 2013.

Takaful

For the three months period ended 31 March 2014, Takaful Malaysia Group ("Takaful Malaysia") recorded a PBZT of RM44.7 million, increased by 11.2% as compared to RM40.2 million in the same corresponding period last year. The higher profit was attributable to better investment results. Operating Revenue was RM432.0 million, compared to RM519.0 million in the same period of the preceding year. The decrease was mainly due to lower sales generated by Family Takaful business.

For the quarter under review, Family Takaful recorded gross earned contributions of RM194.2 million against RM273.1 million for the same period last year. The decrease in Family Takaful's gross earned contributions for the 3 months period, was mainly attributable to lower sales from Group Family products. The surplus transfer in the quarter under review from Family Takaful was RM25.4 million as compared to RM35.5 million in the same period last year. The lower surplus transfer from Family Takaful was mainly due to lower underwriting and investment results.

General Takaful recorded gross earned contributions of RM79.6 million as compared to RM79.2 million in the corresponding period last year. For the quarter under review, the surplus transfer from General Takaful was RM13.3 million as compared to RM10.1 million in the same period last year. The General Takaful reported higher surplus transfer mainly due to lower claims incurred and better investment results for the quarter under review.

B2 COMPARISON WITH THE PRECEDING QUARTER'S RESULTS

For the three months performance (First Quarter 2014 vs. Fourth Quarter 2013)

BHB Group registered a PBZT of RM194.4 million for the first quarter ended 31 March 2014. This is a decline of RM40.0 million or 17.1% compared to PBZT for the fourth quarter ended 31 December 2013 of RM234.4 million. The decline was due to RM16.6 million allowance for impairment on financing and advances in the quarter under review, compared to a RM23.7 million reversal of impairment on financing and advances in the preceding quarter.

Bank Islam's PBZT of RM167.0 million for the first quarter ended 31 March 2014 was 17.0% or RM34.3 million lower than the preceding quarter ended 31 December 2013 of RM201.3 million.

Takaful Malaysia reported a PBZT of RM44.7 million, which was lower than the preceding quarter by RM9.0 million mainly due to lower net investment income.

B3 PROSPECTS

Outlook on the economy

Premised on positive economic factors which include favourable demographics, increasing competitiveness and growing trade and investment links, Malaysia's economy is projected to post a 5.0%-5.5% growth for 2014-2015.

The banking and financial sector in Malaysia is expected to remain healthy in 2014 on the back of strong capitalisation, strong profitability and stable asset quality. 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. The competition in the banking industry remains intense, as banks will continue to enhance innovation in products and services to achieve competitive advantage.

Islamic Banking

Growth in real GDP for 2014 is projected to be at 5.0%-5.5%, on account of expected fiscal consolidation measures to rein in the budget deficit. With the introduction of the Islamic Financial Services Act (IFSA) 2013, the Islamic financial services sector is expected to face more intensive regulations, which would include amongst others, new Shariah Standards on Investment Accounts.

The Banking Sector has also to deal with intense competition which has led to eroding margins, stiff competition for Current and Savings deposits and the need to raise capital.

Bank Islam will continue to optimise returns by balancing the product mix, optimising the assets and liabilities mix, maintaining the business growth and driving the fee based income. To attract deposits, greater focus will be placed on individual and retail deposits with new product features. The Bank will also continue to proactively manage its capital and explore the best possible options to raise capital when the need arises.

At the same time, Bank Islam will continue to strengthen its presence by expanding its current delivery channels to meet customers' expectations and remain competitive. The Bank's expansion plan includes opening of another eight (8) new branches at strategic locations which will bring the total branch network to 141 branches by end of 2014. This will be further complemented by the opening of new Ar-Rahnu outlets, Bureau De Change outlets and Customer Business Centres.

Takaful

Takaful Malaysia will continue its value proposition of rewarding its customers with the 15% Cash Back and establish a strong foothold in the local insurance and takaful arena as the preferred choice for insurance. Through its extensive range of products and services Takaful Malaysia continues to be the market leader in the Group Family Takaful business. The successful implementation of core initiatives in Operational Excellence, Technology Driven Capabilities, Product Innovation and Performance Oriented Culture will enable Takaful Malaysia to be ahead of its competitors, increase its overall market share and continuously improve its shareholders' value.

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-14 RM '000	Unaudited Quarter 3 months ended 31-Dec-13 RM '000	Unaudited Year-to-date 3 months ended 31-Mar-14 RM'000	Unaudited Year-to-date 3 months ended 31-Dec-13 RM'000
Current tax expense	58,587	49,933	58,587	49,933
Deferred tax expense	(3,900)	(4,254)	(3,900)	(4,254)
	54,687	45,679	54,687	45,679

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

A reconciliation of effective tax expense for the Group are as follows:

	31-Mar-14 RM'000	31-Mar-13 RM'000
Profit before zakat and tax	194,387	188,991
Income tax using Malaysia tax rate of 25%	48,597	47,248
Non-deductible expenses	8,494	6,180
Non-deductible Sukuk finance cost	4,245	-
Overprovision of deferred tax	(3,900)	(4,254)
Non-taxable income	(2,749)	(3,495)
Tax expense	54,687	45,679

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

There are no corporate proposals outstanding as at the date of this submission.

B9 DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES

	Group Unaudited 31-Mar-14 RM '000	Audited 31-Dec-13 RM '000
Deposits from customers		
Mudharabah accounts deposits and negotiable instruments of deposits		
One year or less (short-term)	21,388,323	22,294,153
More than one year (medium/long-term)	2,633,123	2,372,931
	24,021,446	24,667,084
Current accounts	9,174,793	9,790,057
Savings accounts	2,645,038	2,379,204
Others	90,998	88,022
Total deposits	35,932,275	36,924,367
Deposits and placements of banks and other financial institutions		
One year or less (short-term)	1,679,648	1,529,975
	1,679,648	1,529,975

**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-Mar-14 Principal Amount	up to 1 mth	>1-3 mths	>3-6 mths	>6-12 mths
Foreign exchange related contracts					
- forwards	287,130	81,228	76,228	45,939	83,735
- swaps	423,507	298,258	30,905	10,544	83,800
- option	97,616	97,616	-	-	-
Total	808,253	477,102	107,133	56,483	167,535

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 may be reduced through offsetting on and off-balance sheet positions. As at 31 March 2014, the amount of contracts which were not hedged and, hence, exposed to market risk was RM726.32 million. (31 December 2013: RM761.78 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 2014, the credit risk measured in terms of the cost to replace the profitable contracts was RM56.42 million (31 December 2013: RM72.30 million).

B11 ECONOMIC PROFIT STATEMENT

	Cumulative Year to date 3 months ended 31 March			
	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-14	31-Mar-13	31-Mar-14	31-Dec-13
	RM '000	RM '000	RM'000	RM'000
Net Operating profit after zakat & tax (NOPAT)				
Profit before zakat and taxation (PBZT)	194,387	188,991	194,387	188,991
Zakat & Taxation	(57,282)	(48,319)	(57,282)	(48,319)
NOPAT	137,105	140,672	137,105	140,672
Economic charge computation:				
Average invested capital (excludes the debit balance of the acquisition reserve arising from the acquisition of shares from non-controlling interests)	4,308,620	3,892,305	4,308,620	3,892,305
Weighted Average Cost of Capital (WACC)	9.90%	8.20%	9.90%	8.20%
Economic charge	105,178	78,699	105,178	78,699
Economic profit	31,927	61,973	31,927	61,973

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 2013.

- (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 amount of RM197,187,500 under the financing facilities granted by the Plaintiffs to the Defendant (the sum owing to Bank Islam was RM63,100,000). The financing facilities were secured by 24 properties. An order for sale was granted on 30 June 2005. However, the Defendant had entered into a Sale and Purchase Agreement dated 12 June 2007 with a third party for the sale of the properties. On 9 May 2008, the balance purchase price was distributed among the Plaintiffs where Bank Islam received RM12,744,866.98. Consequentially, the Plaintiffs agreed to withdraw the foreclosure action against the Defendant.
- The Plaintiffs are proceeding with a civil action against the Defendant to recover the shortfall. The Court has allowed the Plaintiffs' claim and the Defendant has filed an appeal against such ruling. The Defendant then withdrew the appeal and the Plaintiffs will proceed with the execution proceeding against the Defendants. The sum outstanding to Bank Islam as at February 2011 was RM 42.5 million. However, as per solicitor's advice, the Plaintiffs withheld the execution proceeding pending completion of transfer by way of private treaty. There has been no progress to this matter since then. As at May 2014, the status remained the same.
- (b) 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. An auction was fixed on 15 April 2014 but was then postponed to a date yet to be decided.
- (c) 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 was exploring other recovery strategies against the First and Second Defendants. Meanwhile, the Bank proceeded with bankruptcy proceedings against the Third Defendants but the bankruptcy notice was set aside by the Third Defendant. The matter is pending hearing date to be fixed by the court.
- (d) 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 were fixed on 2 to 4 August, 9 to 11 August 2010 and 23 to 26 August 2010. However, on 9 August 2010, the Defendant filed an application to recuse Justice Rohana (the Trial Judge) from hearing this matter. The Defendant claimed that there was a real danger of apparent bias on the part of the Trial Judge in hearing this action, pursuant to a letter from the Plaintiff to Bank Negara Malaysia, referring to a conversation between one 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 were vacated to enable parties to file their affidavits. On 22 September 2010, the Court 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 was ordered to be heard before a new judge, YA Dato' Hj Mohd Zawawi Salleh. The case was then fixed for trial on 11 to 14, 18 to 21 and 25 to 28 July 2011. In the course of trial, Bank Islam 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 directed that the issue be referred directly to the Federal Court. On 25 October 2011, the Federal Court Judges ordered 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 hearing was fixed on 24 April 2013 but was taken off and converted to a case management. The matter was then fixed for hearing on 2 September 2013 but was subsequently adjourned to 21 October 2013. No trial dates have been fixed by the Court pending the decision of the Federal Court on the Defendant's application. Hearing of the appeal on the SAC BNM issue was fixed on 12 February 2014, the hearing was not proceeded due to settlement arrangement between parties. No trial dates have been fixed by the High Court pending the decision of the Federal Court. In March 2014, the parties agreed to a term of settlement and during a case management fixed on 31 March 2014, the parties agreed for all legal actions to be deferred accordingly. The Federal Court proceeded to fix 30th June 2014 for further case management for parties to update the Court on the progress of the settlement.

B12 MATERIAL LITIGATION, continued

- (e) In 2010, Tan Sri Abdul Khalid Ibrahim (hereinafter "the Plaintiff") filed a civil suit against 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 Bai Bithaman Ajil facility. There was no claim amount specified but the Plaintiff sought general damages and loss of profits. The matter was fixed for trial from 29 July 2013 to 2 August 2013 but was subsequently adjourned to 1 October 2013 to 10 October 2013. The trial was further adjourned to a new undecided date pending the decision by Federal Court on the appeal of SAC BNM issue. During a case management on 21 June 2013, the trial dates were vacated in view of the Defendant's application to the Federal Court in relation to the issues of referral of Shariah issues to the SAC BNM and the constitutionality of Section 56 of the Central Bank of Malaysia Act. The trial judge took note of the fact that the trial of another suit (as above) was outstanding, and that the findings of facts arrived at by the other court would be directly applicable to this suit. The trial of this suit would therefore be contingent on the conclusion of the other trial between the Plaintiff and Bank Islam. A case management was fixed on 1 July 2014 for counsels to appraise the Court on the outcome of the Federal Court appeal and the progress of the settlement.
- (f) 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 had 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 first and second defendants are no longer in BILL or Bank Islam's employment. Bank Islam had commenced internal disciplinary proceedings against the third and fourth defendants whereby the results of which their employment were terminated. The matter was fixed for trial on 18-21 February 2013 but was postponed to 7-10 October 2013. Trial had proceeded on 9 October 2013 as the judge was on medical leave. During the trial, the judge had struck out D1 and D2's defence and witness statements as they were not filed within the time directed by the court earlier. On 10 October 2013, trial was postponed again to enable the court to hear D1 and D2's application to set aside previous order made by the court. The application was dismissed and the trial was fixed to continue on 25 November 2013. D1 and D2 have applied for stay of proceedings pending their appeal being heard. The matter has been adjourned to a date which has not been decided pending hearing at the Court of Appeal.

B13 PROFIT FOR THE PERIOD

	Unaudited Quarter 3 months ended 31-Mar-14 RM '000	Unaudited Quarter 3 months ended 31-Dec-13 RM '000	Unaudited Year-to-date 3 months ended 31-Mar-14 RM '000	Unaudited Year-to-date 3 months ended 31-Dec-13 RM '000
Profit for the period is arrived at after charging:				
Depreciation of property, plant and equipment	15,000	14,325	15,000	14,325
Impairment loss:				
- Allowance for impairment on financing advances and others	16,632	(807)	16,632	(807)
Net derivative loss	1,878	388	1,878	388
and after crediting:				
Profit on sale of foreign currencies	-	-	-	-
Reversal of allowance for doubtful debts	-	60	-	60
Net gain/(losses) on disposal of property, plant & equipment	(852)	(1,034)	(852)	(1,034)

B14 EARNINGS PER SHARE

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

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

	Unaudited Quarter 3 months ended 31-Mar-14 RM '000	Unaudited Quarter 3 months ended 31-Dec-13 RM '000	Unaudited Year-to-date 3 months ended 31-Mar-14 RM '000	Unaudited Year-to-date 3 months ended 31-Dec-13 RM '000
Net profit for the period under review attributable to equity holders of the parent	123,455	74,142	123,455	74,142
Number of ordinary shares	1,493,506	1,066,790	1,493,506	1,066,790
Number of average ordinary shares	1,493,506	1,066,790	1,493,506	1,066,790
Basic earnings per share attributable to equity holders of the parent (sen)	8.27	6.95	8.27	6.95

B15 DISCLOSURE OF REALISED AND UNREALISED PROFIT/LOSSES

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

	Unaudited 31-Mar-14 RM'000	Audited 31-Dec-13 RM'000
Total retained profits/ (accumulated losses) of BIMB Holdings Berhad and its subsidiaries:		
Realised	925,731	850,447
Unrealised	41,391	38,833
Less: Consolidation adjustments	(853,980)	(839,672)
Total group retained profits/ (accumulated losses) as per condensed consolidated financial statements	113,142	49,608

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 29, 2014