

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

Condensed Consolidated Statement of Financial Position as at 30 June 2014

		As at 30 June, 2014 RM'000 Unaudited	As at 31 December, 2013 RM'000 Audited
	Note		
ASSETS			
Cash and short-term funds		2,629,198	3,953,896
Deposits and placements with financial institutions		949,186	701,302
Derivative financial assets	A8	21,488	29,118
Financial assets held-for-trading	A9	1,125,928	1,405,198
Financial assets held-to-maturity	A10	475,734	467,935
Financial assets available-for-sale	A11	15,584,015	16,536,010
Financing, advances and others	A12	26,258,272	23,740,948
Deferred tax assets		74,569	69,191
Assets classified as held for sale		2,723	7,209
Other assets		374,505	250,801
Takaful assets		854,053	753,089
Current tax assets		40,947	9,448
Investments in associates		1	1
Statutory deposits with Bank Negara Malaysia		1,298,000	1,297,100
Investment properties		13,151	16,721
Property, plant and equipment		438,134	436,578
Total assets		50,139,904	49,674,545
LIABILITIES, EQUITY & TAKAFUL FUNDS			
Liabilities			
Deposits from customers	A14	37,993,644	36,924,367
Deposits and placements of banks and other financial institutions	A15	602,270	1,529,975
Bills and acceptances payable		119,114	170,598
Takaful liabilities	A16	6,263,868	6,082,001
Other liabilities		807,241	774,566
Zakat and taxation		63,115	39,598
Derivative financial liabilities	A8	9,191	13,565
Sukuk liabilities	A29	1,123,893	1,089,935
Total liabilities		46,982,336	46,624,605
Equity			
Share capital		1,493,506	1,493,506
Reserves		1,419,350	1,316,831
Equity attributable to owners of the Company		2,912,856	2,810,337
Non-controlling interests		244,712	239,603
Total equity		3,157,568	3,049,940
Total liabilities and equity		50,139,904	49,674,545
Commitments and contingencies	A27	11,223,601	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 Half Year Ended 30 June 2014**

		Quarter ended 30 June 2014 RM'000	Quarter ended 30 June 2013 RM'000	Year-to-date 6 months ended 30 June 2014 RM'000	Year-to-date 6 months ended 30 June 2013 RM'000
	Note				
Income derived from investment of depositors' funds	A17	501,422	464,144	975,061	911,311
Income derived from investment of shareholders' funds	A18	102,078	105,791	206,067	190,278
Net income from Takaful business	A19	131,097	137,513	280,364	282,705
Allowance for impairment on financing and advances	A20	(16,590)	(2,402)	(33,222)	(1,595)
Reversal of impairment on investments and other assets		816	3,491	816	3,491
Direct expenses		(5,023)	(4,963)	(8,815)	(11,151)
Total distributable income		713,800	703,574	1,420,271	1,375,039
Income attributable to depositors	A21	(203,847)	(196,639)	(394,907)	(377,317)
Total net income		509,953	506,935	1,025,364	997,722
Personnel expenses		(144,462)	(148,301)	(295,943)	(297,172)
Other overhead expenses		(127,223)	(128,099)	(264,787)	(266,347)
Depreciation		(14,607)	(16,515)	(29,607)	(30,840)
Operating profit		223,661	214,020	435,027	403,363
Finance cost		(16,979)	-	(33,958)	-
Share in the results of associated company, net of tax		-	(981)	-	(1,333)
Profit before zakat and tax		206,682	213,039	401,069	402,030
Zakat		(2,753)	(2,663)	(5,348)	(5,303)
Tax expense	B5	(56,636)	(69,369)	(111,323)	(115,048)
Profit for the period		147,293	141,007	284,398	281,679
Attributable to:					
Owners of the Company		129,672	69,581	253,127	143,723
Non-controlling interests		17,621	71,426	31,271	137,956
Profit for the period		147,293	141,007	284,398	281,679
Earnings per share - basic (sen)	B14	8.68	6.52	16.95	13.47

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Half Year Ended 30 June 2014, continued**

	Quarter ended 30 June 2014 RM'000	Quarter ended 30 June 2013 RM'000	Year-to-date 6 months ended 30 June 2014 RM'000	Year-to-date 6 months ended 30 June 2013 RM'000
Profit for the period	147,293	141,007	284,398	281,679
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences in respect of foreign operations	2,539	(6,326)	8,313	(9,376)
Net gain on revaluation of financial assets available-for-sale	(9,363)	(1,648)	(35,594)	(12,277)
Total comprehensive income for the period	140,469	133,033	257,117	260,026
Attributable to:				
Owners of the Company	124,019	65,819	227,443	132,969
Non-controlling interests	16,450	67,214	29,674	127,057
Total comprehensive income for the period	140,469	133,033	257,117	260,026

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity
For the Half Year Ended 30 June 2014**

Group	Note	Attributable to Equity Holders of the Company					Distributable		Non-controlling Interests	Total Equity	
		Share Capital	Share Premium	Warrant Reserves	Statutory Reserves	Acquisition Reserves	Other Reserves	Retained earnings / (Accumulated losses)			Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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		-	-	-	-	-	-	143,723	143,723	137,956	281,679
- Other comprehensive income											
<i>Currency translation differences in respect of foreign operations</i>		-	-	-	-	-	(4,686)	-	(4,686)	(4,690)	(9,376)
<i>Net gain on revaluation of financial assets available-for-sale</i>		-	-	-	-	-	(6,068)	-	(6,068)	(6,209)	(12,277)
- Total comprehensive income for the year		-	-	-	-	-	(10,754)	143,723	132,969	127,057	260,026
Dividends to shareholders	A7	-	-	-	-	-	-	(53,340)	(53,340)	-	(53,340)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	(31,304)	(31,304)
Disposal of interest in subsidiary		-	-	-	-	-	-	1,653	1,653	1,460	3,113
At 30 June 2013		1,066,790	603,630	-	358,719	-	58,960	73,958	2,162,057	1,844,828	4,006,885
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		-	-	-	-	-	-	253,127	253,127	31,271	284,398
- Other comprehensive income											
<i>Currency translation differences in respect of foreign operations</i>		-	-	-	-	-	8,467	-	8,467	(154)	8,313
<i>Net gain on revaluation of financial assets available-for-sale</i>		-	-	-	-	-	(34,151)	-	(34,151)	(1,443)	(35,594)
- Total comprehensive income for the year		-	-	-	-	-	(25,684)	253,127	227,443	29,674	257,117
Transfer to statutory reserve		-	-	-	121,043	-	-	(121,043)	-	-	-
Dividends to shareholders	A7	-	-	-	-	-	-	(126,948)	(126,948)	-	(126,948)
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	(25,725)	(25,725)
Disposal of interest in subsidiary		-	-	-	-	-	-	552	552	197	749
Share-based payment transactions		-	-	-	-	-	1,472	-	1,472	963	2,435
At 30 June 2014		1,493,506	1,859,628	129,300	605,132	(1,199,747)	(30,259)	55,296	2,912,856	244,712	3,157,568

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Cash Flows
For the Half Year Ended 30 June 2014**

	Year-to-date	
	6 months ended 30 June 2014 RM'000 Unaudited	6 months ended 30 June 2013 RM'000 Unaudited
Cash flows from operating activities		
Profit before zakat and taxation	401,069	402,030
Adjustment for non-cash flow items:-		
Depreciation of property, plant and equipment	29,607	30,840
Reversal of allowance for doubtful debts	-	(124)
Allowance for impairment on financing, advances and others	33,222	1,595
Reversal of impairment on investments and other assets	(816)	(3,491)
Net loss on disposal of property, plant and equipment	1,253	984
Net (gain) / loss on sale of financial assets held-for-trading	2,761	(749)
Fair value gain on revaluation of financial assets held-for-trading	(3,736)	-
Net (gain) / loss on sale of financial assets available-for-sale	(6,996)	(6,012)
Net derivative (gains) / losses	2,301	(2,856)
Finance cost	33,958	-
Share of results of associate company	-	1,333
Operating profit before working capital changes	492,623	423,550
Changes in working capital:		
Deposits and placements of banks and other financial institutions	(927,705)	460,657
Financing of customers	(2,550,546)	(1,863,846)
Statutory deposits with Bank Negara Malaysia	(900)	(96,600)
Other assets	(224,668)	(23,557)
Deposits from customers	1,069,277	2,315,669
Other liabilities	210,168	326,884
Bills payable	(51,484)	(173,668)
Cash (generated from) / used in operations	(1,983,235)	1,369,089
Tax paid	(110,247)	(85,388)
Net cash (generated from) / used in operating activities	(2,093,482)	1,283,701

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Cash Flows
For the Half Year Ended 30 June 2014, continued**

	Year-to-date	
	6 months ended 30 June 2014 RM'000 Unaudited	6 months ended 30 June 2013 RM'000 Unaudited
Cash flows from investing activities		
Net proceeds from (purchases) / disposal of securities	1,187,872	858,009
Disposal of investment in subsidiary	749	3,113
Purchase of property, plant and equipment	(27,593)	(15,893)
Net cash generated from/(used in) investing activities	1,161,028	845,229
Cash flows from financing activities		
Dividend paid to non-controlling interests	(25,725)	(31,304)
Dividend paid to shareholders of the parent	(126,948)	(53,340)
Acquisition of additional interest from non-controlling interests	-	-
Net cash generated from/(used in) financing activities	(152,673)	(84,644)
Net increase/(decrease) in cash and cash equivalent	(1,085,127)	2,044,286
Cash and cash equivalents at the beginning of period	4,655,198	2,583,090
Foreign exchange differences	8,313	(9,376)
Cash and cash equivalents at the end of period	3,578,384	4,618,000
Cash and cash equivalents comprise:		
Cash and short term funds	2,629,198	4,052,394
Deposits and placement with financial institutions	949,186	565,606
	3,578,384	4,618,000

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 30 June 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 reserve 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 30 June 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 30 June 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 30 June 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 30 June 2014.

A7 DIVIDENDS PAID

	<u>30-Jun-14</u> <u>RM '000</u>	<u>30-Jun-13</u> <u>RM '000</u>
<u>Ordinary</u>		
Final paid		
2013 - 8.50%, (2012 - 5.00%)	<u>126,948</u>	<u>53,340</u>

A8 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.

	<u>Notional amount RM '000</u>	<u>Fair value Assets RM '000</u>	<u>Liabilities RM '000</u>
30 June 2014 - Unaudited			
Forward contracts	1,122,792	2,812	(4,256)
Profit rate swaps	1,299,750	18,565	(4,824)
Structured deposits	108,345	111	(111)
	<u>2,530,887</u>	<u>21,488</u>	<u>(9,191)</u>
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)
	<u>2,803,870</u>	<u>29,118</u>	<u>(13,565)</u>

A9 FINANCIAL ASSETS HELD-FOR-TRADING

	<u>Unaudited 30-Jun-14 RM '000</u>	<u>Audited 31-Dec-13 RM '000</u>
At fair value		
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Shares	61,948	51,239
<i>Outside Malaysia</i>		
Shares	34,483	29,583
Unit trusts	13,510	18,451
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Malaysian Government Investment Issues	660,687	726,353
Bank Negara Negotiable Notes	19,802	178,058
Malaysian Islamic Treasury Bills	281	-
Islamic Debt Securities	255,041	328,751
<i>Outside Malaysia</i>		
Islamic Debt Securities	80,176	72,763
Total financial assets held-for-trading	<u>1,125,928</u>	<u>1,405,198</u>

A10 FINANCIAL ASSETS HELD-TO-MATURITY

	<u>Unaudited 30-Jun-14 RM '000</u>	<u>Audited 31-Dec-13 RM '000</u>
At amortised cost		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Malaysian Government Islamic papers	145,334	145,391
Islamic Debt Securities	318,716	319,089
<i>Outside Malaysia</i>		
Islamic Debt Securities	18,703	10,580
	<u>482,753</u>	<u>475,060</u>
Less: Accumulated impairment loss	(7,019)	(7,125)
Total financial assets held-to-maturity	<u>475,734</u>	<u>467,935</u>

A11 FINANCIAL ASSETS AVAILABLE-FOR-SALE

	Unaudited 30-Jun-14 RM '000	Audited 31-Dec-13 RM '000
At fair value		
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Unit trusts	215,303	148,399
Shares	879,141	930,897
<i>Outside Malaysia</i>		
Unit trusts	57,393	73,827
Shares	12,746	542
Islamic Debt Securities	3,374	5,134
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Malaysian Government Investment Issues	1,465,784	1,269,943
Malaysian Government Islamic papers	301,709	455,731
Negotiable Islamic Debt Certificate	49,550	447,825
Islamic Debt Securities	12,393,628	12,868,937
Shares	380	380
Unit trusts	170,370	298,897
<i>Outside Malaysia</i>		
Islamic Development Bank unit trust	1,647	1,647
Shares	36	36
Islamic Debt Securities	1,345	1,345
	15,552,406	16,503,540
At cost		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Shares	23,166	23,456
<i>Outside Malaysia</i>		
Shares	22,893	23,754
	46,059	47,210
Less: Accumulated impairment loss	(14,450)	(14,740)
Total financial investments available-for-sale	15,584,015	16,536,010

A12 FINANCING, ADVANCES AND OTHERS

(i) **By type**

	Unaudited 30-Jun-14 RM '000	Audited 31-Dec-13 RM '000
At amortised cost		
Cash line	763,104	749,246
Term financing		
House financing	7,959,215	6,701,052
Syndicated financing	1,234,690	732,677
Leasing financing	64,931	217,681
Bridging financing	52,452	40,052
Personal financing	8,949,628	8,332,211
Other term financing	6,188,965	5,900,585
Staff financing	172,203	172,708
Credit/charge cards	425,783	445,242
Trade bills discounted	887,270	819,488
Trust receipts	24,637	35,957
Pawn broking	86,846	95,621
	26,809,724	24,242,520
Less: Allowance for impaired financing, advances and others:		
Collective assessment allowance	(406,545)	(365,375)
Individual assessment allowance	(144,907)	(136,197)
Total net financing, advances and others	26,258,272	23,740,948

(ii) **By contract**

	Unaudited 30-Jun-14 RM '000	Audited 31-Dec-13 RM '000
Bai' Bithaman Ajil	8,859,246	9,162,344
Ijarah Thumma Al-Bai	156,862	192,966
Ijarah Muntahiah Bit-Tamleek	57,619	57,931
Murabahah	1,079,955	841,338
Bai Al-Inah	997,771	1,282,498
Istisna'	141,469	131,875
At-Tawarruq	15,429,956	12,477,947
Ar-Rahnu	86,846	95,621
	26,809,724	24,242,520

(iii) **By type of customer**

	Unaudited 30-Jun-14 RM '000	Audited 31-Dec-13 RM '000
Domestic non-bank financial institutions	391,214	352,438
Domestic business enterprise	5,100,520	4,630,194
Small medium industries	654,661	631,069
Government and statutory bodies	189,417	200,885
Individuals	20,268,690	18,216,908
Other domestic entities	9,264	5,483
Foreign entities	195,958	205,543
	26,809,724	24,242,520

A12 FINANCING, ADVANCES AND OTHERS, continued

(iv) By profit rate sensitivity

	Unaudited 30-Jun-14 RM '000	Audited 31-Dec-13 RM '000
Fixed rate		
House financing	1,653,144	1,512,408
Others	7,437,453	7,954,409
Floating rate		
Others	17,719,127	14,775,703
	26,809,724	24,242,520

(v) By remaining contractual maturity

	Unaudited 30-Jun-14 RM '000	Audited 31-Dec-13 RM '000
Maturity within one year	3,061,323	2,927,612
More than one year to three years	991,853	816,371
More than three years to five years	1,485,464	1,373,079
More than five years	21,271,084	19,125,458
	26,809,724	24,242,520

(vi) By sector

	Unaudited 30-Jun-14 RM '000	Audited 31-Dec-13 RM '000
Primary agriculture	260,392	243,148
Mining and quarrying	9,875	8,135
Manufacturing (including agro-based)	924,292	829,577
Electricity, gas and water	387,254	365,014
Construction	1,934,390	1,872,011
Real estate	523,460	517,731
Household sectors	20,267,925	18,216,799
Wholesale and retail trade and hotels and restaurants	804,510	750,364
Transport, storage and communications	454,017	236,616
Finance, insurance and business activities	888,567	850,283
Education, health and others	355,042	342,942
Other sectors	-	9,900
	26,809,724	24,242,520

A13 IMPAIRED FINANCING, ADVANCES AND OTHERS

(i) Movements in impaired financing and advances

	Unaudited 30-Jun-14 RM '000	Audited 31-Dec-13 RM '000
At 1 January 2014/ 1 January 2013	285,302	308,709
Classified as impaired during the year	189,912	440,665
Reclassified as not impaired during the year	(96,983)	(236,056)
Amount recovered	(30,076)	(71,626)
Amount written off	(39,886)	(160,388)
Exchange differences	(976)	3,998
At 30 June 2014 / 31 December 2013	307,293	285,302
Gross impaired financing as a percentage of gross financing, advances and others	1.15%	1.18%

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

	Unaudited 30-Jun-14 RM '000	Audited 31-Dec-13 RM '000
Collective assessment allowance		
At 1 January 2014/ 1 January 2013	365,375	313,334
Allowance made during the year	78,667	141,621
Amount written off	(37,792)	(90,373)
Exchange differences	295	793
At 30 June 2014 / 31 December 2013	406,545	365,375
Individual assessment allowance		
At 1 January 2014/ 1 January 2013	136,197	126,988
Allowance/ (Recovery) made during the year	11,832	79,103
Amount written off	(2,228)	(69,901)
Exchange differences	(894)	7
At 30 June 2014 / 31 December 2013	144,907	136,197

A13 IMPAIRED FINANCING, ADVANCES AND OTHERS, continued

(iii) Impaired financing by sector

	Unaudited 30-Jun-14 RM '000	Audited 31-Dec-13 RM '000
Primary agriculture	1,268	-
Manufacturing (including agro-based)	35,687	32,302
Electricity, gas and water	1,090	108
Wholesale and retail trade and hotels and restaurants	19,394	15,525
Construction	30,863	21,601
Transport, storage and communications	32,629	33,117
Finance, insurance and business activities	56,842	61,393
Education, health and others	618	-
Household sectors	128,902	121,226
Other sectors	-	30
	307,293	285,302

A14 DEPOSITS FROM CUSTOMERS

(i) By type of deposit

	Unaudited 30-Jun-14 RM '000	Audited 31-Dec-13 RM '000
Savings deposit	4,959,141	4,674,482
<i>Wadiah</i>	3,127,727	2,379,204
<i>Mudharabah</i>	1,831,414	2,295,278
Demand deposit		
<i>Wadiah</i>	8,945,831	9,790,057
Term deposit	24,000,107	22,371,806
Special investment accounts		
<i>Mudharabah</i>	18,603,330	18,436,466
General investment deposits		
<i>Mudharabah</i>	2,027,237	2,012,162
Term and special term deposit-i		
<i>Tawarruq</i>	1,267,963	-
Negotiable Islamic Debt Securities (NIDC)	1,404,099	1,466,205
Waheed-i	600,936	358,516
Ziyad - structured deposits	96,542	98,457
Others	88,565	88,022
Total deposits from customers	37,993,644	36,924,367

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

Due within six months	22,278,899	20,152,221
More than six months to one year	1,318,779	2,036,519
More than one year to three years	356,429	136,897
More than three years to five years	46,000	46,169
	24,000,107	22,371,806

(ii) By type of customer

	Unaudited 30-Jun-14 RM '000	Audited 31-Dec-13 RM '000
Government and statutory bodies	7,442,184	8,069,129
Business enterprises	10,086,434	9,688,640
Individuals	5,457,169	5,124,757
Others	15,007,857	14,041,841
	37,993,644	36,924,367

A15 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Unaudited 30-Jun-14 RM '000	Audited 31-Dec-13 RM '000
Non-Mudharabah Fund:		
Licensed banks	-	1,538
Other financial institutions	39,655	44,564
	<u>39,655</u>	<u>46,102</u>
Mudharabah Fund:		
Licensed banks	532,615	1,298,873
Other financial institutions	30,000	185,000
	<u>562,615</u>	<u>1,483,873</u>
	<u>602,270</u>	<u>1,529,975</u>

A16 TAKAFUL LIABILITIES

	Unaudited 30-Jun-14 RM '000	Audited 31-Dec-13 RM '000
Takaful contract liabilities	6,045,292	5,875,051
Expense reserves	156,754	131,522
Takaful payables	61,822	75,428
Total takaful liabilities	<u>6,263,868</u>	<u>6,082,001</u>

(a) Takaful contract liabilities

The takaful contract liabilities comprise the following :

Provision for claims reported by participants	462,910	473,365
Provision for Incurred-but-not-reported (IBNR)	399,176	387,909
Provision for outstanding claims	862,086	861,274
Provision for unearned contributions	297,825	296,425
Participants' fund	4,885,381	4,717,352
Total takaful contract liabilities	<u>6,045,292</u>	<u>5,875,051</u>

(b) Participants' fund

	Gross RM '000	Group Retakaful RM '000	Net RM '000
30 June 2014 - Unaudited			
Actuarial liabilities	3,892,196	(167,540)	3,724,656
Unallocated surplus/ Accumulated surplus	925,098	-	925,098
AFS reserve	(53,452)	-	(53,452)
Translation reserve	1,129	-	1,129
Net assets value attributable to unit holders	120,410	-	120,410
	<u>4,885,381</u>	<u>(167,540)</u>	<u>4,717,841</u>
31 December 2013 - 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>

A17 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS

	Unaudited Quarter 3 months ended 30-Jun-14 RM '000	Unaudited Quarter 3 months ended 30-Jun-13 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-14 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-13 RM '000
Income derived from investment of:				
(i) General investment deposits	29,031	29,868	57,514	59,351
(ii) Other deposits	472,391	434,276	917,547	851,960
	501,422	464,144	975,061	911,311

(i) Income derived from investment of general investment deposits

	Unaudited Quarter 3 months ended 30-Jun-14 RM '000	Unaudited Quarter 3 months ended 30-Jun-13 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-14 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-13 RM '000
Financing income and hibah				
Financing, advances and others	22,229	21,438	44,084	42,463
Financial assets held-for-trading	672	502	1,332	963
Financial assets available-for-sale	42	217	85	444
Financial assets held-to-maturity	5,122	5,787	10,653	12,125
Money at call and deposit with financial institutions	479	1,656	913	2,590
	28,544	29,600	57,067	58,585
<i>Of which financing income earned on impaired financing</i>	361	580	688	1,009
Other dealing income				
Net gain / (loss) from sale of financial assets held-for-trading	(12)	29	(181)	45
Net gain / (loss) on revaluation of financial assets held-for-trading	(8)	(1)	205	360
	(20)	28	24	405
Other operating income				
Net gain / (loss) from sale of financial assets available-for-sale	507	269	423	390
Loss on redemption of financial assets held-to-maturity	-	(29)	-	(29)
	507	240	423	361
	29,031	29,868	57,514	59,351

(ii) Income derived from investment of other deposits

	Unaudited Quarter 3 months ended 30-Jun-14 RM '000	Unaudited Quarter 3 months ended 30-Jun-13 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-14 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-13 RM '000
Financing income and hibah				
Financing, advances and others	361,759	311,802	703,339	609,639
Financial assets held-for-trading	10,921	7,302	21,240	13,832
Financial assets available for sale	83,335	84,139	169,785	173,949
Financial assets held-to-maturity	697	3,150	1,362	6,368
Money at call and deposit with financial institutions	7,796	24,065	14,552	37,300
	464,508	430,458	910,278	841,088
<i>Of which financing income earned on impaired financing</i>	5,862	8,448	10,967	14,518
Other dealing income				
Net gain / (loss) from sale of financial assets held-for-trading	(200)	391	(2,807)	626
Net gain / (loss) on revaluation of financial assets held-for-trading	(135)	(60)	3,187	5,054
	(335)	331	380	5,680
Other operating income				
Net gain / (loss) from sale of financial assets available-for-sale	8,218	3,917	6,889	5,622
Loss on redemption of financial assets held-to-maturity	-	(430)	-	(430)
	8,218	3,487	6,889	5,192
	472,391	434,276	917,547	851,960

A18 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	Unaudited Quarter 3 months ended 30-Jun-14 RM '000	Unaudited Quarter 3 months ended 30-Jun-13 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-14 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-13 RM '000
Financing income and hibah				
Financing, advances and others	1,535	1,116	3,052	2,199
Financial assets available for sale	30,333	23,395	56,593	49,833
Money at call and deposit with financial institutions	1,991	7,450	6,029	9,501
	33,859	31,961	65,674	61,533
Other dealing income				
Net gain from foreign exchange transactions	20,987	16,655	52,833	33,111
Net gain/(loss) from sale of financial assets held-for-trading	137	44	227	78
Net gain / (loss) on revaluation of financial assets held-for-trading	246	-	344	-
Net derivatives loss	(423)	3,244	(2,301)	2,856
	20,947	19,943	51,103	36,045
Other operating income				
Net loss from sale of financial assets available-for-sale	-	-	(316)	-
Reversal of allowance for doubtful debts	-	64	-	124
Gross dividend income from securities				
Quoted in Malaysia	93	1	124	5
Unit trust in Malaysia	307	346	404	557
Unquoted in Malaysia	2,536	6,044	2,536	6,458
	2,936	6,455	2,748	7,144
Fees and commission				
ATM fees	3,268	3,602	5,993	6,535
Financing fees	3,179	3,237	6,400	6,707
Cheque issued & return, closing account and other fees	2,405	2,796	4,027	4,622
Takaful service fees and commission	6,344	4,449	12,201	8,215
Credit card fees and commission	8,463	9,100	17,097	17,929
Processing fees	124	357	312	538
Commission on MEPS	2,324	2,397	4,758	4,758
Unit trust management fees	1,816	2,066	3,367	3,944
Corporate advisory fees	1,324	4,183	2,421	5,135
Ar Rahn fees	3,000	2,814	6,251	5,637
Others	11,829	11,365	23,694	20,464
	44,076	46,366	86,521	84,484
Other income				
Net gain/(loss) on disposal of property, plant & equipment	(401)	50	(1,253)	(984)
Rental income	660	902	1,228	1,809
Others	1	114	46	247
	260	1,066	21	1,072
	102,078	105,791	206,067	190,278

A19 NET INCOME FROM TAKAFUL BUSINESS

	Unaudited Quarter 3 months ended 30-Jun-14 RM '000	Unaudited Quarter 3 months ended 30-Jun-13 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-14 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-13 RM '000
Net earned contributions				
Gross earned contributions	385,793	416,893	707,964	814,376
Contribution ceded to retakaful	(64,615)	(43,558)	(113,118)	(88,842)
	321,178	373,335	594,846	725,534
Other income				
Administration income	8,969	2,099	18,681	8,773
Investment income	57,537	55,055	111,771	110,759
Realised gains and losses	40,887	45,636	88,603	78,231
Fair value gains and losses	1,934	6,899	1,542	6,564
Other operating income	5,091	1,078	7,290	2,741
	114,418	110,767	227,887	207,068
Net benefits and claims				
Gross benefits and claims paid	(200,118)	(242,667)	(387,181)	(411,600)
Claims receded to retakaful	24,355	16,493	45,628	34,978
Gross change to contract liabilities	4,336	(61,480)	(1,391)	(82,614)
Change to contract liabilities ceded to takaful	(1,540)	35,589	18,846	49,252
	(172,967)	(252,065)	(324,098)	(409,984)
Expense reserves				
	(8,626)	(10,040)	(25,234)	(44,562)
Income from takaful business				
Profits attributable to participants/takaful operator	254,003	221,997	473,401	478,056
	(122,906)	(84,484)	(193,037)	(195,351)
Net income from takaful business	131,097	137,513	280,364	282,705

A20 ALLOWANCE FOR IMPAIRMENT ON FINANCING AND ADVANCES

	Unaudited Quarter 3 months ended 30-Jun-14 RM '000	Unaudited Quarter 3 months ended 30-Jun-13 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-14 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-13 RM '000
Allowance for impaired financing, advances and others:				
- Collective assessment allowance	44,690	31,745	78,667	91,600
- Individual assessment allowance	3,305	(290)	11,832	5,427
Bad debts and financing recovered	(31,405)	(29,053)	(57,277)	(95,432)
	16,590	2,402	33,222	1,595

A21 INCOME ATTRIBUTABLE TO DEPOSITORS

	Unaudited Quarter 3 months ended 30-Jun-14 RM '000	Unaudited Quarter 3 months ended 30-Jun-13 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-14 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-13 RM '000
Deposits from customers:				
- Mudharabah fund	169,621	144,678	329,308	283,048
- Non-Mudharabah fund	25,733	47,975	50,477	85,860
Deposits and placements of banks and other financial institutions:				
- Mudharabah fund	8,376	3,698	14,851	7,243
- Non-Mudharabah fund	117	288	271	1,166
	203,847	196,639	394,907	377,317

A22 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:

	30-Jun-14 RM '000	31-Dec-13 RM '000
Common Equity Tier 1 (CET 1) Capital Ratio	12.797%	12.964%
Total Tier 1 Capital Ratio	12.797%	12.964%
Total Capital Ratio	13.902%	14.056%

(ii) Capital structure

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

	CAFIB Basel III 30-Jun-14 RM '000	CAFIB Basel II 31-Dec-13 RM '000
Tier-I capital:		
Paid-up share capital	2,298,165	2,298,165
Share premium	52,281	52,281
Retained earnings	374,481	449,221
Less: Interim and/or final dividend declared	-	(195,399)
Fair value reserves	(39,716)	(8,009)
Translation reserves	(12,549)	(20,898)
Statutory reserves	872,517	751,474
Less: Deferred tax assets	(24,613)	(24,613)
Total Common Equity Tier I Capital / Total Tier-I capital	3,520,566	3,302,222
Tier-II capital:		
Collective assessment allowance	303,862	278,155
Total Tier-II capital	303,862	278,155
Total Capital	3,824,428	3,580,377

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

	30 June 2014		31 December 2013	
	Principal amount RM '000	Risk weighted amount RM '000	Principal amount RM '000	Risk weighted amount RM '000
0%	9,184,637	-	10,893,185	-
20%	6,515,185	1,303,037	7,140,337	1,428,067
35%	2,363,166	827,108	2,013,232	704,631
50%	2,010,923	1,005,462	2,099,498	1,049,749
75%	8,667,521	6,500,641	8,242,619	6,181,964
100%	14,046,830	14,046,830	12,230,094	12,230,095
150%	417,250	625,875	438,618	657,927
Total risk-weighted assets for credit risk	43,205,512	24,308,953	43,057,583	22,252,433
Total risk-weighted assets for market risk	-	609,502	-	761,777
Total risk-weighted assets for operational risk	-	2,592,022	-	2,457,803
Total risk-weighted assets	43,205,512	27,510,477	43,057,583	25,472,013

A23 OPERATING SEGMENT INFORMATION

The Group comprises the following main operating segments:

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

(i) Information about reportable segments

	6 months ended			Elimination 30-Jun-14	Total 30-Jun-14
	Banking 30-Jun-14 RM'000	Takaful 30-Jun-14 RM'000	Others 30-Jun-14 RM'000		
Current Year-to-Date					
Revenue from external customers	1,175,242	280,364	5,886	-	1,461,492
Inter-segment revenue	-	1,340	45,055	(46,395)	-
Total revenue	1,175,242	281,704	50,941	(46,395)	1,461,492
Net income from operations (before allowance for impairment on financing)	777,407	281,704	50,941	(43,467)	1,066,585
Operating overheads	(409,698)	(179,958)	(11,870)	2,374	(599,152)
Operating results	367,709	101,746	39,071	(41,093)	467,433
Allowance for impairment on financing and advance	(33,222)	-	-	-	(33,222)
Reversal on allowance for impairment on other assets	816	-	-	-	816
Finance cost	-	-	(33,958)	-	(33,958)
Share of results of associate company	-	-	-	-	-
Profit before zakat and taxation	335,303	101,746	5,113	(41,093)	401,069
Segment assets	42,918,791	7,077,470	5,005,627	(4,861,984)	50,139,904
Segment liabilities	39,373,612	6,487,868	1,244,945	(124,089)	46,982,336
	6 months ended			Elimination 30-Jun-13	Total 30-Jun-13
	Banking 30-Jun-13 RM'000	Takaful 30-Jun-13 RM'000	Others 30-Jun-13 RM'000		
Previous Comparative Year-to-Date					
Revenue from external customers	1,095,432	282,705	6,157	-	1,384,294
Inter-segment revenue	-	1,316	42,116	(43,432)	-
Total revenue	1,095,432	284,021	48,273	(43,432)	1,384,294
Net income from operations (before allowance for impairment on financing)	716,285	284,021	48,273	(41,602)	1,006,977
Operating overheads	(394,327)	(201,351)	(11,613)	1,781	(605,510)
Operating results	321,958	82,670	36,660	(39,821)	401,467
Allowance for impairment on financing and advance	(1,595)	-	-	-	(1,595)
Reversal on allowance for impairment on other assets	3,491	-	-	-	3,491
Share of results of associate company	(1,333)	-	-	-	(1,333)
Profit before zakat and taxation	322,521	82,670	36,660	(39,821)	402,030
Segment assets	40,113,011	6,811,872	2,106,345	(1,984,795)	47,046,433
Segment liabilities	36,854,164	6,227,640	163,910	(144,969)	43,100,745

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.

A24 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 30 June 2014.

A25 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the end of the quarter ended 30 June 2014.

A26 CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the quarter ended 30 June 2014.

A27 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 30 June 2014 are as follows:

Unaudited				
30 June 2014				
	Principal	Positive Fair Value	Credit	Risk
	Amount	of Derivative	Equivalent	Weighted
	RM '000	Contracts	Amount	Asset
Credit-related exposures	RM '000	RM '000	RM '000	RM '000
Direct credit substitutes	340,136		340,136	334,676
Assets sold with recourse	2		2	2
Transaction-related contingent items	887,767		443,883	391,957
Short-term self-liquidating trade related contingencies	240,420		48,084	43,885
Other commitments, such as formal standby facilities and credit lines with original maturity of:				
- not exceeding one year	116		23	5
- exceeding one year	906,374		453,187	374,733
Unutilized credit card lines	1,008,091		201,618	151,214
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	5,309,808		-	-
	8,692,714		1,486,933	1,296,472
Derivative financial instruments				
Foreign exchange related contracts				
- less than one year	1,122,792	2,812	10,399	4,894
Profit rate related contracts				
- less than one year	400,000	946	750	150
- one year to less than five years	600,000	12,823	20,010	4,002
- five years and above	299,750	4,796	13,563	13,564
Equity related contracts				
- one year to less than five years	108,345	111	6,501	3,250
	2,530,887	21,488	51,223	25,860
Total	11,223,601	21,488	1,538,156	1,322,332

Audited				
31 December 2013				
	Principal	Positive Fair Value	Credit	Risk
	Amount	of Derivative	Equivalent	Weighted
	RM '000	Contracts	Amount	Asset
Credit-related exposures	RM '000	RM '000	RM '000	RM '000
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		-	-
	8,407,810		1,423,787	1,240,873
Derivative financial instruments				
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				
- less than one year	711,481	16,455	35,660	19,660
- one year to less than five years	110,495	582	8,840	4,420
	2,803,870	29,118	72,296	36,220
Total	11,211,680	29,118	1,496,083	1,277,093

A28 FAIR VALUE 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.

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

A28 FAIR VALUE 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:

30 June 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			Level 1	Level 2	Level 3			
Assets											
Financial assets held-for-trading	109,941	1,015,987	-	1,125,928	-	-	-	-	1,125,928	1,125,928	
Derivative financial assets	-	21,488	-	21,488	-	-	-	-	21,488	21,488	
Financial assets held-to-maturity	-	-	-	-	13,266	389,710	85,014	487,990	487,990	475,734	
Financial assets available-for-sale	1,189,202	14,187,797	174,991	15,551,990	-	-	33,620	33,620	15,585,610	15,584,015	
Financing, advances & others	-	-	-	-	-	-	26,521,121	26,521,121	26,521,121	26,258,272	
	1,299,143	15,225,272	174,991	16,699,406	13,266	389,710	26,639,755	27,042,731	43,742,137	43,465,437	
Liabilities											
Derivative financial liabilities	-	9,191	-	9,191	-	-	-	-	9,191	9,191	
Total liabilities	-	9,191	-	9,191	-	-	-	-	9,191	9,191	

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			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	

A28 FAIR VALUE OF FINANCIAL INSTRUMENTS, continued

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 30 June 2014 for the Group:

	Unaudited	Audited
	30-Jun-14	31-Dec-13
	RM '000	RM '000
Financial assets available-for-sale		
At 1 January 2014/2013	303,517	305,204
Maturity	(134,816)	-
Gain/(losses)	6,290	13,493
Settlement	-	(5,643)
Impairment	-	(9,537)
At 30 June 2014/31 December 2013	174,991	303,517

A29 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

Performance review for the six months period ended to 30 June 2014

BIMB Holdings Berhad ("BHB") posted a consolidated Profit before Zakat and Taxation ("PBZT") of RM401.1 million for the six months period ended 30 June 2014, a decrease of RM961,000 or 0.2% compared to the previous corresponding period. The decrease was mainly due to financing cost of the sukuk raised by BHB to partly fund the acquisition of 49% equity interest in Bank Islam Malaysia Berhad in December 2013.

As a result of the acquisition of 49% interest in Bank Islam Malaysia Berhad, the net profit attributable to the shareholders increased by RM109.4 million or 76.1%. Consequently, the earnings per share ("EPS") for the period under review also increased by 25.8%.

Year-on-year net financing assets grew RM4.9 billion or 22.9% to reach RM26.3 billion as at 30 June 2014, as asset quality improved further with a gross impaired financing ratio of 1.15% as at 30 June 2014 (As at 30 June 2013: 1.36%). The Risk Weighted Capital Adequacy 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 RM335.3 million for the six months period ended 30 June 2014. This represented an increase of 4.0% compared to the previous corresponding period. The improved performance was mainly attributed to growth in business activities.

Year-on-year net financing assets grew RM4.9 billion or 22.9% to reach RM26.3 billion as at end June 2014. Correspondingly, fund based income from financing also increased by RM96.2 million or 14.7%. Non-fund based income reported a 5.4% growth or RM7.3 million mainly from foreign exchange transactions and fees and commission.

As at end of June 2014, customer deposits stood at RM38.2 billion with a year-on-year increase of RM3.3 billion or 9.5%, whereas, the low cost current and savings account ("CASA") reported a year-on-year increase of RM1.2 billion or 9.3%. The CASA ratio as at end June 2014 remained the same at 36.5% compared to the position as at end June 2013. The Islamic Banking Industry CASA ratio was 25.5% as at end May 2014.

The Bank's gross impaired financing ratio improved from 1.18% as at end December 2013 to 1.15% as at end June 2014. The net impaired financing ratio stood at a negative 0.93% as at end June 2014. The Banking System gross impaired ratio was at 1.80% and the net impaired ratio was a negative 0.09% as at end May 2014.

The Bank's key performance indicators as at end June 2014 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 (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 six months period ended 30 June 2014, Takaful Malaysia Group ("Takaful Malaysia") recorded a PBZT of RM100.3 million, increased by 21.1% as compared to RM82.8 million in the same corresponding period last year. The higher profit was attributable to lower management expenses and expense reserves. Operating Revenue was RM856.8 million, compared to RM957.5 million in the same period of the preceding year. The decrease was mainly due to lower sales generated by Family Takaful business.

For the six months period under review, Family Takaful recorded gross earned contributions of RM486.0 million against RM599.7 million for the same corresponding period last year. The decrease in Family Takaful's gross earned contributions was mainly attributable to lower sales from Group Family products. The surplus transfer for the six months period under review from Family Takaful decreased by RM18.0 million to RM49.3 million as compared to the same corresponding 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 RM222.2 million as compared to RM215.1 million in the corresponding period last year. For the six months period under review, the surplus transfer from General Takaful was RM28.2 million as compared to RM20.9 million in the same corresponding period last year. The higher surplus transfer from General Takaful was mainly due to lower claims incurred and better investment results.

B2 COMPARISON WITH THE PRECEDING QUARTER'S RESULTS

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

BHB Group registered a PBZT of RM206.7 million for the second quarter ended 30 June 2014, an increase of RM12.3 million or 6.3% compared to PBZT for the first quarter ended 31 March 2014 of RM194.4 million. The higher profitability was attributable to lower operating overheads and higher writeback for impairment on investments and other assets.

Bank Islam's PBZT of RM168.3 million for the second quarter ended 30 June 2014 was higher by RM1.3 million or 0.8% compared to the preceding quarter ended 31 March 2014 of RM167.0 million.

Takaful Malaysia reported a PBZT of RM55.6 million, which was higher than the preceding quarter of RM44.7 million mainly due to lower management expenses and expense reserve.

B3 PROSPECTS

Outlook on the economy

The Malaysian economy is expected to gain from improvement in external factors specifically the rising demand from developed countries. This was reflected in the double digit growth in exports of 14.3% in the 2Q 2014 from 10.9% recorded in the preceding quarter. The anticipation of higher interest rates in the advanced nations such as the US and the UK also indicated that the global recovery will continue. Nonetheless, growth in the advanced countries remains uneven. This is due to lingering uncertainty on recovery prospects in the Eurozone following the latest measures of monetary stimulus which saw the European Central Bank (ECB) engaging in non-traditional measures such as negative deposit rates. Similarly, the rise in Value Added Tax (VAT) in Japan during the month of April from 5% to 8% also presents another spectre of external risk.

Meanwhile, Malaysia's domestic demand remains healthy, evident from the stability in the employment market amidst rising income growth. This provides the necessary backdrop for sustained increase in the overall economic performance in 2014. Given that, the subsidy rationalisation programme (SRP) will likely be implemented in order to rein in the budget deficit which is projected to reach 3.5% of GDP in 2014 from 3.9% previously. In the same vein, inflation rate is envisaged to creep up as administered prices, which accounted for almost one-third of the Consumer Price Index (CPI) weightage, will directly be impacted by the SRP implementation. On 10 July 2014, the Bank Negara Malaysia (BNM) Monetary Policy Committee, in its meeting raised the Overnight Policy Rate (OPR) by 25 basis points to 3.25%.

Against such backdrop, deceleration in private consumption would prevail as consumers will have to contend with a tight budget amidst rising costs of living and elevated household debt. However, increased activities in private investment will offset some of these weaknesses. The implementation of mega projects such as Mass Rapid Transit (MRT) and Refinery and Petrochemicals Integrated Development (RAPID) will benefit the construction sector. Meanwhile, the five-year capital expenditure plans by Petronas amounting to RM300 billion will promote upstream activities within the Oil & Gas sector. All in all, the Malaysian economy in 2014 is expected to register 5.5% growth after recording 4.7% expansion in the preceding year. In view of the implementation of SRP, inflation rate should range between 3.5% and 3.7% in 2014.

Islamic Banking

Bank Islam will continue to optimise returns by balancing product mix, optimising assets and liabilities mix, maintaining business growth and increasing 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 rebate and establishing 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 Year-to-date 6 months ended 30-Jun-14 RM'000	Unaudited Year-to-date 6 months ended 30-Jun-13 RM'000
Current tax expense	116,701	122,172
Deferred tax expense	(5,378)	(7,124)
	111,323	115,048

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:

	30-Jun-14 RM'000	30-Jun-13 RM'000
Profit before zakat and tax	401,069	402,030
Income tax using Malaysia tax rate of 25%	100,267	100,508
Non-deductible expenses	10,693	25,159
Non-deductible Sukuk finance cost	8,490	-
Overprovision of deferred tax	(5,378)	(7,124)
Non-taxable income	(2,749)	(3,495)
Tax expense	111,323	115,048

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

B9 DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES

	Group Unaudited 30-Jun-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)	23,942,776	22,294,153
More than one year (medium/long-term)	1,888,745	2,372,931
	25,831,521	24,667,084
Current accounts	8,945,831	9,790,057
Savings accounts	3,127,727	2,379,204
Others	88,565	88,022
Total deposits	37,993,644	36,924,367
Deposits and placements of banks and other financial institutions		
One year or less (short-term)	602,270	1,529,975
	602,270	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 30-Jun-14				
	Principal Amount	up to 1 mth	>1-3 mths	>3-6 mths	>6-12 mths
Foreign exchange related contracts					
- forwards	283,767	108,108	81,059	10,865	83,735
- swaps	361,395	270,876	154	6,565	83,800
- option	477,630	477,630	-	-	-
Total	1,122,792	856,614	81,213	17,430	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 30 June 2014, the amount of contracts which were not hedged and, hence, exposed to market risk was RM609.50 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 30 June 2014, the credit risk measured in terms of the cost to replace the profitable contracts was RM51.22 million (31 December 2013: RM72.30 million).

B11 ECONOMIC PROFIT STATEMENT

	Cumulative Year to date 6 months ended 30 June				
	Unaudited Quarter 3 months ended 30-Jun-14 RM '000	Unaudited Quarter 3 months ended 30-Jun-13 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-14 RM'000	Unaudited Year-to-date 6 months ended 30-Jun-13 RM'000	
	Net Operating profit after zakat & tax (NOPAT)				
	Profit before zakat and taxation (PBZT)	206,682	213,039	401,069	402,030
Zakat & Taxation	(59,389)	(72,032)	(116,671)	(120,351)	
NOPAT	147,293	141,007	284,398	281,679	
Economic charge computation:					
Average invested capital (excludes the debit balance of the acquisition reserve arising from the acquisition of shares from non-controlling interests)	4,362,434	3,981,553	4,303,501	3,917,638	
Weighted Average Cost of Capital (WACC)	9.90%	8.20%	9.90%	8.20%	
Economic charge	107,674	81,398	211,272	159,303	
Economic profit	39,619	59,609	73,126	122,376	

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 proceeded with a civil action against the Defendant to recover the shortfall. The Court allowed the Plaintiffs' claim and the Defendant had filed an appeal against the decision but subsequently withdrew the appeal. The sum outstanding to Bank Islam as at 30 June 2013 is RM 42,491,540.91. 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 August 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") to recover the outstanding amount of RM13,145,946.46 under the financing facilities granted by the Bank to the Defendants. On 13 April 2004, the Bank withdrew the suit against the Defendants. On 17 August 2006, the Bank filed another civil suit against the Defendants to recover the outstanding amount of RM13,125,946.46 under the financing facilities granted by the Bank to the Defendants (as the amount claimed under the suit in 2004 was inaccurate). The Defendants filed a counterclaim seeking, amongst others, declarations that the agreements executed pursuant to the financing facilities were null and void for non-compliance with the Shariah principles and damages amounting to RM656,326.29. On 30 September 2010, the court allowed the Bank's claim and struck out the Defendants's counterclaim. On 28 October 2010, the court granted an order for sale. Bank Islam had successfully auctioned the property on 12 October 2011. However, the Bank did not received the balance of auction proceeds from the successful bidder. Hence the property was put-up for auction 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 amount of USD2,720,036.00 under the financing facilities granted by Bank Islam to the First Defendant. A judgment in default has been obtained against the First Defendant and the Second and Third Defendants being the guarantors for the financing facilities. 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 Defendant 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 Bank Islam 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 the Defendant filed an appeal. On 1 November 2010, the Court of Appeal allowed the Defendant's appeal. The case was ordered to be heard before a new judge, YA Dato' Hj Mohd Zawawi Salleh. The case was then fixed for trial from 11 to 14, 18 to 21 and 25 to 28 July 2011. Bank Islam filed an application pursuant to Section 56 of the Central Bank of Malaysia 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 declined to hear the matter and remitted the case back to the High Court for decision on Bank's application in respect of the referral to the SAC of Bank Negara Malaysia. On 1 December 2011, the High Court allowed Bank Islam's 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's appeal. The Defendant then filed an application for 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 has been fixed on 12 February 2014. 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 High Court has fixed 30 September 2014 for case management pending the conclusion of the settlement. For the appeal on SAC BNM issue, the Federal Court fixed 29 September 2014 for case management and for the parties to update the Court on the progress of the settlement. On 21 July 2014, the Plaintiff had fully paid the settlement sum and Notices of Discontinuance were filed at the High Court and the Federal Court on 4 August 2014.

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 progress of the settlement arrangement. Further case management was fixed on 1 October 2014 for parties to update the Court on the progress of the settlement. The settlement sum was fully paid on 21 July 2014 by the Plaintiff, however, the Notice of Discontinuance is yet to be filed at the High Court.
- (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 had 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 claimed 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. All the defendants are no longer in BILL or Bank Islam's employment. The matter was fixed for trial on 18-21 February 2013 but was postponed to 7-10 October 2013. However, the trial had only 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 both cause papers 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 Court of Appeal has fixed for Case Management on 8 July 2014 for the Appellants to file Additional Record of Appeal. The court further fixed on 11 September 2014 for the parties to obtain the Notes of Proceedings and file as the supplementary Record of Appeal.

B13 PROFIT FOR THE PERIOD

	Unaudited Quarter 3 months ended 30-Jun-14 RM '000	Unaudited Quarter 3 months ended 30-Jun-13 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-14 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-13 RM '000
Profit for the period is arrived at after charging:				
Depreciation of property, plant and equipment	14,607	16,515	29,607	30,840
Impairment loss:				
- Allowance for impairment on financing advances and others	16,590	2,402	33,222	1,595
Net derivative loss	423	(3,244)	2,301	(2,856)
and after crediting:				
Reversal of allowance for doubtful debts	-	64	-	124
Net (gain) / loss on disposal of property, plant & equipment	(401)	50	(1,253)	(984)

B14 EARNINGS PER SHARE

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

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

	Unaudited Quarter 3 months ended 30-Jun-14 RM '000	Unaudited Quarter 3 months ended 30-Jun-13 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-14 RM '000	Unaudited Year-to-date 6 months ended 30-Jun-13 RM '000
Net profit for the period under review attributable to equity holders of the parent	129,672	69,581	253,127	143,723
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)	8.68	6.52	16.95	13.47

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 30-Jun-14 RM'000	Audited 31-Dec-13 RM'000
Total retained profits/ (accumulated losses) of BIMB Holdings Berhad and its subsidiaries:		
Realised	858,138	850,447
Unrealised	42,376	38,833
Less: Consolidation adjustments	(845,218)	(839,672)
Total group retained profits/ (accumulated losses) as per condensed consolidated financial statements	55,296	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
August 28, 2014