

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

Condensed Consolidated Statement of Financial Position as at 30 September 2014

	As at 30 September, 2014 RM'000 Unaudited	As at 31 December, 2013 RM'000 Audited
ASSETS	Note	
Cash and short-term funds		1,598,797
Deposits and placements with financial institutions		993,842
Derivative financial assets	A8	49,427
Financial assets held-for-trading	A9	1,357,735
Financial assets held-to-maturity	A10	497,677
Financial assets available-for-sale	A11	15,076,654
Financing, advances and others	A12	27,387,682
Deferred tax assets		77,275
Assets classified as held for sale		2,723
Other assets		394,269
Takaful assets		870,101
Current tax assets		40,949
Investments in associates		1
Statutory deposits with Bank Negara Malaysia		1,364,000
Investment properties		11,839
Property, plant and equipment		431,783
Total assets		50,154,754
LIABILITIES, EQUITY & TAKAFUL FUNDS		
Liabilities		
Deposits from customers	A14	37,864,431
Deposits and placements of banks and other financial institutions	A15	395,181
Bills and acceptances payable		143,891
Takaful liabilities	A16	6,338,537
Other liabilities		884,872
Zakat and taxation		56,175
Derivative financial liabilities	A8	13,653
Sukuk liabilities	A29	1,140,871
Total liabilities		46,837,611
Equity		
Share capital		1,493,506
Reserves		1,569,612
Equity attributable to owners of the Company		3,063,118
Non-controlling interests		254,025
Total equity		3,317,143
Total liabilities and equity		50,154,754
Commitments and contingencies	A27	12,625,321
Net assets per share attributable to owners of the Company (RM)		2.05
		1.88

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Nine Months Period Ended 30 September 2014**

		Quarter ended 30 September 2014 RM'000	Quarter ended 30 September 2013 RM'000	Year-to-date 9 months ended 30 September 2014 RM'000	Year-to-date 9 months ended 30 September 2013 RM'000
	Note				
Income derived from investment of depositors' funds	A17	524,876	460,605	1,499,937	1,371,916
Income derived from investment of shareholders' funds	A18	99,338	99,731	305,405	290,009
Net income from Takaful business	A19	120,271	135,690	400,635	418,395
Allowance for impairment on financing and advances	A20	(22,961)	(14,478)	(56,183)	(16,073)
Reversal of impairment on investments and other assets		-	243	816	3,734
Direct expenses		(4,226)	(6,062)	(13,041)	(17,213)
Total distributable income		717,298	675,729	2,137,569	2,050,768
Income attributable to depositors	A21	(214,982)	(194,165)	(609,889)	(571,482)
Total net income		502,316	481,564	1,527,680	1,479,286
Personnel expenses		(152,402)	(149,648)	(448,345)	(446,820)
Other overhead expenses		(123,328)	(121,468)	(388,115)	(387,815)
Depreciation		(15,144)	(14,739)	(44,751)	(45,579)
Operating profit		211,442	195,709	646,469	599,072
Finance cost		(16,978)	-	(50,936)	-
Share in the results of associated company, net of tax		-	984	-	(349)
Profit before zakat and tax		194,464	196,693	595,533	598,723
Zakat		(2,629)	(2,649)	(7,977)	(7,952)
Tax expense	B5	(52,731)	(51,282)	(164,054)	(166,330)
Profit for the period		139,104	142,762	423,502	424,441
Attributable to:					
Owners of the Company		125,297	75,459	378,424	219,182
Non-controlling interests		13,807	67,303	45,078	205,259
Profit for the period		139,104	142,762	423,502	424,441
Earnings per share - basic (sen)	B14	8.39	7.07	25.34	20.55

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Nine Months Period Ended 30 September 2014, continued**

	Quarter ended 30 September 2014 RM'000	Quarter ended 30 September 2013 RM'000	Year-to-date 9 months ended 30 September 2014 RM'000	Year-to-date 9 months ended 30 September 2013 RM'000
Profit for the period	139,104	142,762	423,502	424,441
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences in respect of foreign operations	(3,589)	(15,174)	4,724	(24,550)
Net gain on revaluation of financial assets available-for-sale	28,976	(68,688)	(6,618)	(80,965)
Total comprehensive income for the period	164,491	58,900	421,608	318,926
Attributable to:				
Owners of the Company	149,912	31,351	377,355	164,320
Non-controlling interests	14,579	27,549	44,253	154,606
Total comprehensive income for the period	164,491	58,900	421,608	318,926

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity
For the Nine Months Period Ended 30 September 2014**

Group	Note	← Attributable to Equity Holders of the Company →						Retained earnings /(Accumulated losses) RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
		← Non-distributable →			→ Distributable						
		Share Capital RM'000	Share Premium RM'000	Warrant Reserves RM'000	Statutory Reserves RM'000	Acquisition Reserves RM'000	Other Reserves 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		-	-	-	-	-	-	219,182	219,182	205,259	424,441
- Other comprehensive income											
<i>Currency translation differences in respect of foreign operations</i>		-	-	-	-	-	(12,921)	-	(12,921)	(11,629)	(24,550)
<i>Net gain on revaluation of financial assets available-for-sale</i>		-	-	-	-	-	(41,941)	-	(41,941)	(39,024)	(80,965)
- Total comprehensive income for the year		-	-	-	-	-	(54,862)	219,182	164,320	154,606	318,926
Dividends to shareholders	A7	-	-	-	-	-	-	(53,340)	(53,340)	-	(53,340)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	(39,020)	(39,020)
Disposal of interest in subsidiary		-	-	-	-	-	-	4,406	4,406	3,551	7,957
Share-based payment transactions		-	-	-	-	-	806	-	806	-	806
At 30 September 2013		1,066,790	603,630	-	358,719	-	15,658	152,170	2,196,967	1,866,752	4,063,719
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		-	-	-	-	-	-	378,424	378,424	45,078	423,502
- Other comprehensive income											
<i>Currency translation differences in respect of foreign operations</i>		-	-	-	-	-	2,394	-	2,394	2,330	4,724
<i>Net gain on revaluation of financial assets available-for-sale</i>		-	-	-	-	-	(3,463)	-	(3,463)	(3,155)	(6,618)
- Total comprehensive income for the year		-	-	-	-	-	(1,069)	378,424	377,355	44,253	421,608
Transfer to statutory reserve		-	-	-	182,935	-	-	(182,935)	-	-	-
Dividends to shareholders	A7	-	-	-	-	-	-	(126,948)	(126,948)	-	(126,948)
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	(25,725)	(25,725)
Disposal of interest in subsidiary		-	-	-	-	-	-	1,229	1,229	454	1,683
Share-based payment transactions		-	-	-	-	-	1,145	-	1,145	753	1,898
Subscription of shares by non-controlling interests of a subsidiary		-	-	-	-	-	-	-	-	1,698	1,698
Disposal of shares by non-controlling interests of a subsidiary - Arill		-	-	-	-	-	-	-	-	(7,011)	(7,011)
At 30 September 2014		1,493,506	1,859,628	129,300	667,024	(1,199,747)	(5,971)	119,378	3,063,118	254,025	3,317,143

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Cash Flows For the Nine Months Period Ended 30 September 2014

	Year-to-date	
	9 months ended 30 September 2014 RM'000 Unaudited	9 months ended 30 September 2013 RM'000 Unaudited
Cash flows from operating activities		
Profit before zakat and taxation	595,533	598,723
Adjustment for non-cash flow items:-		
Depreciation of property, plant and equipment	44,751	45,579
Reversal of allowance for doubtful debts	-	(200)
Allowance for impairment on financing, advances and others	56,183	16,073
Reversal of impairment on investments and other assets	(816)	(3,734)
Net loss on disposal of property, plant and equipment	1,253	1,183
Net (gain) / loss on sale of financial assets held-for-trading	1,140	3,643
Fair value gain on revaluation of financial assets held-for-trading	(4,119)	(9,911)
Net (gain) / loss on sale of financial assets available-for-sale	(19,417)	(118,990)
Net derivative (gains) / losses	3,350	(4,753)
Finance cost	50,936	-
Share of results of associate company	-	349
Operating profit before working capital changes	728,794	527,962
Changes in working capital:		
Deposits and placements of banks and other financial institutions	(1,134,794)	1,212,501
Financing of customers	(3,702,917)	(3,075,341)
Statutory deposits with Bank Negara Malaysia	(66,900)	(133,100)
Other assets	(260,480)	(85,286)
Deposits from customers	940,064	2,885,737
Other liabilities	366,930	242,060
Bills payable	(26,707)	102,775
Cash (generated from) / used in operations	(3,156,010)	1,677,308
Tax paid	(195,668)	(134,110)
Net cash (generated from) / used in operating activities	(3,351,678)	1,543,198

BIMB HOLDINGS BERHAD (423858-X)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Cash Flows
For the Nine Months Period Ended 30 September 2014, continued**

	Year-to-date	
	9 months ended 30 September 2014 RM'000 Unaudited	9 months ended 30 September 2013 RM'000 Unaudited
Cash flows from investing activities		
Net proceeds from (purchases) / disposal of securities	1,470,459	270,162
Disposal of investment in subsidiary	1,683	7,957
Purchase of property, plant and equipment	(35,074)	(24,934)
Net cash generated from/(used in) investing activities	1,437,068	253,185
Cash flows from financing activities		
Dividend paid to non-controlling interests	(25,725)	(39,020)
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)	(92,360)
Net increase/(decrease) in cash and cash equivalent	(2,067,283)	1,704,023
Cash and cash equivalents at the beginning of period	4,655,198	2,583,090
Foreign exchange differences	4,724	(24,550)
Cash and cash equivalents at the end of period	2,592,639	4,262,563
Cash and cash equivalents comprise:		
Cash and short term funds	1,598,797	3,534,093
Deposits and placement with financial institutions	993,842	728,470
	2,592,639	4,262,563

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 September 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 been 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 periods beginning on or after 1 January 2016

Equity Method in Separate Financial Statements (Amendments to MFRS 127)

Sale on Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)

Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2012-2014 Cycle"

Effective for annual periods beginning on or after 1 January 2018

MFRS 9, Financial Instruments (IFRS 9, Financial Instruments as issued by IASB in July 2014)

Effective for annual period to be announced by MASB

Amendments to MFRS 7, Financial Instruments: Disclosures - mandatory effective date of MFRS 9 and Transition Disclosures

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 adoption of 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 reserve 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 September 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 September 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 September 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 September 2014.

A7 DIVIDENDS PAID

	<u>30-Sep-14</u> <u>RM '000</u>	<u>30-Sep-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</u> <u>amount</u> <u>RM '000</u>	<u>Fair value</u>	
		<u>Assets</u> <u>RM '000</u>	<u>Liabilities</u> <u>RM '000</u>
30 September 2014 - Unaudited			
Forward contracts	2,481,844	32,553	(9,619)
Profit rate swaps	1,193,764	16,462	(3,622)
Structured deposits	108,280	412	(412)
	<u>3,783,888</u>	<u>49,427</u>	<u>(13,653)</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</u> <u>30-Sep-14</u> <u>RM '000</u>	<u>Audited</u> <u>31-Dec-13</u> <u>RM '000</u>
At fair value		
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Shares	67,760	51,239
<i>Outside Malaysia</i>		
Shares	36,576	29,583
Unit trusts	11,041	18,451
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Malaysian Government Investment Issues	485,361	726,353
Bank Negara Negotiable Notes	443,747	178,058
Malaysian Islamic Treasury Bills	283	-
Islamic Debt Securities	220,861	328,751
<i>Outside Malaysia</i>		
Islamic Debt Securities	92,106	72,763
Total financial assets held-for-trading	<u>1,357,735</u>	<u>1,405,198</u>

A10 FINANCIAL ASSETS HELD-TO-MATURITY

	<u>Unaudited</u> <u>30-Sep-14</u> <u>RM '000</u>	<u>Audited</u> <u>31-Dec-13</u> <u>RM '000</u>
At amortised cost		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Malaysian Government Islamic papers	145,304	145,391
Islamic Debt Securities	339,018	319,089
<i>Outside Malaysia</i>		
Islamic Debt Securities	20,374	10,580
	504,696	475,060
Less: Accumulated impairment loss	(7,019)	(7,125)
Total financial assets held-to-maturity	<u>497,677</u>	<u>467,935</u>

A11 FINANCIAL ASSETS AVAILABLE-FOR-SALE

	Unaudited 30-Sep-14 RM '000	Audited 31-Dec-13 RM '000
At fair value		
<u>Quoted securities</u>		
<i>In Malaysia</i>		
Unit trusts	206,796	148,399
Shares	932,556	930,897
<i>Outside Malaysia</i>		
Unit trusts	62,325	73,827
Shares	15,908	542
Islamic Debt Securities	2,015	5,134
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Malaysian Government Investment Issues	1,275,369	1,269,943
Malaysian Government Islamic papers	283,400	455,731
Negotiable Islamic Debt Certificate	-	447,825
Islamic Debt Securities	12,090,851	12,868,937
Shares	380	380
Unit trusts	172,417	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
	15,045,045	16,503,540
At cost		
<u>Unquoted securities</u>		
<i>In Malaysia</i>		
Shares	23,449	23,456
<i>Outside Malaysia</i>		
Shares	22,893	23,754
	46,342	47,210
Less: Accumulated impairment loss	(14,733)	(14,740)
Total financial investments available-for-sale	15,076,654	16,536,010

A12 FINANCING, ADVANCES AND OTHERS

(i) By type

At amortised cost

	Unaudited 30-Sep-14 RM '000	Audited 31-Dec-13 RM '000
Cash line	795,344	749,246
Term financing		
House financing	8,459,814	6,701,052
Syndicated financing	1,246,600	732,677
Leasing financing	71,593	217,681
Bridging financing	58,270	40,052
Personal financing	9,211,385	8,332,211
Other term financing	6,513,413	5,900,585
Staff financing	171,811	172,708
Credit/charge cards	427,315	445,242
Trade bills discounted	861,981	819,488
Trust receipts	30,590	35,957
Pawn broking	90,894	95,621
	27,939,010	24,242,520
Less: Allowance for impaired financing, advances and others:		
Collective assessment allowance	(419,556)	(365,375)
Individual assessment allowance	(131,772)	(136,197)
Total net financing, advances and others	27,387,682	23,740,948

(ii) By contract

	Unaudited 30-Sep-14 RM '000	Audited 31-Dec-13 RM '000
Bai' Bithaman Ajil	8,652,835	9,162,344
Ijarah Thumma Al-Bai	157,500	192,966
Ijarah Muntahiah Bit-Tamleek	65,457	57,931
Murabahah	1,203,867	841,338
Bai Al-Inah	823,727	1,282,498
Istisna'	147,008	131,875
At-Tawarruq	16,797,722	12,477,947
Ar-Rahnu	90,894	95,621
	27,939,010	24,242,520

(iii) By type of customer

	Unaudited 30-Sep-14 RM '000	Audited 31-Dec-13 RM '000
Domestic non-bank financial institutions	421,716	352,438
Domestic business enterprise	5,180,661	4,630,194
Small medium industries	674,083	631,069
Government and statutory bodies	227,301	200,885
Individuals	21,268,395	18,216,908
Other domestic entities	9,424	5,483
Foreign entities	157,430	205,543
	27,939,010	24,242,520

A12 FINANCING, ADVANCES AND OTHERS, continued

(iv) By profit rate sensitivity

	Unaudited 30-Sep-14 RM '000	Audited 31-Dec-13 RM '000
Fixed rate		
House financing	1,606,061	1,512,408
Others	7,292,381	7,954,409
Floating rate		
Others	19,040,568	14,775,703
	27,939,010	24,242,520

(v) By remaining contractual maturity

	Unaudited 30-Sep-14 RM '000	Audited 31-Dec-13 RM '000
Maturity within one year	2,860,988	2,927,612
More than one year to three years	1,036,714	816,371
More than three years to five years	1,464,460	1,373,079
More than five years	22,576,848	19,125,458
	27,939,010	24,242,520

(vi) By sector

	Unaudited 30-Sep-14 RM '000	Audited 31-Dec-13 RM '000
Primary agriculture	290,441	243,148
Mining and quarrying	13,474	8,135
Manufacturing (including agro-based)	974,552	829,577
Electricity, gas and water	409,474	365,014
Construction	1,688,705	1,872,011
Real estate	601,779	517,731
Household sectors	21,268,332	18,216,799
Wholesale and retail trade and hotels and restaurants	894,270	750,364
Transport, storage and communications	503,256	236,616
Finance, insurance and business activities	889,787	850,283
Education, health and others	404,940	342,942
Other sectors	-	9,900
	27,939,010	24,242,520

A13 IMPAIRED FINANCING, ADVANCES AND OTHERS

(i) Movements in impaired financing and advances

	Unaudited 30-Sep-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	335,747	440,665
Reclassified as not impaired during the year	(146,773)	(236,056)
Amount recovered	(50,959)	(71,626)
Amount written off	(94,658)	(160,388)
Exchange differences	(30)	3,998
At 30 September 2014 / 31 December 2013	328,629	285,302
Gross impaired financing as a percentage of gross financing, advances and others	1.18%	1.18%

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

	Unaudited 30-Sep-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	118,114	141,621
Amount written off	(64,027)	(90,373)
Exchange differences	94	793
At 30 September 2014 / 31 December 2013	419,556	365,375

	Unaudited 30-Sep-14 RM '000	Audited 31-Dec-13 RM '000
Individual assessment allowance		
At 1 January 2014/ 1 January 2013	136,197	126,988
Allowance/ (Recovery) made during the year	26,346	79,103
Amount written off	(30,802)	(69,901)
Exchange differences	31	7
At 30 September 2014 / 31 December 2013	131,772	136,197

A13 IMPAIRED FINANCING, ADVANCES AND OTHERS, continued

(iii) Impaired financing by sector

	Unaudited 30-Sep-14 RM '000	Audited 31-Dec-13 RM '000
Primary agriculture	2,319	-
Manufacturing (including agro-based)	6,842	32,302
Electricity, gas and water	94	108
Wholesale and retail trade and hotels and restaurants	15,889	15,525
Construction	70,969	21,601
Transport, storage and communications	43,236	33,117
Finance, insurance and business activities	57,356	61,393
Education, health and others	616	-
Household sectors	131,308	121,226
Other sectors	-	30
	328,629	285,302

A14 DEPOSITS FROM CUSTOMERS

(i) By type of deposit

	Unaudited 30-Sep-14 RM '000	Audited 31-Dec-13 RM '000
Savings deposit	5,065,730	4,674,482
<i>Wadiah</i>	3,159,156	2,379,204
<i>Mudharabah</i>	1,906,574	2,295,278
Demand deposit		
<i>Wadiah</i>	9,294,713	9,790,057
Term deposit	23,418,596	22,371,806
Special investment accounts		
<i>Mudharabah</i>	16,294,456	18,436,466
General investment deposits		
<i>Mudharabah</i>	1,808,631	2,012,162
Term and special term deposit-i		
<i>Tawarruq</i>	2,776,531	-
Negotiable Islamic Debt Securities (NIDC)		
Waheed-i	1,160,144	1,466,205
Ziyad - structured deposits	1,282,350	358,516
	96,484	98,457
Others	85,392	88,022
Total deposits from customers	37,864,431	36,924,367

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

Due within six months	20,800,152	20,152,221
More than six months to one year	2,329,788	2,036,519
More than one year to three years	249,935	136,897
More than three years to five years	38,721	46,169
	23,418,596	22,371,806

(ii) By type of customer

	Unaudited 30-Sep-14 RM '000	Audited 31-Dec-13 RM '000
Government and statutory bodies	8,402,834	8,069,129
Business enterprises	9,590,639	9,688,640
Individuals	5,550,114	5,124,757
Others	14,320,844	14,041,841
	37,864,431	36,924,367

A15 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Unaudited 30-Sep-14 RM '000	Audited 31-Dec-13 RM '000
Non-Mudharabah Fund:		
Licensed banks	-	1,538
Other financial institutions	45,181	44,564
	<u>45,181</u>	<u>46,102</u>
Mudharabah Fund:		
Licensed banks	350,000	1,298,873
Other financial institutions	-	185,000
	<u>350,000</u>	<u>1,483,873</u>
	<u>395,181</u>	<u>1,529,975</u>

A16 TAKAFUL LIABILITIES

	Unaudited 30-Sep-14 RM '000	Audited 31-Dec-13 RM '000
Takaful contract liabilities	6,108,428	5,875,051
Expense reserves	161,211	131,522
Takaful payables	68,898	75,428
Total takaful liabilities	<u>6,338,537</u>	<u>6,082,001</u>

(a) Takaful contract liabilities

The takaful contract liabilities comprise the following :

Provision for claims reported by participants	457,647	473,365
Provision for Incurred-but-not-reported (IBNR)	420,559	387,909
Provision for outstanding claims	878,206	861,274
Provision for unearned contributions	283,640	296,425
Participants' fund	4,946,582	4,717,352
Total takaful contract liabilities	<u>6,108,428</u>	<u>5,875,051</u>

(b) Participants' fund

	Gross RM '000	Group Retakaful RM '000	Net RM '000
30 September 2014 - Unaudited			
Actuarial liabilities	3,993,074	(196,482)	3,796,592
Unallocated surplus/ Accumulated surplus	899,085	-	899,085
AFS reserve	(74,531)	-	(74,531)
Translation reserve	1,223	-	1,223
Net assets value attributable to unit holders	127,731	-	127,731
	<u>4,946,582</u>	<u>(196,482)</u>	<u>4,750,100</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-Sep-14 RM '000	Unaudited Quarter 3 months ended 30-Sep-13 RM '000	Unaudited Year-to-date 9 months ended 30-Sep-14 RM '000	Unaudited Year-to-date 9 months ended 30-Sep-13 RM '000
Income derived from investment of:				
(i) General investment deposits	29,243	29,328	86,757	88,679
(ii) Other deposits	495,633	431,277	1,413,180	1,283,237
	524,876	460,605	1,499,937	1,371,916

(i) Income derived from investment of general investment deposits

	Unaudited Quarter 3 months ended 30-Sep-14 RM '000	Unaudited Quarter 3 months ended 30-Sep-13 RM '000	Unaudited Year-to-date 9 months ended 30-Sep-14 RM '000	Unaudited Year-to-date 9 months ended 30-Sep-13 RM '000
Financing income and hibah				
Financing, advances and others	22,748	21,963	66,832	64,426
Financial assets held-for-trading	509	357	1,841	1,320
Financial assets available-for-sale	4,631	6,194	15,284	18,319
Financial assets held-to-maturity	36	43	121	487
Money at call and deposit with financial institutions	526	713	1,439	3,303
	28,450	29,270	85,517	87,855
<i>Of which financing income earned on impaired financing</i>	357	344	1,045	1,353
Other dealing income				
Net gain / (loss) from sale of financial assets held-for-trading	91	(280)	(90)	(235)
Net gain / (loss) on revaluation of financial assets held-for-trading	18	283	223	643
	109	3	133	408
Other operating income				
Net gain / (loss) from sale of financial assets available-for-sale	684	55	1,107	445
Loss on redemption of financial assets held-to-maturity	-	-	-	(29)
	684	55	1,107	416
	29,243	29,328	86,757	88,679

(ii) Income derived from investment of other deposits

	Unaudited Quarter 3 months ended 30-Sep-14 RM '000	Unaudited Quarter 3 months ended 30-Sep-13 RM '000	Unaudited Year-to-date 9 months ended 30-Sep-14 RM '000	Unaudited Year-to-date 9 months ended 30-Sep-13 RM '000
Financing income and hibah				
Financing, advances and others	385,449	322,957	1,088,788	932,596
Financial assets held-for-trading	8,642	5,257	29,882	19,089
Financial assets available for sale	78,454	91,088	248,239	265,037
Financial assets held-to-maturity	607	632	1,969	7,000
Money at call and deposit with financial institutions	8,916	10,484	23,468	47,784
	482,068	430,418	1,392,346	1,271,506
<i>Of which financing income earned on impaired financing</i>	6,065	5,060	17,033	19,578
Other dealing income				
Net gain / (loss) from sale of financial assets held-for-trading	1,547	(4,110)	(1,260)	(3,484)
Net gain / (loss) on revaluation of financial assets held-for-trading	281	4,163	3,468	9,217
	1,828	53	2,208	5,733
Other operating income				
Net gain / (loss) from sale of financial assets available-for-sale	11,737	806	18,626	6,428
Loss on redemption of financial assets held-to-maturity	-	-	-	(430)
	11,737	806	18,626	5,998
	495,633	431,277	1,413,180	1,283,237

A18 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	Unaudited Quarter 3 months ended 30-Sep-14 RM '000	Unaudited Quarter 3 months ended 30-Sep-13 RM '000	Unaudited Year-to-date 9 months ended 30-Sep-14 RM '000	Unaudited Year-to-date 9 months ended 30-Sep-13 RM '000
Financing income and hibah				
Financing, advances and others	1,539	1,124	4,591	3,323
Financial assets available for sale	32,709	25,384	89,302	75,217
Money at call and deposit with financial institutions	104	5,257	6,133	14,758
	34,352	31,765	100,026	93,298
Other dealing income				
Net gain from foreign exchange transactions	20,853	20,425	73,686	53,536
Net gain/(loss) from sale of financial assets held-for-trading	(17)	(2)	210	76
Net gain / (loss) on revaluation of financial assets held-for-trading	84	51	428	51
Net derivatives loss	(1,049)	1,897	(3,350)	4,753
	19,871	22,371	70,974	58,416
Other operating income				
Net loss from sale of financial assets available-for-sale	-	-	(316)	-
Reversal of allowance for doubtful debts	-	76	-	200
Gross dividend income from securities				
Quoted in Malaysia	82	1	206	6
Unit trust in Malaysia	115	-	519	557
Unquoted in Malaysia	-	-	2,536	6,458
	197	77	2,945	7,221
Fees and commission				
ATM fees	2,819	3,362	8,812	9,897
Financing fees	3,478	3,550	9,878	10,257
Cheque issued & return, closing account and other fees	1,550	1,927	5,577	6,549
Takaful service fees and commission	5,912	4,652	18,113	12,867
Credit card fees and commission	8,579	8,963	25,676	26,892
Processing fees	526	719	838	1,257
Commission on MEPS	2,276	2,375	7,034	7,133
Unit trust management fees	1,887	2,197	5,254	6,141
Corporate advisory fees	1,304	2,405	3,725	7,540
Ar Rahnun fees	2,977	2,937	9,228	8,574
Others	12,617	12,474	36,311	32,938
	43,925	45,561	130,446	130,045
Other income				
Net gain/(loss) on disposal of property, plant & equipment	-	(199)	(1,253)	(1,183)
Rental income	981	127	2,209	1,936
Others	12	29	58	276
	993	(43)	1,014	1,029
	99,338	99,731	305,405	290,009

A19 NET INCOME FROM TAKAFUL BUSINESS

	Unaudited Quarter 3 months ended 30-Sep-14 RM '000	Unaudited Quarter 3 months ended 30-Sep-13 RM '000	Unaudited Year-to-date 9 months ended 30-Sep-14 RM '000	Unaudited Year-to-date 9 months ended 30-Sep-13 RM '000
Net earned contributions				
Gross earned contributions	340,937	361,111	1,048,901	1,175,487
Contribution ceded to retakaful	(68,843)	(54,246)	(181,961)	(143,088)
	272,094	306,865	866,940	1,032,399
Other income				
Administration income	11,257	10,345	29,938	19,118
Investment income	64,312	57,632	176,083	168,391
Realised gains and losses	23,509	30,441	112,112	108,672
Fair value gains and losses	(384)	(3,119)	1,158	3,445
Other operating income	1,721	(373)	9,011	2,368
	100,415	94,926	328,302	301,994
Net benefits and claims				
Gross benefits and claims paid	(197,891)	(189,199)	(585,072)	(600,799)
Claims receded to retakaful	36,704	18,886	82,332	53,864
Gross change to contract liabilities	(15,650)	(8,883)	(17,041)	(91,497)
Change to contract liabilities ceded to takaful	(6,535)	13,053	12,311	62,305
	(183,372)	(166,143)	(507,470)	(576,127)
Expense reserves	(4,454)	6,892	(29,688)	(37,670)
Income from takaful business	184,683	242,540	658,084	720,596
Profits attributable to participants/takaful operator	(64,412)	(106,850)	(257,449)	(302,201)
Net income from takaful business	120,271	135,690	400,635	418,395

A20 ALLOWANCE FOR IMPAIRMENT ON FINANCING AND ADVANCES

	Unaudited Quarter 3 months ended 30-Sep-14 RM '000	Unaudited Quarter 3 months ended 30-Sep-13 RM '000	Unaudited Year-to-date 9 months ended 30-Sep-14 RM '000	Unaudited Year-to-date 9 months ended 30-Sep-13 RM '000
Allowance for impaired financing, advances and others:				
- Collective assessment allowance	39,447	26,875	118,114	118,475
- Individual assessment allowance	14,514	13,830	26,346	19,257
Bad debts and financing recovered	(31,000)	(26,227)	(88,277)	(121,659)
	22,961	14,478	56,183	16,073

A21 INCOME ATTRIBUTABLE TO DEPOSITORS

	Unaudited Quarter 3 months ended 30-Sep-14 RM '000	Unaudited Quarter 3 months ended 30-Sep-13 RM '000	Unaudited Year-to-date 9 months ended 30-Sep-14 RM '000	Unaudited Year-to-date 9 months ended 30-Sep-13 RM '000
Deposits from customers:				
- Mudharabah fund	166,190	147,840	495,498	430,888
- Non-Mudharabah fund	44,762	36,267	95,239	122,127
Deposits and placements of banks and other financial institutions:				
- Mudharabah fund	3,994	7,991	18,845	15,234
- Non-Mudharabah fund	36	2,067	307	3,233
	214,982	194,165	609,889	571,482

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 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-Sep-14 RM '000	31-Dec-13 RM '000
Common Equity Tier 1 (CET 1) Capital Ratio	12.605%	12.964%
Total Tier 1 Capital Ratio	12.605%	12.964%
Total Capital Ratio	13.707%	14.056%

(ii) Capital structure

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

	30-Sep-14 RM '000	31-Dec-13 RM '000
Tier-I capital:		
Paid-up share capital	2,319,907	2,298,165
Share premium	90,981	52,281
Retained earnings	436,475	449,221
Less: Interim and/or final dividend declared	(120,884)	(195,399)
Fair value reserves	(6,779)	(8,009)
Translation reserves	(19,388)	(20,898)
Statutory reserves	934,409	751,474
Less: Deferred tax assets	(24,613)	(24,613)
Total Common Equity Tier 1 Capital / Total Tier-I capital	3,610,108	3,302,222
Tier-II capital:		
Collective assessment allowance [^]	315,728	278,155
Total Tier-II capital	315,728	278,155
Total Capital	3,925,836	3,580,377

[^] The collective assessment allowance on non-impaired financing is subjected to a maximum amount of 1.25% of the total credit risk-weighted assets.

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

	30 September 2014		31 December 2013	
	Principal amount RM '000	Risk weighted amount RM '000	Principal amount RM '000	Risk weighted amount RM '000
0%	8,210,585	-	10,893,185	-
20%	5,983,094	1,196,619	7,140,337	1,428,067
35%	2,553,993	893,898	2,013,232	704,631
50%	2,402,506	1,201,253	2,099,498	1,049,749
75%	8,760,183	6,570,138	8,242,619	6,181,964
100%	14,710,610	14,710,609	12,230,094	12,230,095
150%	457,124	685,686	438,618	657,927
Total risk-weighted assets for credit risk	43,078,095	25,258,203	43,057,583	22,252,433
Total risk-weighted assets for market risk	-	709,138	-	761,777
Total risk-weighted assets for operational risk	-	2,673,806	-	2,457,803
Total risk-weighted assets	43,078,095	28,641,147	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

	9 months ended			Elimination 30-Sep-14 RM'000	Total 30-Sep-14 RM'000
	Banking 30-Sep-14 RM'000	Takaful 30-Sep-14 RM'000	Others 30-Sep-14 RM'000		
Current Year-to-Date					
Revenue from external customers	1,796,595	400,635	8,747	-	2,205,977
Inter-segment revenue	-	2,022	168,098	(170,120)	-
Total revenue	1,796,595	402,657	176,845	(170,120)	2,205,977
Net income from operations (before allowance for impairment on financing)	1,182,953	402,657	176,845	(166,367)	1,596,088
Operating overheads	(621,312)	(258,511)	(17,958)	3,529	(894,252)
Operating results	561,641	144,146	158,887	(162,838)	701,836
Allowance for impairment on financing and advance	(56,183)	-	-	-	(56,183)
Reversal on allowance for impairment on other assets	816	-	-	-	816
Finance cost	-	-	(50,936)	-	(50,936)
Share of results of associate company	-	-	-	-	-
Profit before zakat and taxation	506,274	144,146	107,951	(162,838)	595,533
Segment assets	42,879,123	7,157,609	5,110,934	(4,992,912)	50,154,754
Segment liabilities	39,244,402	6,539,783	1,248,073	(194,647)	46,837,611
	9 months ended			Elimination 30-Sep-13 RM'000	Total 30-Sep-13 RM'000
	Banking 30-Sep-13 RM'000	Takaful 30-Sep-13 RM'000	Others 30-Sep-13 RM'000		
Previous Comparative Year-to-Date					
Revenue from external customers	1,652,792	418,395	9,133	-	2,080,320
Inter-segment revenue	-	2,168	47,610	(49,778)	-
Total revenue	1,652,792	420,563	56,743	(49,778)	2,080,320
Net income from operations (before allowance for impairment on financing)	1,079,073	420,563	56,743	(47,541)	1,508,838
Operating overheads	(590,421)	(293,846)	(16,639)	3,479	(897,427)
Operating results	488,652	126,717	40,104	(44,062)	611,411
Allowance for impairment on financing and advance	(16,073)	-	-	-	(16,073)
Reversal on allowance for impairment on other assets	3,734	-	-	-	3,734
Share of results of associate company	(349)	-	-	-	(349)
Profit before zakat and taxation	475,964	126,717	40,104	(44,062)	598,723
Segment assets	41,807,552	6,728,717	2,053,208	(1,977,005)	48,612,472
Segment liabilities	38,506,639	6,145,562	107,353	(149,604)	44,609,950

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 September 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 September 2014.

A26 CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the quarter ended 30 September 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 September 2014 are as follows:

	Unaudited			
	30 September 2014			
	Principal	Positive Fair Value	Credit	Risk
	Amount	of Derivative	Equivalent	Weighted
	RM '000	Contracts	Amount	Asset
<u>Credit-related exposures</u>	RM '000	RM '000	RM '000	RM '000
Direct credit substitutes	370,005		370,005	365,194
Assets sold with recourse	2		2	2
Transaction-related contingent items	996,015		498,008	437,757
Short-term self-liquidating trade related contingencies	187,605		37,521	35,330
Other commitments, such as formal standby facilities and credit lines with original maturity of:				
- not exceeding one year	5,115		1,023	1,005
- exceeding one year	950,167		475,083	381,065
Unutilized credit card lines	1,019,398		203,880	152,910
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	5,313,125		-	-
	8,841,432		1,585,522	1,373,263
<u>Derivative financial instruments</u>				
Foreign exchange related contracts				
- less than one year	2,481,845	32,553	56,262	24,482
Profit rate related contracts				
- less than one year	300,000	276	300	60
- one year to less than five years	600,000	11,642	20,064	4,013
- five years and above	293,764	4,544	13,268	13,268
Equity related contracts				
- one year to less than five years	108,280	412	6,497	3,248
	3,783,889	49,427	96,391	45,071
Total	12,625,321	49,427	1,681,913	1,418,334

	Audited			
	31 December 2013			
	Principal	Positive Fair Value	Credit	Risk
	Amount	of Derivative	Equivalent	Weighted
	RM '000	Contracts	Amount	Asset
<u>Credit-related exposures</u>	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
<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
	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 September 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	110,341	1,247,394	-	1,357,735	-	-	-	-	1,357,735	1,357,735	
Derivative financial assets	-	49,427	-	49,427	-	-	-	-	49,427	49,427	
Financial assets held-to-maturity	-	-	-	-	20,208	415,582	62,439	498,229	498,229	497,677	
Financial assets available-for-sale	1,248,499	13,619,093	177,038	15,044,630	-	-	31,609	31,609	15,076,239	15,076,654	
Financing, advances & others	-	-	-	-	-	-	27,401,233	27,401,233	27,401,233	27,387,682	
	1,358,840	14,915,914	177,038	16,451,792	20,208	415,582	27,495,281	27,931,071	44,382,863	44,369,175	
Liabilities											
Derivative financial liabilities	-	13,653	-	13,653	-	-	-	-	13,653	13,653	
Total liabilities	-	13,653	-	13,653	-	-	-	-	13,653	13,653	

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	

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 September 2014 for the Group:

	Unaudited	Audited
	30-Sep-14	31-Dec-13
	RM '000	RM '000
Financial assets available-for-sale		
At 1 January 2014/2013	303,517	305,204
Maturity	(134,262)	-
Gain/(losses)	7,783	13,493
Settlement	-	(5,643)
Impairment	-	(9,537)
At 30 September 2014/31 December 2013	177,038	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 nine months period ended to 30 September 2014

BIMB Holdings Berhad ("BHB") posted a consolidated Profit before Zakat and Taxation ("PBZT") of RM595.5 million for the nine months period ended 30 September 2014, a decrease of RM3.2 million or 0.5% 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 RM159.2 million or 72.7%. Consequently, the earnings per share ("EPS") for the period under review also increased by 23.3% to 25.34 sen per share.

Year-on-year net financing assets grew by RM4.8 billion or 21.4% to reach RM27.4 billion as at 30 September 2014, as asset quality remained unchanged with a gross impaired financing ratio of 1.18% as at 30 September 2014 (As at 31 December 2013: 1.18%). The Risk Weighted Capital Adequacy ratio of Bank Islam Malaysia Berhad remained healthy at 13.7%.

Islamic Banking

Bank Islam Group ("Bank Islam" or "the Bank") recorded a PBZT of RM506.3 million for the nine months period ended 30 September 2014. This represented an increase of 6.4% compared to the previous corresponding period. The improved performance was mainly attributed to growth in business activities.

Year-on-year net financing assets grew by RM4.8 billion or 21.4% to reach RM27.4 billion as at end of September 2014. Correspondingly, fund based income from financing also increased by RM159.8 million or 16.0%. Non-fund based income reported a 8.7% growth or RM17.5 million mainly from foreign exchange transactions and net gain from sale of financial assets available-for-sale.

As at end of September 2014, customer deposits stood at RM38.1 billion with a year-on-year increase of RM2.7 billion or 7.6%, whereas, the low cost current and savings account ("CASA") reported a year-on-year increase of RM1.9 billion or 15.2%. The CASA ratio as at end of September 2014 was 37.7% compared to the position as at end of September 2013 of 35.2%. The Islamic Banking Industry CASA ratio was 25.1% as at end of August 2014.

The Bank's gross impaired financing ratio as at end of September 2014 remained the same at 1.18% compared to the position as at end of December 2013. The net impaired financing ratio stood at a negative 0.81% as at end of September 2014. The Banking System gross impaired ratio was at 1.74% and the net impaired ratio was a negative 0.08% as at end of August 2014.

The Bank's key performance indicators as at end of September 2014 compared favourably against the Banking System as at end of December 2013. The Bank's return on equity (based on PBZT) was 19.1% 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 13.7% compared to the Banking System's 14.4% as at end of December 2013.

Takaful

For the nine months period ended 30 September 2014, Takaful Malaysia Group ("Takaful Malaysia") recorded a PBZT of RM142.5 million, increased by 13.5% as compared to RM125.6 million in the same corresponding period last year. The higher profit was attributable to lower management expenses, commissions and expense reserves. Operating Revenue was at RM1,251.2 million, compared to RM1,334.5 million in the same period of the preceding year. The decrease was mainly due to lower sales generated by Family Takaful business.

For the nine months period under review, Family Takaful recorded gross earned contributions of RM711.2 million against RM852.9 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 nine months period under review from Family Takaful decreased by RM18.3 million to RM66.9 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 RM338.0 million as compared to RM323.1 million in the corresponding period last year. For the nine months period under review, the surplus transfer from General Takaful was RM38.7 million as compared to RM32.2 million in the same corresponding period last year. The higher surplus transfer from General Takaful was mainly due to lower claims incurred.

B2 COMPARISON WITH THE PRECEDING QUARTER'S RESULTS

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

BHB Group registered a PBZT of RM194.5 million for the third quarter ended 30 September 2014, a decrease of RM12.2 million or 5.9% compared to PBZT for the second quarter ended 30 June 2014 of RM206.7 million. The lower profitability was mainly attributable to lower profit (PBZT) reported by Takaful Malaysia of RM13.4 million.

Bank Islam's PBZT of RM171.0 million for the third quarter ended 30 September 2014 was higher by RM2.7 million or 1.6% compared to the preceding quarter ended 30 June 2014 of RM168.3 million.

Takaful Malaysia reported a PBZT of RM42.2 million, which was lower than the preceding quarter of RM55.6million mainly due to lower surplus transfer from Family and General Takaful.

B3 PROSPECTS

Outlook on the economy

The Malaysian economy continues to benefit from sustained recovery in the advanced countries. This was reflected in the 6.3% GDP growth in the 1H2014 underpinned by 8.3% expansion in real exports. Inflation rate rose to 3.3% for the first eight months of this year following the adjustment in subsidised products namely sugar, fuel and electricity. BNM also raised its Overnight Policy Rate (OPR) to 3.25% on 10 July 2014 after remaining at 3.00% since May 2011.

The Budget 2015, unveiled on 10 October 2014, showed that the government remains cautious whilst expecting the budget deficits to be narrowed further to RM35.7 billion or 3.0% of GDP in 2015. This was due to higher expected revenue growth coupled with slower growth in total expenditure. The Goods and Services Tax (GST) which is slated to be implemented on 1 April 2015 is likely to bring in RM21.7 billion to government coffers. This is much higher compared to the Sales and Services Tax (SST) collection of RM17.8 billion in 2014. Meanwhile, operating expenditure is anticipated to increase about 1.1% as government is expected to reduce further subsidy bills amounting to RM37.7 billion in 2015 (2014: RM40.6 billion). Of particular interest is the increase in net development expenditure by 15.0% for 2015 to RM47.5 billion. This will spearhead projects in the five corridors, improving access and connectivity of urban public transport, construction and upgrading of roads, bridges, railways and airports as well as better coverage of electricity and water supply.

Going forward, the economic outlook is somewhat mixed with the recent revised forecast for global economy by the IMF in October. The IMF puts world GDP growth at 3.3% in 2014, lower by 0.1 percentage points compared to the July forecast. As such, the Malaysian economy is anticipated to experience some moderation in the 2H2014 in view of softening in global demand coupled with correction in key commodity prices namely CPO and Crude Oil. In addition, the rise in RON95 prices by 20 cents on 2 October 2014 could result in slower spending amongst consumers.

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. 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 9 months ended 30-Sep-14 RM'000	Unaudited Year-to-date 9 months ended 30-Sep-13 RM'000
Current tax expense	172,138	174,600
Deferred tax expense	(8,084)	(8,270)
	164,054	166,330

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-Sep-14 RM'000	30-Sep-13 RM'000
Profit before zakat and tax	595,533	598,723
Income tax using Malaysia tax rate of 25%	148,883	149,681
Non-deductible expenses	13,270	28,384
Non-deductible Sukuk finance cost	12,734	-
Overprovision of deferred tax	(8,084)	(8,270)
Non-taxable income	(2,749)	(3,495)
Tax expense	164,054	166,300

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-Sep-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)	23,364,729	22,294,153
More than one year (medium/long-term)	1,960,441	2,372,931
	25,325,170	24,667,084
Current accounts	9,294,713	9,790,057
Savings accounts	3,159,156	2,379,204
Others	85,392	88,022
Total deposits	37,864,431	36,924,367
Deposits and placements of banks and other financial institutions		
One year or less (short-term)	395,181	1,529,975
	395,181	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-Sep-14				
	Principal Amount	up to 1 mth	>1-3 mths	>3-6 mths	>6-12 mths
Foreign exchange related contracts					
- forwards	683,037	82,158	94,442	129,548	376,889
- swaps	1,276,699	927,674	68,428	214,277	66,320
- option	522,109	522,109	-	-	-
Total	2,481,845	1,531,941	162,870	343,825	443,209

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 September 2014, the amount of contracts which were not hedged and, hence, exposed to market risk was RM709.14 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 September 2014, the credit risk measured in terms of the cost to replace the profitable contracts was RM96.39 million (31 December 2013: RM72.30 million).

B11 ECONOMIC PROFIT STATEMENT

	Cumulative Year to date 9 months ended 30 September			
	Unaudited Quarter 3 months ended	Unaudited Quarter 3 months ended	Unaudited Year-to-date 9 months ended	Unaudited Year-to-date 9 months ended
	30-Sep-14	30-Sep-13	30-Sep-14	30-Sep-13
	RM '000	RM '000	RM'000	RM'000
Net Operating profit after zakat & tax (NOPAT)				
Profit before zakat and taxation (PBZT)	194,464	196,693	595,533	598,723
Zakat & Taxation	(55,360)	(53,931)	(172,031)	(174,282)
NOPAT	139,104	142,762	423,502	424,441
Economic charge computation:				
Average invested capital (excludes the debit balance of the acquisition reserve arising from the acquisition of shares from non-controlling interests)	4,437,103	3,948,773	4,383,289	3,884,858
Weighted Average Cost of Capital (WACC)	9.90%	8.20%	9.90%	8.20%
Economic charge	110,721	81,615	324,568	238,264
Economic profit	28,383	61,147	98,934	186,177

B12 MATERIAL LITIGATION

Saves 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. Based on the update from our Corporate Recovery Department, we believe that the syndication members are no longer interested to proceed further because the Defendant is currently a dormant company and may be dissolved by Companies Commission of Malaysia (CCM) sooner or later. Further, there were no guarantors for the syndicated facility. Bank Islam exposure has been written off. No outstanding legal fees. The case will be considered resolved and will not be included in the future litigation report unless there are significant updates and development.
- (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 Defendant had fully paid the settlement sum to Bank Islam and this action will be withdrawn.

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. On 21 July 2014, the settlement sum was fully paid by the Plaintiff and this action will be withdrawn.
- (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 were 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 to 21 February 2013 but was postponed to 7 to 10 October 2013. However, trial had only proceeded on 9 October 2013 as the judge was on medical leave. The third defendant had agreed to enter into a consent judgment with Bank Islam. During the trial, the judge had struck out the first and second defendants' defences 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 first and second defendants' application to set aside the previous order made by the court. The application was dismissed and the trial was fixed to continue on 25 November 2013. first and second defendant have applied for a stay of proceedings pending their appeal being heard. The Court of Appeal has fixed a 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. On 17 September 2014, the Court of Appeal decided in the 1st & 2nd Defendants' favour but with cost of RM10,000.00 awarded to Bank Islam. On 28 October 2014, the High Court informed that new Trial date will be fixed by the court for the Plaintiff's witnesses to be recalled for cross examination by the 1st & 2nd Defendants. Unless earlier date was fixed by the High Court, the Trial will be tentatively continued on 28 to 30 January 2015.

B13 PROFIT FOR THE PERIOD

	Unaudited Quarter 3 months ended 30-Sep-14 RM '000	Unaudited Quarter 3 months ended 30-Sep-13 RM '000	Unaudited Year-to-date 9 months ended 30-Sep-14 RM '000	Unaudited Year-to-date 9 months ended 30-Sep-13 RM '000
Profit for the period is arrived at after charging:				
Depreciation of property, plant and equipment	15,144	14,739	44,751	45,579
Impairment loss:				
- Allowance for impairment on financing advances and others	22,961	14,478	56,183	16,073
Net loss on disposal of property, plant & equipment	-	199	1,253	1,183
Net derivative loss/(gain)	1,049	(1,897)	3,350	(4,753)
and after crediting:				
Reversal of allowance for doubtful debts	-	76	-	200

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-Sep-14 RM '000	Unaudited Quarter 3 months ended 30-Sep-13 RM '000	Unaudited Year-to-date 9 months ended 30-Sep-14 RM '000	Unaudited Year-to-date 9 months ended 30-Sep-13 RM '000
Net profit for the period under review attributable to equity holders of the parent	125,297	75,459	378,424	219,182
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)	8.39	7.07	25.34	20.55

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-Sep-14 RM'000	Audited 31-Dec-13 RM'000
Total retained profits/ (accumulated losses) of BIMB Holdings Berhad and its subsidiaries:		
Realised	909,310	850,447
Unrealised	67,895	38,833
	977,205	889,280
Less: Consolidation adjustments	(857,827)	(839,672)
Total group retained profits/ (accumulated losses) as per condensed consolidated financial statements	119,378	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
November 25, 2014