

BIMB Holdings Berhad (423858-X)
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

Condensed Consolidated Statement of Financial Position as at 31 March 2015

	Note	Group As at		Company As at	
		31.03.2015 RM'000	31.12.2014 RM'000	31.03.2015 RM'000	31.12.2014 RM'000
Assets					
Cash and short-term funds	8	4,456,281	3,898,172	81,970	123,566
Deposits and placements with financial institutions	9	885,265	721,324	-	-
Financial assets held-for-trading	10	910,430	1,165,590	-	-
Derivative financial assets	11	73,768	62,541	-	-
Financial assets available-for-sale	12	13,669,895	13,815,889	18,722	18,559
Financial assets held-to-maturity	13	547,635	547,258	-	-
Financing, advances and others	14	30,148,860	29,524,571	-	-
Other assets	15	439,279	580,985	545	1,189
Takaful assets	16	1,025,338	811,051	-	-
Statutory deposits with Bank Negara Malaysia		1,418,000	1,335,000	-	-
Current tax assets		44,331	41,872	82	510
Deferred tax assets		59,337	65,816	10	10
Investments in subsidiaries		-	-	4,707,615	4,707,615
Investments in associates		1	1	1	1
Property, plant and equipment		454,914	446,933	1,259	1,431
Investment properties		10,569	11,506	-	-
Assets classified as held for sale		2,666	1,696	-	-
Total assets		<u>54,146,569</u>	<u>53,030,205</u>	<u>4,810,204</u>	<u>4,852,881</u>
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**Condensed Consolidated Statement of Financial Position as at 31 March
2015 (continued)**

	Note	Group As at		Company As at	
		31.03.2015 RM'000	31.12.2014 RM'000	31.03.2015 RM'000	31.12.2014 RM'000
Liabilities and equity					
Deposits from customers	17	41,179,345	40,678,379	-	-
Deposits and placements of banks and other financial institutions	18	618,754	300,000	-	-
Derivative financial liabilities	11	33,103	32,407	-	-
Bills and acceptances payable		127,125	127,524	-	-
Other liabilities	19	823,013	1,195,304	1,407	221,541
Takaful liabilities	20	6,605,764	6,323,577	-	-
Sukuk liabilities	36	1,150,906	1,133,256	1,150,906	1,133,256
Zakat and taxation		58,298	50,498	-	-
Total liabilities		50,596,308	49,840,945	1,152,313	1,354,797
Equity					
Share capital		1,542,210	1,493,506	1,542,210	1,493,506
Reserves	21	1,747,721	1,455,531	2,115,681	2,004,578
Equity attributable to owners of the Company		3,289,931	2,949,037	3,657,891	3,498,084
Non-controlling interests		260,330	240,223	-	-
Total equity		3,550,261	3,189,260	3,657,891	3,498,084
Total liabilities and equity		54,146,569	53,030,205	4,810,204	4,852,881
Commitments and contingencies	34	12,148,510	12,135,967	-	-
Net assets per share attributable to owners of the Company (RM)		2.13	1.97	2.37	2.34

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2014.

BIMB Holdings Berhad (423858-X)
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**Condensed Consolidated Statement of Profit or Loss and Other
Comprehensive Income for the three months period ended 31 March 2015**

Group	Note	Quarter		Year-to-date	
		3 months ended	3 months ended	3 months ended	3 months ended
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	22	542,283	473,639	542,283	473,639
Income derived from investment of shareholders' funds	23	102,548	103,989	102,548	103,989
Net income from Takaful business	24	164,251	149,267	164,251	149,267
Allowance for impairment on financing and advances	25	(30,453)	(16,632)	(30,453)	(16,632)
Direct expenses		(6,792)	(3,792)	(6,792)	(3,792)
Total distributable income		771,837	706,471	771,837	706,471
Income attributable to depositors	26	(243,064)	(191,060)	(243,064)	(191,060)
Total net income		528,773	515,411	528,773	515,411
Personnel expenses	27	(150,705)	(151,481)	(150,705)	(151,481)
Other overhead expenses	28	(140,122)	(152,564)	(140,122)	(152,564)
		237,946	211,366	237,946	211,366
Finance cost		(17,650)	(16,979)	(17,650)	(16,979)
Profit before zakat and tax		220,296	194,387	220,296	194,387
Zakat		(3,215)	(2,595)	(3,215)	(2,595)
Tax expense	41	(63,627)	(54,687)	(63,627)	(54,687)
Profit for the period		153,454	137,105	153,454	137,105
Attributable to:					
Owners of the Company		135,699	123,455	135,699	123,455
Non-controlling interests		17,755	13,650	17,755	13,650
Profit for the period		153,454	137,105	153,454	137,105
Earnings per share (sen)	50	8.84	8.27	8.84	8.27

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**Condensed Consolidated Statement of Profit or Loss and Other
Comprehensive Income for the three months period ended 31 March 2015
(continued)**

Group	Quarter		Year-to-date	
	3 months ended		3 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period	153,454	137,105	153,454	137,105
	=====	=====	=====	=====
Other comprehensive income, net of tax				
Items that may be reclassified				
subsequently to profit or loss:				
Currency translation differences				
in respect of foreign operations	(20,951)	5,774	(20,951)	5,774
Fair value reserve:				
Net change in fair value	50,716	(24,730)	50,716	(24,730)
Net amount transferred to profit or loss	(3,995)	(1,501)	(3,995)	(1,501)
	-----	-----	-----	-----
Other comprehensive income for the period, net of tax	25,770	(20,457)	25,770	(20,457)
	-----	-----	-----	-----
Total comprehensive income for the period	179,224	116,648	179,224	116,648
	=====	=====	=====	=====
Total comprehensive income				
attributable to:				
Owners of the Company	159,548	103,424	159,548	103,424
Non-controlling interests	19,676	13,224	19,676	13,224
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Total comprehensive income for the period	179,224	116,648	179,224	116,648
	=====	=====	=====	=====

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2014.

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**Condensed Consolidated Statement of Profit or Loss and Other
Comprehensive Income for the three months period ended 31 March 2015
(continued)**

Company	Note	Quarter 3 months ended		Year-to-date 3 months ended	
		31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
Income derived from investment of shareholders' funds / Total distributable income / Total net income	23	853	1,237	853	1,237
Personnel expenses	27	(1,859)	(1,514)	(1,859)	(1,514)
Other overhead expenses	28	(2,110)	(727)	(2,110)	(727)
		<u>(3,116)</u>	<u>(1,004)</u>	<u>(3,116)</u>	<u>(1,004)</u>
Finance cost		(17,650)	(16,979)	(17,650)	(16,979)
Profit before zakat and tax		<u>(20,766)</u>	<u>(17,983)</u>	<u>(20,766)</u>	<u>(17,983)</u>
Tax expense	41	(180)	-	(180)	-
Profit for the period		<u>(20,946)</u>	<u>(17,983)</u>	<u>(20,946)</u>	<u>(17,983)</u>
Attributable to:					
Owners of the Company		(20,946)	(17,983)	(20,946)	(17,983)
Profit for the period		<u>(20,946)</u>	<u>(17,983)</u>	<u>(20,946)</u>	<u>(17,983)</u>

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**Condensed Consolidated Statement of Profit or Loss and Other
Comprehensive Income for the three months period ended 31 March 2015
(continued)**

Company	Quarter		Year-to-date	
	3 months ended	3 months ended	3 months ended	3 months ended
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period	(20,946)	(17,983)	(20,946)	(17,983)
	=====	=====	=====	=====
Other comprehensive income, net of tax				
Items that may be reclassified				
subsequently to profit or loss:				
Fair value reserve:				
Net change in fair value	162	189	162	(189)
Net amount transferred to profit or loss	(100)	(97)	(100)	(97)
	-----	-----	-----	-----
Other comprehensive income for the period, net of tax	62	92	62	92
	-----	-----	-----	-----
Total comprehensive income for the period	(20,884)	(17,891)	(20,884)	(17,891)
	=====	=====	=====	=====
Total comprehensive income attributable to:				
Owners of the Company	(20,884)	(17,891)	(20,884)	(17,891)
	-----	-----	-----	-----
Total comprehensive income for the period	(20,884)	(17,891)	(20,884)	(17,891)
	=====	=====	=====	=====

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2014.

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Condensed Consolidated Statement of Changes in Equity for the three months period ended 31 March 2015

Group	← Attributable to owners of the Company →						Total equity RM'000
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained Earnings/ (Accumulated Losses) RM'000	Total RM'000	Non-controlling interests RM'000	
At 1 January 2014	1,493,506	1,859,628	(592,405)	49,608	2,810,337	239,603	3,049,940
Profit for the period	-	-	-	123,455	123,455	13,650	137,105
Other comprehensive income							
Currency translation differences in respect of foreign operations	-	-	4,497	-	4,497	1,277	5,774
Fair value reserve:							
Net change in fair value	-	-	(24,264)	-	(24,264)	(466)	(24,730)
Net amount reclassified to profit or loss	-	-	(264)	-	(264)	(1,237)	(1,501)
Total comprehensive income for the period	-	-	(20,031)	123,455	103,424	13,224	116,648
Transfer to statutory reserve	-	-	59,921	(59,921)	-	-	-
Share-based payment transactions	-	-	737	-	737	481	1,218
At 31 March 2014	1,493,506	1,859,628	(551,778)	113,142	2,914,498	253,308	3,167,806

Note 21

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2014.

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Condensed Consolidated Statement of Changes in Equity for the three months period ended 31 March 2015
(continued)

Group	← Attributable to owners of the Company →						Total equity RM'000
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained Earnings/ (Accumulated Losses) RM'000	Total RM'000	Non-controlling interests RM'000	
At 1 January 2015	1,493,506	1,859,628	(386,831)	(17,266)	2,949,037	240,223	3,189,260
Profit for the period	-	-	-	135,699	135,699	17,755	153,454
Other comprehensive income							
Currency translation differences in respect of foreign operations	-	-	(21,473)	-	(21,473)	522	(20,951)
Fair value reserve:							
Net change in fair value	-	-	48,592	-	48,592	2,124	50,716
Net amount reclassified to profit or loss	-	-	(3,270)	-	(3,270)	(725)	(3,995)
Total comprehensive income for the period	-	-	23,849	135,699	159,548	19,676	179,224
Dividend reinvestment plan	48,704	131,987	-	-	180,691	-	180,691
Share-based payment transactions	-	-	655	-	655	431	1,086
At 31 March 2015	1,542,210	1,991,615	(362,327)	118,433	3,289,931	260,330	3,550,261

Note 21

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Condensed Consolidated Statement of Changes in Equity for the three months period ended 31 March 2015 (continued)

Company	← Attributable to owners of the Company →					Total equity RM'000
	Share capital RM'000	Share premium RM'000	Warrant reserves RM'000	Fair value reserves RM'000	Retained earnings RM'000	
At 1 January 2014	1,493,506	1,859,628	129,300	(45)	243,580	3,725,969
Profit for the year	-	-	-	-	(17,983)	(17,983)
Other comprehensive income						
Fair value reserve:						
Net change in fair value	-	-	-	189	-	189
Net amount reclassified to profit or loss	-	-	-	(97)	-	(97)
Total comprehensive income for the year	-	-	-	92	(17,983)	(17,891)
At 31 March 2014	1,493,506	1,859,628	129,300	47	225,597	3,708,078
At 1 January 2015	1,493,506	1,859,628	129,300	51	15,599	3,498,084
Profit for the period	-	-	-	-	(20,946)	(20,946)
Other comprehensive income						
Fair value reserve:						
Net change in fair value	-	-	-	162	-	162
Net amount reclassified to profit or loss	-	-	-	(100)	-	(100)
Total comprehensive income for the period	-	-	-	62	(20,946)	(20,884)
Dividends Reinvestment Plan	48,704	131,987	-	-	-	180,691
At 31 March 2015	1,542,210	1,991,615	129,300	113	(5,347)	3,657,891

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2014.

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**Condensed Consolidated Statement of Cash Flows for the three months
period ended 31 March 2015**

	Group		Company	
	3 months ended		3 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before zakat and tax	220,296	194,387	(20,766)	(17,983)
Adjustments for:				
Depreciation	18,686	15,000	172	167
Reversal of allowance for doubtful debts	(46)	-	-	-
Collective assessment allowance	37,306	33,977	-	-
Individual assessment allowance	21,248	8,527	-	-
Net loss on disposal of property, plant and equipment	336	852	-	-
Net (gain)/loss on sale of financial assets held-for-trading	(3,744)	2,686	-	-
Net (gain)/loss on sale of financial assets available-for-sale	(2,229)	1,729	-	-
Fair value gain on financial assets held-for-trading	(3,303)	(3,633)	-	-
Net derivative losses	4,220	1,878	-	-
Finance cost	17,650	16,979	17,650	16,979
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Operating profit/(loss) before working capital changes	310,420	272,382	(2,944)	(837)
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Condensed Consolidated Statement of Cash Flows for the three months period ended 31 March 2015 (continued)

	Group		Company	
	3 months ended		3 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Operating profit/(loss) before working capital changes	310,420	272,382	(2,944)	(837)
Changes in working capital:				
Deposits and placements of banks and other financial institutions	318,754	149,673	-	-
Financing of customers	(682,843)	(1,280,705)	-	-
Statutory deposits with Bank Negara Malaysia	(83,000)	(103,900)	-	-
Other assets	(48,408)	(261,772)	114	1,960
Deposits from customers	500,966	(992,092)	-	-
Other liabilities	130,137	139,720	(280)	(10,472)
Bills payable	(399)	(34,644)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Cash generated (used in)/from operations	445,627	(2,111,338)	(3,110)	(9,349)
Zakat paid	(1,264)	(1,238)	-	-
Tax paid	(86,603)	(55,458)	(60)	-
Tax refund	434	112	428	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash generated (used in)/from operating activities	358,194	(2,167,922)	(2,742)	(9,349)
	<hr/>	<hr/>	<hr/>	<hr/>
Cash flows from investing activities				
Net proceeds from disposal of securities	449,727	72,693	-	-
Purchase of property, plant and equipment	(26,066)	(6,140)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash generated from/(used in) investing activities	423,661	66,553	-	-
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Condensed Consolidated Statement of Cash Flows for the three months period ended 31 March 2015 (continued)

	Group		Company	
	3 months ended		3 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Dividends paid by holding company	(219,545)	-	(219,545)	-
Proceeds from share issuance of ordinary shares pursuant to Dividend Reinvestment Plan	180,691	-	180,691	-
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Net cash (used in)/generated from financing activities	(38,854)	-	(38,854)	-
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Net (decrease)/increase in cash and cash equivalents	743,001	(2,101,369)	(41,596)	(9,349)
Cash and cash equivalents at beginning of the period	4,619,496	4,655,198	123,566	149,559
Foreign exchange differences	(20,951)	5,774	-	-
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Cash and cash equivalents at end of the period	5,341,546	2,559,603	81,970	140,210
	=====	=====	=====	=====
Cash and cash equivalents comprise:				
Cash and short-term funds	4,456,281	1,711,994	81,970	140,210
Deposits and placements with financial institutions	885,265	847,609	-	-
	-----	-----	-----	-----
	5,341,546	2,559,603	81,970	140,210
	=====	=====	=====	=====

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2014.

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**Explanatory Notes to the Unaudited Interim Financial Statements
for the three months period ended 31 March 2015**

1. Basis of preparation

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

The condensed consolidated financial statements of the Group as at and for the quarter ended 31 March 2015 comprise 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 and Financial Reporting for Islamic Banking Institution policy issued by Bank Negara Malaysia ("BNM"). 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 2014.

The audited consolidated financial statements of the Group as at and for the financial year ended 31 December 2014, 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.

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1. Basis of preparation (continued)

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the recent audited financial statements for the financial year ended 31 December 2014, except for the adoption of the following Malaysian Financial Reporting Standards (“MFRS”) and amendments to MFRSs:

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 July 2014

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*

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1. Basis of preparation (continued)

The following MFRSs and IC Interpretations have been issued by the MASB and are not yet effective for the Group and the Company:

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2016

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2017

- MFRS 15, *Revenue from Contracts with Customers*

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*

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1. Basis of preparation (continued)

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

- from the annual period beginning on 1 January 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016, except for Amendments to MFRS 11 and MFRS 14 which are not applicable to the Group and the Company.
- from the annual period beginning on 1 January 2017 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2017.
- from the annual period beginning on 1 January 2018 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2018.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Company except as mentioned below:

MFRS 15, Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.

MFRS 9, Financial Instruments

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

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

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2. Audit report of preceding financial year ended 31 December 2014

The audited report on the financial statements of the preceding financial year ended 31 December 2014 did not contain any qualification.

3. Seasonality and cyclicity of operations

The operations of the Group were not subject to material seasonal or cyclical effects in the quarter ended 31 March 2015.

4. Exceptional or unusual items

There were no items of an exceptional or unusual nature that may affect the assets, liabilities, equity, net income or cash flows of the Group in the quarter ended 31 March 2015.

5. Changes in estimates of amounts reported previously

There were no material changes in estimates of amounts reported in prior financial years that may have a material effect in the quarter ended 31 March 2015.

6. Issuance or repayment of debt and equity securities

On 13 January 2015, the Company increased its issued and paid-up capital from RM1,493,505,934 to RM 1,542,209,734 via the issuance of 48,703,800 new ordinary shares of RM1.00 each at a consideration of RM3.71 each arising from the Dividend Reinvestment Plan.

7. Dividends

On 13 January 2015, the Company had paid an interim dividend of approximately 14.70 sen per ordinary share totalling RM219,545,372 in respect of the financial year ended 31 December 2014. From the total dividend amount, approximately 18% was distributed as cash dividend whilst the remaining 82% was reinvested to subscribe for 48,703,800 new ordinary shares of RM1.00 at RM3.71 each via the Dividend Reinvestment Plan.

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8. Cash and short-term funds

	31.03.2015	31.12.2014
	RM'000	RM'000
Group		
Cash and balances with banks and other financial institutions	601,387	796,588
Money at call and interbank placements with remaining maturity not exceeding one month	3,854,894	3,101,584
	<u>4,456,281</u>	<u>3,898,172</u>
	=====	=====
Company		
Cash and balances with banks and other financial institutions	81,970	123,566
	<u>81,970</u>	<u>123,566</u>
	=====	=====

9. Deposits and placements with financial institutions

	Group	
	31.03.2015	31.12.2014
	RM'000	RM'000
Licensed banks	876,971	715,238
Other financial institutions	8,294	6,086
	<u>885,265</u>	<u>721,324</u>
	=====	=====

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10. Financial assets held-for-trading

	Group	
	31.03.2015	31.12.2014
	RM'000	RM'000
At fair value:		
<i>Quoted securities in Malaysia</i>		
- Shares	76,393	66,725
<i>Quoted securities outside Malaysia</i>		
- Shares	72,469	43,594
- Unit trusts	10,944	22,943
	<u>159,806</u>	<u>133,262</u>
	-----	-----
<i>Unquoted securities in Malaysia</i>		
- Malaysian Government Investment Issues	143,837	50,767
- Bank Negara Negotiable Notes	170,446	394,808
- Islamic Debt Securities	343,983	205,492
- Negotiable Islamic Debt Certificates	-	279,628
<i>Unquoted securities outside Malaysia</i>		
- Islamic Debt Securities	92,358	101,633
	<u>750,624</u>	<u>1,032,328</u>
	-----	-----
	<u>910,430</u>	<u>1,165,590</u>
	=====	=====

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11. Derivative financial assets/liabilities

The following tables summarise the contractual or underlying principal amounts of derivative financial instruments held at fair value through profit or loss and hedging purposes. The principal or contractual amounts 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 respectively.

Group	Notional Amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
31.03.2015			
Forward contracts	2,107,143	62,333	(29,731)
Profit rate swaps	881,541	11,435	(3,372)
Structured deposits	-	-	-
	<hr/>	<hr/>	<hr/>
	2,988,684	73,768	(33,103)
	<hr/>	<hr/>	<hr/>
31.12.2014			
Forward contracts	1,840,778	45,508	(28,798)
Profit rate swaps	1,187,694	17,018	(3,594)
Structured deposits	106,680	15	(15)
	<hr/>	<hr/>	<hr/>
	3,135,152	62,541	(32,407)
	<hr/>	<hr/>	<hr/>

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12. Financial assets available-for-sale

	Group	
	31.03.2015	31.12.2014
	RM'000	RM'000
At fair value		
<i>Quoted securities in Malaysia</i>		
- Unit trusts	214,197	208,161
- Shares	656,749	428,420
<i>Quoted securities outside Malaysia</i>		
- Unit trusts	78,800	82,902
- Shares	10,411	14,747
- Islamic Debt Securities	2,589	1,173
	<u>962,746</u>	<u>735,403</u>
	-----	-----
At fair value		
<i>Unquoted securities in Malaysia</i>		
- Malaysian Government Islamic Papers	194,930	241,466
- Malaysian Government Investment Issues	1,178,126	1,202,058
- Negotiable Islamic Debt Certificates	-	-
- Islamic Debt Securities	11,153,146	11,452,570
- Shares	380	380
- Unit trusts	147,273	149,313
<i>Unquoted securities outside Malaysia</i>		
- Shares	38	38
- Islamic Debt Securities	-	1,405
- Islamic Development Bank Unit Trusts	1,647	1,647
	<u>12,675,540</u>	<u>13,048,877</u>
	-----	-----
At cost		
<i>Unquoted securities in Malaysia</i>		
- Unquoted shares in Malaysia	25,355	24,450
Less: Accumulated impairment loss*	(16,639)	(15,734)
	<u>8,716</u>	<u>8,716</u>
	-----	-----
<i>Unquoted securities outside Malaysia</i>		
- Unquoted shares outside Malaysia	22,893	22,893
	<u>22,893</u>	<u>22,893</u>
	-----	-----
	<u>13,669,895</u>	<u>13,815,889</u>
	=====	=====

* Movement in accumulated impairment loss is due to translation difference.

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12. Financial assets available-for-sale (continued)

	Company	
	31.03.2015	31.12.2014
	RM'000	RM'000
At fair value		
<i>Quoted securities in Malaysia</i>		
- Unit trusts	18,722	18,559
	=====	=====

13. Financial assets held-to-maturity

	Group	
	31.03.2015	31.12.2014
	RM'000	RM'000
<i>Unquoted securities in Malaysia</i>		
- Malaysian Government Islamic Papers	145,245	145,276
- Islamic Debt Securities	386,414	387,306
Less: Accumulated impairment loss	(7,019)	(7,019)
 <i>Unquoted securities outside Malaysia</i>		
- Islamic Debt Securities	22,995	21,695
	-----	-----
	547,635	547,258
	=====	=====

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14. Financing, advances and others (continued)

	Group	
	31.03.2015	31.12.2014
	RM'000	RM'000
(b) By type of customer		
Domestic non-bank financial institutions	492,383	471,181
Domestic business enterprise	5,678,906	5,884,575
Small medium industries	663,098	658,763
Government and statutory bodies	284,430	292,201
Individuals	23,060,857	22,336,404
Other domestic entities	7,902	8,230
Foreign entities	553,860	460,358
	<hr/>	<hr/>
	30,741,436	30,111,712
	=====	=====
(c) By profit rate sensitivity		
Fixed rate		
House financing	1,518,120	1,563,643
Others	5,445,922	7,553,928
Floating rate		
Others	23,777,394	20,994,141
	<hr/>	<hr/>
	30,741,436	30,111,712
	=====	=====
(d) By remaining contractual maturity		
Maturity within one year	3,129,195	3,147,023
More than one year to three years	1,269,597	992,088
More than three years to five years	1,732,545	1,468,082
More than five years	24,610,099	24,504,519
	<hr/>	<hr/>
	30,741,436	30,111,712
	=====	=====
(e) By geographical distribution		
Central Region	13,905,247	13,567,565
Eastern Region	5,201,727	5,037,536
Northern Region	4,848,221	4,722,950
Southern Region	4,248,002	4,411,954
East Malaysia Region	2,538,239	2,371,707
	<hr/>	<hr/>
	30,741,436	30,111,712
	=====	=====

BIMB Holdings Berhad (423858-X)
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14. Financing, advances and others (continued)

	Group	
	31.03.2015	31.12.2014
	RM'000	RM'000
(f) By sector		
Primary agriculture	373,472	331,524
Mining and quarrying	22,381	20,481
Manufacturing (including agro-based)	929,468	1,011,749
Electricity, gas and water	599,564	549,284
Wholesale & retail trade, and hotels & restaurants	1,078,443	879,627
Construction	2,145,271	2,316,754
Real estate	776,457	693,563
Transport, storage and communications	318,998	563,955
Finance, insurance and business activities	937,855	924,120
Education, health and others	498,302	483,863
Household sectors	23,061,225	22,336,792
	<u>30,741,436</u>	<u>30,111,712</u>
	=====	=====
(g) Movement in impaired financing and advances (“impaired financing”) are as follows:		
At 1 January 2015/ 2014	344,539	285,302
Classified as impaired during the year	151,664	438,837
Reclassified as not impaired during the year	(52,825)	(194,739)
Amount recovered	(20,877)	(72,983)
Amount written off	(56,464)	(115,145)
Exchange differences	2,949	3,267
	<u>368,986</u>	<u>344,539</u>
	=====	=====
Gross impaired financing as a percentage of gross financing, advances and others	1.20%	1.14%
	=====	=====

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14. Financing, advances and others (continued)

	Group	
	31.03.2015	31.12.2014
	RM'000	RM'000
(h) Impaired financing by geographical distribution		
Central Region	151,599	148,240
Eastern Region	41,424	44,509
Northern Region	33,587	30,618
Southern Region	26,443	13,307
East Malaysia Region	115,933	107,865
	<hr/>	<hr/>
	368,986	344,539
	=====	=====
(i) Impaired financing by sector		
Primary agriculture	6,425	1,854
Manufacturing (including agro-based)	8,873	7,669
Electricity, gas and water	47	54
Wholesale & retail trade, and hotels & restaurants	13,825	14,732
Construction	66,723	72,192
Transport, storage and communications	47,377	42,689
Finance, insurance and business activities	62,244	60,258
Education, health and others	3,739	590
Household sectors	159,733	144,501
	<hr/>	<hr/>
	368,986	344,539
	=====	=====
(j) Movement of allowance for impaired financing		
<u>Collective assessment allowance</u>		
At 1 January 2015/ 2014	444,388	365,375
Allowance made during the year	37,306	162,878
Amount written off	(21,500)	(84,416)
Exchange differences	403	551
	<hr/>	<hr/>
At 31 March 2015/ 31 December 2014	460,597	444,388
	=====	=====

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14. Financing, advances and others (continued)

(j) Movement of allowance for impaired financing (continued)

	Group	
	31.03.2015	31.12.2014
	RM'000	RM'000
<u>Individual assessment allowance</u>		
At 1 January 2015/ 2014	142,753	136,197
Allowance made during the year	21,248	34,055
Amount written off	(34,965)	(30,802)
Exchange differences	2,943	3,303
	<hr/>	<hr/>
At 31 March 2015/ 31 December 2014	131,979	142,753
	<hr/> <hr/>	<hr/> <hr/>

15. Other assets

	31.03.2015	31.12.2014
	RM'000	RM'000
Group		
Clients' and dealers' debit balances	108,486	179,229
Deposits and prepayments	42,375	42,781
Other financing	87,891	78,290
Other receivables	200,527	280,685
	<hr/>	<hr/>
	439,279	580,985
	<hr/> <hr/>	<hr/> <hr/>
Company		
Amount due from subsidiaries	216	281
Deposits and prepayments	329	436
Income receivable	-	472
	<hr/>	<hr/>
	545	1,189
	<hr/> <hr/>	<hr/> <hr/>

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16. Takaful assets

		Group	
	Note	31.03.2015	31.12.2014
		RM'000	RM'000
Retakaful assets:			
- Claims liabilities	20(a)(i)	453,307	405,867
- Contribution liabilities	20(a)(ii)	65,643	69,949
- Actuarial liabilities	20(a)(iii)	218,993	206,644
		<hr/>	<hr/>
		737,943	682,460
		-----	-----
Takaful receivables			
- Due contributions		264,160	95,074
- Due from retakaful/co-takaful		29,116	38,004
		<hr/>	<hr/>
		293,276	133,078
Less: Allowance for impaired receivables		(5,881)	(4,487)
		<hr/>	<hr/>
		287,395	128,591
		-----	-----
		1,025,338	811,051
		=====	=====

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17. Deposits from customers

(a) **By type of deposit**

	Group	
	31.03.2015	31.12.2014
	RM'000	RM'000
Savings deposits	5,276,673	5,091,650
<i>Wadiah</i>	3,218,779	3,052,428
<i>Mudharabah</i>	2,057,894	2,039,222
Demand deposits		
<i>Wadiah</i>	9,526,959	10,470,568
Term Deposit	26,287,226	25,029,432
Special Investment Accounts		
<i>Mudharabah</i>	2,986,963	4,755,488
General Investment Accounts		
<i>Mudharabah</i>	673,129	919,816
Term & Special term deposit-i		
<i>Tawarruq</i>	20,464,183	17,895,591
Negotiable Islamic Debt Certificates (NIDC)		
Waheed-i	2,084,776	1,229,025
Ziyad	78,175	134,453
	-	95,059
Others	88,487	86,729
Total Deposits	<u>41,179,345</u>	<u>40,678,379</u>

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17. Deposits from customers (continued)

(b) Maturity structure of term deposits are as follows:

	Group	
	31.03.2015	31.12.2014
	RM'000	RM'000
Due within six months	21,734,177	21,933,815
More than six months to one year	4,239,915	2,834,535
More than one year to three years	276,831	224,132
More than three years to five years	36,303	36,950
	<u>26,287,226</u>	<u>25,029,432</u>
	=====	=====
(c) By type of customer		
Government and statutory bodies	7,296,263	7,022,205
Business enterprises	9,410,942	9,638,052
Individuals	5,867,533	5,565,494
Others	18,604,607	18,452,628
	<u>41,179,345</u>	<u>40,678,379</u>
	=====	=====

18. Deposits and placements of banks and other financial institutions

	Group	
	31.03.2015	31.12.2014
	RM'000	RM'000
Mudharabah fund		
Licensed banks	418,754	280,000
Other financial institutions	200,000	20,000
	<u>618,754</u>	<u>300,000</u>
	=====	=====

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19. Other liabilities

	31.03.2015	31.12.2014
	RM'000	RM'000
Group		
Accruals and other payables	715,170	805,461
Clients' and dealers' credit balances	107,843	170,298
Dividend payable	-	219,545
	<u>823,013</u>	<u>1,195,304</u>
	=====	=====
Company		
Accruals and other payables	1,407	1,944
Amount due to subsidiaries	-	52
Dividend payable	-	219,545
	<u>1,407</u>	<u>221,541</u>
	=====	=====

The amount due to subsidiaries is non-trade, unsecured, not subject to financing charge and repayable on demand.

20. Takaful liabilities

		Group	
	Note	31.03.2015	31.12.2014
		RM'000	RM'000
Takaful contract liabilities	20(a)	6,383,988	6,120,133
Expense reserves	20(b)	148,270	142,127
Takaful payables	20(c)	73,506	61,317
		<u>6,605,764</u>	<u>6,323,577</u>
		=====	=====

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20. Takaful liabilities (continued)

(a) Takaful contract liabilities

The takaful contract liabilities comprise the following:

		Group	
	Note	31.03.2015	31.12.2014
		RM'000	RM'000
Provision for outstanding claims	20(a)(i)	865,473	808,491
Provision for unearned contributions	20(a)(ii)	293,791	290,899
Participants' fund	20(a)(iii)	5,224,724	5,020,743
		<u>6,383,988</u>	<u>6,120,133</u>
		=====	=====

(i) Provision for outstanding claims

The provision for outstanding claims is further analysed as follows:

		31.03.2015		
		Gross	Retakaful	Net
		RM'000	RM'000	RM'000
Group				
Provision for claims reported by participants	452,299	(306,173)	146,126	
Provision for IBNR*	413,174	(147,134)	266,040	
		<u>865,473</u>	<u>(453,307)</u>	<u>412,166</u>
		=====	=====	=====

Note 16

		31.12.2014		
		Gross	Retakaful	Net
		RM'000	RM'000	RM'000
Group				
Provision for claims reported by participants	408,946	(262,975)	145,971	
Provision for IBNR*	399,545	(142,892)	256,653	
		<u>808,491</u>	<u>(405,867)</u>	<u>402,624</u>
		=====	=====	=====

Note 16

* Incurred-but-not-reported ("IBNR")

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20. Takaful liabilities (continued)

(a) Takaful contract liabilities (continued)

(i) Provision for outstanding claims (continued)

Movement of provision for outstanding claims:

	Gross RM'000	Group Retakaful RM'000	Net RM'000
At 1 January 2014	861,274	(407,393)	453,881
Claims incurred during the year	730,580	(90,633)	639,947
Claims paid during the year	(796,785)	121,754	(675,031)
Increase in IBNR	10,938	(29,024)	(18,086)
Effect of movement in exchange rates	2,484	(571)	1,913
	-----	-----	-----
At 31 December 2014/ 1 January 2015	808,491	(405,867)	402,624
Claims incurred during the year	257,167	(78,334)	178,833
Claims paid during the year	(214,990)	35,210	(179,780)
Increase in IBNR	12,992	(4,234)	8,758
Effect of movement in exchange rates	1,813	(82)	1,731
	-----	-----	-----
At 31 March 2015	865,473	(453,307)	412,166
	=====	=====	=====

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20. Takaful liabilities (continued)

(a) Takaful contract liabilities (continued)

(ii) Provision for unearned contributions

The provision for unearned contributions is further analysed as follows:

	Gross RM'000	Group Retakaful RM'000	Net RM'000
31.03.2015	293,791	(65,643)	228,148
	=====	=====	=====
		Note 16	
31.12.2014	290,899	(69,949)	220,950
	=====	=====	=====
		Note 16	

Movement of provision for unearned contributions:

	Gross RM'000	Group Retakaful RM'000	Net RM'000
At 1 January 2014	296,425	(80,200)	216,225
Contributions written during the year	451,319	(170,096)	281,223
Contributions earned during the year	(457,441)	180,457	(276,984)
Effect of movement in exchange rates	596	(110)	486
	-----	-----	-----
At 31 December 2014/ 1 January 2015	290,899	(69,949)	220,950
Contributions written during the year	138,963	(53,119)	85,844
Contributions earned during the year	(136,202)	57,447	(78,755)
Effect of movement in exchange rates	131	(22)	109
	-----	-----	-----
At 31 March 2015	293,791	(65,643)	228,148
	=====	=====	=====

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20. Takaful liabilities (continued)

(a) Takaful contract liabilities (continued)

(iii) Participants' fund

Participants' fund balance at end of the reporting period comprises the following:

	Gross	Group	Net
	RM'000	Retakaful	RM'000
		RM'000	RM'000
31.03.2015			
Actuarial liabilities	4,246,348	(218,993)	4,027,355
Unallocated surplus/accumulated surplus	858,808	-	858,808
AFS reserve	(34,979)	-	(34,979)
Translation reserve	950	-	950
Net assets value attributable to unitholders	153,597	-	153,597
	<u>5,224,724</u>	<u>(218,993)</u>	<u>5,005,731</u>
	=====	=====	=====
		Note 16	
31.12.2014			
Actuarial liabilities	4,022,862	(206,644)	3,816,218
Unallocated surplus/accumulated surplus	923,020	-	923,020
AFS reserve	(68,235)	-	(68,235)
Translation reserve	999	-	999
Net assets value attributable to unitholders	142,097	-	142,097
	<u>5,020,743</u>	<u>(206,644)</u>	<u>4,814,099</u>
	=====	=====	=====
		Note 16	

(b) Expense reserves

	Group	
	31.03.2015	31.12.2014
	RM'000	RM'000
At 1 January 2015/ 2014	142,127	131,522
Provision for the year, net	6,095	10,415
Effect of movement in exchange rates	48	190
	<u>148,270</u>	<u>142,127</u>
At 31 March 2015/ 31 December 2014	=====	=====

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20. Takaful liabilities (continued)

(c) Takaful payables

	Group	
	31.03.2015	31.12.2014
	RM'000	RM'000
Due to retakaful companies	48,359	46,409
Due to Intermediaries/Participants	25,147	14,908
	<u>73,506</u>	<u>61,317</u>
	=====	=====

21. Other reserves

Breakdown of share premium and reserves are as follows:

	Group	
	31.3.2015	31.03.2014
	RM'000	RM'000
Capital reserve	6,863	6,863
Warrant reserve	129,300	129,300
Statutory reserve	738,606	544,010
Acquisition reserve	(1,199,747)	(1,199,747)
Fair value reserve	20,653	(20,281)
Translation reserve	(61,756)	(13,880)
LTIP reserve	3,754	1,957
	<u>(362,327)</u>	<u>(551,778)</u>
	=====	=====

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21. Other reserves (continued)

Group	Capital reserve RM'000	Statutory reserve RM'000	Warrant reserve RM'000	Acquisition Reserve RM'000	Fair value reserve RM'000	Translation reserve RM'000	LTIP* reserve RM'000	Total RM'000
At 1 January 2014	6,863	484,089	129,300	(1,199,747)	4,247	(18,377)	1,220	(592,405)
Foreign exchange translation differences	-	-	-	-	-	4,497	-	4,497
Net gain on revaluation of financial assets available-for-sale	-	-	-	-	(24,528)	-	-	(24,528)
Transfer from current year profit	-	59,921	-	-	-	-	-	59,921
Share-based payment transactions	-	-	-	-	-	-	737	737
At 31 March 2014	6,863	544,010	129,300	(1,199,747)	(20,281)	(13,880)	1,957	(551,778)
At 1 January 2015	6,863	738,606	129,300	(1,199,747)	(24,669)	(40,283)	3,099	(386,831)
Foreign exchange translation differences	-	-	-	-	-	(21,473)	-	(21,473)
Net gain on revaluation of financial assets available-for-sale	-	-	-	-	45,322	-	-	45,322
Share-based payment transactions	-	-	-	-	-	-	655	655
At 31 March 2015	6,863	738,606	129,300	(1,199,747)	20,653	(61,756)	3,754	(362,327)

* Long Term Incentive Plan

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22. Income derived from investment of depositors' funds

Group	Quarter		Year-to-date	
	3 months ended		3 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
(i) General investment deposits	26,430	28,483	26,430	28,483
(ii) Other deposits	515,853	445,156	515,853	445,156
	<u>542,283</u>	<u>473,639</u>	<u>542,283</u>	<u>473,639</u>
	=====	=====	=====	=====

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22. Income derived from investment of depositors' funds (continued)

(i) **Income derived from investment of general investment deposits**

Group	Quarter 3 months ended		Year-to-date 3 months ended	
	31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
Financing income and hibah				
Financing, advances and others	21,420	21,855	21,420	21,855
Financial assets:				
- Held-for-trading	377	660	377	660
- Available-for-sale	3,414	5,531	3,414	5,531
- Held-to-maturity	33	43	33	43
Money at call and deposit with financial institutions	776	434	776	434
	26,020	28,523	26,020	28,523
	-----	-----	-----	-----
Other dealing income				
Net gain/(loss) from sale of financial assets held-for-trading	179	(169)	179	(169)
Net gain on revaluation of financial assets held-for-trading	126	213	126	213
	305	44	305	44
	-----	-----	-----	-----
Other operating income				
Net gain/(loss) from sale of financial assets available-for-sale	105	(84)	105	(84)
	105	(84)	105	(84)
	-----	-----	-----	-----
	26,430	28,483	26,430	28,483
	=====	=====	=====	=====
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	362	327	362	327
	=====	=====	=====	=====

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22. Income derived from investment of depositors' funds (continued)

(ii) **Income derived from investment of other deposits**

Group	Quarter		Year-to-date	
	3 months ended	3 months ended	3 months ended	3 months ended
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Financing income and hibah				
Financing, advances and others	418,066	341,580	418,066	341,580
Financial assets:				
- Held-for-trading	7,297	10,319	7,297	10,319
- Available-for-sale	66,603	86,450	66,603	86,450
- Held-to-maturity	650	665	650	665
Money at call and deposit with financial institutions	15,218	6,756	15,218	6,756
	<u>507,834</u>	<u>445,770</u>	<u>507,834</u>	<u>445,770</u>
Other dealing income				
Net gain/(loss) from sale of financial assets held-for-trading	3,530	(2,607)	3,530	(2,607)
Net gain on revaluation of financial assets held-for-trading	2,365	3,322	2,365	3,322
	<u>5,895</u>	<u>715</u>	<u>5,895</u>	<u>715</u>
Other operating income				
Net gain/(loss) from sale of financial assets available-for-sale	2,124	(1,329)	2,124	(1,329)
	<u>2,124</u>	<u>(1,329)</u>	<u>2,124</u>	<u>(1,329)</u>
	<u>515,853</u>	<u>445,156</u>	<u>515,853</u>	<u>445,156</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	<u>7,032</u>	<u>5,105</u>	<u>7,032</u>	<u>5,105</u>

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23. Income derived from investment of shareholders' funds

Group	Quarter		Year-to-date	
	3 months ended	3 months ended	3 months ended	3 months ended
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Financing income and hibah				
Financing, advances and others	1,524	1,517	1,524	1,517
Financial assets available-for-sale	28,403	26,260	28,403	26,260
Money at call and deposits with financial institutions	3,828	4,038	3,828	4,038
	<u>33,755</u>	<u>31,815</u>	<u>33,755</u>	<u>31,815</u>
	-----	-----	-----	-----
Other dealing income				
Net gain from foreign exchange transactions	27,685	31,846	27,685	31,846
Net gain from sale of financial assets held-for-trading	35	90	35	90
Net gain on revaluation of financial assets held-for-trading	812	98	812	98
Net derivatives (loss)/gain	(4,220)	(1,878)	(4,220)	(1,878)
	<u>24,312</u>	<u>30,156</u>	<u>24,312</u>	<u>30,156</u>
	-----	-----	-----	-----
Other operating income				
Net loss from sale of financial assets available-for-sale	-	(316)	-	(316)
Reversal of allowance for doubtful debts	46	-	46	-
Gross dividend income from securities:				
- Quoted in Malaysia	88	31	88	31
- Unit trust in Malaysia	100	97	100	97
Fees and commission	44,261	42,445	44,261	42,445
Net (loss)/gain on disposal of property, plant and equipment	(336)	(852)	(336)	(852)
Rental income	295	568	295	568
Others	27	45	27	45
	<u>44,481</u>	<u>42,018</u>	<u>44,481</u>	<u>42,018</u>
	-----	-----	-----	-----
	<u>102,548</u>	<u>103,989</u>	<u>102,548</u>	<u>103,989</u>
	=====	=====	=====	=====

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23. Income derived from investment of shareholders' funds (continued)

Company	Quarter		Year-to-date	
	3 months ended	3 months ended	3 months ended	3 months ended
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Financing income and hibah				
Money at call and deposits with financial institutions	741	1,138	741	1,138
	<u>741</u>	<u>1,138</u>	<u>741</u>	<u>1,138</u>
	-----	-----	-----	-----
Other operating income				
Gross dividend income from securities:				
- Unit trust in Malaysia	100	97	100	97
Others	12	2	12	2
	<u>112</u>	<u>99</u>	<u>112</u>	<u>99</u>
	-----	-----	-----	-----
	<u>853</u>	<u>1,237</u>	<u>853</u>	<u>1,237</u>
	=====	=====	=====	=====

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24. Net income from Takaful business

Group	Quarter		Year-to-date	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Net earned contributions				
Gross earned contributions	373,220	322,171	373,220	322,171
Contribution ceded to retakaful	(72,591)	(48,503)	(72,591)	(48,503)
	<u>300,629</u>	<u>273,668</u>	<u>300,629</u>	<u>273,668</u>
	-----	-----	-----	-----
Other income				
Administration income	12,245	9,712	12,245	9,712
Investment income	61,163	54,234	61,163	54,234
Realised gains and losses	25,095	47,716	25,095	47,716
Fair value gains and losses	8,892	(392)	8,892	(392)
Other operating income	3,120	2,199	3,120	2,199
	<u>110,515</u>	<u>113,469</u>	<u>110,515</u>	<u>113,469</u>
	-----	-----	-----	-----
Net benefits and claims				
Gross benefits and claims paid	(215,029)	(187,063)	(215,029)	(187,063)
Claims ceded to retakaful	35,210	21,273	35,210	21,273
Gross change to contract liabilities	(55,169)	(5,727)	(55,169)	(5,727)
Change to contract liabilities ceded to takaful	47,358	20,386	47,358	20,386
	<u>(187,630)</u>	<u>(151,131)</u>	<u>(187,630)</u>	<u>(151,131)</u>
	-----	-----	-----	-----
Expense reserves	(6,095)	(16,608)	(6,095)	(16,608)
	-----	-----	-----	-----
Income from takaful business	217,419	219,398	217,419	219,398
Profits attributable to participants/ takaful operator	(53,168)	(70,131)	(53,168)	(70,131)
	<u>164,251</u>	<u>149,267</u>	<u>164,251</u>	<u>149,267</u>
	=====	=====	=====	=====
Net income from takaful business	164,251	149,267	164,251	149,267

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25. Allowance for/(Reversal of) impairment on financing and advances

Group	Quarter 3 months ended		Year-to-date 3 months ended	
	31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
Allowance for impaired financing, advances and others				
- collective assessment allowance	37,306	33,977	37,306	33,977
- individual assessment allowance	21,248	8,527	21,248	8,527
Bad debts and financing recovered	(28,101)	(25,872)	(28,101)	(25,872)
	<u>30,453</u>	<u>16,632</u>	<u>30,453</u>	<u>16,632</u>
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26. Income attributable to depositors

Group	Quarter 3 months ended		Year-to-date 3 months ended	
	31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
Deposits from customers				
- Mudharabah Fund	36,139	159,687	36,139	159,687
- Non-Mudharabah Fund	205,378	24,744	205,378	24,744
Deposits and placements of banks and other financial institutions				
- Mudharabah Fund	1,547	6,475	1,547	6,475
- Non-Mudharabah Fund	-	154	-	154
	<u>243,064</u>	<u>191,060</u>	<u>243,064</u>	<u>191,060</u>
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27. Personnel expenses

	Quarter		Year-to-date	
	3 months ended		3 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Group				
Salaries and wages	118,187	120,576	118,187	120,576
Employees' Provident Fund	15,663	14,800	15,663	14,800
Directors' remuneration	2,046	1,495	2,046	1,495
Others	14,809	14,610	14,809	14,610
	<u>150,705</u>	<u>151,481</u>	<u>150,705</u>	<u>151,481</u>
	=====	=====	=====	=====
Company				
Salaries and wages	1,166	1,122	1,166	1,122
Employees' Provident Fund	127	118	127	118
Directors' remuneration	458	190	458	190
Others	108	84	108	84
	<u>1,859</u>	<u>1,514</u>	<u>1,859</u>	<u>1,514</u>
	=====	=====	=====	=====

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28. Other overhead expenses

Group	Quarter		Year-to-date	
	3 months ended		3 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
<i>Promotion</i>				
Advertisement and publicity	7,430	4,652	7,430	4,652
Credit and debit card expenses	4,744	4,721	4,744	4,721
Commission	43,549	33,055	43,549	33,055
	<u>55,723</u>	<u>42,428</u>	<u>55,723</u>	<u>42,428</u>
	-----	-----	-----	-----
<i>Establishment</i>				
Office rental	13,837	12,969	13,837	12,969
Depreciation of property and equipment	18,686	15,000	18,686	15,000
Information technology expenses	4,182	7,028	4,182	7,028
Rental equipment	1,345	1,252	1,345	1,252
Office maintenance	4,800	4,105	4,800	4,105
Utilities	5,169	4,895	5,169	4,895
Security services	3,423	3,466	3,423	3,466
Takaful and insurance	2,246	1,973	2,246	1,973
Others	251	316	251	316
	<u>53,939</u>	<u>51,004</u>	<u>53,939</u>	<u>51,004</u>
	-----	-----	-----	-----
<i>General expenses</i>				
Auditors' remuneration	488	450	488	450
Professional fees	5,923	8,318	5,923	8,318
Office supplies	2,977	2,553	2,977	2,553
Travelling & transport	2,093	2,412	2,093	2,412
Subscription fees	841	990	841	990
Others	18,138	44,409	18,138	44,409
	<u>30,460</u>	<u>59,132</u>	<u>30,460</u>	<u>59,132</u>
	-----	-----	-----	-----
	<u>140,122</u>	<u>152,564</u>	<u>140,122</u>	<u>152,564</u>
	=====	=====	=====	=====

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28. Other overhead expenses (continued)

Company	Quarter 3 months ended		Year-to-date 3 months ended	
	31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
<i>Promotion</i>				
Advertisement and publicity	1,089	69	1,089	69
	<u>1,089</u>	<u>69</u>	<u>1,089</u>	<u>69</u>
	-----	-----	-----	-----
<i>Establishment</i>				
Office rental	240	219	240	219
Depreciation of property and equipment	172	167	172	167
Rental equipment	25	24	25	24
Office maintenance	8	2	8	2
Utilities	6	6	6	6
Takaful and insurance	23	23	23	23
Others	3	35	3	35
	<u>477</u>	<u>476</u>	<u>477</u>	<u>476</u>
	-----	-----	-----	-----
<i>General expenses</i>				
Auditors' remuneration	32	28	32	28
Professional fees	6	3	6	3
Office supplies	11	9	11	9
Travelling & transport	2	9	2	9
Subscription fees	1	-	1	-
Others	492	133	492	133
	<u>544</u>	<u>182</u>	<u>544</u>	<u>182</u>
	-----	-----	-----	-----
	<u>2,110</u>	<u>727</u>	<u>2,110</u>	<u>727</u>
	=====	=====	=====	=====

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29. Operating segment information

The Group comprises of the following main business segments:

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

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29. Operating segment information (continued)

Quarter ended 31 March 2015	Banking RM'000	Takaful RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<i>Business segments</i>					
Segment result					
Revenue from external customers	640,062	164,251	4,769	-	809,082
Inter-segment revenue	-	657	874	(1,531)	-
Total revenue	640,062	164,908	5,643	(1,531)	809,082
Net income from operations (before allowance for impairment on financing and other assets)					
	396,525	164,908	5,643	(1,058)	566,018
Operating overheads	(192,422)	(104,220)	(7,135)	6,158	(297,619)
Operating results	204,103	60,688	(1,492)	5,100	268,399
Allowance for impairment on financing and advance	(30,453)	-	-	-	(30,453)
Finance cost	-	-	(17,650)	-	(17,650)
Profit before zakat and taxation	173,650	60,688	(19,142)	5,100	220,296
Segment assets	46,680,455	7,456,259	5,091,914	(5,082,059)	54,146,569
Segment liabilities	42,806,419	6,824,377	1,267,035	(301,523)	50,596,308

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29. Operating segment information (continued)

Quarter ended 31 March 2014	Banking	Takaful	Others	Elimination	Consolidated
<i>Business segments</i>	RM'000	RM'000	RM'000	RM'000	RM'000
Segment result					
Revenue from external customers	575,090	149,267	2,538	-	726,895
Inter-segment revenue	-	670	2,062	(2,732)	-
Total revenue	575,090	149,937	4,600	(2,732)	726,895
Net income from operations (before allowance for impairment on financing and other assets)	382,401	149,937	4,600	(1,103)	535,835
Operating overheads	(198,728)	(105,100)	(5,112)	1,103	(307,837)
Operating results	183,673	44,837	(512)	-	227,998
Reversal of impairment on financing	(16,632)	-	-	-	(16,632)
Finance cost	-	-	(16,979)	-	(16,979)
Profit before zakat and taxation	167,041	44,837	(17,491)	-	194,387
Segment assets	41,919,626	7,020,452	5,104,507	(4,940,565)	49,104,020
Segment liabilities	38,491,993	6,408,716	1,238,117	(202,612)	45,936,214

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29. Operating segment information (continued)

Year-to-date 3 months ended 31 March 2015	Banking	Takaful	Others	Elimination	Consolidated
<i>Business segments</i>	RM'000	RM'000	RM'000	RM'000	RM'000
Segment result					
Revenue from external customers	640,062	164,251	4,769	-	809,082
Inter-segment revenue	-	657	874	(1,531)	-
Total revenue	640,062	164,908	5,643	(1,531)	809,082
Net income from operations (before allowance for impairment on financing and other assets)	396,525	164,908	5,643	(1,058)	566,018
Operating overheads	(192,422)	(104,220)	(7,135)	6,158	(297,619)
Operating results	204,103	60,688	(1,492)	5,100	268,399
Allowance for impairment on financing and advance	(30,453)	-	-	-	(30,453)
Finance cost	-	-	(17,650)	-	(17,650)
Profit before zakat and taxation	173,650	60,688	(19,142)	5,100	220,296
Segment assets	46,680,455	7,456,259	5,091,914	(5,082,059)	54,146,569
Segment liabilities	42,806,419	6,824,377	1,267,035	(301,523)	50,596,308

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29. Operating segment information (continued)

Year-to-date 3 months ended 31 March 2014	Banking	Takaful	Others	Elimination	Consolidated
<i>Business segments</i>	RM'000	RM'000	RM'000	RM'000	RM'000
Segment result					
Revenue from external customers	575,090	149,267	2,538	-	726,895
Inter-segment revenue	-	670	2,062	(2,732)	-
Total revenue	575,090	149,937	4,600	(2,732)	726,895
Net income from operations (before allowance for impairment on financing and other assets)	382,401	149,937	4,600	(1,103)	535,835
Operating overheads	(198,728)	(105,100)	(5,112)	1,103	(307,837)
Operating results	183,673	44,837	(512)	-	227,998
Reversal of impairment on financing	(16,632)	-	-	-	(16,632)
Finance cost	-	-	(16,979)	-	(16,979)
Profit before zakat and taxation	167,041	44,837	(17,491)	-	194,387
Segment assets	41,919,626	7,020,452	5,104,507	(4,940,565)	49,104,020
Segment liabilities	38,491,993	6,408,716	1,238,117	(202,612)	45,936,214

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30. Valuation of property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. There was no valuation carried out during the quarter ended 31 March 2015.

31. Material events subsequent to the end of the interim period

Bank Islam issued the Tranche 1 of the Subordinated Sukuk Murabahah (Sukuk) of RM300.0 million on 22 April 2015.

Following the issuance, Bank Islam will distribute the proposed final single tier dividend of 5.75 sen per ordinary share amounting to RM133.395 million for the financial year ended 31 December 2014. Approximately 50% of the final dividend amounting to RM67.278 million is to be in the form of cash dividend and the remaining 50% of the proposed dividend, that is, RM66.117 million will be reinvested for acquisition of 22,799,000 new ordinary shares of Bank Islam at RM2.90 per ordinary share under the Dividend Reinvestment Plan (DRP).

With the issuance of the Sukuk and payment of proposed final dividend and DRP, Bank Islam's total capital ratio is expected to increase to 13.83% for the position as at 31 March 2015.

32. Changes in composition of the Group

There were no changes in the composition of the Group for the quarter ended 31 March 2015.

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33. Fair value of financial instruments

Fair value hierarchy

MFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques adopted are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Group's 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.
- 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.

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:

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33. Fair value of financial instruments (continued)

Fair value information

31.03.2015 Group RM'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying Amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial assets										
Financial assets held-for-trading	159,806	750,624	-	910,430	-	-	-	-	910,430	910,430
Derivative financial assets	-	73,768	-	73,768	-	-	-	-	73,768	73,768
Financial assets available-for-sale	971,657	12,514,319	151,892	13,637,868	-	-	32,066	32,066	13,669,934	13,669,895
Financial assets held-to-maturity	-	-	-	-	22,740	471,666	59,879	554,285	554,285	547,635
Financing, advances and others	-	-	-	-	-	-	30,238,045	30,238,045	30,238,045	30,148,860
Total assets	1,131,463	13,338,711	151,892	14,622,066	22,740	471,666	30,329,990	30,824,396	45,446,462	45,350,588
Financial liabilities										
Derivative financial liabilities	-	33,103	-	33,103	-	-	-	-	33,103	33,103
Sukuk liabilities	-	-	-	-	-	-	1,150,906	1,150,906	1,150,906	1,150,906
Total liabilities	-	33,103	-	33,103	-	-	1,150,906	1,150,906	1,184,009	1,184,009
31.03.2015 Company										
Financial assets										
Financial assets available-for-sale	18,722	-	-	18,722	-	-	-	-	18,722	18,722
Total assets	18,722	-	-	18,722	-	-	-	-	18,722	18,722
Financial liabilities										
Sukuk liabilities	-	-	-	-	-	-	1,150,906	1,150,906	1,150,906	1,150,906
Total liabilities	-	-	-	-	-	-	1,150,906	1,150,906	1,150,906	1,150,906

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33. Fair value of financial instruments (continued)

Fair value information (continued)

31.12.2014 Group RM'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying Amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial assets										
Financial assets held-for-trading	229,805	921,629	-	1,151,434	-	-	-	-	1,151,434	1,165,590
Derivative financial assets	-	62,541	-	62,541	-	-	-	-	62,541	62,541
Financial assets available-for-sale	650,677	12,992,952	153,933	13,797,562	-	-	32,066	32,066	13,829,628	13,815,889
Financial assets held-to-maturity	-	-	-	-	21,089	466,896	60,752	548,737	548,737	547,258
Financing, advances and others	-	-	-	-	-	-	29,527,807	29,527,807	29,527,807	29,524,571
Total assets	880,482	13,977,122	153,933	15,011,537	21,089	466,896	29,620,625	30,108,610	45,120,147	45,115,849
Financial liabilities										
Derivative financial liabilities	-	32,407	-	32,407	-	-	-	-	32,407	32,407
Sukuk liabilities	-	-	-	-	-	-	1,133,256	1,133,256	1,133,256	1,133,256
Total liabilities	-	32,407	-	32,407	-	-	1,133,256	1,133,256	1,165,663	1,165,663
31.12.2014 Company										
Financial assets										
Financial assets available-for-sale	18,559	-	-	18,559	-	-	-	-	18,559	18,559
Total assets	18,559	-	-	18,559	-	-	-	-	18,559	18,559
Financial liabilities										
Sukuk liabilities	-	-	-	-	-	-	1,133,256	1,133,256	1,133,256	1,133,256
Total liabilities	-	-	-	-	-	-	1,133,256	1,133,256	1,133,256	1,133,256

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33. Fair value of financial instruments (continued)

The following table presents the changes in Level 3 instruments for the quarter ended 31 March 2015 for the Group:

	3 months	12 months
	31.03.2015	31.12.2014
	RM'000	RM'000
<i>Financial assets available-for-sale</i>		
At 1 January 2015/ 2014	153,933	303,517
Maturity	(3,802)	(159,474)
Gains	1,761	9,890
	<hr/>	<hr/>
At 31 March 2015/ 31 December 2014	151,892	153,933
	<hr/> <hr/>	<hr/> <hr/>

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

(a) Financial instruments carried at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets available-for-sale	Valued at cost less impairment	Not applicable	Not applicable
Institutional trust account	Discounted cash flows using market profit rate for a similar instrument at the measurement date	4.58%	The estimated fair value would increase (decrease) if the discount rate were (lower) higher.

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33. Fair value of financial instruments (continued)

(b) Financial instruments not carried at fair value

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Financial investments held-to-maturity (“HTM”)

The fair values of securities that are actively traded is determined by quoted bid prices. For non-actively traded securities, the fair values are valued at cost less impairment or estimated using discounted cash flows analysis. Where discounted cash flows technique is used, the estimated future cash flows are discounted using applicable prevailing market or indicative rates of similar instruments at the reporting date.

(ii) Financing and advances

The fair values of variable rate financing are estimated to approximate their carrying values. For fixed rate financing, the fair values are estimated based on expected future cash flows of contractual instalment payments, discounted at applicable and prevailing rates at reporting date offered for similar facilities to new borrowers with similar credit profiles. In respect of impaired financing, the fair values are deemed to approximate the carrying values which are net of impairment allowances.

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34. Commitments and contingencies

In the normal course of business, the Group makes various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions. These exclude all contracts cleared in the normal course of the takaful business.

As at 31.03.2015	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Asset RM'000
Credit-related Exposures				
Direct credit substitutes	340,195		340,195	336,710
Assets sold with recourse	2		2	2
Transaction related contingent items	1,033,741		516,870	455,457
Other commitments, such as formal standby facilities and credit lines with original maturity of:				
- not exceeding one year	2,185		437	429
- exceeding one year	937,005		468,503	376,051
Short term self-liquidating trade related contingencies	222,212		44,442	43,722
Unutilised credit card lines	1,067,361		213,472	160,103
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	5,557,125		-	-
	<u>9,159,826</u>	<u>-</u>	<u>1,583,921</u>	<u>1,372,474</u>
Derivative Financial Instruments				
Foreign exchange related contracts				
- Less than one year	2,107,143	62,333	80,196	40,864
Profit rate related contracts				
- One year to less than five years	600,000	7,082	20,208	4,042
- 5 years and above	281,541	4,353	11,317	11,317
	<u>2,988,684</u>	<u>73,768</u>	<u>111,721</u>	<u>56,223</u>
	<u>12,148,510</u>	<u>73,768</u>	<u>1,695,642</u>	<u>1,428,697</u>

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34. Commitments and contingencies (continued)

As at 31.12.2014	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Asset RM'000
Credit-related Exposures				
Direct credit substitutes	360,433		360,433	355,715
Assets sold with recourse	2		2	2
Transaction related contingent items	1,026,265		513,132	451,601
Other commitments, such as formal standby facilities and credit lines with original maturity of:				
- not exceeding one year	6,165		1,233	1,215
- exceeding one year	942,851		471,425	378,793
Short term self-liquidating trade related contingencies	236,874		47,375	45,832
Unutilised credit card lines	1,023,337		204,668	153,502
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	5,404,888		-	-
	9,000,815	-	1,598,268	1,386,660
Derivative Financial Instruments				
Foreign exchange related contracts				
- Less than one year	1,840,778	45,508	65,406	36,492
Profit rate related contracts				
- Less than one year	300,000	348	308	62
- One year to less than five years	600,000	12,278	20,153	4,031
- 5 years and above	287,694	4,392	12,996	12,996
Equity related contracts				
- One year to less than five years	106,680	15	6,401	3,200
	3,135,152	62,541	105,264	56,781
	12,135,967	62,541	1,703,532	1,443,441

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35. Capital adequacy

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:

	31.03.2015	31.12.2014
	%	%
Common Equity Tier I (CET I) Capital Ratio	12.003	12.240
Total Tier 1 Capital Ratio	12.003	12.240
Total Capital Ratio	13.111	13.355

The components of CET I, Tier I and Tier II capital of Bank Islam:

	31.03.2015	31.12.2014
	RM'000	RM'000
<u>Tier I capital</u>		
Paid-up share capital	2,319,907	2,319,907
Share premium	90,981	90,981
Retained earnings	388,923	509,807
Other reserves	945,455	929,779
Less: Deferred tax assets	(31,220)	(31,220)
Less: Interim and/or final dividend declared	-	(120,884)
Total CET I and Tier I Capital	3,714,046	3,698,370
Collective assessment allowance ^	342,605	336,850
Total Tier II Capital	342,605	336,850
Total Capital	4,056,651	4,035,220
	=====	=====

^ Collective assessment allowance on non-impaired financing subject to maximum of 1.25% of total credit risk-weighted assets.

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35. Capital adequacy (continued)

The breakdown of risk-weighted assets by each major risk category is as follows:

	31.03.2015	31.12.2014
	RM'000	RM'000
Credit risk	27,408,406	26,947,994
Market risk	763,523	542,910
Operational risk	2,769,837	2,724,074
	<u>30,941,766</u>	<u>30,214,978</u>
	=====	=====

36. Sukuk liabilities

	Group and Company	
	31.03.2015	31.12.2014
	RM'000	RM'000
Sukuk liabilities	1,150,906	1,133,256
	=====	=====

The amount refers to the 10-year Islamic securities (“Sukuk”) of RM1.66 billion in nominal value issued by the Company on 12 December 2013.

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37. Performance review for the three months ended 31 March 2015

BIMB Holdings Berhad ("BHB") posted a consolidated Profit before Zakat and Taxation ("PBZT") of RM220.3 million for the three months ended 31 March 2015, an increase of RM25.9 million or 13.3% compared to the previous corresponding period.

As a result, the net profit attributable to the shareholders was higher by RM12.2 million or 9.9%. Consequently, the earnings per share ("EPS") for the period under review rose by 6.4% to 8.84 sen per share.

Year-on-year net financing grew by RM5.2 billion or 20.8% to reach RM30.1 billion as at 31 March 2015. The gross impaired financing ratio stood at 1.20% as at 31 March 2015 compared to 1.14% as at 31 December 2014. The Risk Weighted Capital Adequacy ratio of Bank Islam Malaysia Berhad remained healthy at 13.1%.

Islamic Banking

Bank Islam Group ("Bank Islam" or "the Bank") reported a PBZT of RM173.7 million or an increase of 4.0% for the three months ended 31 March 2015 compared to the previous corresponding period. The improved performance was mainly attributed to growth in business activities.

Year-on-year net financing assets grew RM5.2 billion or 20.8% to reach RM30.1 billion as at end March 2015. Correspondingly, fund based income from financing also increased by RM76.0 million or 20.8%. Non-fund based income was also higher by RM4.3 million or 6.2% and growth was mainly from investment income.

As at end of March 2015, customer deposits stood at RM41.5 billion with a year-on-year increase of RM5.3 billion or 14.7%, and the low cost current and savings accounts ("CASA") reported a year-on-year increase of RM0.6 billion or 3.9%. The CASA ratio as at end March 2015 was 35.8% against the Islamic Banking Industry CASA ratio of 24.8% as at end of February 2015.

The Bank's gross impaired financing ratio was 1.20% while the net impaired financing ratio (less IA and CA) was a negative 0.74% as at end March 2015 compared to 1.14% and a negative 0.82% respectively as at 31 December 2014. The Banking System gross impaired ratio was at 1.67% and the net impaired ratio was a negative 0.04% (less IA and CA) as at end February 2015.

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37. Performance review for the three months ended 31 March 2015
(continued)

The key performance indicators as at end March 2015 also compared favourably against the Banking System as at end December 2014. The Bank's pre-tax return on equity was 17.6% against the Banking System's 15.2%. The pre-tax return on assets was similar to the Banking System's 1.5%.

Takaful

For the first quarter ended 31 March 2015, Takaful Malaysia Group ("Takaful Malaysia") recorded a PBZT of RM62.2 million, increased by 39.1% as compared to RM44.7 million in the same corresponding period last year. The higher profit was attributable to higher wakalah fee income and lower expense reserves. Operating Revenue increased by 30.2% to RM562.5 million, as compared to RM432.0 million in the corresponding quarter of the preceding year. The increase was mainly attributable to higher sales generated by both Family Takaful and General Takaful business and higher net investment income.

For the three months period under review, Family Takaful recorded gross earned contributions of RM237.0 million against RM206.9 million for the same corresponding period last year. The increase in Family Takaful's gross earned contributions was mainly attributable to higher sales from Family Takaful Group Medical and Group Term products. The surplus transfer for the three months period under review from Family Takaful decreased by RM3.7 million to RM21.7 million as compared to the same corresponding period last year. The lower surplus transfer from Family Takaful was mainly due to shift to wakalah model products.

General Takaful generated gross earned contributions of RM136.2 million as compared to RM115.4 million in the corresponding period last year. The growth was mainly from Fire and Motor class of business. For the three months period under review, the surplus transfer from General Takaful was RM6.6 million as compared to RM13.3 million in the same corresponding period last year. The lower surplus transfer from General Takaful was mainly due to higher claims incurred.

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38. Comparison with the preceding quarter's results for the three months performance (First Quarter 2015 vs. Fourth Quarter 2014)

BHB Group registered a PBZT of RM220.3 million for the first quarter ended 31 March 2015, an increase of RM0.4 million or 0.2% compared to PBZT for the fourth quarter ended 31 December 2014 of RM219.9 million. The higher profitability was mainly attributable to the higher revenue of RM47.6 million.

Bank Islam's PBZT of RM173.7 million for the first quarter ended 31 March 2015 was lower by RM22.8 million or 11.6% compared to the preceding quarter ended 31 December 2014 of RM196.5 million, which was mainly attributable to higher recoveries in the preceding quarter.

Takaful Malaysia reported a PBZT of RM62.2 million, which was higher than the preceding quarter of RM44.2 million mainly due to higher net investment income and higher wakalah fee income.

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39. Prospect for 2015

Outlook on the economy

The global economy is anticipated to be more challenging in 2015. The diversity in monetary policy action among the advanced countries suggest that capital flows are likely to remain volatile while lower prices in key commodities such as crude oil and, to some extent, crude palm oil would exert downward pressures to Malaysia's external revenues. Thus far, policy prescription by the advanced economies has been geared towards supporting growth.

Notwithstanding that, the US Dollar continues to chart multi-year highs as anticipation for the interest rate hike gathers momentum. In this regard, the Malaysian Ringgit (MYR) saw a sharp decline, losing by as much as 3.6% since the start of the year. In addition, the implementation of Goods and Services Tax (GST) on April 1 is expected to impact consumer spending especially in the immediate term as households brace for higher prices.

Going forward, the Malaysian economy is able to withstand challenges brought by moderating external demand. For one, industries such as Electrical and Electronics and Tourism are likely to benefit from the weakening of MYR as export becomes increasingly more competitive. Apart from that, stable labour market condition, continued income growth and the presence of direct transfers program such as BR1M would underpin private consumption during the course of 2015.

Meanwhile, government's development expenditure will translate into more activities in the construction and manufacturing sector due to the implementation of infrastructure projects. This would include the construction of Pan Borneo Highway in East Malaysia, the Penang Transport Masterplan (PTMP), MRT 2 and LRT extension which are all slated to be implemented in 2016 onwards. Against such backdrop, the Malaysian economy is poised to grow in 2015, albeit at a slower pace of 5.3% compared to 6.0% growth in 2014.

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39. Prospect for 2015 (continued)

Islamic Banking

Bank Islam will enter into the final phase of the Hijrah to Excellence “H2E” (2013-2015) corporate plan. The operating environment for the banking industry sees moderate economic growth, rising inflation rate, implementation of Goods and Service Tax (GST), coupled with enhancement to regulatory framework such as Islamic Financial Services Act (IFSA 2013) and Basel III.

It is expected to sustain its growth momentum albeit with a cautious stance, taking into consideration of the current economic condition. In a rising interest rate environment, Bank Islam foresees an increase in bilateral financing as a means to raise funds by corporates rather than going out to the capital market. Structured financing products for the specific assets, infrastructure projects and project financing for state government related entities continue to be the main focus in driving secured financing for better asset quality.

Likewise, it wants to remain aggressive and dynamic with its key measures to drive low cost funding, continuous product innovation and expand the value chain through cross marketing. Additionally, Bank Islam intends to further expand its' branch network to capture higher deposits and widen its reach to new potential markets. Currently, Bank Islam has the widest dedicated Islamic banking network of 141 branches nationwide and aims to achieve the optimal number of 150 branches by end of 2015. These initiatives will be supported by the ongoing emphasis on service excellence to customers.

Takaful

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

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40. Variance from profit forecast and profit guarantee

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

41. Tax expense

Major components of tax expense

	Group		Company	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Current tax expense	57,148	58,587	180	-
Deferred tax expense	6,479	(3,900)	-	-
	-----	-----	-----	-----
	63,627	54,687	180	-
	=====	=====	=====	=====

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

Profit before tax	220,296	194,387	(20,766)	(17,983)
	=====	=====	=====	=====
Income tax calculated using Malaysian tax rate of 25% (2013: 25%)	55,074	48,597	(5,192)	(4,496)
Non-deductible expenses	6,567	12,739	5,372	4,496
Non-taxable income	(4,493)	(2,749)	-	-
	-----	-----	-----	-----
	57,148	58,587	180	-
Under/(Over) provision of deferred tax	6,479	(3,900)	-	-
	-----	-----	-----	-----
Tax expense	63,627	54,687	180	-
	=====	=====	=====	=====

42. 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.

43. Purchase and sale of quoted securities

This note does not apply to the Group.

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44. Corporate proposals

On 10 February 2015, RHB Investment Bank Berhad (“RHB Investment Bank”) had, on behalf of the Board of Directors of Takaful Malaysia (“Board”), announced that Takaful Malaysia proposes to undertake the following:

- (i) share split involving the subdivision of every one (1) existing ordinary share of RM1.00 each in Takaful Malaysia held by the entitled shareholders of Takaful Malaysia on an entitlement date to be determined later (“Entitlement Date”) into five (5) ordinary shares of RM0.20 each in Takaful Malaysia (“Subdivided Share(s)”) (“Share Split”); and
- (ii) amendments to the Memorandum and Articles of Association of Takaful Malaysia (“Amendments”).

The Share Split and Amendments are collectively referred to as the “Corporate Exercises”.

On 5 March 2015, RHB Investment Bank had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 4 March 2015, approved the Share Split and the listing of and quotation for the Subdivided Shares on the Main Market of Bursa Securities.

On 12 May 2015, the shareholders of Takaful Malaysia approved the Corporate Exercises at the Extraordinary General Meeting of the Company held on even date.

On 13 May 2015, RHB Investment Bank had, on behalf of the Board, announced that the Entitlement Date has been fixed at 5.00 p.m. on 27 May 2015.

Barring any unforeseen circumstances, the Share Split is expected to be completed by the second (2nd) quarter of 2015.

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45. Deposits and placements of financial institutions and debt securities

	Group	
	31.03.2015	31.12.2014
	RM'000	RM'000
Deposits from customers		
Mudharabah accounts deposits and negotiable instruments of deposits		
- One year or less (short-term)	26,228,992	24,695,723
- More than one year (medium/long-term)	2,116,128	2,372,931
	28,345,120	27,068,654
Current accounts	9,526,959	10,470,568
Savings accounts	3,218,779	3,052,428
Others	88,487	86,729
	41,179,345	40,678,379
	41,179,345	40,678,379
Deposits and placements of banks and other financial institutions		
- One year or less (short-term)	618,754	300,000
	618,754	300,000
	618,754	300,000

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46. Off balance sheet financial instruments by value of contracts classified by remaining period to maturity/net re-pricing date (whichever earlier)

Group Items	31.03.2015				
	Principal Amount RM'000	up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000
Foreign exchange related contracts					
- forwards	660,606	164,766	391,062	104,778	-
- swaps	1,010,839	649,934	237,950	122,955	-
- option	435,698	435,698	-	-	-
Total	2,107,143	1,250,398	629,012	227,733	-

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at 31 March 2015, the amount of contracts which were not hedged and, hence, exposed to market risk was RM763.52 million. (31 December 2014: RM542.91 million).

Credit risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Bank has a gain position. This amount will increase or decrease over the life of the contracts, maturity dates and rates or prices. As at 31 March 2015, the credit risk measured in terms of the cost to replace the profitable contracts was RM111.72 million (31 December 2014: RM105.26 million).

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47. Economic profit statement

Group	Quarter		Year-to-date	
	3 months ended	3 months ended	3 months ended	3 months ended
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Net Operating profit after zakat & tax (NOPAT)				
Profit before zakat and taxation (PBZT)	220,296	194,387	220,296	194,387
Zakat & Taxation	(66,842)	(57,282)	(66,842)	(57,282)
NOPAT	<u>153,454</u>	<u>137,105</u>	<u>153,454</u>	<u>137,105</u>
Economic charge computation				
Average invested capital (excludes the debit balance of the acquisition reserve arising from the acquisition of shares from non-controlling interests)	4,569,508	4,308,620	4,569,508	4,308,620
Weighted Average Cost of Capital (WACC) (%)	8.60	9.90	8.60	9.90
Economic charge	111,546	105,178	111,546	105,178
Economic profit	41,908	31,927	41,908	31,927

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48. 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 2014.

- (a) 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 it was postponed as the Bank wanted to do a new valuation on the property. The Hearing for the Notice of Application to fix a new auction date was fixed on 14 January 2015. The new auction date was fixed on 17 March 2015 and the property was successfully auctioned for RM 15 million. Meanwhile, the Defendants file an interim injunction and the Court fixed 17 May 2015 for hearing of the injunction application.
- (b) 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 Bank decided not to proceed with any execution proceeding as all potential recovery action were considered and exhausted and, if any, will be cost ineffective.

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48. Material litigation (continued)

- (c) 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.

During the trial, it was highlighted that the third defendant had agreed to record consent judgment. Subsequently, the judge struck out the first and second defendants’ defenses and witness statements as the cause papers were not filed within the time directed by the Court earlier. On 10 October 2013, the trial was postponed again to enable the Court to hear the first and second defendants’ application to set aside the Court’s order in striking out the first and second defendants’ defenses and witness statements. The application was dismissed and the trial was fixed to continue on 25 November 2013. However, the first and second defendant applied for a stay of proceedings pending their appeal.

The Court of Appeal heard the appeal by the first and second defendants on 17 September 2014 and allowed the appeal 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 and 2nd Defendants. Unless earlier date was fixed by the High Court, the Trial will be tentatively continued on 28 to 30 January 2015. The Trial continued on 28 to 30 January 2015 and it was completed. The High Court fixed on 23 February 2015 for the 1st, 2nd and 4th Defendants to file their submission, 09 March 2015 for the Plaintiff to submit its reply submission and 23 March 2015 for Defendants to file submission in reply to the Plaintiff’s submission. Further, the Court fixed 24 April 2015 for clarification and decision. On 24 April 2015, the Court requested the parties to further submit on the issue of Bank Islam decision not to call any of the Directors to give evidence in Court. The Court fixed 8 May 2015 for further submission.

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49. Profit for the period

	Quarter		Year-to-date	
	3 months ended		3 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Group				
Profit for the period is arrived at after charging:				
Depreciation of property, plant and equipment	18,686	15,000	18,686	15,000
Impairment loss:				
- Allowance for impairment on financing, advances and others	30,453	16,632	30,453	16,632
Net loss on disposal of property, plant and equipment	336	852	336	852
Net derivative loss/(gain)	4,220	1,878	4,220	1,878
and after crediting:				
Reversal of allowance for doubtful debts	46	-	46	-

50. Earnings per share

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

	Quarter		Year-to-date	
	3 months ended		3 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Group				
Net profit for the period under review attributable to equity holders of the parent	135,699	123,455	135,699	123,455
Number of ordinary shares	1,542,210	1,493,506	1,542,210	1,493,506
Number of average ordinary shares	1,535,716	1,493,506	1,535,716	1,493,506
Earnings per share (sen)	8.84	8.27	8.84	8.27

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51. Supplementary information on the breakdown of realised and unrealised profits or losses

The breakdown of the accumulated losses of the Group, into realised and unrealised profits or losses, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

Group	Quarter		Year-to-date	
	3 months ended	3 months ended	3 months ended	3 months ended
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries				
- realised	899,392	761,071	899,392	761,071
- unrealised	63,366	53,510	63,366	53,510
	<hr/>	<hr/>	<hr/>	<hr/>
	962,758	814,581	962,758	814,581
Less: Consolidation adjustments	(844,325)	(831,847)	(844,325)	(831,847)
	<hr/>	<hr/>	<hr/>	<hr/>
Total (accumulated losses)/ retained earnings	118,433	(17,266)	118,433	(17,266)
	<hr/>	<hr/>	<hr/>	<hr/>

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 the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.

By Order of the Board

MARIA MAT SAID (LS 0009400)
Company Secretary
May 14, 2015