

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

Statements of Financial Position as at 30 September 2012

		Group			Bank		
	Note	30.09.2012	31.12.2011	1.1.2011	30.09.2012	31.12.2011	1.1.2011
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets							
Cash and short-term funds	9	2,000,448	3,364,180	2,519,695	1,976,021	3,355,764	2,509,483
Deposits and placements with banks and other financial institutions	10	145,012	860,181	352,798	145,012	860,181	352,798
Financial assets held-for-trading	11	1,256,573	1,228,952	2,279,447	1,256,573	1,228,952	2,279,447
Derivative financial assets	12	15,464	15,877	80,108	15,464	15,877	80,108
Financial assets available-for-sale	13	12,438,111	11,005,121	12,763,020	12,440,122	11,007,132	12,765,031
Financial assets held-to-maturity	14	177,894	327,334	215,944	177,894	327,334	215,944
Financing, advances and others	15	18,119,398	14,161,837	11,858,599	18,150,014	14,160,337	11,857,108
Other assets	16	91,550	43,671	39,091	69,630	43,514	37,792
Statutory deposits with Bank Negara Malaysia		989,000	912,000	10,000	989,000	912,000	10,000
Current tax assets		40,922	42,746	39,605	40,468	42,258	38,500
Deferred tax assets		23,386	23,386	44,224	23,560	23,560	44,198
Investments in subsidiary companies		-	-	-	28,027	28,027	27,127
Investment in associate company		23,195	21,180	-	22,563	22,563	-
Property and equipment		226,678	200,853	181,489	225,944	199,005	180,380
Total assets		<u>35,547,631</u>	<u>32,207,318</u>	<u>30,384,020</u>	<u>35,560,292</u>	<u>32,226,504</u>	<u>30,397,916</u>

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

Statements of Financial Position as at 30 September 2012 (continued)

		Group			Bank		
	Note	30.09.2012	31.12.2011	1.1.2011	30.09.2012	31.12.2011	1.1.2011
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Liabilities and equity							
Deposits from customers	17	30,991,703	28,279,678	26,866,555	31,006,507	28,304,907	26,888,250
Deposits and placements of banks and other financial institutions	18	726,796	384,628	378,129	726,796	384,628	378,129
Derivative financial liabilities	12	19,283	23,299	66,708	19,283	23,299	66,708
Bills and acceptance payable		246,787	259,153	163,191	246,787	262,075	165,532
Other liabilities	19	469,238	430,161	364,084	470,581	428,362	362,786
Zakat and taxation		52,091	22,556	11,124	51,927	22,276	11,067
Total liabilities		32,505,898	29,399,475	27,849,791	32,521,881	29,425,547	27,872,472

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

Statements of Financial Position as at 30 September 2012 (continued)

	Note	30.09.2012 RM'000	Group 31.12.2011 RM'000	1.1.2011 RM'000	30.09.2012 RM'000	Bank 31.12.2011 RM'000	1.1.2011 RM'000
Equity							
Share capital		2,265,490	2,265,490	2,265,490	2,265,490	2,265,490	2,265,490
Reserves		776,243	542,353	268,264	772,921	535,467	259,954
Equity attributable to equity holders of the Bank		3,041,733	2,807,843	2,533,754	3,038,411	2,800,957	2,525,444
Non-controlling interests		-	-	475	-	-	-
Total equity		3,041,733	2,807,843	2,534,229	3,038,411	2,800,957	2,525,444
Total liabilities and equity		35,547,631	32,207,318	30,384,020	35,560,292	32,226,504	30,397,916
Off-balance sheet exposures	28	10,401,784	9,286,104	13,081,292	10,401,784	9,286,104	13,081,292
Capital adequacy							
<u>Before proposed dividend</u>							
Tier 1 Capital Ratio		14.11%	15.81%	16.26%	14.12%	15.83%	16.24%
Risk-Weighted Capital Ratio		15.32%	17.02%	17.49%	15.20%	16.86%	17.29%
<u>After proposed dividend</u>							
Tier 1 Capital Ratio		13.86%	15.55%	15.71%	13.88%	15.57%	15.69%
Risk-Weighted Capital Ratio		15.07%	16.75%	16.95%	14.95%	16.60%	16.74%

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Bank for the financial year ended 31 December 2011.

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

Income Statements for the nine months ended 30 September 2012

Group	Note	3 months ended		9 months ended	
		30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
Income derived from investment of depositors' funds	20	439,459	336,408	1,206,295	1,016,386
Income derived from investment of shareholders' funds	21	91,887	60,952	239,555	192,382
Allowances for impairment on financing and advances	22	(15,877)	(12,025)	(33,772)	(3,752)
Allowances for impairment on investments		92	739	484	2,153
Reversal of allowances for impairment on other assets		-	-	1,356	-
Provision for contingent liability		(30,000)	-	(30,000)	(15,231)
Direct expenses		(5,081)	(7,210)	(21,380)	(18,441)
Total distributable income		480,480	378,864	1,362,538	1,173,497
Income attributable to depositors	23	(145,247)	(116,818)	(416,886)	(356,222)
Total net income		335,233	262,046	945,652	817,275
Personnel expenses	24	(97,259)	(81,094)	(279,459)	(243,474)
Other overhead expenses	25	(82,286)	(73,565)	(234,441)	(214,045)
		155,688	107,387	431,752	359,756
Share of results of associate company		(323)	(991)	2,015	(1,145)
Profit before zakat and tax		155,365	106,396	433,767	358,611
Zakat		(2,324)	(1,713)	(5,689)	(3,608)
Tax expense		(42,830)	(31,973)	(119,303)	(95,247)
Profit for the period		110,211	72,710	308,775	259,756
Attributable to:					
Equity holders of the Bank		110,211	72,678	308,775	259,698
Non-controlling interests		-	32	-	58
Profit for the period		110,211	72,710	308,775	259,756
Earnings per share (sen)				13.63	11.46

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Bank for the financial year ended 31 December 2011.

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

Statements of Comprehensive Income
for the nine months ended 30 September 2012

Group	3 months ended		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	110,211	72,710	308,775	259,756
Other comprehensive income				
Currency translation differences in respect of foreign operations	11,692	(18,070)	10,593	(11,408)
Net gain/(loss) on revaluation of financial assets available-for-sale	395	40,164	10,182	51,889
Other comprehensive income for the period, net of tax	12,087	22,094	20,775	40,481
Total comprehensive income for the period	122,298	94,804	329,550	300,237
Attributable to:				
Equity holders of the Bank	122,298	94,772	329,550	300,179
Non-controlling interests	-	32	-	58
Total comprehensive income for the period	122,298	94,804	329,550	300,237

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Bank for the financial year ended 31 December 2011.

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

Income Statements for the nine months ended 30 September 2012

Bank	Note	3 months ended		9 months ended	
		30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
Income derived from investment of depositors' funds	20	439,811	337,042	1,208,109	1,017,757
Income derived from investment of shareholders' funds	21	89,399	57,568	237,008	183,268
Allowances for impairment on financing and advances	22	(15,877)	(12,025)	(33,772)	(3,752)
Allowances for impairment on investments		92	739	484	2,153
Reversal of allowances for impairment on other assets		-	-	1,356	-
Provision for contingent liability		(30,000)	-	(30,000)	(15,231)
Direct expenses		(5,081)	(7,210)	(21,380)	(18,441)
Total distributable income		478,344	376,114	1,361,805	1,165,754
Income attributable to depositors	23	(145,342)	(116,894)	(417,160)	(356,431)
Total net income		333,002	259,220	944,645	809,323
Personnel expenses	24	(95,992)	(80,055)	(275,751)	(240,259)
Other overhead expenses	25	(81,653)	(72,471)	(232,074)	(210,027)
Profit before zakat and tax		155,357	106,694	436,820	359,037
Zakat		(2,259)	(1,650)	(5,559)	(3,450)
Tax expense		(42,697)	(31,946)	(118,932)	(95,139)
Profit for the period		110,401	73,098	312,329	260,448

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Bank for the financial year ended 31 December 2011.

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

Statements of Comprehensive Income
for the nine months ended 30 September 2012

Bank	3 months ended		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	110,401	73,098	312,329	260,448
Other comprehensive income				
Currency translation differences in respect of foreign operations	11,704	(18,085)	10,603	(11,419)
Net gain/(loss) on revaluation of financial assets available-for-sale	395	40,164	10,182	51,889
Other comprehensive income for the period, net of tax	12,099	22,079	20,785	40,470
Total comprehensive income for the period	122,500	95,177	333,114	300,918

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Bank for the financial year ended 31 December 2011.

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

Consolidated Statement of Changes in Equity for the nine months ended 30 September 2012

Group	← Attributable to equity holders of the Bank →						Non-controlling interests RM'000	Total equity RM'000
	← Non-distributable →			Distributable		Total RM'000		
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained Earnings/ (Accumulated Losses) RM'000				
At 1 January 2012	2,265,490	500,020	1,082,603	(1,040,270)	2,807,843	-	2,807,843	
Profit for the period	-	-	-	308,775	308,775	-	308,775	
Other comprehensive income	-	-	20,775	-	20,775	-	20,775	
Total comprehensive income for the period	-	-	20,775	308,775	329,550	-	329,550	
Dividends paid on ordinary shares	-	-	-	(95,660)	(95,660)	-	(95,660)	
Zerorisation of accumulated losses	-	(500,020)	(684,335)	1,184,355	-	-	-	
Transfer to statutory reserve	-	-	156,164	(156,164)	-	-	-	
At 30 September 2012	2,265,490	-	575,207	201,036	3,041,733	-	3,041,733	
At 1 January 2011	2,265,490	500,020	878,439	(1,110,195)	2,533,754	475	2,534,229	
Profit for the year, restated	-	-	-	259,698	259,698	58	259,756	
Other comprehensive income	-	-	40,481	-	40,481	-	40,481	
Total comprehensive income for the year	-	-	40,481	259,698	300,179	58	300,237	
Transfer to statutory reserve	-	-	89,381	(89,381)	-	-	-	
Dividends paid on ordinary shares	-	-	-	(125,395)	(125,395)	-	(125,395)	
Acquisition of non-controlling interest	-	-	-	(367)	(367)	(533)	(900)	
At 30 September 2011	2,265,490	500,020	1,008,301	(1,065,640)	2,708,171	-	2,708,171	

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Bank for the financial year ended 31 December 2011.

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

Statement of Changes in Equity for the nine months ended 30 September 2012

Bank	← Non-distributable →		Other reserves	Distributable	Total equity
	Share capital	Share premium		Retained Earnings/ (Accumulated Losses)	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2012	2,265,490	500,020	1,082,595	(1,047,148)	2,800,957
Profit for the period	-	-	-	312,329	312,329
Other comprehensive income	-	-	20,785	-	20,785
Total comprehensive income for the period	-	-	20,785	312,329	333,114
Dividends paid on ordinary shares	-	-	-	(95,660)	(95,660)
Zerorisation of accumulated losses	-	(500,020)	(684,335)	1,184,355	-
Transfer to statutory reserve	-	-	156,164	(156,164)	-
At 30 September 2012	2,265,490	-	575,209	197,712	3,038,411
At 1 January 2011	2,265,490	500,020	878,439	(1,118,505)	2,525,444
Profit for the year, restated	-	-	-	260,448	260,448
Other comprehensive income	-	-	40,470	-	40,470
Total comprehensive income for the year	-	-	40,470	260,448	300,918
Transfer to statutory reserve	-	-	89,381	(89,381)	-
Dividends paid on ordinary shares	-	-	-	(125,395)	(125,395)
At 30 September 2011	2,265,490	500,020	1,008,290	(1,072,833)	2,700,967

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Bank for the financial year ended 31 December 2011.

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

Condensed Statements of Cash Flow
for the nine months period 30 September 2012

	Group		Bank	
	9 months ended		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
Profit before zakat and tax	433,767	358,611	436,820	359,037
Adjustment for non-cash items	53,397	25,251	49,202	23,225
Operating profit before working capital changes	487,164	383,862	486,022	382,262
Changes in working capital:				
Net changes in operating assets	(3,727,303)	(1,934,108)	(3,737,246)	(1,940,283)
Net changes in operating liabilities	2,733,831	(639,167)	2,723,626	(650,898)
Cash used in operations	(506,308)	(2,189,413)	(527,598)	(2,208,919)
Zakat and tax paid	(95,427)	(89,048)	(94,840)	(88,575)
Tax refund	1,794	999	1,790	-
Net cash used in operating activities	(599,941)	(2,277,462)	(620,648)	(2,297,494)
Net cash (used in)/generated from investing activities	(1,317,434)	3,417,302	(1,312,336)	3,418,969
Net cash used in financing activities	(95,660)	(125,395)	(95,660)	(125,395)
Net decrease in cash and cash equivalents	(2,013,035)	1,014,445	(2,028,644)	996,080
Cash and cash equivalents at beginning of the period	4,224,361	2,872,493	4,215,945	2,862,281
Exchange difference on translation	(65,866)	(11,408)	(66,268)	(11,419)
Cash and cash equivalents at end of the period	2,145,460	3,875,530	2,121,033	3,846,942

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Bank for the financial year ended 31 December 2011.

Bank Islam Malaysia Berhad (98127-X)

(Incorporated in Malaysia)

Unaudited Interim Financial Statements

Notes to the unaudited interim financial statements for the nine months period ended 30 September 2012

1. Basis of preparation

On 19 November 2011, Malaysian Accounting Standards Board (MASB) issued the Malaysian Financial Reporting Standard (MFRS) framework for application in the annual periods beginning on or after 1 January 2012. The MFRS framework was introduced by MASB to fully converge with the International Financial Reporting Standards (IFRS) framework issued by the International Accounting Standards Board (IASB). Whilst the MFRSs issued by MASB are mostly adopted from IFRSs, there are some differences as first-time adoption of MFRS requires retrospective application and there are also differences in relation to transitional provisions and effective dates.

Upon transition to MFRS framework, reporting entities are required to adopt MFRS 1, *First-time Adoption of MFRSs* in order to ensure that an entity's first MFRS adopted financial statements are prepared in accordance with the requirements of the MFRS framework.

The Group and the Bank have adopted the MFRS framework with effect from 1 January 2012. The transition date for the purpose of the presentation of comparative information for the Group and the Bank is 1 January 2011. The unaudited interim financial statements of the Group and of the Bank for the nine months ended 30 September 2012 have been prepared in accordance with the applicable requirements of MFRS 134: *Interim Financial Reporting* in Malaysia, Bank Negara Malaysia (BNM) Guidelines, the provisions of the Companies Act, 1965 and Shariah requirements.

The unaudited interim financial statements have been prepared under the historical cost convention except for derivative financial instruments, financial assets held-for-trading and financial assets available-for-sale, which have been measured at fair value.

The unaudited interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2011, except those restatements of comparative information arising from adoption of the MFRSs which are disclosed in Note 33 Change in Accounting Policies. The explanatory notes attached to the unaudited interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Bank since the financial year ended 31 December 2011.

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 2011, except for the adoption of the following MFRSs:

- Application of MFRS1, *First-time Adoption of MFRSs*

The transition date for the purpose of the presentation of comparative information for the Group and the Bank is 1 January 2011, which is the beginning of the financial period for which the Group and the Bank present the full comparative information under the MFRS framework in its first MFRS financial statements.

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

1. Basis of preparation (continued)

- Application of MFRS1, *First-time Adoption of MFRSs (continued)*

Upon transition to MFRSs, the Group and the Bank have elected to deem the cumulative translation differences for all foreign operations to be zero at the date of transition.

The impact of electing to deem the cumulative translation differences for all foreign operations to be zero at the date of transition and transferring the amount to Retained Earnings has been accounted for retrospectively and disclosed in Note 33 Change in Accounting Policies.

The adoption of the other policy elections does not have any financial impact on the Group and the Bank.

- MFRS 139, *Financial Instruments: Recognition and Measurement*

With the issuance of the MFRS framework, BNM has revised the Guidelines on Classification and Impairment Provisions for Loans/Financing to align the requirements on the determination of collective assessment allowance with that of MFRS 139. The transitional provision which was allowed under the earlier guidelines was removed with effect from 1 January 2012.

This change in accounting policy has been accounted for retrospectively and disclosed in Note 33 Change in Accounting Policies.

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

Effective for annual periods commencing on or after 1 January 2013

MFRS 10	<i>Consolidated Financial Statements</i>
MFRS 11	<i>Joint Arrangements</i>
MFRS 12	<i>Disclosure of Interests in Other Entities</i>
MFRS 13	<i>Fair Value Measurement</i>
MFRS 119	<i>Employee Benefits</i> (as amended in June 2011)
MFRS 127	Separate Financial Statements (as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (as amended by IASB in May 2011)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7)	

Effective for annual periods commencing on or after 1 January 2014

Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 132)

Effective for annual periods commencing on or after 1 January 2015

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

1. Basis of preparation (continued)

Some of the above MFRSs and IC Interpretation will not have any financial impact to the Group as it is not relevant to the Group's operations. The financial effects of the above MFRSs and Amendments to MFRSs are still being assessed due to the complexity of these new MFRSs and Amendments to MFRSs and their proposed changes.

2. Auditors' reports on preceding financial period financial statements

The auditors' report on the audited financial statements for the financial year ended 31 December 2011 was not qualified.

3. Seasonal or cyclical factors

The operations of the Bank were not materially affected by any seasonal or cyclical factors in the nine months ended 30 September 2012.

4. Unusual items

There were no unusual items in the nine months ended 30 September 2012.

5. Changes in accounting estimates

There was no material changes in estimates of amounts reported in the prior financial years that have a material effect to the nine months ended 30 September 2012.

6. Debt and equity securities

There were no issuance or repayment of debt and equity securities or share buy-back during the nine months ended 30 September 2012.

7. Significant events during the nine months ended 30 September 2012

a) Zerorisation of Accumulated Loss

A proposal approved by the Bank's Board of Directors was submitted to BNM on 14 October 2010 requesting to write-off the accumulated losses in the books against the Share Premium and Statutory Reserves. BNM via their reply dated 25 February 2011 had no objections on the Bank's proposal.

Nevertheless, the Bank was required to fulfil the requirements of Section 64 of the Companies Act 1965 prior to utilising the share premium which includes obtaining general meeting's approval by way of special resolution and court's approval.

On 23 February 2012, the High Court of Malaya granted the Bank approval to reduce the Bank's Share Premium Account. The amount from the Share Premium account of RM 500.02 million and an amount of RM 684.34 million from the Statutory Reserve Account have been utilised to write off the outstanding accumulated loss as at 31 December 2011 of RM 1,184.36 million (after putting aside the final dividend payable for the financial year ended 31 December 2011 of RM 44.69 million).

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

7. Significant events during the nine months ended 30 September 2012 (continued)

b) Transfer of Ar-Rahnu business from Farihan Corporation Sdn Bhd (FCSB) to Bank Islam Malaysia Berhad (the Bank)

FCSB is a wholly-owned subsidiary of the Bank which operates Ar-Rahnu (Islamic pawn broking) business under a licence granted by the Ministry of Housing and Local Government, Malaysia under the Pawnbrokers Act 1972.

On 8 July 2011, the Bank has been granted approval from Bank Negara Malaysia (with certain condition) to commence Ar-Rahnu business. Consequently upon meeting BNM's conditions, on 13 April 2012, the business, assets and liabilities of FCSB have been transferred to the Bank.

FCSB continues to be in operation providing management services to the Bank for the Ar-Rahnu business.

Assets and liabilities transferred to the Bank as at 13 April 2012 are as follows:

	RM'000
Financing and receivables	63,335
Cash in hand and transit	878
Property and equipment	889
Other assets	6
Total assets	<u>65,108</u>
Borrowing	60,184
Amount due to Farihan	4,693
Other liabilities	140
Deferred tax liability	91
	<u>65,108</u>

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

8. Dividend

During the nine months ended 30 September 2012, the Bank had paid the following dividends:

- a) A final dividend of 2.63 sen per ordinary share less 25% income tax, amounting to RM44,686,790 was paid on 15 May 2012 in respect of the financial year ended 31 December 2011.
- b) An interim dividend of 3 sen per ordinary share less 25% income tax, amounting to RM50,973,525 was paid on 30 August 2012 in respect of the half year ended 30 June 2012.

We propose an interim dividend of 3 sen per ordinary share for the three months ended 30 September 2012, amounting to RM50,973,525 (net of tax).

9. Cash and short-term funds

	Group		Bank	
	30.09.2012	31.12.2011	30.09.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Cash and balances with banks and other financial institutions	868,232	871,036	844,021	862,904
Money at call and interbank placements with remaining maturity not exceeding one month	1,132,216	2,493,144	1,132,000	2,492,860
	<u>2,000,448</u>	<u>3,364,180</u>	<u>1,976,021</u>	<u>3,355,764</u>

10. Deposits and placements with banks and other financial institutions

	Group and Bank	
	30.09.2012	31.12.2011
	RM'000	RM'000
Licensed Islamic banks	145,012	860,181
	<u>145,012</u>	<u>860,181</u>

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

11. Financial assets held-for-trading

	Group and Bank	
	30.09.2012	31.12.2011
	RM'000	RM'000
At fair value		
Malaysian Government		
Investment Issues	162,340	71,804
Malaysian Islamic Treasury Bills	9,733	-
Bank Negara Negotiable Notes	813,273	1,116,264
Islamic Debt Securities	271,227	31,032
Islamic Commercial Papers	-	9,852
	1,256,573	1,228,952

12. Derivative financial assets/liabilities

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

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

Group and Bank	Principal amount	Fair value	
		Assets	Liabilities
30.09.2012	RM'000	RM'000	RM'000
Forward contracts	1,177,585	9,949	(5,633)
Cross currency profit rate swaps	-	-	-
Profit rate swaps	1,100,000	4,074	(12,209)
Structured deposits	115,995	1,441	(1,441)
	2,393,580	15,464	(19,283)

Group and Bank	Principal amount	Fair value	
		Assets	Liabilities
31.12.2011	RM'000	RM'000	RM'000
Forward contracts	1,684,899	5,589	(4,854)
Cross currency profit rate swaps	171,740	7,549	(7,509)
Profit rate swaps	500,000	-	(8,197)
Structured deposits	137,005	2,739	(2,739)
	2,493,644	15,877	(23,299)

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

13. Financial assets available-for-sale

	Group		Bank	
	30.09.2012 RM'000	31.12.2011 RM'000	30.09.2012 RM'000	31.12.2011 RM'000
At fair value				
Unit trust	<u>3,229</u>	<u>3,229</u>	<u>3,229</u>	<u>3,229</u>
At fair value				
Malaysian Government				
Investment Issues	1,946,396	2,583,230	1,946,396	2,583,230
Negotiable Islamic Debt				
Certificates	1,351,687	1,170,238	1,351,687	1,170,238
Islamic Debt Securities	8,609,873	6,779,449	8,611,884	6,781,460
Promissory notes	-	5,108	-	5,108
Bank Negara Negotiable Notes	284,622	-	284,622	-
Islamic Commercial Papers	229,977	208,566	229,977	208,566
Accepted Bills	-	243,500	-	243,500
	<u>12,422,555</u>	<u>10,990,091</u>	<u>12,424,566</u>	<u>10,992,102</u>
At fair value				
Islamic Development Bank				
Unit Trust	<u>1,923</u>	<u>1,923</u>	<u>1,923</u>	<u>1,923</u>
At cost				
Unquoted shares in Malaysia	22,475	22,448	22,475	22,448
Less: Accumulated impairment loss	<u>(13,759)</u>	<u>(14,258)</u>	<u>(13,759)</u>	<u>(14,258)</u>
	<u>8,716</u>	<u>8,190</u>	<u>8,716</u>	<u>8,190</u>
At cost				
Unquoted shares outside Malaysia	<u>1,688</u>	<u>1,688</u>	<u>1,688</u>	<u>1,688</u>
	<u>12,438,111</u>	<u>11,005,121</u>	<u>12,440,122</u>	<u>11,007,132</u>

14. Financial assets held-to-maturity

	Group and Bank	
	30.09.2012 RM'000	31.12.2011 RM'000
At amortised cost		
Quoted securities outside Malaysia:		
Bond	<u>-</u>	<u>63,369</u>
Unquoted securities in Malaysia:		
Islamic Debt Securities	197,724	284,280
Less: Accumulated impairment loss	<u>(19,830)</u>	<u>(20,315)</u>
	<u>177,894</u>	<u>263,965</u>
	<u>177,894</u>	<u>327,334</u>

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

15. Financing, advances and others

(a) By type

	Group		Bank	
	30.09.2012	31.12.2011	30.09.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
Cash line	536,315	406,590	566,931	452,442
Term financing				
House financing	4,946,855	4,393,020	4,946,855	4,393,020
Syndicated financing	304,437	164,649	304,437	164,649
Leasing financing	207,934	280,403	207,934	280,403
Bridging financing	152,920	160,779	152,920	160,779
Personal financing	6,007,248	3,786,432	6,007,248	3,786,432
Other term financing	4,080,140	3,358,527	4,080,140	3,358,527
Staff financing	163,764	157,510	163,764	157,510
Credit cards	423,515	451,538	423,515	451,538
Trade bills discounted	1,596,127	1,309,598	1,596,127	1,309,598
Trust receipts	46,763	48,897	46,763	48,897
Pawn broking	74,172	47,352	74,172	-
Gross financing, advances and others	18,540,190	14,565,295	18,570,806	14,563,795
Allowance for impaired financing, advances and others				
- collective assessment allowance	(348,551)	(327,688)	(348,551)	(327,688)
- individual assessment allowance	(72,241)	(75,770)	(72,241)	(75,770)
Net financing, advances and others	18,119,398	14,161,837	18,150,014	14,160,337

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

15. Financing, advances and others (continued)

(b) By contract

	Group		Bank	
	30.09.2012	31.12.2011	30.09.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Bai' Bithaman Ajil	8,313,306	7,291,742	8,313,306	7,291,742
Ijarah	212,617	295,881	212,617	295,881
Ijarah Muntahiah Bit-Tamleek	29,824	22,648	29,824	22,648
Mudharabah	6,000	6,000	6,000	6,000
Murabahah	1,598,410	1,316,853	1,598,410	1,316,853
At-Tawarruq	6,310,993	3,903,981	6,310,993	3,903,981
Bai Al-Inah	1,749,543	1,435,588	1,780,159	1,481,440
Istisna'	245,325	245,250	245,325	245,250
Ar-Rahnu	74,172	47,352	74,172	-
	<u>18,540,190</u>	<u>14,565,295</u>	<u>18,570,806</u>	<u>14,563,795</u>

(c) By type of customer

	Group		Bank	
	30.09.2012	31.12.2011	30.09.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Domestic non-bank financial institutions	36,758	25,755	67,374	24,255
Domestic business enterprise	3,926,292	2,683,710	3,926,292	2,683,710
Small medium industries	476,831	391,947	476,831	391,947
Government & statutory	120,942	129,766	120,942	129,766
Individuals	13,692,460	10,989,077	13,692,460	10,989,077
Other domestic entities	5,489	73,239	5,489	73,239
Foreign entities	281,418	271,801	281,418	271,801
	<u>18,540,190</u>	<u>14,565,295</u>	<u>18,570,806</u>	<u>14,563,795</u>

(d) By profit rate sensitivity

	Group		Bank	
	30.09.2012	31.12.2011	30.09.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
House financing	1,611,469	2,087,060	1,611,469	2,087,060
Others	9,112,145	8,680,517	9,142,761	8,679,017
Floating rate				
Others	7,816,576	3,797,718	7,816,576	3,797,718
	<u>18,540,190</u>	<u>14,565,295</u>	<u>18,570,806</u>	<u>14,563,795</u>

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

15. Financing, advances and others (continued)

(e) By remaining contractual maturity

	Group		Bank	
	30.09.2012	31.12.2011	30.09.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Maturity within one year	3,215,115	2,672,329	3,215,780	2,624,977
More than one year to three years	1,075,389	863,680	1,075,389	863,680
More than three years to five years	1,057,717	818,561	1,087,668	864,413
More than five years	13,191,969	10,210,725	13,191,969	10,210,725
	<u>18,540,190</u>	<u>14,565,295</u>	<u>18,570,806</u>	<u>14,563,795</u>

(f) By geographical distribution

	Group		Bank	
	30.09.2012	31.12.2011	30.09.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Central Region	7,869,395	6,035,689	7,900,011	6,081,541
Eastern Region	3,404,817	2,643,657	3,404,817	2,596,305
Northern Region	2,957,711	2,321,457	2,957,711	2,321,457
Southern Region	2,857,516	2,334,693	2,857,516	2,334,693
East Malaysia Region	1,450,751	1,229,799	1,450,751	1,229,799
	<u>18,540,190</u>	<u>14,565,295</u>	<u>18,570,806</u>	<u>14,563,795</u>

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

15. Financing, advances and others (continued)

(g) By sector

	Group		Bank	
	30.09.2012	31.12.2011	30.09.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Primary agriculture	212,153	149,182	212,153	149,182
Mining and quarrying	5,755	48,249	5,755	48,249
Manufacturing (including agro-based)	1,192,381	904,779	1,192,381	904,779
Electricity, gas and water	78,296	7,221	78,296	7,221
Wholesale & retail trade, and hotels & restaurants	543,232	558,811	543,232	558,811
Construction	1,661,229	756,014	1,661,229	756,014
Real estate	442,361	385,261	442,361	385,261
Transport, storage and communications	198,437	233,766	198,437	233,766
Finance, insurance and business activities	320,006	180,770	350,622	226,622
Education, health and others	213,512	122,204	213,512	122,204
Household sectors	13,666,309	11,016,473	13,666,309	10,969,121
Other sectors	6,519	202,565	6,519	202,565
	<u>18,540,190</u>	<u>14,565,295</u>	<u>18,570,806</u>	<u>14,563,795</u>

(h) Movement in impaired financing and advances (“impaired financing”) are as follows:

	Group and Bank	
	30.09.2012	31.12.2011
	RM'000	RM'000
At 1 January 2012/1 January 2011	379,790	552,221
Classified as impaired during the period/year	300,636	549,075
Reclassified as not impaired during the period/year	(181,996)	(297,191)
Amount recovered	(67,754)	(238,876)
Amount written off	(107,644)	(187,141)
Exchange differences	(616)	1,702
At 30 September 2012/31 December 2011	<u>322,416</u>	<u>379,790</u>
Gross impaired financing as a percentage of gross financing, advances and others	<u>1.74%</u>	<u>2.61%</u>

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

15. Financing, advances and others (continued)

(i) Impaired financing by geographical distribution

	Group and Bank	
	30.09.2012	31.12.2011
	RM'000	RM'000
Central Region	133,333	155,544
Eastern Region	33,669	45,950
Northern Region	57,933	58,028
Southern Region	31,161	44,940
East Malaysia Region	66,320	75,328
	<u>322,416</u>	<u>379,790</u>

(j) Impaired financing by sector

	Group and Bank	
	30.09.2012	31.12.2011
	RM'000	RM'000
Primary agriculture	1,288	3,511
Manufacturing (including agro-based)	28,143	42,184
Electricity, gas and water	157	-
Wholesale & retail trade, and hotels & restaurants	24,469	23,606
Construction	65,619	71,680
Real estate	1,138	1,203
Transport, storage and communications	970	1,062
Finance, insurance and business activities	8,937	16,255
Education, health and others	19	71
Household sectors	191,647	217,371
Other sectors	29	2,847
	<u>322,416</u>	<u>379,790</u>

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

15. Financing, advances and others (continued)

(k) Movement of allowance for impaired financing

	Group and Bank	
	30.09.2012	31.12.2011
	RM'000	RM'000
<u>Collective assessment allowance</u>		
At 1 January 2012/1 January 2011		
- as previously stated	348,555	345,041
- effect of adopting MFRS139	(20,867)	2,032
At 1 January 2012/1 January 2011, as restated	327,688	347,073
Allowance made during the period/year	100,491	84,268
Amount written off	(79,660)	(100,816)
Exchange differences	32	(2,837)
At 30 September 2012/31 December 2011	348,551	327,688
<u>Individual assessment allowance</u>		
At 1 January 2012/1 January 2011	75,770	79,061
Allowance made during the period/year	23,655	87,101
Amount written off	(27,184)	(90,392)
At 30 September 2012/31 December 2011	72,241	75,770

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

16. Other assets

	Group		Bank	
	30.09.2012	31.12.2011	30.09.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Other receivables	54,067	8,842	31,557	8,917
Deposit and prepayments	37,309	34,781	36,540	34,225
Related companies	174	48	1,533	372
	<u>91,550</u>	<u>43,671</u>	<u>69,630</u>	<u>43,514</u>

17. Deposits from customers

a) By type of deposit

	Group		Bank	
	30.09.2012	31.12.2011	30.09.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
<i>Non-Mudharabah fund</i>				
Demand deposits	7,892,657	8,415,669	7,895,555	8,419,942
Saving deposits	2,588,449	2,599,243	2,588,449	2,599,243
Negotiable Islamic Debt Securities ("NIDC")	2,171,620	1,690,306	2,171,620	1,690,306
Waheed-i Ziyad	5,175,165	3,809,248	5,175,852	3,809,918
An-Najah	-	18,000	-	18,000
Others	83,264	103,256	83,264	103,256
	<u>18,014,512</u>	<u>16,740,458</u>	<u>18,018,097</u>	<u>16,745,401</u>
<i>Mudharabah fund</i>				
Saving deposits	1,666,349	1,263,591	1,666,349	1,263,591
General investment deposits	2,055,623	1,851,695	2,055,923	1,851,695
Special investment deposits	9,255,219	8,423,934	9,266,138	8,444,220
	<u>12,977,191</u>	<u>11,539,220</u>	<u>12,988,410</u>	<u>11,559,506</u>
	<u>30,991,703</u>	<u>28,279,678</u>	<u>31,006,507</u>	<u>28,304,907</u>

b) By type of customer

	Group		Bank	
	30.09.2012	31.12.2011	30.09.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Government and statutory bodies	7,855,612	7,769,225	7,855,612	7,769,225
Business enterprises	8,590,493	7,263,391	8,590,493	7,263,391
Individuals	5,102,520	4,750,716	5,102,520	4,750,716
Others	9,443,078	8,496,346	9,457,882	8,521,575
	<u>30,991,703</u>	<u>28,279,678</u>	<u>31,006,507</u>	<u>28,304,907</u>

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

17. Deposits from customers (continued)

c) Maturity structure of investment deposits and NIDCs are as follows:

	Group		Bank	
	30.09.2012 RM'000	31.12.2011 RM'000	30.09.2012 RM'000	31.12.2011 RM'000
Due within six months	15,973,715	13,403,835	15,985,621	13,424,791
More than six months to one year	1,355,259	1,444,323	1,355,259	1,444,323
More than one year to three years	1,288,288	1,020,357	1,288,288	1,020,357
More than three years to five years	143,722	29,404	143,722	29,404
	<u>18,760,984</u>	<u>15,897,919</u>	<u>18,772,890</u>	<u>15,918,875</u>

18. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30.09.2012 RM'000	31.12.2011 RM'000
<i>Non-Mudharabah fund</i>		
Licensed Islamic banks	1,467	1,424
Other financial institutions	66,765	81,506
	<u>68,232</u>	<u>82,930</u>
<i>Mudharabah fund</i>		
Licensed Islamic banks	578,342	251,698
Other financial institutions	80,222	50,000
	<u>658,564</u>	<u>301,698</u>
	<u>726,796</u>	<u>384,628</u>

19. Other liabilities

	Group		Bank	
	30.09.2012 RM'000	31.12.2011 RM'000	30.09.2012 RM'000	31.12.2011 RM'000
Other payable	342,167	321,451	344,550	320,584
Accruals	127,071	108,710	126,031	107,778
	<u>469,238</u>	<u>430,161</u>	<u>470,581</u>	<u>428,362</u>

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

20. Income derived from investment of depositors' funds

Group	3 months ended		9 months ended	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
Income derived from investment of:				
(i) General investment deposits	31,121	31,313	91,741	99,703
(ii) Other deposits	408,338	305,095	1,114,554	916,683
	<u>439,459</u>	<u>336,408</u>	<u>1,206,295</u>	<u>1,016,386</u>

(i) Income derived from investment of general investment deposits

Group	3 months ended		9 months ended	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
<i>Finance, income and hibah</i>				
Financing, advances and others	20,249	21,609	61,713	65,896
Financial assets:				
- held-for-trading	232	139	474	314
- available-for-sale	6,213	7,338	20,012	25,580
- held-to-maturity	3,440	181	4,034	385
Money at call and deposits with financial institutions	687	1,335	3,028	5,043
	<u>30,821</u>	<u>30,602</u>	<u>89,261</u>	<u>97,218</u>
<i>Other dealing income</i>				
Net gain from sale of financial assets held-for-trading	114	180	269	518
Net (loss)/gain on revaluation of financial assets held-for-trading	(10)	498	772	1,696
	<u>104</u>	<u>678</u>	<u>1,041</u>	<u>2,214</u>
<i>Other operating income</i>				
Net gain from sale of financial assets available-for-sale	196	33	1,439	271
	<u>196</u>	<u>33</u>	<u>1,439</u>	<u>271</u>
	<u>31,121</u>	<u>31,313</u>	<u>91,741</u>	<u>99,703</u>
<i>of which</i>				
Financing income earned on impaired financing	420	808	1,266	2,919
	<u>420</u>	<u>808</u>	<u>1,266</u>	<u>2,919</u>

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

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

(ii) Income derived from investment of other deposits

Group	3 months ended		9 months ended	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
<i>Finance, income and hibah</i>				
Financing, advances and others	266,285	210,342	749,314	606,012
Financial assets:				
- held-for-trading	3,058	1,359	5,888	2,947
- available-for-sale	81,797	71,682	243,191	235,030
- held-to-maturity	44,181	1,771	51,086	3,602
Money at call and deposits with financial institutions	9,103	13,046	36,152	46,233
	<u>404,424</u>	<u>298,200</u>	<u>1,085,631</u>	<u>893,824</u>
<i>Other dealing income</i>				
Net gain from sale of financial assets held-for-trading	1,472	1,744	3,268	4,920
Net (loss)/gain on revaluation of financial assets held-for-trading	(147)	4,824	8,925	15,475
	<u>1,325</u>	<u>6,568</u>	<u>12,193</u>	<u>20,395</u>
<i>Other operating income</i>				
Net gain from sale of financial assets available-for-sale	2,589	327	16,730	2,464
	<u>2,589</u>	<u>327</u>	<u>16,730</u>	<u>2,464</u>
	<u>408,338</u>	<u>305,095</u>	<u>1,114,554</u>	<u>916,683</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	<u>5,522</u>	<u>7,891</u>	<u>15,461</u>	<u>26,744</u>

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

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

Bank	3 months ended		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
(i) General investment deposits	31,121	31,307	91,735	99,656
(ii) Other deposits	408,690	305,735	1,116,374	918,101
	439,811	337,042	1,208,109	1,017,757

(i) Income derived from investment of general investment deposits

Bank	3 months ended		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
<i>Finance, income and hibah</i>				
Financing, advances and others	20,249	21,603	61,707	65,849
Financial assets:				
- held-for-trading	232	139	474	314
- available-for-sale	6,213	7,338	20,012	25,580
- held-to-maturity	3,440	181	4,034	385
Money at call and deposits with financial institutions	687	1,335	3,028	5,043
	30,821	30,596	89,255	97,171
<i>Other dealing income</i>				
Net gain from sale of financial assets held-for-trading	114	180	269	518
Net (loss)/gain on revaluation of financial assets held-for-trading	(10)	498	772	1,696
	104	678	1,041	2,214
<i>Other operating income</i>				
Net gain from sale of financial assets available-for-sale	196	33	1,439	271
	196	33	1,439	271
	31,121	31,307	91,735	99,656
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	420	808	1,266	2,919

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

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

(ii) Income derived from investment of other deposits

Bank	3 months ended		9 months ended	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
<i>Finance, income and hibah</i>				
Financing, advances and others	266,637	210,982	751,134	607,430
Financial assets:				
- held-for-trading	3,058	1,359	5,888	2,947
- available-for-sale	81,797	71,682	243,191	235,030
- held-to-maturity	44,181	1,771	51,086	3,602
Money at call and deposits with financial institutions	9,103	13,046	36,152	46,233
	<u>404,776</u>	<u>298,840</u>	<u>1,087,451</u>	<u>895,242</u>
<i>Other dealing income</i>				
Net gain from sale of financial assets held-for-trading	1,472	1,744	3,268	4,920
Net (loss)/gain on revaluation of financial assets held-for-trading	(147)	4,824	8,925	15,475
	<u>1,325</u>	<u>6,568</u>	<u>12,193</u>	<u>20,395</u>
<i>Other operating income</i>				
Net gain from sale of financial assets available-for-sale	2,589	327	16,730	2,464
	<u>2,589</u>	<u>327</u>	<u>16,730</u>	<u>2,464</u>
	<u>408,690</u>	<u>305,735</u>	<u>1,116,374</u>	<u>918,101</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	<u>5,522</u>	<u>7,891</u>	<u>15,461</u>	<u>26,744</u>

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

21. Income derived from investment of shareholders' funds

Group	3 months ended		9 months ended	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
<i>Finance, income and hibah</i>				
Financing, advances and others	1,073	2,170	5,705	5,999
Financial assets available-for-sale	25,929	27,104	76,409	63,998
Money at call and deposits with financial institutions	598	25	1,560	6,061
	<u>27,600</u>	<u>29,299</u>	<u>83,674</u>	<u>76,058</u>
<i>Other dealing income</i>				
Net gain from foreign exchange transactions	15,722	6,117	34,778	19,756
Net derivatives (loss)/gain	7,727	(7,231)	1,492	(6,381)
	<u>23,449</u>	<u>(1,114)</u>	<u>36,270</u>	<u>13,375</u>
<i>Other operating income</i>				
Profit on sale of foreign currencies	992	806	2,647	1,760
Reversal of impairment allowance	60	60	180	180
Gross dividend income from securities				
- unit trust in Malaysia	-	-	43	-
- unit trust outside Malaysia	24	57	56	57
- unquoted in Malaysia	360	380	3,217	4,517
	<u>1,436</u>	<u>1,303</u>	<u>6,143</u>	<u>6,514</u>
<i>Fees and commission</i>				
Fees	17,171	13,570	50,644	40,791
Commission	15,978	14,536	47,585	42,245
Others	5,620	3,159	13,479	9,997
	<u>38,769</u>	<u>31,265</u>	<u>111,708</u>	<u>93,033</u>
<i>Other income</i>				
Net (loss)/gain on disposal of property and equipment	-	16	(18)	3,038
Rental income	618	102	1,188	123
Other income	15	81	590	241
	<u>633</u>	<u>199</u>	<u>1,760</u>	<u>3,402</u>
	<u>91,887</u>	<u>60,952</u>	<u>239,555</u>	<u>192,382</u>

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

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

Bank	3 months ended		9 months ended	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
Finance, income and hibah				
Financing, advances and others	1,073	997	3,117	2,891
Financial assets available-for-sale	25,929	27,104	76,409	63,998
Money at call and deposits with financial institutions	588	22	1,559	6,059
	<u>27,590</u>	<u>28,123</u>	<u>81,085</u>	<u>72,948</u>
Other dealing income				
Net gain from foreign exchange transactions	15,722	6,117	34,778	19,756
Net derivatives (loss)/gain	7,727	(7,231)	1,492	(6,381)
	<u>23,449</u>	<u>(1,114)</u>	<u>36,270</u>	<u>13,375</u>
Other operating income				
Gross dividend income from securities				
- unit trust in Malaysia	-	-	43	-
- unit trust outside Malaysia	24	57	56	57
- unquoted in Malaysia	360	380	3,217	4,517
Gross dividend income from subsidiary	-	-	6,000	-
	<u>384</u>	<u>437</u>	<u>9,316</u>	<u>4,574</u>
Fees and commission				
Fees	15,443	12,674	46,325	38,321
Commission	15,978	14,536	47,585	42,245
Others	5,920	2,795	14,709	8,638
	<u>37,341</u>	<u>30,005</u>	<u>108,619</u>	<u>89,204</u>
Other income				
Net (loss)/gain on disposal of property and equipment	-	14	(18)	3,036
Rental income	618	102	1,188	123
Other income	17	1	548	8
	<u>635</u>	<u>117</u>	<u>1,718</u>	<u>3,167</u>
	<u>89,399</u>	<u>57,568</u>	<u>237,008</u>	<u>183,268</u>

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

22. Allowances for impairment on financing and advances

Group and Bank	3 months ended		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
Allowances for impaired financing, advances and others:				
- collective assessment allowance	36,586	9,461	100,491	70,848
- individual assessment allowance	1,464	28,620	23,655	50,790
Bad debts and financing recovered	(22,173)	(26,056)	(90,374)	(117,886)
	15,877	12,025	33,772	3,752

23. Income attributable to depositors

Group	3 months ended		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- Mudharabah fund	95,903	64,511	262,191	196,417
- Non-Mudharabah fund	46,560	45,710	145,884	144,722
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	2,784	6,597	8,811	15,083
	145,247	116,818	416,886	356,222

Bank	3 months ended		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- Mudharabah fund	95,992	64,578	262,443	196,603
- Non-Mudharabah fund	46,566	45,719	145,906	144,745
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	2,784	6,597	8,811	15,083
	145,342	116,894	417,160	356,431

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

24. Personnel expenses

Group	3 months ended		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and bonuses	76,972	66,618	224,730	198,208
Employees' Provident Fund	9,510	8,017	27,534	23,562
Other staff related costs	10,777	6,459	27,195	21,704
	<u>97,259</u>	<u>81,094</u>	<u>279,459</u>	<u>243,474</u>

Bank	3 months ended		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and bonuses	75,935	65,824	221,766	195,751
Employees' Provident Fund	9,367	7,904	27,118	23,196
Other staff related costs	10,690	6,327	26,867	21,312
	<u>95,992</u>	<u>80,055</u>	<u>275,751</u>	<u>240,259</u>

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

25. Other overhead expenses

Group	3 months ended		9 months ended	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
<i>Promotion</i>				
Advertisement and publicity	2,351	2,868	7,275	7,184
Credit card expenses	3,817	4,370	11,352	13,958
Commissions	2,864	2,475	6,919	6,632
	<u>9,032</u>	<u>9,713</u>	<u>25,546</u>	<u>27,774</u>
<i>Establishment</i>				
Office rental	12,272	9,435	36,997	25,082
Depreciation of property and equipment	10,277	10,515	29,662	33,808
Information technology expenses	6,729	7,103	19,951	21,186
Rental equipment	990	807	3,022	2,444
Office maintenance	2,720	1,069	6,231	3,650
Utilities	3,101	2,825	9,136	8,073
Security services	2,154	3,562	8,222	10,133
Takaful and insurance	1,684	884	3,744	3,226
Others	40	45	335	340
	<u>39,967</u>	<u>36,245</u>	<u>117,300</u>	<u>107,942</u>
<i>General expenses</i>				
Professional fees	1,017	897	4,201	2,126
Office supplies	2,408	2,302	6,653	8,192
Outsourcing fees	12,379	10,639	35,249	30,203
Others	17,483	13,769	45,492	37,808
	<u>33,287</u>	<u>27,607</u>	<u>91,595</u>	<u>78,329</u>
	<u>82,286</u>	<u>73,565</u>	<u>234,441</u>	<u>214,045</u>

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

25. Other overhead expenses (continued)

Bank	3 months ended		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
<i>Promotion</i>				
Advertisement and publicity	2,275	2,857	7,031	7,135
Credit card expenses	3,817	4,370	11,352	13,958
Commissions	2,704	2,310	6,626	6,162
	8,796	9,537	25,009	27,255
<i>Establishment</i>				
Office rental	12,111	9,256	36,459	24,513
Depreciation of property and equipment	10,221	10,416	29,463	32,968
Information technology expenses	6,729	7,103	19,951	21,186
Rental equipment	978	801	2,993	2,417
Office maintenance	2,685	1,010	6,125	3,540
Utilities	3,054	2,793	8,988	7,950
Security services	1,859	3,460	7,650	9,806
Takaful and insurance	1,653	777	3,579	3,035
Others	40	45	335	340
	39,330	35,661	115,543	105,755
<i>General expenses</i>				
Professional fees	959	845	3,987	1,687
Office supplies	2,381	2,249	6,620	8,019
Outsourcing fees	12,379	10,639	35,249	30,203
Others	17,808	13,540	45,666	37,108
	33,527	27,273	91,522	77,017
	81,653	72,471	232,074	210,027

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

26. Operating Segments

<u>9 months ended 30 September 2012</u>	Consumer Banking RM'000	Corporate and Commercial Banking RM'000	Treasury RM'000	Shareholders unit RM'000	Elimination RM'000	Total RM'000
Total Revenue	745,901	184,827	420,497	107,982	(13,357)	1,445,850
Net fund based income	492,147	202,835	84,162	64,354	(1,820)	841,678
Non-fund based income	88,127	29,374	59,209	21,839	(11,263)	187,286
Net income	580,274	232,209	143,371	86,193	(13,083)	1,028,964
Allowances for impairment	(31,651)	(30,766)	485	-	-	(61,932)
Profit before overheads, zakat & taxation	548,623	201,443	143,856	86,193	(13,083)	967,032
Operating expenses						(535,280)
						431,752
Share of results of associate company						2,015
Profit before zakat & taxation						433,767
<u>Selected Balance Sheets items</u>						
Gross Financing	13,699,030	4,841,160	-	-	-	18,540,190
Deposits from customers	6,722,358	7,877,606	16,391,739	-	-	30,991,703

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

26. Operating Segments (continued)

<u>9 months ended 30 September 2011</u>	Consumer Banking RM'000	Corporate and Commercial Banking RM'000	Treasury RM'000	Shareholders unit RM'000	Elimination RM'000	Total RM'000
Total Revenue	615,700	149,456	341,708	105,480	(3,576)	1,208,768
Net fund based income	403,299	175,792	3,456	129,749	(1,418)	710,878
Non-fund based income	69,338	20,267	36,463	17,549	(1,949)	141,668
Net income	472,637	196,059	39,919	147,298	(3,367)	852,546
Allowances for impairment	(46,771)	27,788	2,153	-	-	(16,830)
Profit before overheads, zakat & taxation	425,866	223,847	42,072	147,298	(3,367)	835,716
Operating expenses						(475,960)
						359,756
Share of results of associate company						(1,145)
Profit before zakat & taxation						358,611
<u>Selected Balance Sheets items</u>						
Gross Financing	10,481,642	3,246,866	-	-	-	13,728,508
Deposits from customers	6,709,619	7,329,427	12,087,473			26,126,519

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

27. Capital adequacy

The Bank is required to comply with the core capital ratio and risk-weighted capital adequacy ratio prescribed by BNM. The Bank was in compliance with all prescribed capital ratios throughout the period. The Bank's regulatory capital and capital adequacy ratios are determined according to the requirements of the Capital Adequacy Framework for Islamic Banks (CAFIB) as required under the Islamic Banking Act (IBA) 1983.

(a) The capital adequacy ratios of the Group and of the Bank:

	Group		Bank	
	30.09.2012 RM'000	31.12.2011 RM'000	30.09.2012 RM'000	31.12.2011 RM'000
<i>Before proposed dividend</i>				
Tier 1 Capital Ratio	14.11%	15.81%	14.12%	15.83%
Risk-Weighted Capital Ratio	15.32%	17.02%	15.20%	16.86%
<i>After proposed dividend</i>				
Tier 1 Capital Ratio	13.86%	15.55%	13.88%	15.57%
Risk-Weighted Capital Ratio	15.07%	16.75%	14.95%	16.60%

(b) Tier I and Tier II capital components of the Group and of the Bank:

	Group		Bank	
	30.09.2012 RM'000	31.12.2011 RM'000	30.09.2012 RM'000	31.12.2011 RM'000
<i>Tier I capital</i>				
Paid-up share capital	2,265,490	2,265,490	2,265,490	2,265,490
Share premium	-	500,020	-	500,020
Retained earnings/ (Accumulated losses)	201,036	(1,040,270)	197,712	(1,047,148)
Other reserves	446,423	974,594	446,423	974,594
Less: Deferred tax assets	(23,386)	(23,386)	(23,560)	(23,560)
Total Tier I capital	2,889,563	2,676,448	2,886,065	2,669,396
<i>Tier II capital</i>				
Collective assessment allowance #	269,996	224,776	269,996	224,776
Total Tier II capital	269,996	224,776	269,996	224,776
Total capital	3,159,559	2,901,224	3,156,061	2,894,172
Less: investment in subsidiaries	-	-	(28,027)	(28,027)
Less: investment in associate company	(23,195)	(21,180)	(22,563)	(22,563)
Capital base	3,136,364	2,880,044	3,105,471	2,843,582

Excludes collective assessment allowance restricted from Tier II capital by BNM amounting to RM 78,555,000 (December 2011: RM 123,779,000).

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

27. Capital adequacy (continued)

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

	Group		Bank	
	30.09.2012	31.12.2011	30.09.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Credit risk	17,656,838	14,495,066	17,627,218	14,444,198
Market risk	676,550	501,309	679,904	503,621
Operational risk	2,144,442	1,929,294	2,125,545	1,914,767
	<u>20,477,830</u>	<u>16,925,669</u>	<u>20,432,667</u>	<u>16,862,586</u>

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

28. Commitment and Contingencies

The commitment and contingencies and their related counterparty credit risk for the Group and Bank are as follows:

As at 30 September 2012	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Asset RM'000
<i>Credit related exposures</i>				
Direct credit substitutes	507,506		507,506	498,142
Assets sold with recourse	2		2	2
Transaction related contingent items	932,941		466,470	458,988
Short term self-liquidating trade related contingencies	299,993		59,999	59,796
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- not exceeding one year	456		91	43
- exceeding one year	508,605		254,302	228,914
Unutilised credit card lines	918,275		183,655	137,741
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	4,956,421		-	-
	<u>8,124,199</u>		<u>1,472,025</u>	<u>1,383,626</u>
<i>Derivative Financial Instruments</i>				
Foreign exchange related contracts				
- less than one year	1,137,341	9,603	15,811	5,007
- one year to less than five years	40,244	346	2,359	1,272
Profit rate related contracts				
- less than one year	100,000	-	107	27
- one year to less than five years	600,000	2,256	15,000	3,000
- five years and above	400,000	1,818	24,000	4,800
	<u>2,277,585</u>	<u>14,023</u>	<u>57,277</u>	<u>14,106</u>
Total	<u>10,401,784</u>	<u>14,023</u>	<u>1,529,302</u>	<u>1,397,732</u>

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

28. Commitment and Contingencies (continued)

The commitment and contingencies and their related counterparty credit risk for the Group and Bank are as follows (continued):

As at 31 December 2011	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Asset RM'000
<i>Credit related exposures</i>				
Direct credit substitutes	452,553		452,553	444,839
Assets sold with recourse	2		2	2
Transaction related contingent items	884,095		442,048	435,825
Short term self-liquidating trade related contingencies	288,665		57,733	57,221
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- not exceeding one year	1		-	-
- exceeding one year	589,414		294,707	274,384
Unutilised credit card lines	817,113		163,423	122,567
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	3,897,622		-	-
	<u>6,929,465</u>		<u>1,410,466</u>	<u>1,334,838</u>
<i>Derivative Financial Instruments</i>				
Foreign exchange related contracts				
- less than one year	1,644,655	5,589	14,344	8,409
- one year to less than five years	40,244	-	2,754	1,944
Profit rate related contracts				
- less than one year	171,740	7,549	5,582	1,116
- one year to less than five years	500,000	-	12,000	2,400
	<u>2,356,639</u>	<u>13,138</u>	<u>34,680</u>	<u>13,869</u>
Total	<u><u>9,286,104</u></u>	<u><u>13,138</u></u>	<u><u>1,445,146</u></u>	<u><u>1,348,707</u></u>

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

29. Performance review for the nine months ended 30 September 2012

For the nine months ended 30 September 2012, the Group reported profit before tax and zakat of RM433.8 million, a favourable increase of RM75.2 million or 21.0% over the previous corresponding period of RM358.6 million. The improved performance was mainly attributed to growth in business activities during the period under review.

The Group's net financing grew RM4.0 billion or an annualised growth of 38% to reach RM18.2 billion as at end September 2012. Correspondingly, fund based income from financing also increased by RM139.8 million or 20.7%. Non fund based income also reported a 32.2% growth or RM45.6 million mainly from fees and commission, gain on sale of securities, gain from foreign exchange transactions and fees from Corporate Investment Banking.

Customer deposits reported a year-on-year growth of 18.6% or RM4.9 billion to reach RM31.0 billion as at end September 2012. Similarly, the low cost current and savings accounts (CASA) also increased RM1.0 billion or 8.7% year-on-year. The CASA ratio as at end September 2012 was 39.2%, much higher than the Islamic Banking Industry ratio of 27.2% as at end August 2012.

The Group's impaired financing ratio continued to record significant improvements. The gross impaired financing ratio improved from 2.61% as at end December 2011 to 1.74% as at end September 2012, consequently the net impaired financing ratio also improved from a negative 0.17% as at end December 2011 to a negative 0.54% as at end September 2012. The Islamic Banking Industry gross and net impaired ratios were 1.95% and -0.30% respectively as at end August 2012.

The Group's key performance ratios as at end September 2012 also compared favourably against the Islamic Banking Industry ratios as at end December 2011. The return on equity was 19.0% against the Islamic Banking Industry ratio of 13.7%; return on assets was 1.7% against the Islamic Banking Industry ratio of 1.0% and the Risk Weighted Capital Adequacy ratio was 14.8% against the Islamic Banking Industry ratio of 14.5%.

30. Prospect for 2012

The Malaysian GDP accelerated to 5.4% in the 2nd Quarter of 2012, largely due to resilient domestic demand. The country's strong economic fundamentals, pragmatic macroeconomic policies and the Economic Transformation Programme ("ETP") are expected to further enhance domestic sources of growth.

We expect to maintain last financial year's robust growth. The launch of a new product for consumer financing significantly help to exceed the net financing growth projected for the year. The Bank will continue to grow its consumer financing products as well as focus on resilient industries in particular those that are set to benefit from the ETP. Other initiatives include increasing the proportion of floating-rate financing, shortening personal-financing tenures and optimising the financing-to-deposits ratio. At the same time, the Bank remains mindful of the challenging economic conditions surrounding us and the importance of acquiring good quality assets amidst such an environment, we will continue to make enhancements to our current control and practices.

As per our key business direction, we shall continue to expand our non-fund based income by enhancing our key sources of fee-based income from deposit products, wealth management and bancatakafal services as well as our corporate advisory services, foreign exchange and trade businesses.

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

30. Prospect for 2012 (continued)

The Bank will continue to expand the low-cost deposits in particular current and savings accounts (“CASAs”) to ensure a stable funding base. We have launched a campaign for Al-Awfar product from 19 September 2012 to 30 November 2012 that will see a grand prize of RM1.0 million with a draw taking place on 28 February 2013, where a minimum deposit balance of RM1,000 is required for three months.

The Bank will also continue to strengthen its presence by expanding its current delivery channels to meet customers’ expectations and remain competitive. The Bank’s branches currently stand at 125. By end-Dec 2012, we aim to have another 2 more new branches.

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

31. Subsequent events

There were no material events subsequent to the end of the reporting period that require disclosure or adjustments to the unaudited interim financial statements.

32. Profit Rate Risk

The table below summarises the Group’s and Bank’s exposure to profit rate risk. The table indicates average profit rates at the reporting date and the periods in which the financial instruments reprice or mature, whichever is earlier.

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

32. Profit Rate Risk (continued)

Group As at 30 September 2012	←		Non trading book				→		Total RM'000	Effective profit rate %
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non profit Sensitive RM'000	Trading book RM'000			
<i>Assets</i>										
Cash, balances and placements with banks	1,232,012	35,216	10,000	-	-	868,232	-	2,145,460	2.17	
Financial assets held-for- trading	-	-	-	-	-	-	1,256,573	1,256,573	3.15	
Derivative financial assets	-	-	-	-	-	-	15,464	15,464	0.65	
Financial assets available- for-sale	656,847	265,437	3,363,541	5,019,617	3,132,669	-	-	12,438,111	3.95	
Financial assets held-to- maturity	15,287	2,000	17,000	60,000	83,607	-	-	177,894	5.26	
Financing, advances and others										
- non-impaired	8,968,235	812,502	869,700	3,393,396	4,173,941	-	-	18,217,774	6.85	
- impaired net of allowances *	-	-	-	-	-	(98,376)	-	(98,376)	-	
Other assets	-	-	-	-	-	1,394,731	-	1,394,731	-	
Total assets	10,872,381	1,115,155	4,260,241	8,473,013	7,390,217	2,164,587	1,272,037	35,547,631		

* This is arrived at after deducting collective assessment allowance and individual assessment allowance from the outstanding gross impaired financing.

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

32. Profit Rate Risk (continued)

Group As at 30 September 2012	←		Non trading book				→		Total RM'000	Effective profit rate %
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non profit sensitive RM'000	Trading book RM'000			
Liabilities										
Deposits from customers	16,824,183	1,425,279	407,631	103,891	-	12,230,719	-	30,991,703	1.91	
Deposits and placements of banks and other financial institutions	688,623	38,173	-	-	-	-	-	726,796	1.25	
Derivative financial liabilities	-	-	-	-	-	-	19,283	19,283	0.81	
Bills and acceptance payable	-	-	-	-	-	246,787	-	246,787	-	
Other liabilities	-	-	-	-	-	521,329	-	521,329	-	
Total liabilities	17,512,806	1,463,452	407,631	103,891	-	12,998,835	19,283	32,505,898		
Equity										
Equity attributable to equity holders of the Bank	-	-	-	-	-	3,041,733	-	3,041,733		
Total equity	-	-	-	-	-	3,041,733	-	3,041,733		
Total liabilities and shareholders' equity	17,512,806	1,463,452	407,631	103,891	-	16,040,568	19,283	35,547,631		

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

32. Profit Rate Risk (continued)

Group	Non trading book						Trading book RM'000	Total RM'000
	← Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	→ Non profit sensitive RM'000		
As at 30 September 2012								
On-balance sheet profit sensitivity gap	(6,640,425)	(348,297)	3,852,610	8,369,122	7,390,217	(13,875,981)	1,252,754	-
Off-balance sheet profit sensitivity gap (profit rate swaps)	400,000	700,000	(100,000)	(600,000)	(400,000)	-	-	-
Total profit sensitivity gap	(6,240,425)	351,703	3,752,610	7,769,122	6,990,217	(13,875,981)	1,252,754	-

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

32. Profit Rate Risk (continued)

Group As at 31 December 2011	Non trading book						Trading book RM'000	Total RM'000	Effective profit rate %
	← Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	→ Non profit Sensitive RM'000			
<i>Assets</i>									
Cash, balances and placements with banks	2,593,040	425,000	335,000	-	-	871,321	-	4,224,361	2.63
Financial assets held-for- trading	-	-	-	-	-	-	1,228,952	1,228,952	3.62
Derivative financial assets	-	-	-	-	-	-	15,877	15,877	0.64
Financial assets available- for-sale	497,432	1,252,541	1,514,284	5,382,883	2,342,995	14,986	-	11,005,121	4.19
Financial assets held-to- maturity	23,287	9,000	153,461	35,000	106,586	-	-	327,334	3.61
Financing, advances and others									
- non-impaired	4,174,586	110,680	3,361,000	4,130,242	2,361,645	47,352	-	14,185,505	7.11
- impaired net of allowances *	-	-	-	-	-	(23,668)	-	(23,668)	-
Other assets	-	-	-	-	-	1,243,836	-	1,243,836	-
Total assets	7,288,345	1,797,221	5,363,745	9,548,125	4,811,226	2,153,827	1,244,829	32,207,318	

* This is arrived at after deducting collective assessment allowance and individual assessment allowance from the outstanding gross impaired financing.

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

32. Profit Rate Risk (continued)

Group As at 31 December 2011	←		Non trading book				→		Total RM'000	Effective profit rate %
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non profit sensitive RM'000	Trading book RM'000			
Liabilities										
Deposits from customers	13,720,453	1,832,130	236,327	104,736	-	12,386,032	-	28,279,678	1.83	
Deposits and placements of banks and other financial institutions	377,930	-	6,698	-	-	-	-	384,628	1.92	
Derivative financial liabilities	-	-	-	-	-	-	23,299	23,299	0.93	
Bills and acceptance payable	-	-	-	-	-	259,153	-	259,153	3.09	
Other liabilities	-	-	-	-	-	452,717	-	452,717	-	
Total liabilities	14,098,383	1,832,130	243,025	104,736	-	13,097,902	23,299	29,399,475		
Equity										
Equity attributable to equity holders of the Bank	-	-	-	-	-	2,807,843	-	2,807,843		
Total equity	-	-	-	-	-	2,807,843	-	2,807,843		
Total liabilities and shareholders' equity	14,098,383	1,832,130	243,025	104,736	-	15,905,745	23,299	32,207,318		

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

32. Profit Rate Risk (continued)

Group	Non trading book						Trading book RM'000	Total RM'000
	← Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	→ Non profit sensitive RM'000		
As at 31 December 2011								
On-balance sheet profit sensitivity gap	(6,810,038)	(34,909)	5,120,720	9,443,389	4,811,226	(13,751,918)	1,221,530	-
Off-balance sheet profit sensitivity gap (profit rate swaps)	100,000	400,000	-	(500,000)	-	-	-	-
Total profit sensitivity gap	(6,710,038)	365,091	5,120,720	8,943,389	4,811,226	(13,751,918)	1,221,530	-

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

32. Profit Rate Risk (continued)

Bank As at 30 September 2012	←		Non trading book				→		Effective Profit rate %
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non profit sensitive RM'000	Trading book RM'000	Total RM'000	
<i>Assets</i>									
Cash, balances and placements with banks	1,232,012	35,000	10,000	-	-	844,021	-	2,121,033	2.19
Financial assets held-for- trading	-	-	-	-	-	-	1,256,573	1,256,573	3.15
Derivative financial assets	-	-	-	-	-	-	15,464	15,464	0.65
Financial assets available- for-sale	656,847	265,437	3,363,541	5,019,617	3,134,680	-	-	12,440,122	3.95
Financial assets held-to- maturity	15,287	2,000	17,000	60,000	83,607	-	-	177,894	5.26
Financing, advances and others									
- non-impaired	8,968,235	812,502	870,365	3,423,347	4,173,941	-	-	18,248,390	6.85
- impaired net of allowances*	-	-	-	-	-	(98,376)	-	(98,376)	-
Other assets	-	-	-	-	-	1,399,192	-	1,399,192	-
Total assets	10,872,381	1,114,939	4,260,906	8,502,964	7,392,228	2,144,837	1,272,037	35,560,292	

* This is arrived at after deducting collective assessment allowance and individual assessment allowance from the outstanding gross impaired financing.

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

32. Profit Rate Risk (continued)

Bank As at 30 September 2012	←		Non trading book				→		Effective profit rate %
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non profit sensitive RM'000	Trading book RM'000	Total RM'000	
<i>Liabilities</i>									
Deposits from customers	16,824,483	1,436,385	408,131	103,891	-	12,233,617	-	31,006,507	1.91
Deposits and placements of banks and other financial institutions	688,623	38,173	-	-	-	-	-	726,796	1.25
Derivative financial liabilities	-	-	-	-	-	-	19,283	19,283	0.81
Bills and acceptance payable	-	-	-	-	-	246,787	-	246,787	-
Other liabilities	-	-	-	-	-	522,508	-	522,508	-
Total liabilities	17,513,106	1,474,558	408,131	103,891	-	13,002,912	19,283	32,521,881	
<i>Equity</i>									
Equity attributable to equity holders of the Bank	-	-	-	-	-	3,038,411	-	3,038,411	
Total equity	-	-	-	-	-	3,038,411	-	3,038,411	
Total liabilities and shareholders' equity	17,513,106	1,474,558	408,131	103,891	-	16,041,323	19,283	35,560,292	

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

32. Profit Rate Risk (continued)

Bank	Non trading book						Trading book	Total
	←					→		
As at 30 September 2012	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non profit sensitive RM'000	RM'000	RM'000
On-balance sheet profit sensitivity gap	(6,640,725)	(359,619)	3,852,775	8,399,073	7,392,228	(13,896,486)	1,252,754	-
Off-balance sheet profit sensitivity gap (profit rate swaps)	400,000	700,000	(100,000)	(600,000)	(400,000)	-	-	-
Total profit sensitivity gap	(6,240,725)	340,381	3,752,775	7,799,073	6,992,228	(13,896,486)	1,252,754	-

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

32. Profit Rate Risk (continued)

Bank As at 31 December 2011	←		Non trading book				→		Effective Profit rate %
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non profit sensitive RM'000	Trading book RM'000	Total RM'000	
<i>Assets</i>									
Cash, balances and placements with banks	2,593,041	425,000	335,000	-	-	862,904	-	4,215,945	2.57
Financial assets held-for- trading	-	-	-	-	-	-	1,228,952	1,228,952	3.62
Derivative financial assets	-	-	-	-	-	-	15,877	15,877	0.64
Financial assets available- for-sale	497,432	1,252,541	1,514,284	5,382,883	2,342,995	16,997	-	11,007,132	4.19
Financial assets held-to- maturity	23,287	9,000	153,461	35,000	106,586	-	-	327,334	3.61
Financing, advances and others									
- non-impaired	4,174,586	110,680	3,381,852	4,155,242	2,361,645	-	-	14,184,005	7.09
- impaired net of allowances*	-	-	-	-	-	(23,668)	-	(23,668)	-
Other assets	-	-	-	-	-	1,270,927	-	1,270,927	-
Total assets	7,288,346	1,797,221	5,384,597	9,573,125	4,811,226	2,127,160	1,244,829	32,226,504	

* This is arrived at after deducting collective assessment allowance and individual assessment allowance from the outstanding gross impaired financing.

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

32. Profit Rate Risk (continued)

Bank As at 31 December 2011	Non trading book						Trading book RM'000	Total RM'000	Effective profit rate %
	← Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	→ Non profit sensitive RM'000			
Liabilities									
Deposits from customers	13,738,328	1,839,154	236,657	104,736	-	12,386,032	-	28,304,907	1.83
Deposits and placements of banks and other financial institutions	377,930	-	6,698	-	-	-	-	384,628	1.92
Derivative financial liabilities	-	-	-	-	-	-	23,299	23,299	0.93
Bills and acceptance payable	2,922	-	-	-	-	259,153	-	262,075	3.09
Other liabilities	-	-	-	-	-	450,638	-	450,638	-
Total liabilities	14,119,180	1,839,154	243,355	104,736	-	13,095,823	23,299	29,425,547	
Equity									
Equity attributable to equity holders of the Bank	-	-	-	-	-	2,800,957	-	2,800,957	
Total equity	-	-	-	-	-	2,800,957	-	2,800,957	
Total liabilities and shareholders' equity	14,119,180	1,839,154	243,355	104,736	-	15,896,780	23,299	32,226,504	

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

32. Profit Rate Risk (continued)

Bank	Non trading book						Trading book RM'000	Total RM'000
	←					→		
As at 31 December 2011	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non profit sensitive RM'000		
On-balance sheet profit sensitivity gap	(6,830,834)	(41,933)	5,141,242	9,468,389	4,811,226	(13,769,620)	1,221,530	-
Off-balance sheet profit sensitivity gap (profit rate swaps)	100,000	400,000	-	(500,000)	-	-	-	-
Total profit sensitivity gap	(6,730,834)	358,067	5,141,242	8,968,389	4,811,226	(13,769,620)	1,221,530	-

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

33. Changes in accounting policies

Adoption of MFRS Framework

The unaudited interim financial statements were prepared in accordance with the MFRS framework. The Bank's policy elections arising from application of MFRS 1, *First-time Adoption of MFRSs*, does not result in any financial impact. The financial impact arises mainly from transition to *MFRS 139, Financial Instruments: Recognition and Measurement*.

Financial impact due to adoption of MFRS 139, *Financial Instruments: Recognition and Measurement* is as follows:

With the issuance of the MFRS framework, BNM has revised the Guidelines on Classification and Impairment Provisions for Loans/Financing to align the requirements on the determination of collective assessment allowance with that of MFRS 139. The transitional provisions which were allowed under the earlier guidelines were removed with effect from 1 January 2012.

Financing and advances which are not individually significant are collectively assessed using the incurred loss approach. If it is determined that no objective evidence of impairment exists for an individually assessed financing or the individually assessed financing does not result in impairment provisions, the financing is also included in the group of financing with similar credit risk characteristics for collective impairment assessment. The future cash flows of each group of financing with similar credit risk characteristic are estimated on the basis of historical loss experience for such assets and discounted to present value. Collective assessment allowance is made on any shortfall in these discounted cash flows against the carrying value of the group of financing.

The adoption of the accounting policy has been accounted for retrospectively and the collective assessment allowances charged in the Income Statement have been restated. Consequently, the retained profits and the collective assessment allowances in the statement of financial position have also been restated.

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

33. Changes in accounting policies (continued)

The restatements due to the change in accounting policy are as follows:

	←	Group Effect of transition to MFRS	→	←	Bank Effect of transition to MFRS	→
	FRS RM'000	RM'000	MFRS RM'000	FRS RM'000	RM'000	MFRS RM'000
As at 31 December 2011						
Statement of Financial Position						
Total assets	32,186,451	20,867	32,207,318	32,205,637	20,867	32,226,504
Financing, advances and others	14,140,970	20,867	14,161,837	14,139,470	20,867	14,160,337
<i>of which:</i> Collective assessment allowance	348,555	(20,867)	327,688	348,555	(20,867)	327,688
Zakat and taxation	17,339	5,217	22,556	17,059	5,217	22,276
Total equity	2,792,193	15,650	2,807,843	2,785,307	15,650	2,800,957
<i>of which:</i> Accumulated losses	(1,132,381)	92,111	(1,040,270)	(1,139,669)	92,521	(1,047,148)
Other reserves	1,159,064	(76,461)	1,082,603	1,159,466	(76,871)	1,082,595
Income Statement for the financial year ended 31 December 2011						
Allowances for impairment on financing and advances	(44,023)	22,899	(21,124)	(44,023)	22,899	(21,124)
Profit before zakat and tax	469,568	22,899	492,467	470,099	22,899	492,998
Tax expense	(103,357)	(5,725)	(109,082)	(103,123)	(5,725)	(108,848)
Profit for the year	358,152	17,174	375,326	359,159	17,174	376,333
Statement of Comprehensive Income for the financial year ended 31 December 2011						
Profit for the year	358,152	17,174	375,326	359,159	17,174	376,333
Total comprehensive income for the year	382,735	17,174	399,909	383,734	17,174	400,908

Bank Islam Malaysia Berhad (98127-X)
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

33. Changes in accounting policies (continued)

The restatements due to the change in accounting policy are as follows:

	←	Group Effect of transition to MFRS RM'000	→	←	Bank Effect of transition to MFRS RM'000	→
	FRS RM'000	MFRS RM'000	FRS RM'000	FRS RM'000	MFRS RM'000	MFRS RM'000
As at 30 September 2011						
Income Statement for the nine months ended 30 September 2011						
Allowances for impairment on financing and advances	(20,927)	17,175	(3,752)	(20,927)	17,175	(3,752)
Profit before zakat and tax	341,436	17,175	358,611	341,862	17,175	359,037
Tax expense	(90,954)	(4,293)	95,247	(90,846)	(4,293)	95,139
Profit for the period	246,874	12,882	259,756	247,566	12,882	260,448
Statement of Comprehensive Income for the nine months ended 30 September 2011						
Profit for the period	246,874	12,882	259,756	247,566	12,882	260,448
Total comprehensive income for the period	287,355	12,882	300,237	288,036	12,882	300,918
As at 1 January 2011						
Statement of Financial Position						
Total assets	30,386,052	(2,032)	30,384,020	30,399,948	(2,032)	30,397,916
Financing, advances and others	11,860,631	(2,032)	11,858,599	11,859,140	(2,032)	11,857,108
<i>of which:</i> Collective assessment allowance	345,041	2,032	347,073	345,041	2,032	347,073
Zakat and taxation	11,632	(508)	11,124	11,575	(508)	11,067
Total equity	2,535,753	(1,524)	2,534,229	2,526,968	(1,524)	2,525,444
<i>of which:</i> Accumulated losses	(1,185,132)	74,937	(1,110,195)	(1,193,852)	75,347	(1,118,505)
Other reserves	954,900	(76,461)	878,439	955,310	(76,871)	878,439