

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

**Statements of Financial Position as at 30 September 2013**

		Group		Bank	
	Note	30.09.2013 RM'000	31.12.2012 RM'000	30.09.2013 RM'000	31.12.2012 RM'000
<b>Assets</b>					
Cash and short-term funds	9	<b>2,966,769</b>	1,657,866	<b>2,965,400</b>	1,657,400
Deposits and placements with banks and other financial institutions	10	<b>127,823</b>	38,042	<b>127,823</b>	38,042
Financial assets held-for-trading	11	<b>708,722</b>	1,610,558	<b>708,722</b>	1,610,558
Derivative financial assets	12	<b>41,782</b>	16,736	<b>41,782</b>	16,736
Financial assets available-for-sale	13	<b>13,795,506</b>	12,916,055	<b>13,797,517</b>	12,918,066
Financial assets held-to-maturity	14	<b>64,531</b>	178,291	<b>64,531</b>	178,291
Financing, advances and others	15	<b>22,567,067</b>	19,507,799	<b>22,567,067</b>	19,508,733
Other assets	16	<b>70,671</b>	132,657	<b>69,009</b>	131,145
Statutory deposits with Bank Negara Malaysia		<b>1,193,000</b>	1,059,900	<b>1,193,000</b>	1,059,900
Current tax assets		<b>40,574</b>	40,642	<b>40,468</b>	40,468
Deferred tax assets		<b>18,629</b>	18,455	<b>18,629</b>	18,629
Investments in subsidiary companies		-	-	<b>28,027</b>	28,027
Investment in associate company		-	22,912	-	22,563
Property and equipment		<b>212,478</b>	222,978	<b>212,246</b>	222,240
<b>Total assets</b>		<b>41,807,552</b>	37,422,891	<b>41,834,221</b>	37,450,798
<b>Liabilities and equity</b>					
Deposits from customers	17	<b>35,395,910</b>	32,550,990	<b>35,430,413</b>	32,583,175
Deposits and placements of banks and other financial institutions	18	<b>2,072,779</b>	860,278	<b>2,072,779</b>	860,278
Derivative financial liabilities	12	<b>37,048</b>	14,339	<b>37,048</b>	14,339
Bills and acceptance payable		<b>487,913</b>	385,138	<b>487,913</b>	385,138
Other liabilities	19	<b>484,205</b>	497,771	<b>479,818</b>	496,887
Zakat and taxation		<b>28,784</b>	11,410	<b>28,638</b>	11,366
<b>Total liabilities</b>		<b>38,506,639</b>	34,319,926	<b>38,536,609</b>	34,351,183

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**Statements of Financial Position as at 30 September 2013 (continued)**

		Group		Bank	
	Note	30.09.2013 RM'000	31.12.2012 RM'000	30.09.2013 RM'000	31.12.2012 RM'000
<b>Equity</b>					
Share capital		2,265,490	2,265,490	2,265,490	2,265,490
Reserves		<u>1,035,423</u>	<u>837,475</u>	<u>1,032,122</u>	<u>834,125</u>
<b>Total equity</b>		<u>3,300,913</u>	<u>3,102,965</u>	<u>3,297,612</u>	<u>3,099,615</u>
<b>Total liabilities and equity</b>		<u>41,807,552</u>	<u>37,422,891</u>	<u>41,834,221</u>	<u>37,450,798</u>
<b>Commitments and Contingencies</b>	29	<u>12,509,041</u>	<u>10,928,790</u>	<u>12,509,041</u>	<u>10,928,790</u>

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**Bank Islam Malaysia Berhad (98127-X)**  
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**Statements of Profit or Loss and Other Comprehensive Income  
for the nine months ended 30 September 2013**

Group	Note	3 months ended		9 months ended	
		30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Income derived from investment of depositors' funds	20	460,605	439,459	1,371,916	1,206,295
Income derived from investment of shareholders' funds	21	96,755	91,887	280,876	239,555
Allowances for impairment on financing and advances	22	(14,478)	(15,877)	(16,073)	(33,772)
Reversal of allowances for impairment on investments		243	92	243	484
Reversal of allowances for impairment on other assets		-	-	3,491	1,356
Provision for contingent liability		-	(30,000)	-	(30,000)
Direct expenses		(6,062)	(5,081)	(17,213)	(21,380)
Total distributable income		537,063	480,480	1,623,240	1,362,538
Income attributable to depositors	23	(194,572)	(145,247)	(573,719)	(416,886)
<b>Total net income</b>		<b>342,491</b>	<b>335,233</b>	<b>1,049,521</b>	<b>945,652</b>
Personnel expenses	24	(109,117)	(97,259)	(329,990)	(279,459)
Other overhead expenses	25	(80,915)	(82,286)	(243,218)	(234,441)
		152,459	155,688	476,313	431,752
Share of results of associate company		984	(323)	(349)	2,015
<b>Profit before zakat and tax</b>		<b>153,443</b>	<b>155,365</b>	<b>475,964</b>	<b>433,767</b>
Zakat		(2,259)	(2,324)	(6,788)	(5,689)
Tax expense		(39,514)	(42,830)	(125,408)	(119,303)
<b>Profit for the period</b>		<b>111,670</b>	<b>110,211</b>	<b>343,768</b>	<b>308,775</b>
<b>Earnings per share (sen)</b>				<b>15.16</b>	<b>13.63</b>

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**Statements of Profit or Loss and Other Comprehensive Income  
for the nine months ended 30 September 2013 (continued)**

Group	3 months ended		9 months ended	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Profit for the period	<u>111,670</u>	<u>110,211</u>	<u>343,768</u>	<u>308,775</u>
Other comprehensive income:				
Currency translation differences in respect of foreign operations	(9,993)	11,692	(20,337)	10,593
Net (loss)/gain on revaluation of financial assets available-for-sale	<u>(59,611)</u>	<u>395</u>	<u>(74,509)</u>	<u>10,182</u>
Other comprehensive income for the period, net of tax	<u>(69,604)</u>	<u>12,087</u>	<u>(94,846)</u>	<u>20,775</u>
Total comprehensive income for the period	<u>42,066</u>	<u>122,298</u>	<u>248,922</u>	<u>329,550</u>

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**Statements of Profit or Loss and Other Comprehensive Income  
for the nine months ended 30 September 2013**

Bank	Note	3 months ended		9 months ended	
		30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Income derived from investment of depositors' funds	20	460,605	439,811	1,371,927	1,208,109
Income derived from investment of shareholders' funds	21	94,731	89,399	275,501	237,008
Allowances for impairment on financing and advances	22	(14,478)	(15,877)	(16,073)	(33,772)
Reversal of allowances for impairment on investments		243	92	243	484
Reversal of allowances for impairment on other assets		-	-	3,491	1,356
Provision for contingent liability		-	(30,000)	-	(30,000)
Direct expenses		(6,062)	(5,081)	(17,213)	(21,380)
Total distributable income		535,039	478,344	1,617,876	1,361,805
Income attributable to depositors	23	(194,803)	(145,342)	(574,367)	(417,160)
<b>Total net income</b>		<b>340,236</b>	<b>333,002</b>	<b>1,043,509</b>	<b>944,645</b>
Personnel expenses	24	(107,883)	(95,992)	(326,740)	(275,751)
Other overhead expenses	25	(80,373)	(81,653)	(240,935)	(232,074)
<b>Profit before zakat and tax</b>		<b>151,980</b>	<b>155,357</b>	<b>475,834</b>	<b>436,820</b>
Zakat		(2,259)	(2,259)	(6,777)	(5,559)
Tax expense		(39,390)	(42,697)	(125,211)	(118,932)
<b>Profit for the period</b>		<b>110,331</b>	<b>110,401</b>	<b>343,846</b>	<b>312,329</b>

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**Statements of Profit or Loss and Other Comprehensive Income  
for the nine months ended 30 September 2013 (continued)**

Bank	3 months ended		9 months ended	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Profit for the period	<u>110,331</u>	<u>110,401</u>	<u>343,846</u>	<u>312,329</u>
Other comprehensive income:				
Currency translation differences in respect of foreign operations	(10,007)	11,704	(20,366)	10,603
Net (loss)/gain on revaluation of financial assets available-for-sale	<u>(59,611)</u>	<u>395</u>	<u>(74,509)</u>	<u>10,182</u>
Other comprehensive income for the period, net of tax	<u>(69,618)</u>	<u>12,099</u>	<u>(94,875)</u>	<u>20,785</u>
Total comprehensive income for the period	<u>40,713</u>	<u>122,500</u>	<u>248,971</u>	<u>333,114</u>

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**Bank Islam Malaysia Berhad (98127-X)**  
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**Consolidated Statement of Changes in Equity for the nine months ended 30 September 2013**

Group	← Attributable to equity holders of the Bank →				Total equity RM'000
	← Non-distributable	Share premium RM'000	Other reserves RM'000	Distributable Retained earnings/ (Accumulated losses) RM'000	
	Share capital RM'000				
<b>At 1 January 2013</b>	2,265,490	-	628,157	209,318	3,102,965
Profit for the period	-	-	-	343,768	343,768
Other comprehensive income	-	-	(94,846)	-	(94,846)
Total comprehensive income for the period	-	-	(94,846)	343,768	248,922
Dividends paid on ordinary shares	-	-	-	(50,974)	(50,974)
<b>At 30 September 2013</b>	<b>2,265,490</b>	<b>-</b>	<b>533,311</b>	<b>502,112</b>	<b>3,300,913</b>
<b>At 1 January 2012</b>	2,265,490	500,020	1,082,603	(1,040,270)	2,807,843
Profit for the period	-	-	-	308,775	308,775
Other comprehensive income	-	-	20,775	-	20,775
Total comprehensive income for the period	-	-	20,775	308,775	329,550
Zerorisation of accumulated losses	-	(500,020)	(684,335)	1,184,355	-
Transfer to statutory reserve	-	-	100,964	(100,964)	-
Dividends paid on ordinary shares	-	-	-	(95,660)	(95,660)
<b>At 30 September 2012</b>	<b>2,265,490</b>	<b>-</b>	<b>520,007</b>	<b>256,236</b>	<b>3,041,733</b>

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**Statement of Changes in Equity for the nine months ended 30 September 2013**

Bank	← Non-distributable →			Distributable	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings/ (Accumulated losses) RM'000	
<b>At 1 January 2013</b>	<b>2,265,490</b>	-	<b>628,159</b>	<b>205,966</b>	<b>3,099,615</b>
Profit for the period	-	-	-	<b>343,846</b>	<b>343,846</b>
Other comprehensive income	-	-	<b>(94,875)</b>	-	<b>(94,875)</b>
Total comprehensive income for the period	-	-	<b>(94,875)</b>	<b>343,846</b>	<b>248,971</b>
Dividends paid on ordinary shares	-	-	-	<b>(50,974)</b>	<b>(50,974)</b>
<b>At 30 September 2013</b>	<b>2,265,490</b>	-	<b>533,284</b>	<b>498,838</b>	<b>3,297,612</b>
<b>At 1 January 2012</b>	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
Zerorisation of accumulated losses	-	(500,020)	(684,335)	1,184,355	-
Transfer to statutory reserve	-	-	100,964	(100,964)	-
Dividends paid on ordinary shares	-	-	-	(95,660)	(95,660)
<b>At 30 September 2012</b>	<b>2,265,490</b>	-	<b>520,009</b>	<b>252,912</b>	<b>3,038,411</b>

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**Condensed Statements of Cash Flow**  
**for the nine months ended 30 September 2013**

	Group		Bank	
	9 months ended		9 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Profit before zakat and tax	<b>475,964</b>	433,767	<b>475,834</b>	436,820
Adjustment for non-cash items	<b>24,340</b>	53,397	<b>23,540</b>	49,202
Operating profit before working capital changes	<b>500,304</b>	487,164	<b>499,374</b>	486,022
Changes in working capital:				
Net changes in operating assets	<b>(1,951,262)</b>	(3,727,303)	<b>(1,950,177)</b>	(3,737,246)
Net changes in operating liabilities	<b>2,960,846</b>	2,733,831	<b>2,959,660</b>	2,723,626
Cash generated from / (used in) operations	<b>1,509,888</b>	(506,308)	<b>1,508,857</b>	(527,598)
Zakat and tax paid	<b>(114,558)</b>	(95,427)	<b>(114,346)</b>	(94,840)
Tax refund	<b>-</b>	1,794	<b>-</b>	1,790
Net cash generated from / (used in) operating activities	<b>1,395,330</b>	(599,941)	<b>1,394,511</b>	(620,648)
Net cash generated from / (used in) investing activities	<b>74,670</b>	(1,317,434)	<b>74,612</b>	(1,312,336)
Net cash used in financing activities	<b>(50,974)</b>	(95,660)	<b>(50,974)</b>	(95,660)
Net increase / (decrease) in cash and cash equivalents	<b>1,419,026</b>	(2,013,035)	<b>1,418,149</b>	(2,028,644)
Cash and cash equivalents at beginning of the period	<b>1,695,908</b>	4,224,361	<b>1,695,442</b>	4,215,945
Exchange difference on translation	<b>(20,342)</b>	(65,866)	<b>(20,368)</b>	(66,268)
Cash and cash equivalents at end of the period	<b>3,094,592</b>	2,145,460	<b>3,093,223</b>	2,121,033

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**Notes to the unaudited interim financial statements  
for the nine months ended 30 September 2013**

**1. Basis of preparation**

The unaudited interim financial statements of the Group and of the Bank for the nine months ended 30 September 2013 have been prepared in accordance with the applicable requirements of MFRS 134: *Interim Financial Reporting* in Malaysia issued by Malaysian Accounting Standards Board (MASB), Financial Reporting for Islamic Banking Institution policy issued by Bank Negara Malaysia (BNM), 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 of the Bank for the financial year ended 31 December 2012. 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 2012.

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 2012, except for the adoption of the following Malaysian Financial Reporting Standards (MFRS) and amendments to MFRSs:

- MFRS 10, *Consolidated Financial Statements*
- MFRS 11, *Joint Arrangements*
- MFRS 12, *Disclosure of Interests in Other Entities*
- MFRS 13, *Fair Value Measurement*
- MFRS 119, *Employee Benefits* (2011)
- MFRS 127, *Separate Financial Statements* (2011)
- MFRS 128, *Investments in Associates and Joint Ventures* (2011)
- Amendments to MFRS 101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 1, *First-time Adoption of Malaysia Financial Reporting Standards – Government Loans*
- Amendments to MFRS 1, *First-time Adoption of Malaysia Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 101, *Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*

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**1. Basis of preparation (continued)**

- Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*
- Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*

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

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 132, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- MFRS 9, *Financial Instruments (2009)*
- MFRS 9, *Financial Instruments (2010)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures*

**2. Auditors' reports on preceding financial period financial statements**

The auditors' report on the audited financial statements for the financial year ended 31 December 2012 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 2013.

**4. Unusual items**

There were no unusual items in the nine months ended 30 September 2013.

**5. Changes in accounting estimates**

There was no material changes in estimates of amounts reported in the prior financial year that has a material effect to the financial statements for the nine months ended 30 September 2013.

**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 2013.

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**7. Significant events during the nine months ended 30 September 2013**

**Investment in Amana Bank Limited, Sri Lanka (Amana Bank)**

The Bank had 20% stake in Amana Bank which provides Shariah compliant banking and related financial services in Sri Lanka. The Central Bank of Sri Lanka has capped foreign ownership to 15% and has given the Bank until 2015 to reduce the Bank's shareholding.

Amana Bank recently issued right issues as part of their capital planning which the Bank did not subscribe to. As a result the Bank's shareholding in Amana Bank has reduced to 17.79% as at 30 September 2013. The investment in Amana Bank is now classified as part of financial assets available-for-sale.

**8. Dividends**

During the nine months ended 30 September 2013, a final dividend of 3.0 sen per ordinary share less 25% income tax, amounting to RM50,973,525 was paid on 12 April 2013 in respect of the financial year ended 31 December 2012.

**9. Cash and short-term funds**

	<b>Group</b>		<b>Bank</b>	
	<b>30.09.2013</b>	<b>31.12.2012</b>	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and balances with banks and other financial institutions	<b>620,550</b>	782,538	<b>619,270</b>	782,270
Money at call and interbank placements with remaining maturity not exceeding one month	<b>2,346,219</b>	875,328	<b>2,346,130</b>	875,130
	<b><u>2,966,769</u></b>	<u>1,657,866</u>	<b><u>2,965,400</u></b>	<u>1,657,400</u>

**10. Deposits and placements with banks and other financial institutions**

	<b>Group and Bank</b>	
	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed Islamic banks	<b>127,823</b>	38,042
	<b><u>127,823</u></b>	<u>38,042</u>

**Bank Islam Malaysia Berhad (98127-X)**  
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**11. Financial assets held-for-trading**

	<b>Group and Bank</b>	
	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
Malaysian Government Investment Issues	<b>377,392</b>	20,190
Bank Negara Negotiable Notes	<b>40,269</b>	846,786
Islamic Debt Securities	<b>291,061</b>	683,891
Islamic Commercial Papers	-	49,884
Malaysian Islamic Treasury Bills	-	9,807
	<b>708,722</b>	<b>1,610,558</b>

**12. 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.

<b>Group and Bank</b>	<b>Principal amount</b>	<b>Fair value</b>	
		<b>Assets</b>	<b>Liabilities</b>
<b>30.09.2013</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Forward contracts	<b>2,839,252</b>	<b>25,542</b>	<b>(29,084)</b>
Profit rate swaps	<b>1,317,227</b>	<b>14,692</b>	<b>(6,416)</b>
Structured deposits	<b>111,185</b>	<b>1,548</b>	<b>(1,548)</b>
	<b>4,267,664</b>	<b>41,782</b>	<b>(37,048)</b>

<b>Group and Bank</b>	<b>Principal amount</b>	<b>Fair value</b>	
		<b>Assets</b>	<b>Liabilities</b>
<b>31.12.2012</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Forward contracts	680,789	2,523	(1,365)
Profit rate swaps	1,434,000	12,200	(10,961)
Structured deposits	114,095	2,013	(2,013)
	<b>2,228,884</b>	<b>16,736</b>	<b>(14,339)</b>

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**13. Financial assets available-for-sale**

	<b>Group</b>		<b>Bank</b>	
	<b>30.09.2013</b>	<b>31.12.2012</b>	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>				
Unit trust	<u>3,229</u>	<u>3,229</u>	<u>3,229</u>	<u>3,229</u>
<b>At fair value</b>				
Malaysian Government				
Investment Issues	<b>1,264,562</b>	1,893,477	<b>1,264,562</b>	1,893,477
Negotiable Islamic Debt				
Certificates	<b>2,042,643</b>	2,239,370	<b>2,042,643</b>	2,239,370
Islamic Debt Securities	<b>10,431,036</b>	8,768,603	<b>10,433,047</b>	8,770,614
Islamic Commercial				
Papers	<b>19,984</b>	-	<b>19,984</b>	-
	<u><b>13,758,225</b></u>	<u>12,901,450</u>	<u><b>13,760,236</b></u>	<u>12,903,461</u>
<b>At fair value</b>				
Islamic Development				
Bank Unit Trust	<u><b>1,614</b></u>	<u>1,530</u>	<u><b>1,614</b></u>	<u>1,530</u>
<b>At cost</b>				
Unquoted shares in				
Malaysia	<b>23,384</b>	22,477	<b>23,384</b>	22,477
Less: Accumulated				
impairment loss *	<u><b>(14,668)</b></u>	<u>(13,761)</u>	<u><b>(14,668)</b></u>	<u>(13,761)</u>
	<u><b>8,716</b></u>	<u>8,716</u>	<u><b>8,716</b></u>	<u>8,716</u>
<b>At cost</b>				
Unquoted shares outside				
Malaysia	<u><b>23,722</b></u>	<u>1,130</u>	<u><b>23,722</b></u>	<u>1,130</u>
	<u><b>13,795,506</b></u>	<u>12,916,055</u>	<u><b>13,797,517</b></u>	<u>12,918,066</u>

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

**14. Financial assets held-to-maturity**

	<b>Group and Bank</b>	
	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost</b>		
Unquoted securities in Malaysia:		
Islamic Debt Securities	<b>84,026</b>	198,029
Less: Accumulated impairment loss	<b>(19,495)</b>	(19,738)
	<u><b>64,531</b></u>	<u>178,291</u>

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**15. Financing, advances and others**

(a) By type and Shariah contract

<b>Group &amp; Bank</b>	<b>Bai' Bithaman Ajil</b>	<b>Murabahah</b>	<b>Bai Al-Inah</b>	<b>At-Tawarruq</b>	<b>Ijarah Muntahiah Bit-Tamleek</b>	<b>Ijarah Thumma Al-Bai'</b>	<b>Istisna'</b>	<b>Ar-Rahnu</b>	<b>Total</b>
<b>30 September 2013</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost</b>									
Cash line	-	-	202,855	496,741	-	-	-	-	<b>699,596</b>
Term financing									
House financing	5,458,522	-	-	602,798	-	-	67,867	-	<b>6,129,187</b>
Syndicated financing	33,631	-	185,680	446,424	-	33,898	-	-	<b>699,633</b>
Leasing financing	-	-	-	-	61,477	163,284	-	-	<b>224,761</b>
Bridging financing	-	-	-	-	-	-	87,048	-	<b>87,048</b>
Personal financing	-	-	763,813	7,183,164	-	-	-	-	<b>7,946,977</b>
Other term financing	3,575,467	-	7,348	2,003,587	-	-	1,899	-	<b>5,588,301</b>
Staff financing	126,157	-	967	19,865	-	-	22,694	-	<b>169,683</b>
Credit cards	-	-	431,015	-	-	-	-	-	<b>431,015</b>
Trade bills discounted	-	962,212	14,427	-	-	-	-	-	<b>976,639</b>
Trust receipts	-	38,620	-	-	-	-	-	-	<b>38,620</b>
Pawn broking	-	-	-	-	-	-	-	86,505	<b>86,505</b>
	<b>9,193,777</b>	<b>1,000,832</b>	<b>1,606,105</b>	<b>10,752,579</b>	<b>61,477</b>	<b>197,182</b>	<b>179,508</b>	<b>86,505</b>	<b>23,077,965</b>
Allowance for impaired financing, advances and others									
- collective assessment allowance									<b>(368,222)</b>
- individual assessment allowance									<b>(142,676)</b>
<b>Net financing, advances and others</b>									<b>22,567,067</b>

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**15. Financing, advances and others (continued)**

**(a) By type and Shariah contract (continued)**

<b>Group</b>	<b>Bai' Bithaman Ajil RM'000</b>	<b>Murabahah RM'000</b>	<b>Bai Al-Inah RM'000</b>	<b>At-Tawarruq RM'000</b>	<b>Ijarah Muntahiah Bit-Tamleek RM'000</b>	<b>Ijarah RM'000</b>	<b>Istisna' RM'000</b>	<b>Ar-Rahnu RM'000</b>	<b>Total RM'000</b>
<b>31 December 2012</b>									
<b>At amortised cost</b>									
Cash line	803	-	219,981	397,771	-	-	-	-	618,555
Term financing									
House financing	5,123,177	-	-	-	-	-	63,076	-	5,186,253
Syndicated financing	41,745	-	170,209	180,177	-	33,935	-	-	426,066
Leasing financing	-	-	-	-	30,626	172,954	-	-	203,580
Bridging financing	-	-	-	-	-	-	151,127	-	151,127
Personal financing	-	-	876,635	5,731,481	-	-	-	-	6,608,116
Other term financing	3,429,173	-	29,584	1,075,425	-	-	12,777	-	4,546,959
Staff financing	125,103	-	2,279	18,363	-	-	19,635	-	165,380
Credit cards	-	-	430,984	-	-	-	-	-	430,984
Trade bills discounted	-	1,352,851	-	127,364	-	-	-	-	1,480,215
Trust receipts	-	50,314	-	-	-	-	-	-	50,314
Pawn broking	-	-	-	-	-	-	-	80,572	80,572
	<b>8,720,001</b>	<b>1,403,165</b>	<b>1,729,672</b>	<b>7,530,581</b>	<b>30,626</b>	<b>206,889</b>	<b>246,615</b>	<b>80,572</b>	<b>19,948,121</b>
Allowance for impaired financing, advances and others									
- collective assessment allowance									(313,334)
- individual assessment allowance									(126,988)
Net financing, advances and others									<b>19,507,799</b>



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**15. Financing, advances and others (continued)**

**(a) By type and Shariah contract (continued)**

<b>Bank</b>	<b>Bai' Bithaman Ajil RM'000</b>	<b>Murabahah RM'000</b>	<b>Bai Al-Inah RM'000</b>	<b>At-Tawarruq RM'000</b>	<b>Ijarah Muntahiah Bit-Tamleek RM'000</b>	<b>Ijarah RM'000</b>	<b>Istisna' RM'000</b>	<b>Ar-Rahnu RM'000</b>	<b>Total RM'000</b>
<b>31 December 2012</b>									
<b>At amortised cost</b>									
Cash line	803	-	220,915	397,771	-	-	-	-	619,489
Term financing									
House financing	5,123,177	-	-	-	-	-	63,076	-	5,186,253
Syndicated financing	41,745	-	170,209	180,177	-	33,935	-	-	426,066
Leasing financing	-	-	-	-	30,626	172,954	-	-	203,580
Bridging financing	-	-	-	-	-	-	151,127	-	151,127
Personal financing	-	-	876,635	5,731,481	-	-	-	-	6,608,116
Other term financing	3,429,173	-	29,584	1,075,425	-	-	12,777	-	4,546,959
Staff financing	125,103	-	2,279	18,363	-	-	19,635	-	165,380
Credit cards	-	-	430,984	-	-	-	-	-	430,984
Trade bills discounted	-	1,352,851	-	127,364	-	-	-	-	1,480,215
Trust receipts	-	50,314	-	-	-	-	-	-	50,314
Pawn broking	-	-	-	-	-	-	-	80,572	80,572
	<b>8,720,001</b>	<b>1,403,165</b>	<b>1,730,606</b>	<b>7,530,581</b>	<b>30,626</b>	<b>206,889</b>	<b>246,615</b>	<b>80,572</b>	<b>19,949,055</b>
Allowance for impaired financing, advances and others									
- collective assessment allowance									(313,334)
- individual assessment allowance									(126,988)
Net financing, advances and others									<b>19,508,733</b>

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**15. Financing, advances and others (continued)**

**(b) By type of customer**

	<b>Group</b>		<b>Bank</b>	
	<b>30.09.2013</b>	<b>31.12.2012</b>	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Domestic non-bank financial institutions	<b>229,471</b>	57,558	<b>229,471</b>	58,492
Domestic business enterprise	<b>4,558,315</b>	4,327,447	<b>4,558,315</b>	4,327,447
Small medium industries	<b>611,120</b>	493,352	<b>611,120</b>	493,352
Government and statutory bodies	<b>198,432</b>	165,550	<b>198,432</b>	165,550
Individuals	<b>17,203,264</b>	14,679,594	<b>17,203,264</b>	14,679,594
Other domestic entities	<b>4,553</b>	5,646	<b>4,553</b>	5,646
Foreign entities	<b>272,810</b>	218,974	<b>272,810</b>	218,974
	<b><u>23,077,965</u></b>	<u>19,948,121</u>	<b><u>23,077,965</u></b>	<u>19,949,055</u>

**(c) By profit rate sensitivity**

	<b>Group</b>		<b>Bank</b>	
	<b>30.09.2013</b>	<b>31.12.2012</b>	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fixed rate				
House financing	<b>1,565,212</b>	1,552,555	<b>1,565,212</b>	1,552,555
Others	<b>8,098,839</b>	8,926,966	<b>8,098,839</b>	8,927,900
Floating rate				
Others	<b>13,413,914</b>	9,468,600	<b>13,413,914</b>	9,468,600
	<b><u>23,077,965</u></b>	<u>19,948,121</u>	<b><u>23,077,965</u></b>	<u>19,949,055</u>

**(d) By remaining contractual maturity**

	<b>Group</b>		<b>Bank</b>	
	<b>30.09.2013</b>	<b>31.12.2012</b>	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Maturity within one year	<b>3,056,266</b>	3,065,264	<b>3,056,266</b>	3,066,198
More than one year to three years	<b>886,799</b>	969,154	<b>886,799</b>	969,154
More than three years to five years	<b>1,411,725</b>	1,082,872	<b>1,411,725</b>	1,082,872
More than five years	<b>17,723,175</b>	14,830,831	<b>17,723,175</b>	14,830,831
	<b><u>23,077,965</u></b>	<u>19,948,121</u>	<b><u>23,077,965</u></b>	<u>19,949,055</u>

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**15. Financing, advances and others (continued)**

**(e) By geographical distribution**

	<b>Group</b>		<b>Bank</b>	
	<b>30.09.2013</b>	<b>31.12.2012</b>	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Central Region	<b>10,085,919</b>	8,570,148	<b>10,085,919</b>	8,571,082
Eastern Region	<b>4,261,732</b>	3,635,878	<b>4,261,732</b>	3,635,878
Northern Region	<b>3,690,828</b>	3,165,074	<b>3,690,828</b>	3,165,074
Southern Region	<b>3,112,428</b>	2,920,068	<b>3,112,428</b>	2,920,068
East Malaysia Region	<b>1,927,058</b>	1,656,953	<b>1,927,058</b>	1,656,953
	<b><u>23,077,965</u></b>	<u>19,948,121</u>	<b><u>23,077,965</u></b>	<u>19,949,055</u>

**(f) By sector**

	<b>Group</b>		<b>Bank</b>	
	<b>30.09.2013</b>	<b>31.12.2012</b>	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	<b>169,252</b>	223,163	<b>169,252</b>	223,163
Mining and quarrying	<b>6,875</b>	5,334	<b>6,875</b>	5,334
Manufacturing (including agro-based)	<b>900,259</b>	1,016,127	<b>900,259</b>	1,016,127
Electricity, gas and water	<b>324,878</b>	175,743	<b>324,878</b>	175,743
Wholesale & retail trade, and hotels & restaurants	<b>835,033</b>	673,210	<b>835,033</b>	673,210
Construction	<b>1,728,778</b>	1,725,523	<b>1,728,778</b>	1,725,523
Real estate	<b>558,020</b>	572,787	<b>558,020</b>	572,787
Transport, storage and communications	<b>241,842</b>	208,945	<b>241,842</b>	208,945
Finance, insurance and business activities	<b>763,183</b>	391,521	<b>763,183</b>	392,455
Education, health and others	<b>327,329</b>	254,018	<b>327,329</b>	254,018
Household sectors	<b>17,214,865</b>	14,693,126	<b>17,214,865</b>	14,693,126
Other sectors	<b>7,651</b>	8,624	<b>7,651</b>	8,624
	<b><u>23,077,965</u></b>	<u>19,948,121</u>	<b><u>23,077,965</u></b>	<u>19,949,055</u>

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**15. Financing, advances and others (continued)**

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

	<b>Group and Bank</b>	
	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM’000</b>	<b>RM’000</b>
At 1 January 2013/ 2012	<b>308,709</b>	379,790
Classified as impaired during the period/year	<b>310,489</b>	427,775
Reclassified as not impaired during the period/year	<b>(174,338)</b>	(254,872)
Amount recovered	<b>(56,791)</b>	(92,264)
Amount written off	<b>(71,344)</b>	(151,472)
Exchange differences	<b>4,327</b>	(248)
At 30 September 2013/ 31 December 2012	<b><u>321,052</u></b>	<u>308,709</u>
Gross impaired financing as a percentage of gross financing, advances and others	<b><u>1.39%</u></b>	<u>1.55%</u>

(h) Impaired financing by geographical distribution

	<b>Group and Bank</b>	
	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM’000</b>	<b>RM’000</b>
Central Region	<b>152,028</b>	130,400
Eastern Region	<b>26,656</b>	26,053
Northern Region	<b>58,220</b>	66,894
Southern Region	<b>17,789</b>	22,199
East Malaysia Region	<b>66,359</b>	63,163
	<b><u>321,052</u></b>	<u>308,709</u>

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**15. Financing, advances and others (continued)**

**(i) Impaired financing by sector**

	<b>Group and Bank</b>	
	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	-	207
Manufacturing (including agro-based)	47,816	46,483
Electricity, gas and water	951	160
Wholesale & retail trade, and hotels & restaurants	15,904	17,422
Construction	73,492	74,341
Real estate	-	101
Transport, storage and communications	32,982	722
Finance, insurance and business activities	11,624	9,977
Education, health and others	17	-
Household sectors	138,241	159,273
Other sectors	25	23
	<b>321,052</b>	<b>308,709</b>

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

	<b>Group and Bank</b>	
	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Collective assessment allowance</u></b>		
At 1 January 2013/ 2012	313,334	327,688
Allowance made during the period/year	118,475	102,185
Amount written off	(67,660)	(116,848)
Exchange differences	4,073	309
At 30 September 2013/ 31 December 2012	<b>368,222</b>	<b>313,334</b>
<b><u>Individual assessment allowance</u></b>		
At 1 January 2013/ 2012	126,988	75,770
Allowance made during the period/year	19,257	85,042
Amount written off	(3,569)	(33,824)
At 30 September 2013/ 31 December 2012	<b>142,676</b>	<b>126,988</b>

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**16. Other assets**

	Group		Bank	
	30.09.2013	31.12.2012	30.09.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Other receivables	31,523	96,727	30,497	94,797
Deposit and prepayments	37,780	35,898	37,089	35,143
Related companies	1,368	32	1,423	1,205
	<u>70,671</u>	<u>132,657</u>	<u>69,009</u>	<u>131,145</u>

**17. Deposits from customers**

**a) By type of deposit**

	Group		Bank	
	30.09.2013	31.12.2012	30.09.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
<i>Non-Mudharabah fund</i>				
Demand deposits	7,801,571	8,963,892	7,805,427	8,968,608
Saving deposits	2,544,172	2,515,341	2,544,172	2,515,341
Negotiable Islamic Debt Securities ("NIDC")	1,720,558	1,638,528	1,720,558	1,638,528
Waheed-i	3,698,863	2,213,836	3,699,540	2,214,548
Ziyad	99,072	101,664	99,072	101,664
Others	81,237	78,562	81,237	78,562
	<u>15,945,473</u>	<u>15,511,823</u>	<u>15,950,006</u>	<u>15,517,251</u>
<i>Mudharabah fund</i>				
Saving deposits	2,122,918	1,942,190	2,122,918	1,942,190
General investment deposits	2,139,659	2,173,818	2,139,659	2,174,125
Special investment deposits	15,187,860	12,923,159	15,217,830	12,949,609
	<u>19,450,437</u>	<u>17,039,167</u>	<u>19,480,407</u>	<u>17,065,924</u>
	<u>35,395,910</u>	<u>32,550,990</u>	<u>35,430,413</u>	<u>32,583,175</u>

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

	Group		Bank	
	30.09.2013	31.12.2012	30.09.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Due within six months	20,976,059	16,983,754	21,006,181	17,010,698
More than six months to one year	1,688,315	1,243,158	1,688,840	1,243,683
More than one year to three years	135,433	775,333	135,433	775,333
More than three years to five years	46,205	48,760	46,205	48,760
	<u>22,846,012</u>	<u>19,051,005</u>	<u>22,876,659</u>	<u>19,078,474</u>

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**17. Deposits from customers (continued)**

**c) By type of customer**

	<b>Group</b>		<b>Bank</b>	
	<b>30.09.2013</b>	<b>31.12.2012</b>	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	<b>7,568,280</b>	7,378,695	<b>7,568,280</b>	7,378,695
Business enterprises	<b>10,187,096</b>	8,943,008	<b>10,187,096</b>	8,943,008
Individuals	<b>5,116,949</b>	5,263,990	<b>5,116,949</b>	5,263,990
Others	<b>12,523,585</b>	10,965,297	<b>12,558,088</b>	10,997,482
	<b><u>35,395,910</u></b>	<u>32,550,990</u>	<b><u>35,430,413</u></b>	<u>32,583,175</u>

**18. Deposits and placements of banks and other financial institutions**

	<b>Group and Bank</b>	
	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<i>Non-Mudharabah fund</i>		
Licensed Islamic banks	<b>1,535</b>	1,475
Other financial institutions	<b>45,484</b>	50,153
	<b><u>47,019</u></b>	<u>51,628</u>
<i>Mudharabah fund</i>		
Licensed Islamic banks	<b>1,783,560</b>	768,360
Other financial institutions	<b>242,200</b>	40,290
	<b><u>2,025,760</u></b>	<u>808,650</u>
	<b><u>2,072,779</u></b>	<u>860,278</u>

**19. Other liabilities**

	<b>Group</b>		<b>Bank</b>	
	<b>30.09.2013</b>	<b>31.12.2012</b>	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other payable	<b>360,154</b>	362,571	<b>356,725</b>	363,141
Accruals	<b>124,051</b>	135,200	<b>123,093</b>	133,746
	<b><u>484,205</u></b>	<u>497,771</u>	<b><u>479,818</u></b>	<u>496,887</u>

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**20. Income derived from investment of depositors' funds**

Group	3 months ended		9 months ended	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Income derived from investment of:				
(i) General investment deposits	29,328	31,121	88,679	91,741
(ii) Other deposits	431,277	408,338	1,283,237	1,114,554
	<u>460,605</u>	<u>439,459</u>	<u>1,371,916</u>	<u>1,206,295</u>

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

Group	3 months ended		9 months ended	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
<b><i>Finance, income and hibah</i></b>				
Financing, advances and others	21,963	20,249	64,426	61,713
Financial assets:				
- held-for-trading	357	232	1,320	474
- available-for-sale	6,194	6,213	18,319	20,012
- held-to-maturity	43	3,440	487	4,034
Money at call and deposits with financial institutions	713	687	3,303	3,028
	<u>29,270</u>	<u>30,821</u>	<u>87,855</u>	<u>89,261</u>
<b><i>Other dealing income</i></b>				
Net (loss)/gain from sale of financial assets held-for-trading	(280)	114	(235)	269
Net gain/(loss) on revaluation of financial assets held-for-trading	283	(10)	643	772
	<u>3</u>	<u>104</u>	<u>408</u>	<u>1,041</u>
<b><i>Other operating income</i></b>				
Net gain from sale of financial assets available-for-sale	55	196	445	1,439
Loss on redemption of financial assets held-to-maturity	-	-	(29)	-
	<u>55</u>	<u>196</u>	<u>416</u>	<u>1,439</u>
	<u>29,328</u>	<u>31,121</u>	<u>88,679</u>	<u>91,741</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	<u>344</u>	<u>420</u>	<u>1,353</u>	<u>1,266</u>



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

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

Group	3 months ended		9 months ended	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
<b><i>Finance, income and hibah</i></b>				
Financing, advances and others	<b>322,957</b>	266,285	<b>932,596</b>	749,314
Financial assets:				
- held-for-trading	<b>5,257</b>	3,058	<b>19,089</b>	5,888
- available-for-sale	<b>91,088</b>	81,797	<b>265,037</b>	243,191
- held-to-maturity	<b>632</b>	44,181	<b>7,000</b>	51,086
Money at call and deposits with financial institutions	<b>10,484</b>	9,103	<b>47,784</b>	36,152
	<b>430,418</b>	404,424	<b>1,271,506</b>	1,085,631
<b><i>Other dealing income</i></b>				
Net (loss)/gain from sale of financial assets held-for-trading	<b>(4,110)</b>	1,472	<b>(3,484)</b>	3,268
Net gain/(loss) on revaluation of financial assets held-for-trading	<b>4,163</b>	(147)	<b>9,217</b>	8,925
	<b>53</b>	1,325	<b>5,733</b>	12,193
<b><i>Other operating income</i></b>				
Net gain from sale of financial assets available-for-sale	<b>806</b>	2,589	<b>6,428</b>	16,730
Loss on redemption of financial assets held-to-maturity	-	-	<b>(430)</b>	-
	<b>806</b>	2,589	<b>5,998</b>	16,730
	<b>431,277</b>	408,338	<b>1,283,237</b>	1,114,554
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	<b>5,060</b>	5,522	<b>19,578</b>	15,461

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

<b>Bank</b>	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2013</b>	<b>30.09.2012</b>	<b>30.09.2013</b>	<b>30.09.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of:				
(i) General investment deposits	<b>29,328</b>	31,121	<b>88,679</b>	91,735
(ii) Other deposits	<b>431,277</b>	408,690	<b>1,283,248</b>	1,116,374
	<b>460,605</b>	439,811	<b>1,371,927</b>	1,208,109

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

<b>Bank</b>	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2013</b>	<b>30.09.2012</b>	<b>30.09.2013</b>	<b>30.09.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><i>Finance, income and hibah</i></b>				
Financing, advances and others	<b>21,963</b>	20,249	<b>64,426</b>	61,707
Financial assets:				
- held-for-trading	<b>357</b>	232	<b>1,320</b>	474
- available-for-sale	<b>6,194</b>	6,213	<b>18,319</b>	20,012
- held-to-maturity	<b>43</b>	3,440	<b>487</b>	4,034
Money at call and deposits with financial institutions	<b>713</b>	687	<b>3,303</b>	3,028
	<b>29,270</b>	30,821	<b>87,855</b>	89,255
<b><i>Other dealing income</i></b>				
Net (loss)/gain from sale of financial assets held-for-trading	<b>(280)</b>	114	<b>(235)</b>	269
Net gain/(loss) on revaluation of financial assets held-for-trading	<b>283</b>	(10)	<b>643</b>	772
	<b>3</b>	104	<b>408</b>	1,041
<b><i>Other operating income</i></b>				
Net gain from sale of financial assets available-for-sale	<b>55</b>	196	<b>445</b>	1,439
Loss on redemption of financial assets held-to-maturity	<b>-</b>	-	<b>(29)</b>	-
	<b>55</b>	196	<b>416</b>	1,439
	<b>29,328</b>	31,121	<b>88,679</b>	91,735
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	<b>344</b>	420	<b>1,353</b>	1,266

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

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

Bank	3 months ended		9 months ended	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
<b><i>Finance, income and hibah</i></b>				
Financing, advances and others	322,957	266,637	932,607	751,134
Financial assets:				
- held-for-trading	5,257	3,058	19,089	5,888
- available-for-sale	91,088	81,797	265,037	243,191
- held-to-maturity	632	44,181	7,000	51,086
Money at call and deposits with financial institutions	10,484	9,103	47,784	36,152
	<u>430,418</u>	<u>404,776</u>	<u>1,271,517</u>	<u>1,087,451</u>
<b><i>Other dealing income</i></b>				
Net (loss)/gain from sale of financial assets held-for-trading	(4,110)	1,472	(3,484)	3,268
Net gain/(loss) on revaluation of financial assets held-for-trading	4,163	(147)	9,217	8,925
	<u>53</u>	<u>1,325</u>	<u>5,733</u>	<u>12,193</u>
<b><i>Other operating income</i></b>				
Net gain from sale of financial assets available-for-sale	806	2,589	6,428	16,730
Loss on redemption of financial assets held-to-maturity	-	-	(430)	-
	<u>806</u>	<u>2,589</u>	<u>5,998</u>	<u>16,730</u>
	<u>431,277</u>	<u>408,690</u>	<u>1,283,248</u>	<u>1,116,374</u>
<i>of which</i>				
Financing income earned on impaired financing	5,060	5,522	19,578	15,461

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**21. Income derived from investment of shareholders' funds**

Group	3 months ended		9 months ended	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
<b><i>Finance, income and hibah</i></b>				
Financing, advances and others	1,124	1,073	3,323	5,705
Financial assets available-for-sale	25,384	25,929	75,217	76,409
Money at call and deposits with financial institutions	4,638	598	13,053	1,560
	<u>31,146</u>	<u>27,600</u>	<u>91,593</u>	<u>83,674</u>
<b><i>Other dealing income</i></b>				
Net gain from foreign exchange transactions	20,425	15,722	53,536	34,778
Net derivatives gain	1,897	7,727	4,753	1,492
	<u>22,322</u>	<u>23,449</u>	<u>58,289</u>	<u>36,270</u>
<b><i>Other operating income</i></b>				
Profit on sale of foreign currencies	-	992	-	2,647
Reversal of impairment allowance	76	60	200	180
Gross dividend income from securities				
- unit trust in Malaysia	-	-	-	43
- unit trust outside Malaysia	-	24	-	56
- unquoted in Malaysia	-	360	6,458	3,217
	<u>76</u>	<u>1,436</u>	<u>6,658</u>	<u>6,143</u>
<b><i>Fees and commission</i></b>				
Fees	34,190	31,478	98,224	92,087
Commission	5,994	4,550	17,104	12,884
Others	2,440	2,741	7,349	6,737
	<u>42,624</u>	<u>38,769</u>	<u>122,677</u>	<u>111,708</u>
<b><i>Other income</i></b>				
Net loss on disposal of property and equipment	(199)	-	(1,183)	(18)
Rental income	757	618	2,566	1,188
Other income	29	15	276	590
	<u>587</u>	<u>633</u>	<u>1,659</u>	<u>1,760</u>
	<u>96,755</u>	<u>91,887</u>	<u>280,876</u>	<u>239,555</u>

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

Bank	3 months ended		9 months ended	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
<i>Finance, income and hibah</i>				
Financing, advances and others	1,124	1,073	3,323	3,117
Financial assets available-for-sale	25,384	25,929	75,217	76,409
Money at call and deposits with financial institutions	4,638	588	13,054	1,559
	<u>31,146</u>	<u>27,590</u>	<u>91,594</u>	<u>81,085</u>
<i>Other dealing income</i>				
Net gain from foreign exchange transactions	20,425	15,722	53,536	34,778
Net derivatives gain/(loss)	1,897	7,727	4,753	1,492
	<u>22,322</u>	<u>23,449</u>	<u>58,289</u>	<u>36,270</u>
<i>Other operating income</i>				
Gross dividend income from securities				
- unit trust in Malaysia	-	-	-	43
- unit trust outside Malaysia	-	24	-	56
- unquoted in Malaysia	-	360	6,458	3,217
Gross dividend income from subsidiary	-	-	-	6,000
	<u>-</u>	<u>384</u>	<u>6,458</u>	<u>9,316</u>
<i>Fees and commission</i>				
Fees	31,987	29,751	92,062	87,769
Commission	5,994	4,550	17,104	12,884
Others	2,700	3,040	8,446	7,966
	<u>40,681</u>	<u>37,341</u>	<u>117,612</u>	<u>108,619</u>
<i>Other income</i>				
Net loss on disposal of property and equipment	(199)	-	(1,166)	(18)
Rental income	757	618	2,566	1,188
Other income	24	17	148	548
	<u>582</u>	<u>635</u>	<u>1,548</u>	<u>1,718</u>
	<u>94,731</u>	<u>89,399</u>	<u>275,501</u>	<u>237,008</u>

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**22. Allowances for impairment on financing and advances**

<b>Group and Bank</b>	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2013</b>	<b>30.09.2012</b>	<b>30.09.2013</b>	<b>30.09.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Allowances for impaired financing, advances and others:				
- collective assessment allowance	<b>26,875</b>	36,586	<b>118,475</b>	100,491
- individual assessment allowance	<b>13,830</b>	1,464	<b>19,257</b>	23,655
Bad debts and financing recovered	<b>(26,227)</b>	(22,173)	<b>(121,659)</b>	(90,374)
	<b>14,478</b>	15,877	<b>16,073</b>	33,772

**23. Income attributable to depositors**

<b>Group</b>	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2013</b>	<b>30.09.2012</b>	<b>30.09.2013</b>	<b>30.09.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers				
- Mudharabah fund	<b>148,247</b>	97,363	<b>433,125</b>	266,384
- Non-Mudharabah fund	<b>36,267</b>	46,105	<b>122,127</b>	144,610
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	<b>7,991</b>	1,766	<b>15,234</b>	5,748
- Non-Mudharabah fund	<b>2,067</b>	13	<b>3,233</b>	144
	<b>194,572</b>	145,247	<b>573,719</b>	416,886

<b>Bank</b>	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2013</b>	<b>30.09.2012</b>	<b>30.09.2013</b>	<b>30.09.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers				
- Mudharabah fund	<b>148,472</b>	97,452	<b>433,753</b>	266,636
- Non-Mudharabah fund	<b>36,273</b>	46,111	<b>122,147</b>	144,632
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	<b>7,991</b>	1,766	<b>15,234</b>	5,748
- Non-Mudharabah fund	<b>2,067</b>	13	<b>3,233</b>	144
	<b>194,803</b>	145,342	<b>574,367</b>	417,160

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**24. Personnel expenses**

<b>Group</b>	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2013</b>	<b>30.09.2012</b>	<b>30.09.2013</b>	<b>30.09.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Salaries, allowances and bonuses	<b>87,596</b>	76,972	<b>265,977</b>	224,730
Employees' Provident Fund	<b>10,384</b>	9,510	<b>30,730</b>	27,534
Other staff related costs	<b>11,137</b>	10,777	<b>33,283</b>	27,195
	<b><u>109,117</u></b>	<u>97,259</u>	<b><u>329,990</u></b>	<u>279,459</u>

<b>Bank</b>	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2013</b>	<b>30.09.2012</b>	<b>30.09.2013</b>	<b>30.09.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Salaries, allowances and bonuses	<b>86,611</b>	75,935	<b>263,513</b>	221,766
Employees' Provident Fund	<b>10,245</b>	9,367	<b>30,331</b>	27,118
Other staff related costs	<b>11,027</b>	10,690	<b>32,896</b>	26,867
	<b><u>107,883</u></b>	<u>95,992</u>	<b><u>326,740</u></b>	<u>275,751</u>

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**25. Other overhead expenses**

Group	3 months ended		9 months ended	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
<i>Promotion</i>				
Advertisement and publicity	2,804	2,351	6,738	7,275
Credit card expenses	4,563	3,817	13,200	11,352
Commissions	3,276	2,864	8,333	6,919
	<u>10,643</u>	<u>9,032</u>	<u>28,271</u>	<u>25,546</u>
<i>Establishment</i>				
Office rental	11,429	12,272	34,548	36,997
Depreciation of property and equipment	11,578	10,277	34,449	29,662
Information technology expenses	7,286	6,729	21,635	19,951
Rental equipment	855	990	2,863	3,022
Office maintenance	2,783	2,720	6,829	6,231
Utilities	3,000	3,101	9,344	9,136
Security services	2,701	2,154	7,938	8,222
Takaful and insurance	1,559	1,684	4,475	3,744
Others	46	40	320	335
	<u>41,237</u>	<u>39,967</u>	<u>122,401</u>	<u>117,300</u>
<i>General expenses</i>				
Professional fees	879	1,017	2,258	4,201
Office supplies	1,918	2,408	7,130	6,653
Outsourcing fees	12,198	12,379	36,772	35,249
Others	14,040	17,483	46,386	45,492
	<u>29,035</u>	<u>33,287</u>	<u>92,546</u>	<u>91,595</u>
	<u>80,915</u>	<u>82,286</u>	<u>243,218</u>	<u>234,441</u>



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**25. Other overhead expenses (continued)**

Bank	3 months ended		9 months ended	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
<i>Promotion</i>				
Advertisement and publicity	2,701	2,275	6,316	7,031
Credit card expenses	4,563	3,817	13,200	11,352
Commissions	3,013	2,704	7,818	6,626
	<u>10,277</u>	<u>8,796</u>	<u>27,334</u>	<u>25,009</u>
<i>Establishment</i>				
Office rental	11,326	12,111	34,186	36,459
Depreciation of property and equipment	11,556	10,221	34,387	29,463
Information technology expenses	7,286	6,729	21,635	19,951
Rental equipment	846	978	2,819	2,993
Office maintenance	2,739	2,685	6,703	6,125
Utilities	2,975	3,054	9,277	8,988
Security services	2,695	1,859	7,926	7,650
Takaful and insurance	1,523	1,653	4,355	3,579
Others	46	40	320	335
	<u>40,992</u>	<u>39,330</u>	<u>121,608</u>	<u>115,543</u>
<i>General expenses</i>				
Professional fees	822	959	2,111	3,987
Office supplies	1,895	2,381	7,050	6,620
Outsourcing fees	12,198	12,379	36,772	35,249
Others	14,189	17,808	46,060	45,666
	<u>29,104</u>	<u>33,527</u>	<u>91,993</u>	<u>91,522</u>
	<u>80,373</u>	<u>81,653</u>	<u>240,935</u>	<u>232,074</u>

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**26. Profit Rate Risk**

The tables below summarise the Group's and Bank's exposure to profit rate risk. The tables indicate average profit rates at the reporting date.

Group	←		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	
<b>As at 30 September 2013</b>									
<i>Assets</i>									
Cash, balances and placements with banks	2,346,219	-	127,823	-	-	620,550	-	3,094,592	2.35
Financial assets held-for-trading	-	-	-	-	-	-	708,722	708,722	3.00
Derivative financial assets	-	-	-	-	-	-	41,782	41,782	0.98
Financial assets available-for-sale	643,865	1,605,277	2,599,750	5,794,831	3,151,783	-	-	13,795,506	3.86
Financial assets held-to-maturity	-	-	-	-	64,531	-	-	64,531	7.82
Financing, advances and others									
- non-impaired	14,884,586	687,787	232,927	3,568,226	3,383,387	-	-	22,756,913	6.32
- impaired net of allowances *	-	-	-	-	-	(189,846)	-	(189,846)	-
Other assets	-	-	-	-	-	1,535,352	-	1,535,352	-
<b>Total assets</b>	<b>17,874,670</b>	<b>2,293,064</b>	<b>2,960,500</b>	<b>9,363,057</b>	<b>6,599,701</b>	<b>1,966,056</b>	<b>750,504</b>	<b>41,807,552</b>	

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

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**26. Profit Rate Risk (continued)**

Group	←		Non trading book				Trading book	Total	Effective profit rate %
	Up to 1 month	>1-3 months	>3-12 months	1-5 years	Over 5 years	Non profit sensitive			
As at 30 September 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Liabilities</b>									
Deposits from customers	20,813,243	1,231,928	701,769	99,072	-	12,549,898	-	35,395,910	2.15
Deposits and placements of banks and other financial institutions	2,002,129	70,650	-	-	-	-	-	2,072,779	2.20
Derivative financial liabilities	-	-	-	-	-	-	37,048	37,048	0.87
Bills and acceptance payable	-	-	-	-	-	487,913	-	487,913	-
Other liabilities	-	-	-	-	-	512,989	-	512,989	-
<b>Total liabilities</b>	<b>22,815,372</b>	<b>1,302,578</b>	<b>701,769</b>	<b>99,072</b>	<b>-</b>	<b>13,550,800</b>	<b>37,048</b>	<b>38,506,639</b>	
<b>Equity</b>									
Equity attributable to equity holders of the Bank	-	-	-	-	-	3,300,913	-	3,300,913	
<b>Total liabilities and shareholders' equity</b>	<b>22,815,372</b>	<b>1,302,578</b>	<b>701,769</b>	<b>99,072</b>	<b>-</b>	<b>16,851,713</b>	<b>37,048</b>	<b>41,807,552</b>	

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**26. Profit Rate Risk (continued)**

Group	Non trading book						Trading book	Total
	Up to 1 month	>1-3 months	>3-12 months	1-5 years	Over 5 years	Non profit sensitive		
As at 30 September 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On-balance sheet profit sensitivity gap	(4,940,702)	990,486	2,258,731	9,263,985	6,599,701	(14,885,657)	713,456	-
Off-balance sheet profit sensitivity gap (profit rate swaps)	400,000	600,000	(100,000)	(500,000)	(400,000)	-	-	-
<b>Total profit sensitivity gap</b>	<b>(4,540,702)</b>	<b>1,590,486</b>	<b>2,158,731</b>	<b>8,763,985</b>	<b>6,199,701</b>	<b>(14,885,657)</b>	<b>713,456</b>	<b>-</b>

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**26. Profit Rate Risk (continued)**

Group	←		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	
<b>As at 31 December 2012</b>									
<i>Assets</i>									
Cash, balances and placements with banks	903,366	10,004	-	-	-	782,538	-	1,695,908	2.74
Financial assets held-for-trading	-	-	-	-	-	-	1,610,558	1,610,558	3.46
Derivative financial assets	-	-	-	-	-	-	16,736	16,736	0.75
Financial assets available-for-sale	749,025	1,615,996	2,108,217	5,438,251	3,004,566	-	-	12,916,055	4.00
Financial assets held-to-maturity	20,933	7,630	6,577	47,544	95,607	-	-	178,291	6.33
Financing, advances and others									
- non-impaired	11,170,474	738,517	613,625	3,089,041	4,027,755	-	-	19,639,412	6.78
- impaired net of allowances *	-	-	-	-	-	(131,613)	-	(131,613)	-
Other assets	-	-	-	-	-	1,497,544	-	1,497,544	-
<b>Total assets</b>	<b>12,843,798</b>	<b>2,372,147</b>	<b>2,728,419</b>	<b>8,574,836</b>	<b>7,127,928</b>	<b>2,148,469</b>	<b>1,627,294</b>	<b>37,422,891</b>	

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

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**26. Profit Rate Risk (continued)**

Group	←		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			
<b>As at 31 December 2012</b>									
<b>Liabilities</b>									
Deposits from customers	17,902,252	916,898	127,964	103,891	-	13,499,985	-	32,550,990	1.99
Deposits and placements of banks and other financial institutions	858,802	1,476	-	-	-	-	-	860,278	1.37
Derivative financial liabilities	-	-	-	-	-	-	14,339	14,339	0.64
Bills and acceptance payable	65,414	111,416	-	-	-	208,308	-	385,138	-
Other liabilities	-	-	-	-	-	509,181	-	509,181	-
<b>Total liabilities</b>	<b>18,826,468</b>	<b>1,029,790</b>	<b>127,964</b>	<b>103,891</b>	<b>-</b>	<b>14,217,474</b>	<b>14,339</b>	<b>34,319,926</b>	
<b>Equity</b>									
Equity attributable to equity holders of the Bank	-	-	-	-	-	3,102,965	-	3,102,965	
<b>Total liabilities and shareholders' equity</b>	<b>18,826,468</b>	<b>1,029,790</b>	<b>127,964</b>	<b>103,891</b>	<b>-</b>	<b>17,320,439</b>	<b>14,339</b>	<b>37,422,891</b>	

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**26. Profit Rate Risk (continued)**

Group	←		Non trading book				Trading book	Total
	Up to 1 month	>1-3 months	>3-12 months	1-5 years	Over 5 years	Non profit sensitive		
As at 31 December 2012	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On-balance sheet profit sensitivity gap	(5,982,670)	1,342,357	2,600,455	8,470,945	7,127,928	(15,171,970)	1,612,955	-
Off-balance sheet profit sensitivity gap (profit rate swaps)	400,000	600,000	-	(600,000)	(400,000)	-	-	-
<b>Total profit sensitivity gap</b>	<b>(5,582,670)</b>	<b>1,942,357</b>	<b>2,600,455</b>	<b>7,870,945</b>	<b>6,727,928</b>	<b>(15,171,970)</b>	<b>1,612,955</b>	<b>-</b>

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**26. Profit Rate Risk (continued)**

Bank	←		Non trading book				Trading book	Total	Effective Profit rate %
	Up to 1 month	>1-3 months	>3-12 months	1-5 years	Over 5 years	Non profit sensitive			
As at 30 September 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<i>Assets</i>									
Cash, balances and placements with banks	2,346,130	-	127,823	-	-	619,270	-	3,093,223	2.35
Financial assets held-for-trading	-	-	-	-	-	-	708,722	708,722	3.00
Derivative financial assets	-	-	-	-	-	-	41,782	41,782	0.98
Financial assets available-for-sale	643,865	1,605,277	2,599,750	5,794,831	3,153,794	-	-	13,797,517	3.86
Financial assets held-to-maturity	-	-	-	-	64,531	-	-	64,531	7.82
Financing, advances and others									
- non-impaired	14,884,586	687,787	232,927	3,568,226	3,383,387	-	-	22,756,913	6.32
- impaired net of allowances*	-	-	-	-	-	(189,846)	-	(189,846)	-
Other assets	-	-	-	-	-	1,561,379	-	1,561,379	-
<b>Total assets</b>	<b>17,874,581</b>	<b>2,293,064</b>	<b>2,960,500</b>	<b>9,363,057</b>	<b>6,601,712</b>	<b>1,990,803</b>	<b>750,504</b>	<b>41,834,221</b>	

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



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**26. Profit Rate Risk (continued)**

Bank	←		Non trading book				Trading book	Total	Effective profit rate %
	Up to 1 month	>1-3 months	>3-12 months	1-5 years	Over 5 years	Non profit sensitive			
As at 30 September 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>Liabilities</b>									
Deposits from customers	20,843,365	1,231,928	702,294	99,072	-	12,553,754	-	35,430,413	2.15
Deposits and placements of banks and other financial institutions	2,002,129	70,650	-	-	-	-	-	2,072,779	2.20
Derivative financial liabilities	-	-	-	-	-	-	37,048	37,048	0.87
Bills and acceptance payable	-	-	-	-	-	487,913	-	487,913	-
Other liabilities	-	-	-	-	-	508,456	-	508,456	-
<b>Total liabilities</b>	<b>22,845,494</b>	<b>1,302,578</b>	<b>702,294</b>	<b>99,072</b>	<b>-</b>	<b>13,550,123</b>	<b>37,048</b>	<b>38,536,609</b>	
<b>Equity</b>									
Equity attributable to equity holders of the Bank	-	-	-	-	-	3,297,612	-	3,297,612	
<b>Total liabilities and shareholders' equity</b>	<b>22,845,494</b>	<b>1,302,578</b>	<b>702,294</b>	<b>99,072</b>	<b>-</b>	<b>16,847,735</b>	<b>37,048</b>	<b>41,834,221</b>	

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**26. Profit Rate Risk (continued)**

Bank	Non trading book						Trading book	Total
	Up to 1 month	>1-3 months	>3-12 months	1-5 years	Over 5 years	Non profit sensitive		
As at 30 September 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On-balance sheet profit sensitivity gap	(4,970,913)	990,486	2,258,206	9,263,985	6,601,712	(14,856,932)	713,456	-
Off-balance sheet profit sensitivity gap (profit rate swaps)	400,000	600,000	(100,000)	(500,000)	(400,000)	-	-	-
<b>Total profit sensitivity gap</b>	<b>(4,570,913)</b>	<b>1,590,486</b>	<b>2,158,206</b>	<b>8,763,985</b>	<b>6,201,712</b>	<b>(14,856,932)</b>	<b>713,456</b>	<b>-</b>

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**26. Profit Rate Risk (continued)**

Bank	←		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	
<b>As at 31 December 2012</b>									
<i>Assets</i>									
Cash, balances and placements with banks	903,168	10,004	-	-	-	782,270	-	1,695,442	2.62
Financial assets held-for-trading	-	-	-	-	-	-	1,610,558	1,610,558	3.46
Derivative financial assets	-	-	-	-	-	-	16,736	16,736	0.75
Financial assets available-for-sale	749,025	1,615,996	2,108,217	5,438,251	3,006,577	-	-	12,918,066	4.00
Financial assets held-to-maturity	20,933	7,630	6,577	47,544	95,607	-	-	178,291	6.33
Financing, advances and others									
- non-impaired	11,170,474	738,517	613,625	3,089,975	4,027,755	-	-	19,640,346	6.78
- impaired net of allowances*	-	-	-	-	-	(131,613)	-	(131,613)	-
Other assets	-	-	-	-	-	1,522,972	-	1,522,972	-
<b>Total assets</b>	<b>12,843,600</b>	<b>2,372,147</b>	<b>2,728,419</b>	<b>8,575,770</b>	<b>7,129,939</b>	<b>2,173,629</b>	<b>1,627,294</b>	<b>37,450,798</b>	

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

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**26. Profit Rate Risk (continued)**

Bank	←		Non trading book				Trading book	Total	Effective profit rate %
	Up to 1 month	>1-3 months	>3-12 months	1-5 years	Over 5 years	Non profit sensitive			
As at 31 December 2012	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Liabilities</b>									
Deposits from customers	17,929,196	916,898	128,489	103,891	-	13,504,701	-	32,583,175	1.99
Deposits and placements of banks and other financial institutions	858,802	1,476	-	-	-	-	-	860,278	1.37
Derivative financial liabilities	-	-	-	-	-	-	14,339	14,339	0.64
Bills and acceptance payable	65,414	111,416	-	-	-	208,308	-	385,138	-
Other liabilities	-	-	-	-	-	508,253	-	508,253	-
<b>Total liabilities</b>	<b>18,853,412</b>	<b>1,029,790</b>	<b>128,489</b>	<b>103,891</b>	<b>-</b>	<b>14,221,262</b>	<b>14,339</b>	<b>34,351,183</b>	
<b>Equity</b>									
Equity attributable to equity holders of the Bank	-	-	-	-	-	3,099,615	-	3,099,615	
<b>Total liabilities and shareholders' equity</b>	<b>18,853,412</b>	<b>1,029,790</b>	<b>128,489</b>	<b>103,891</b>	<b>-</b>	<b>17,320,877</b>	<b>14,339</b>	<b>37,450,798</b>	

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**26. Profit Rate Risk (continued)**

Bank	Non trading book						Trading book	Total
	Up to 1 month	>1-3 months	>3-12 months	1-5 years	Over 5 years	Non profit sensitive		
As at 31 December 2012	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On-balance sheet profit sensitivity gap	(6,009,812)	1,342,357	2,599,930	8,471,879	7,129,939	(15,147,248)	1,612,955	-
Off-balance sheet profit sensitivity gap (profit rate swaps)	400,000	600,000	-	(600,000)	(400,000)	-	-	-
<b>Total profit sensitivity gap</b>	<b>(5,609,812)</b>	<b>1,942,357</b>	<b>2,599,930</b>	<b>7,871,879</b>	<b>6,729,939</b>	<b>(15,147,248)</b>	<b>1,612,955</b>	<b>-</b>

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**27. Segmental Reporting on Revenue, Profit and Assets**

	<b>Consumer Banking RM'000</b>	<b>Corporate and Commercial Banking RM'000</b>	<b>Treasury RM'000</b>	<b>Shareholders unit RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>9 months ended 30 September 2013</u></b>						
<b>Total Revenue</b>	<b>886,582</b>	<b>232,903</b>	<b>429,553</b>	<b>111,479</b>	<b>(7,725)</b>	<b>1,652,792</b>
Net fund based income	534,909	208,153	40,373	93,811	(11)	<b>877,235</b>
Non-fund based income	96,989	25,443	66,438	20,034	(7,066)	<b>201,838</b>
<b>Net income</b>	<b>631,898</b>	<b>233,596</b>	<b>106,811</b>	<b>113,845</b>	<b>(7,077)</b>	<b>1,079,073</b>
Allowances for impairment	(55,058)	41,953	3,734	(2,968)	-	<b>(12,339)</b>
<b>Profit before overheads, zakat &amp; taxation</b>	<b>576,840</b>	<b>275,549</b>	<b>110,545</b>	<b>110,877</b>	<b>(7,077)</b>	<b>1,066,734</b>
Operating expenses						<b>(590,421)</b>
						<b>476,313</b>
Share of results of associate company						<b>(349)</b>
<b>Profit before zakat &amp; taxation</b>						<b>475,964</b>
<b><u>9 months ended 30 September 2012</u></b>						
<b>Total Revenue</b>	<b>745,901</b>	<b>184,827</b>	<b>420,497</b>	<b>107,982</b>	<b>(13,357)</b>	<b>1,445,850</b>
Net fund based income	492,147	202,835	84,162	64,354	(1,820)	<b>841,678</b>
Non-fund based income	88,127	29,374	59,209	21,839	(11,263)	<b>187,286</b>
<b>Net income</b>	<b>580,274</b>	<b>232,209</b>	<b>143,371</b>	<b>86,193</b>	<b>(13,083)</b>	<b>1,028,964</b>
Allowances for impairment	(31,651)	(30,766)	485	-	-	<b>(61,932)</b>
<b>Profit before overheads, zakat &amp; taxation</b>	<b>548,623</b>	<b>201,443</b>	<b>143,856</b>	<b>86,193</b>	<b>(13,083)</b>	<b>967,032</b>
Operating expenses						<b>(535,280)</b>
						<b>431,752</b>
Share of results of associate company						<b>2,015</b>
<b>Profit before zakat &amp; taxation</b>						<b>433,767</b>

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**27. Segmental Reporting on Revenue, Profit and Assets (continued)**

	<b>Consumer Banking RM'000</b>	<b>Corporate and Commercial Banking RM'000</b>	<b>Treasury RM'000</b>	<b>Shareholders unit RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>At 30 September 2013</u></b>						
Segment assets	17,016,583	5,550,484	17,086,504	66,067	(64,709)	39,654,929
Unallocated assets						2,152,623
Total assets						<u>41,807,552</u>
<b><u>At 31 December 2012</u></b>						
Segment assets	14,520,857	4,987,876	15,636,823	90,660	(67,977)	35,168,239
Unallocated assets						2,254,652
Total assets						<u>37,422,891</u>

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**28. Capital adequacy**

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

The capital adequacy ratios of the Group and the Bank are set out below:

	<b>Group</b>		<b>Bank</b>	
	<b>30.09.2013</b>	<b>31.12.2012</b>	<b>30.09.2013</b>	<b>31.12.2012</b>
Common Equity Tier I (CET I) Capital Ratio	<b>13.084%</b>	N/A	<b>12.970%</b>	N/A
Total Tier I Capital Ratio	<b>13.084%</b>	12.942% *	<b>12.970%</b>	12.942% *
Total Capital Ratio	<b>14.177%</b>	13.986% *	<b>14.064%</b>	13.864% *

\* After deducting proposed final dividend declared subsequent to the financial year end.

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

a) CAFIB Basel III capital structure with effect 1 January 2013

	<b>30.09.2013</b>	
	<b>Group RM'000</b>	<b>Bank RM'000</b>
<b><u>Tier I capital</u></b>		
Paid-up share capital	2,265,490	2,265,490
Retained earnings	502,112	498,838
Other reserves	507,513	507,486
Less: Deferred tax assets	(18,629)	(18,629)
Less: Investment in subsidiaries	-	(28,027)
<b>Total Common Equity Tier I Capital</b>	<b>3,256,486</b>	<b>3,225,158</b>
<b>Total Additional Tier I Capital</b>	<b>-</b>	<b>-</b>
<b>Total Tier I Capital</b>	<b>3,256,486</b>	<b>3,225,158</b>
Collective assessment allowance ^	271,990	271,960
<b>Total Tier II Capital</b>	<b>271,990</b>	<b>271,960</b>
<b>Total Capital</b>	<b>3,528,476</b>	<b>3,497,118</b>

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



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**28. Capital adequacy (continued)**

b) CAFIB Basel II capital structure applicable until 31 December 2012

	<b>31.12.2012</b>	
	<b>Group</b>	<b>Bank</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Tier I capital</u></b>		
Paid-up share capital	2,265,490	2,265,490
Retained earnings	209,318	205,966
Other reserves	505,651	505,651
Less: Deferred tax assets	(18,455)	(18,629)
<b>Total Tier I capital</b>	<u>2,962,004</u>	<u>2,958,478</u>
Collective assessment allowance #	<u>257,769</u>	<u>257,769</u>
<b>Total Tier II capital</b>	<u>257,769</u>	<u>257,769</u>
<b>Total capital</b>	3,219,773	3,216,247
Less: Investment in subsidiaries	-	(28,027)
Less: Investment in associate company	(22,912)	(22,563)
<b>Capital base</b>	<u>3,196,861</u>	<u>3,165,657</u>

# Excludes collective assessment allowance on impaired financing restricted from Tier II capital amounting to RM 55,565,000.

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

	<b>Group</b>		<b>Bank</b>	
	<b>30.09.2013</b>	<b>31.12.2012</b>	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Credit risk	21,759,227	19,369,281	21,756,785	19,361,943
Market risk	713,667	917,234	713,667	917,234
Operational risk	2,414,838	2,207,161	2,395,120	2,187,160
	<u>24,887,732</u>	<u>22,493,676</u>	<u>24,865,572</u>	<u>22,466,337</u>

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**29. Commitment and Contingencies**

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

	<b>Principal Amount RM'000</b>	<b>Positive Fair Value of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Asset RM'000</b>
<b>As at 30 September 2013</b>				
<b><i>Credit related exposures</i></b>				
Direct credit substitutes	355,625		355,625	347,507
Assets sold with recourse	2		2	2
Transaction related contingent items	885,459		442,729	390,477
Short term self-liquidating trade related contingencies	291,499		58,300	55,469
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- not exceeding one year	13,135		2,627	2,609
- exceeding one year	696,520		348,260	291,092
Unutilised credit card lines	992,227		198,445	148,834
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	5,006,910		-	-
	<b>8,241,377</b>		<b>1,405,988</b>	<b>1,235,990</b>
<b><i>Derivative Financial Instruments</i></b>				
Foreign exchange related contracts				
- less than one year	2,839,252	25,542	55,449	31,008
Profit rate related contracts				
- less than one year	100,000	684	250	50
- one year to less than five years	500,000	1,660	9000	1,800
- five years and above	717,227	12,348	35,944	19,944
Equity related contracts				
- one year to less than five years	111,185	1,548	8,895	4,447
	<b>4,267,664</b>	<b>41,782</b>	<b>109,538</b>	<b>57,249</b>
<b>Total</b>	<b>12,509,041</b>	<b>41,782</b>	<b>1,515,526</b>	<b>1,293,239</b>

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**29. Commitment and Contingencies (continued)**

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

<b>As at 31 December 2012</b>	<b>Principal Amount RM'000</b>	<b>Positive Fair Value of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Asset RM'000</b>
<b><i>Credit related exposures</i></b>				
Direct credit substitutes	562,654		562,654	555,499
Assets sold with recourse	2		2	2
Transaction related contingent items	910,688		455,344	444,161
Short term self-liquidating trade related contingencies	338,488		67,698	64,913
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- not exceeding one year	82		16	6
- exceeding one year	662,657		331,329	302,722
Unutilised credit card lines	949,115		189,823	142,367
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	5,276,220		-	-
	<b>8,699,906</b>		<b>1,606,866</b>	<b>1,509,670</b>
<b><i>Derivative Financial Instruments</i></b>				
Foreign exchange related contracts				
- less than one year	680,789	2,523	7,390	4,223
Profit rate related contracts				
- less than one year	100,000	70	100	20
- one year to less than five years	600,000	2,210	15,000	3,000
- five years and above	734,000	9,920	42,462	23,262
Equity related contracts				
- one year to less than five years	114,095	2,013	9,128	4,564
	<b>2,228,884</b>	<b>16,736</b>	<b>74,080</b>	<b>35,069</b>
<b>Total</b>	<b>10,928,790</b>	<b>16,736</b>	<b>1,680,946</b>	<b>1,544,739</b>

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**30. 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 are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Group's market assumptions. The fair value hierarchy is as follows:

- Level 1 – Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes listed equity securities and debt instruments.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This level includes profit rates swap and structured debt. The sources of input parameters include Bank Negara Malaysia (BNM) indicative yields or counterparty credit risk.
- 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 levels of fair value hierarchy into which fair value measurements are categorised in their entirety based are as follows:

<b>Bank</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>30 September 2013</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Securities held-for-trading	-	708,722	-	708,722
Securities available-for-sale *	-	13,748,910	14,157	13,763,067
Derivative financial assets	-	41,782	-	41,782
	-	14,499,414	14,157	14,513,571
Derivative financial liabilities	-	37,048	-	37,048

\*excludes those unquoted securities stated at cost

<b>Bank</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 December 2012</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Securities held-for-trading	-	1,610,558	-	1,610,558
Securities available-for-sale *	-	12,886,409	19,800	12,906,209
Derivative financial assets	-	16,736	-	16,736
	-	14,513,703	19,800	14,533,503
Derivative financial liabilities	-	14,339	-	14,339

\*excludes those unquoted securities stated at cost

The Group's financial assets are not materially different from the Bank's financial assets.

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**30. Fair value of Financial Instruments (continued)**

**Fair value hierarchy (continued)**

The following table presents the changes in Level 3 instruments for the financial period ended 30 September 2013 for Group and Bank:

	<b>30.09.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<i>Financial assets available-for-sale</i>		
At 1 January 2013/2012	<b>19,800</b>	18,396
Gain/Losses	-	1,404
Settlement	<b>(5,643)</b>	-
Transfer in/(out)	-	-
At 30 September 2013/31 December 2012	<u><b>14,157</b></u>	<u>19,800</u>

**31. Performance review for the nine months ended 30 September 2013**

For the nine months ended 30 September 2013, the Group recorded profit before tax and zakat of RM476.0 million, an increase of RM42.2 million or 9.7% over that achieved for the previous corresponding period of RM433.8 million. The improved performance was mainly attributed to growth in business activities.

Year-on-year net financing assets grew RM4.4 billion or 24.6% to reach RM22.6 billion as at end September 2013. Correspondingly, fund based income from financing also increased by RM183.6 million or 22.5%. Non fund based income also reported a 7.8% growth or RM14.6 million mainly from foreign exchange transactions and fees and commission.

Customer deposits reported a year-on-year growth of 14.2% or RM4.4 billion to reach RM35.4 billion as at end September 2013. The low cost current and savings accounts (CASA) increased RM0.3 billion or 2.7% year-on-year. The CASA ratio as at end September 2013 was 35.2%, much higher than the Islamic Banking Industry ratio of 25.8% as at end August 2013.

The Group's impaired financing ratio continued to record significant improvements. The gross impaired financing ratio improved from 1.55% as at end December 2012 to 1.39% as at end September 2013, consequently the net impaired financing ratio also improved from a negative 0.67% as at end December 2012 to a negative 0.84% as at end September 2013. The Banking System gross and net impaired ratios were 2% and 0% respectively as at end August 2013.

The Group's key performance ratios as at end September 2013 also compared favourably against the Banking System ratio as at end December 2012. The Bank's return on equity based on profit before tax (PBT) is 19.6% against the Banking System ratio of 17.5%. The return on assets, also based on PBT is 1.6% similar to the Banking System ratio of 1.6%.

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**32. Prospect for 2013**

Bank Negara Governor Tan Sri Dr. Zeti Akhtar Aziz at an interview with Bloomberg on 13 October 2013 said that the Malaysian economy is on track for 4.5 to 5.0 per cent expansion this year as domestic demand hold up and exports recover, predicting higher growth in 2014.

As for Bank Islam, we have embarked on our new corporate plan for 2013-2015, “Hijrah to Excellence” or H2E Plan. Robust growth strategies are in place to achieve the targets set in the new corporate plan.

The Bank is growing the Retail portfolio whereby the rate of return is generally higher than the business portfolio. Personal financing (PF) provides one of the highest rate of return and this segment grew at an annualised pace of 31% as at September 2013. More than 90% of our PF is package financing whereby repayment is via salary deduction or salary transfer and the eligibility criteria are more stringent compared to our competitors, in terms of restriction in financing tenure, the higher minimum salary requirement and we also have minimum take home pay requirement after considering all deductions. Both house financing and auto financing, also registered healthy annualised growth of 23% and 9% respectively as at September 2013.

We are also targeting to grow the business portfolio which comprises both the Commercial and Corporate financing portfolios. For the nine months to September 2013, the Commercial portfolio grew at an annualised rate of 23%. Under the Commercial financing portfolio we are targeting the secured Business Premises Financing.

The Bank is also looking at avenues to increase its non fund income and have launched various new products and services, such as the popular Bank Islam Debit Card-i and the Bank Islam Team Harimau Visa Debit Card-i, mobile banking and mobile point-of-sale (mPOS) via Visa launched recently at Pasar Siti Khadijah in Kota Bharu promotes electronic payments beyond metropolitan cities. The introduction of Western Union services to our Bureau De Change (BDC) and branches and also foreign remittance will contribute to the fee and foreign exchange income respectively.

The Bank will also continue to strengthen its presence by expanding its current delivery channels to meet customers’ expectations and remain competitive. During the quarter ended September 2013, the Bank opened an additional BDC at KL Sentral bringing the total number of BDCs to 6. Bank Islam also opened an additional two branches, namely Sungai Buloh and KL Sentral bringing the total number of branches to 131.

In order to serve our customer better, the Bank also promotes other delivery channels such as Internet banking, mobile banking and self-service terminals in the form of automated teller machines, cash and cheque deposit machines.

**33. 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.