

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

Statements of Financial Position as at 30 June 2013

	Note	Group		Bank	
		30.06.2013 RM'000	31.12.2012 RM'000	30.06.2013 RM'000	31.12.2012 RM'000
Assets					
Cash and short-term funds	8	3,455,766	1,657,866	3,453,689	1,657,400
Deposits and placements with banks and other financial institutions	9	121,089	38,042	121,089	38,042
Financial assets held-for-trading	10	1,331,931	1,610,558	1,331,931	1,610,558
Derivative financial assets	11	18,684	16,736	18,684	16,736
Financial assets available-for-sale	12	12,249,672	12,916,055	12,251,683	12,918,066
Financial assets held-to-maturity	13	65,137	178,291	65,137	178,291
Financing, advances and others	14	21,370,050	19,507,799	21,370,050	19,508,733
Other assets	15	49,642	132,657	48,142	131,145
Statutory deposits with Bank Negara Malaysia		1,156,500	1,059,900	1,156,500	1,059,900
Current tax assets		40,574	40,642	40,468	40,468
Deferred tax assets		18,629	18,455	18,629	18,629
Investments in subsidiary companies		-	-	28,027	28,027
Investment in associate company		21,579	22,912	22,563	22,563
Property and equipment		213,758	222,978	213,540	222,240
Total assets		40,113,011	37,422,891	40,140,132	37,450,798
Liabilities and equity					
Deposits from customers	16	34,825,344	32,550,990	34,859,192	32,583,175
Deposits and placements of banks and other financial institutions	17	1,320,935	860,278	1,320,935	860,278
Derivative financial liabilities	11	13,677	14,339	13,677	14,339
Bills and acceptance payable		211,470	385,138	211,470	385,138
Other liabilities	18	447,881	497,771	443,230	496,887
Zakat and taxation		34,857	11,410	34,729	11,366
Total liabilities		36,854,164	34,319,926	36,883,233	34,351,183

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

Statements of Financial Position as at 30 June 2013 (continued)

		Group		Bank	
	Note	30.06.2013 RM'000	31.12.2012 RM'000	30.06.2013 RM'000	31.12.2012 RM'000
Equity					
Share capital		2,265,490	2,265,490	2,265,490	2,265,490
Reserves		<u>993,357</u>	<u>837,475</u>	<u>991,409</u>	<u>834,125</u>
Total equity		<u>3,258,847</u>	<u>3,102,965</u>	<u>3,256,899</u>	<u>3,099,615</u>
Total liabilities and equity		<u>40,113,011</u>	<u>37,422,891</u>	<u>40,140,132</u>	<u>37,450,798</u>
Commitments and Contingencies	28	<u>10,850,037</u>	<u>10,928,790</u>	<u>10,850,037</u>	<u>10,928,790</u>

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 2012.

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

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

Group	Note	3 months ended		6 months ended	
		30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Income derived from investment of depositors' funds	19	464,144	386,397	911,311	766,836
Income derived from investment of shareholders' funds	20	101,496	71,517	184,121	147,668
Allowances for impairment on financing and advances	21	(2,402)	(2,606)	(1,595)	(17,895)
Allowances for impairment on investments		-	10,169	-	392
Reversal of allowances for impairment on other assets		3,491	-	3,491	1,356
Direct expenses		<u>(4,963)</u>	<u>(9,418)</u>	<u>(11,151)</u>	<u>(16,299)</u>
Total distributable income		561,766	456,059	1,086,177	882,058
Income attributable to depositors	22	<u>(197,167)</u>	<u>(138,138)</u>	<u>(379,147)</u>	<u>(271,639)</u>
Total net income		364,599	317,921	707,030	610,419
Personnel expenses	23	(109,069)	(93,091)	(220,873)	(182,200)
Other overhead expenses	24	<u>(82,354)</u>	<u>(78,853)</u>	<u>(162,303)</u>	<u>(152,155)</u>
		173,176	145,977	323,854	276,064
Share of results of associate company		<u>(981)</u>	<u>1,798</u>	<u>(1,333)</u>	<u>2,338</u>
Profit before zakat and tax		172,195	147,775	322,521	278,402
Zakat		(2,257)	(1,688)	(4,529)	(3,365)
Tax expense		<u>(48,172)</u>	<u>(37,490)</u>	<u>(85,894)</u>	<u>(76,473)</u>
Profit for the period		<u>121,766</u>	<u>108,597</u>	<u>232,098</u>	<u>198,564</u>
Earnings per share (sen)				<u>10.24</u>	<u>8.76</u>

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

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

Group	3 months ended		6 months ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Profit for the period	<u>121,766</u>	<u>108,597</u>	<u>232,098</u>	<u>198,564</u>
Other comprehensive income:				
Currency translation differences in respect of foreign operations	(6,761)	(11,044)	(10,344)	(1,099)
Net (loss)/gain on revaluation of financial assets available-for-sale	<u>(5,021)</u>	<u>2,707</u>	<u>(14,898)</u>	<u>9,787</u>
Other comprehensive income for the period, net of tax	<u>(11,782)</u>	<u>(8,337)</u>	<u>(25,242)</u>	<u>8,688</u>
Total comprehensive income for the period	<u>109,984</u>	<u>100,260</u>	<u>206,856</u>	<u>207,252</u>

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 2012.

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

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

Bank	Note	3 months ended		6 months ended	
		30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Income derived from investment of depositors' funds	19	464,144	386,825	911,322	768,298
Income derived from investment of shareholders' funds	20	99,760	75,324	180,770	147,609
Allowances for impairment on financing and advances	21	(2,402)	(2,606)	(1,595)	(17,895)
Allowances for impairment on investments		-	10,169	-	392
Reversal of allowances for impairment on other assets		3,491	-	3,491	1,356
Direct expenses		<u>(4,963)</u>	<u>(9,418)</u>	<u>(11,151)</u>	<u>(16,299)</u>
Total distributable income		560,030	460,294	1,082,837	883,461
Income attributable to depositors	22	<u>(197,395)</u>	<u>(138,229)</u>	<u>(379,564)</u>	<u>(271,818)</u>
Total net income		362,635	322,065	703,273	611,643
Personnel expenses	23	(108,197)	(91,864)	(218,857)	(179,759)
Other overhead expenses	24	<u>(82,103)</u>	<u>(78,145)</u>	<u>(160,562)</u>	<u>(150,421)</u>
Profit before zakat and tax		172,335	152,056	323,854	281,463
Zakat		(2,259)	(1,650)	(4,518)	(3,300)
Tax expense		<u>(48,144)</u>	<u>(37,320)</u>	<u>(85,821)</u>	<u>(76,235)</u>
Profit for the period		<u>121,932</u>	<u>113,086</u>	<u>233,515</u>	<u>201,928</u>

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

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

Bank	3 months ended		6 months ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Profit for the period	<u>121,932</u>	<u>113,086</u>	<u>233,515</u>	<u>201,928</u>
Other comprehensive income:				
Currency translation differences in respect of foreign operations	(6,771)	(11,054)	(10,359)	(1,101)
Net (loss)/gain on revaluation of financial assets available-for-sale	<u>(5,021)</u>	<u>2,707</u>	<u>(14,898)</u>	<u>9,787</u>
Other comprehensive income for the period, net of tax	<u>(11,792)</u>	<u>(8,347)</u>	<u>(25,257)</u>	<u>8,686</u>
Total comprehensive income for the period	<u>110,140</u>	<u>104,739</u>	<u>208,258</u>	<u>210,614</u>

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 2012.

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

Consolidated Statement of Changes in Equity for the six months ended 30 June 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				
At 1 January 2013	2,265,490	-	628,157	209,318	3,102,965
Profit for the period	-	-	-	232,098	232,098
Other comprehensive income	-	-	(25,242)	-	(25,242)
Total comprehensive income for the period	-	-	(25,242)	232,098	206,856
Dividends paid on ordinary shares	-	-	-	(50,974)	(50,974)
At 30 June 2013	2,265,490	-	602,915	390,442	3,258,847
At 1 January 2012	2,265,490	500,020	1,082,603	(1,040,270)	2,807,843
Profit for the period	-	-	-	198,564	198,564
Other comprehensive income	-	-	8,688	-	8,688
Total comprehensive income for the period	-	-	8,688	198,564	207,252
Zerorisation of accumulated losses	-	(500,020)	(684,335)	1,184,355	-
Transfer to statutory reserve	-	-	100,964	(100,964)	-
Dividends paid on ordinary shares	-	-	-	(44,686)	(44,686)
At 30 June 2012	2,265,490	-	507,920	196,999	2,970,409

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 2012.

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

Statement of Changes in Equity for the six months ended 30 June 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	
At 1 January 2013	2,265,490	-	628,159	205,966	3,099,615
Profit for the period	-	-	-	233,515	233,515
Other comprehensive income	-	-	(25,257)	-	(25,257)
Total comprehensive income for the period	-	-	(25,257)	233,515	208,258
Dividends paid on ordinary shares	-	-	-	(50,974)	(50,974)
At 30 June 2013	2,265,490	-	602,902	388,507	3,256,899
At 1 January 2012	2,265,490	500,020	1,082,595	(1,047,148)	2,800,957
Profit for the period	-	-	-	201,928	201,928
Other comprehensive income	-	-	8,686	-	8,686
Total comprehensive income for the period	-	-	8,686	201,928	210,614
Zerorisation of accumulated losses	-	(500,020)	(684,335)	1,184,355	-
Transfer to statutory reserve	-	-	100,964	(100,964)	-
Dividends paid on ordinary shares	-	-	-	(44,686)	(44,686)
At 30 June 2012	2,265,490	-	507,910	193,485	2,966,885

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 2012.

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

Condensed Statements of Cash Flow
for the six months ended 30 June 2013

	Group		Bank	
	6 months ended		6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Profit before zakat and tax	322,521	278,402	323,854	281,463
Adjustment for non-cash items	2,126	9,337	364	5,521
Operating profit before working capital changes	324,647	287,739	324,218	286,984
Changes in working capital:				
Net changes in operating assets	(1,413,561)	(1,181,509)	(1,412,639)	(1,209,502)
Net changes in operating liabilities	2,054,494	393,537	2,052,390	381,172
Cash generated from / (used in) operations	965,580	(500,233)	963,969	(541,346)
Zakat and tax paid	(67,082)	(60,849)	(66,976)	(60,654)
Tax refund	-	1,790	-	1,790
Net cash generated from / (used in) operating activities	898,498	(559,292)	896,993	(600,210)
Net cash generated from / (used in) investing activities	1,043,770	(489,048)	1,043,677	(484,001)
Net cash used in financing activities	(50,974)	(44,686)	(50,974)	(44,686)
Net increase / (decrease) in cash and cash equivalents	1,891,294	(1,093,026)	1,889,696	(1,128,897)
Cash and cash equivalents at beginning of the period	1,695,908	4,224,361	1,695,442	4,215,945
Exchange difference on translation	(10,347)	(77,560)	(10,360)	(77,973)
Cash and cash equivalents at end of the period	3,576,855	3,053,775	3,574,778	3,009,075

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 2012.

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

**Notes to the unaudited interim financial statements
for the six months ended 30 June 2013**

1. Basis of preparation

The unaudited interim financial statements of the Group and of the Bank for the six months ended 30 June 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)*

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

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 six months ended 30 June 2013.

4. Unusual items

There were no unusual items in the six months ended 30 June 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 six months ended 30 June 2013.

6. Debt and equity securities

There were no issuance or repayment of debt and equity securities or share buy-back during the six months ended 30 June 2013.

7. Dividends

During the six months ended 30 June 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.

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

8. Cash and short-term funds

	Group		Bank	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Cash and balances with banks and other financial institutions	719,548	782,538	717,559	782,270
Money at call and interbank placements with remaining maturity not exceeding one month	2,736,218	875,328	2,736,130	875,130
	<u>3,455,766</u>	<u>1,657,866</u>	<u>3,453,689</u>	<u>1,657,400</u>

9. Deposits and placements with banks and other financial institutions

	Group and Bank	
	30.06.2013	31.12.2012
	RM'000	RM'000
Licensed Islamic banks	121,089	38,042
	<u>121,089</u>	<u>38,042</u>

10. Financial assets held-for-trading

	Group and Bank	
	30.06.2013	31.12.2012
	RM'000	RM'000
At fair value		
Malaysian Government Investment Issues	555,193	20,190
Bank Negara Negotiable Notes	264,947	846,786
Islamic Debt Securities	491,807	683,891
Islamic Commercial Papers	19,984	49,884
Malaysian Islamic Treasury Bills	-	9,807
	<u>1,331,931</u>	<u>1,610,558</u>

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

11. Derivative financial assets/liabilities

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

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

Group and Bank	Principal amount	Fair value	
		Assets	Liabilities
30.06.2013	RM'000	RM'000	RM'000
Forward contracts	1,316,079	4,706	(5,323)
Profit rate swaps	1,322,895	13,380	(7,756)
Structured deposits	111,450	598	(598)
	2,750,424	18,684	(13,677)

Group and Bank	Principal amount	Fair value	
		Assets	Liabilities
31.12.2012	RM'000	RM'000	RM'000
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)
	2,228,884	16,736	(14,339)

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

12. Financial assets available-for-sale

	Group		Bank	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RM'000	RM'000	RM'000	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	1,163,198	1,893,477	1,163,198	1,893,477
Negotiable Islamic Debt				
Certificates	1,931,540	2,239,370	1,931,540	2,239,370
Islamic Debt Securities	9,125,208	8,768,603	9,127,219	8,770,614
Accepted Bills	15,045	-	15,045	-
	<u>12,234,991</u>	<u>12,901,450</u>	<u>12,237,002</u>	<u>12,903,461</u>
At fair value				
Islamic Development				
Bank Unit Trust	<u>1,587</u>	<u>1,530</u>	<u>1,587</u>	<u>1,530</u>
At cost				
Unquoted shares in				
Malaysia	22,938	22,477	22,938	22,477
Less: Accumulated				
impairment loss *	<u>(14,222)</u>	<u>(13,761)</u>	<u>(14,222)</u>	<u>(13,761)</u>
	<u>8,716</u>	<u>8,716</u>	<u>8,716</u>	<u>8,716</u>
At cost				
Unquoted shares outside				
Malaysia	<u>1,149</u>	<u>1,130</u>	<u>1,149</u>	<u>1,130</u>
	<u>12,249,672</u>	<u>12,916,055</u>	<u>12,251,683</u>	<u>12,918,066</u>

* Movement in accumulated impairment loss is due to translation difference

13. Financial assets held-to-maturity

	Group and Bank	
	30.06.2013	31.12.2012
	RM'000	RM'000
At amortised cost		
Unquoted securities in Malaysia:		
Islamic Debt Securities	84,875	198,029
Less: Accumulated impairment loss	(19,738)	(19,738)
	<u>65,137</u>	<u>178,291</u>

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

14. Financing, advances and others

(a) By type and Shariah contract

Group & Bank 30 June 2013	Bai' Bithaman Ajl RM'000	Murabahah RM'000	Bai Al-Inah RM'000	At-Tawarruq RM'000	Ijarah Muntahiah Bit-Tamleek RM'000	Ijarah RM'000	Istisna' RM'000	Ar-Rahnu RM'000	Total RM'000
At amortised cost									
Cash line	42	-	209,066	471,077	-	-	-	-	680,185
Term financing									
House financing	5,450,083	-	-	199,744	-	-	67,162	-	5,716,989
Syndicated financing	36,367	-	181,762	378,181	-	33,671	-	-	629,981
Leasing financing	-	-	-	-	44,122	162,962	-	-	207,084
Bridging financing	-	-	-	-	-	-	154,256	-	154,256
Personal financing	-	-	795,537	6,705,479	-	-	-	-	7,501,016
Other term financing	3,597,000	-	7,940	1,782,555	-	-	2,031	-	5,389,526
Staff financing	128,629	-	1,323	16,774	-	-	23,573	-	170,299
Credit cards	-	-	424,621	-	-	-	-	-	424,621
Trade bills discounted	-	848,865	15,019	-	-	-	-	-	863,884
Trust receipts	-	35,984	-	-	-	-	-	-	35,984
Pawn broking	-	-	-	-	-	-	-	84,302	84,302
	9,212,121	884,849	1,635,268	9,553,810	44,122	196,633	247,022	84,302	21,858,127
Allowance for impaired financing, advances and others									
- collective assessment allowance									(359,231)
- individual assessment allowance									(128,846)
Net financing, advances and others									21,370,050

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

14. Financing, advances and others (continued)

(a) By type and Shariah contract (continued)

Group	Bai' Bithaman Ajil RM'000	Murabahah RM'000	Bai Al-Inah RM'000	At-Tawarruq RM'000	Ijarah Muntahiah Bit-Tamleek RM'000	Ijarah RM'000	Istisna' RM'000	Ar-Rahnu RM'000	Total RM'000
31 December 2012									
At amortised cost									
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
	8,720,001	1,403,165	1,729,672	7,530,581	30,626	206,889	246,615	80,572	19,948,121
Allowance for impaired financing, advances and others									
- collective assessment allowance									(313,334)
- individual assessment allowance									(126,988)
Net financing, advances and others									19,507,799

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

14. Financing, advances and others (continued)

(a) By type and Shariah contract (continued)

Bank	Bai' Bithaman Ajil RM'000	Murabahah RM'000	Bai Al-Inah RM'000	At-Tawarruq RM'000	Ijarah Muntahiah Bit-Tamleek RM'000	Ijarah RM'000	Istisna' RM'000	Ar-Rahnu RM'000	Total RM'000
31 December 2012									
At amortised cost									
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
	8,720,001	1,403,165	1,730,606	7,530,581	30,626	206,889	246,615	80,572	19,949,055
Allowance for impaired financing, advances and others									
- collective assessment allowance									(313,334)
- individual assessment allowance									(126,988)
Net financing, advances and others									19,508,733

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

14. Financing, advances and others (continued)

(b) By type of customer

	Group		Bank	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Domestic non-bank financial institutions	225,040	57,558	225,040	58,492
Domestic business enterprise	4,327,614	4,327,447	4,327,614	4,327,447
Small medium industries	581,802	493,352	581,802	493,352
Government and statutory bodies	204,013	165,550	204,013	165,550
Individuals	16,307,757	14,679,594	16,307,757	14,679,594
Other domestic entities	4,684	5,646	4,684	5,646
Foreign entities	207,217	218,974	207,217	218,974
	<u>21,858,127</u>	<u>19,948,121</u>	<u>21,858,127</u>	<u>19,949,055</u>

(c) By profit rate sensitivity

	Group		Bank	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
House financing	1,620,434	1,552,555	1,620,434	1,552,555
Others	8,195,063	8,926,966	8,195,063	8,927,900
Floating rate				
Others	12,042,630	9,468,600	12,042,630	9,468,600
	<u>21,858,127</u>	<u>19,948,121</u>	<u>21,858,127</u>	<u>19,949,055</u>

(d) By remaining contractual maturity

	Group		Bank	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Maturity within one year	2,936,217	3,065,264	2,936,217	3,066,198
More than one year to three years	911,808	969,154	911,808	969,154
More than three years to five years	1,431,424	1,082,872	1,431,424	1,082,872
More than five years	16,578,678	14,830,831	16,578,678	14,830,831
	<u>21,858,127</u>	<u>19,948,121</u>	<u>21,858,127</u>	<u>19,949,055</u>

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

14. Financing, advances and others (continued)

(e) By geographical distribution

	Group		Bank	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Central Region	9,644,012	8,570,148	9,644,012	8,571,082
Eastern Region	4,040,763	3,635,878	4,040,763	3,635,878
Northern Region	3,485,558	3,165,074	3,485,558	3,165,074
Southern Region	2,900,109	2,920,068	2,900,109	2,920,068
East Malaysia Region	1,787,685	1,656,953	1,787,685	1,656,953
	<u>21,858,127</u>	<u>19,948,121</u>	<u>21,858,127</u>	<u>19,949,055</u>

(f) By sector

	Group		Bank	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Primary agriculture	166,553	223,163	166,553	223,163
Mining and quarrying	13,911	5,334	13,911	5,334
Manufacturing (including agro-based)	798,460	1,016,127	798,460	1,016,127
Electricity, gas and water	261,846	175,743	261,846	175,743
Wholesale & retail trade, and hotels & restaurants	749,882	673,210	749,882	673,210
Construction	1,026,362	1,725,523	1,026,362	1,725,523
Real estate	656,009	572,787	656,009	572,787
Transport, storage and communications	247,518	208,945	247,518	208,945
Finance, insurance and business activities	1,443,320	391,521	1,443,320	392,455
Education, health and others	289,159	254,018	289,159	254,018
Household sectors	16,199,698	14,693,126	16,199,698	14,693,126
Other sectors	5,409	8,624	5,409	8,624
	<u>21,858,127</u>	<u>19,948,121</u>	<u>21,858,127</u>	<u>19,949,055</u>

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

14. Financing, advances and others (continued)

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

	Group and Bank	
	30.06.2013	31.12.2012
	RM’000	RM’000
At 1 January 2013/ 2012	308,709	379,790
Classified as impaired during the period/year	190,180	427,775
Reclassified as not impaired during the period/year	(115,584)	(254,872)
Amount recovered	(36,203)	(92,264)
Amount written off	(51,443)	(151,472)
Exchange differences	2,368	(248)
At 30 June 2013/ 31 December 2012	<u>298,027</u>	<u>308,709</u>
Gross impaired financing as a percentage of gross financing, advances and others	<u>1.36%</u>	<u>1.55%</u>

(h) Impaired financing by geographical distribution

	Group and Bank	
	30.06.2013	31.12.2012
	RM’000	RM’000
Central Region	130,600	130,400
Eastern Region	27,276	26,053
Northern Region	60,750	66,894
Southern Region	15,460	22,199
East Malaysia Region	63,941	63,163
	<u>298,027</u>	<u>308,709</u>

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

14. Financing, advances and others (continued)

(i) Impaired financing by sector

	Group and Bank	
	30.06.2013	31.12.2012
	RM'000	RM'000
Primary agriculture	504	207
Manufacturing (including agro-based)	44,092	46,483
Electricity, gas and water	-	160
Wholesale & retail trade, and hotels & restaurants	17,233	17,422
Construction	72,904	74,341
Real estate	9	101
Transport, storage and communications	4,765	722
Finance, insurance and business activities	10,838	9,977
Household sectors	147,682	159,273
Other sectors	-	23
	298,027	308,709

(j) Movement of allowance for impaired financing

	Group and Bank	
	30.06.2013	31.12.2012
	RM'000	RM'000
<u>Collective assessment allowance</u>		
At 1 January 2013/ 2012	313,334	327,688
Allowance made during the period/year	91,600	102,185
Amount written off	(47,873)	(116,848)
Exchange differences	2,170	309
At 30 June 2013/ 31 December 2012	359,231	313,334
<u>Individual assessment allowance</u>		
At 1 January 2013/ 2012	126,988	75,770
Allowance made during the period/year	5,427	85,042
Amount written off	(3,569)	(33,824)
At 30 June 2013/ 31 December 2012	128,846	126,988

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

15. Other assets

	Group		Bank	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Other receivables	14,769	96,727	13,823	94,797
Deposit and prepayments	34,807	35,898	34,125	35,143
Related companies	66	32	194	1,205
	<u>49,642</u>	<u>132,657</u>	<u>48,142</u>	<u>131,145</u>

16. Deposits from customers

a) By type of deposit

	Group		Bank	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
<i>Non-Mudharabah fund</i>				
Demand deposits	8,208,901	8,963,892	8,211,255	8,968,608
Saving deposits	2,541,695	2,515,341	2,541,695	2,515,341
Negotiable Islamic Debt Securities ("NIDC")	1,383,493	1,638,528	1,383,493	1,638,528
Waheed-i	2,042,421	2,213,836	2,043,092	2,214,548
Ziyad	99,308	101,664	99,308	101,664
Others	81,642	78,562	81,642	78,562
	<u>14,357,460</u>	<u>15,511,823</u>	<u>14,360,485</u>	<u>15,517,251</u>
<i>Mudharabah fund</i>				
Saving deposits	1,969,757	1,942,190	1,969,757	1,942,190
General investment deposits	2,249,289	2,173,818	2,249,289	2,174,125
Special investment deposits	16,248,838	12,923,159	16,279,661	12,949,609
	<u>20,467,884</u>	<u>17,039,167</u>	<u>20,498,707</u>	<u>17,065,924</u>
	<u>34,825,344</u>	<u>32,550,990</u>	<u>34,859,192</u>	<u>32,583,175</u>

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

	Group		Bank	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Due within six months	19,958,392	16,983,754	19,989,361	17,010,698
More than six months to one year	1,786,433	1,243,158	1,786,958	1,243,683
More than one year to three years	229,172	775,333	229,172	775,333
More than three years to five years	49,352	48,760	49,352	48,760
	<u>22,023,349</u>	<u>19,051,005</u>	<u>22,054,843</u>	<u>19,078,474</u>

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

16. Deposits from customers (continued)

c) By type of customer

	Group		Bank	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Government and statutory bodies	6,272,772	7,378,695	6,272,772	7,378,695
Business enterprises	11,381,656	8,943,008	11,381,656	8,943,008
Individuals	4,979,180	5,263,990	4,979,180	5,263,990
Others	12,191,736	10,965,297	12,225,584	10,997,482
	<u>34,825,344</u>	<u>32,550,990</u>	<u>34,859,192</u>	<u>32,583,175</u>

17. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30.06.2013	31.12.2012
	RM'000	RM'000
<i>Non-Mudharabah fund</i>		
Licensed Islamic banks	1,480	1,475
Other financial institutions	42,202	50,153
	<u>43,682</u>	<u>51,628</u>
<i>Mudharabah fund</i>		
Licensed Islamic banks	1,067,253	768,360
Other financial institutions	210,000	40,290
	<u>1,277,253</u>	<u>808,650</u>
	<u>1,320,935</u>	<u>860,278</u>

18. Other liabilities

	Group		Bank	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Other payable	345,283	362,571	341,732	363,141
Accruals	102,598	135,200	101,498	133,746
	<u>447,881</u>	<u>497,771</u>	<u>443,230</u>	<u>496,887</u>

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

19. Income derived from investment of depositors' funds

Group	3 months ended		6 months ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Income derived from investment of:				
(i) General investment deposits	29,868	29,397	59,351	60,620
(ii) Other deposits	434,276	357,000	851,960	706,216
	<u>464,144</u>	<u>386,397</u>	<u>911,311</u>	<u>766,836</u>

(i) Income derived from investment of general investment deposits

Group	3 months ended		6 months ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
<i>Finance, income and hibah</i>				
Financing, advances and others	21,438	20,354	42,463	41,464
Financial assets:				
- held-for-trading	502	115	963	242
- available-for-sale	5,787	6,895	12,125	13,799
- held-to-maturity	217	285	444	594
Money at call and deposits with financial institutions	1,656	980	2,590	2,341
	<u>29,600</u>	<u>28,629</u>	<u>58,585</u>	<u>58,440</u>
<i>Other dealing income</i>				
Net gain from sale of financial assets held-for-trading	29	51	45	155
Net (loss)/gain on revaluation of financial assets held-for-trading	(1)	348	360	782
	<u>28</u>	<u>399</u>	<u>405</u>	<u>937</u>
<i>Other operating income</i>				
Net gain from sale of financial assets available-for-sale	269	369	390	1,243
Loss on redemption of financial assets held-to-maturity	(29)	-	(29)	-
	<u>240</u>	<u>369</u>	<u>361</u>	<u>1,243</u>
	<u>29,868</u>	<u>29,397</u>	<u>59,351</u>	<u>60,620</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	<u>580</u>	<u>324</u>	<u>1,009</u>	<u>845</u>

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

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

(ii) Income derived from investment of other deposits

Group	3 months ended		6 months ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
<i>Finance, income and hibah</i>				
Financing, advances and others	311,802	247,000	609,639	483,029
Financial assets:				
- held-for-trading	7,302	1,407	13,832	2,830
- available-for-sale	84,139	83,818	173,949	161,394
- held-to-maturity	3,150	3,468	6,368	6,905
Money at call and deposits with financial institutions	24,065	11,826	37,300	27,049
	430,458	347,519	841,088	681,207
<i>Other dealing income</i>				
Net gain from sale of financial assets held-for-trading	391	632	626	1,796
Net (loss)/gain on revaluation of financial assets held-for-trading	(60)	4,250	5,054	9,072
	331	4,882	5,680	10,868
<i>Other operating income</i>				
Net gain from sale of financial assets available-for-sale	3,917	4,599	5,622	14,141
Loss on redemption of financial assets held-to-maturity	(430)	-	(430)	-
	3,487	4,599	5,192	14,141
	434,276	357,000	851,960	706,216
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	8,448	4,102	14,518	9,940

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

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

Bank	3 months ended		6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
(i) General investment deposits	29,868	29,397	59,351	60,614
(ii) Other deposits	434,276	357,428	851,971	707,684
	464,144	386,825	911,322	768,298

(i) Income derived from investment of general investment deposits

Bank	3 months ended		6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
<i>Finance, income and hibah</i>				
Financing, advances and others	21,438	20,354	42,463	41,458
Financial assets:				
- held-for-trading	502	115	963	242
- available-for-sale	5,787	6,895	12,125	13,799
- held-to-maturity	217	285	444	594
Money at call and deposits with financial institutions	1,656	980	2,590	2,341
	29,600	28,629	58,585	58,434
<i>Other dealing income</i>				
Net gain from sale of financial assets held-for-trading	29	51	45	155
Net (loss)/gain on revaluation of financial assets held-for-trading	(1)	348	360	782
	28	399	405	937
<i>Other operating income</i>				
Net gain from sale of financial assets available-for-sale	269	369	390	1,243
Loss on redemption of financial assets held-to-maturity	(29)	-	(29)	-
	240	369	361	1,243
	29,868	29,397	59,351	60,614
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	580	324	1,009	845

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

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

(ii) Income derived from investment of other deposits

Bank	3 months ended		6 months ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
<i>Finance, income and hibah</i>				
Financing, advances and others	311,802	247,428	609,650	484,497
Financial assets:				
- held-for-trading	7,302	1,407	13,832	2,830
- available-for-sale	84,139	83,818	173,949	161,394
- held-to-maturity	3,150	3,468	6,368	6,905
Money at call and deposits with financial institutions	24,065	11,826	37,300	27,049
	430,458	347,947	841,099	682,675
<i>Other dealing income</i>				
Net gain from sale of financial assets held-for-trading	391	632	626	1,796
Net (loss)/gain on revaluation of financial assets held-for-trading	(60)	4,250	5,054	9,072
	331	4,882	5,680	10,868
<i>Other operating income</i>				
Net gain from sale of financial assets available-for-sale	3,917	4,599	5,622	14,141
Loss on redemption of financial assets held-to-maturity	(430)	-	(430)	-
	3,487	4,599	5,192	14,141
	434,276	357,428	851,971	707,684
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	8,448	4,102	14,518	9,940

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

20. Income derived from investment of shareholders' funds

Group	3 months ended		6 months ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
<i>Finance, income and hibah</i>				
Financing, advances and others	1,116	1,570	2,199	4,632
Financial assets available-for-sale	23,395	25,196	49,833	50,480
Money at call and deposits with financial institutions	6,360	626	8,415	962
	<u>30,871</u>	<u>27,392</u>	<u>60,447</u>	<u>56,074</u>
<i>Other dealing income</i>				
Net gain from foreign exchange transactions	16,655	10,040	33,111	19,056
Net derivatives gain/(loss)	3,244	(12,526)	2,856	(6,235)
	<u>19,899</u>	<u>(2,486)</u>	<u>35,967</u>	<u>12,821</u>
<i>Other operating income</i>				
Profit on sale of foreign currencies	-	1,008	-	1,655
Reversal of impairment allowance	64	60	124	120
Gross dividend income from securities				
- unit trust in Malaysia	-	-	-	43
- unit trust outside Malaysia	-	32	-	32
- unquoted in Malaysia	6,044	2,857	6,458	2,857
	<u>6,108</u>	<u>3,957</u>	<u>6,582</u>	<u>4,707</u>
<i>Fees and commission</i>				
Fees	35,424	35,983	64,034	60,609
Commission	5,828	4,473	11,110	8,334
Others	2,300	1,977	4,909	3,996
	<u>43,552</u>	<u>42,433</u>	<u>80,053</u>	<u>72,939</u>
<i>Other income</i>				
Net gain/(loss) on disposal of property and equipment	50	(24)	(984)	(18)
Rental income	902	319	1,809	570
Other income	114	(74)	247	575
	<u>1,066</u>	<u>221</u>	<u>1,072</u>	<u>1,127</u>
	<u>101,496</u>	<u>71,517</u>	<u>184,121</u>	<u>147,668</u>

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

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

Bank	3 months ended		6 months ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
<i>Finance, income and hibah</i>				
Financing, advances and others	1,116	1,045	2,199	2,044
Financial assets available-for-sale	23,395	25,196	49,833	50,480
Money at call and deposits with financial institutions	6,362	635	8,416	971
	30,873	26,876	60,448	53,495
<i>Other dealing income</i>				
Net gain from foreign exchange transactions	16,655	10,040	33,111	19,056
Net derivatives gain/(loss)	3,244	(12,526)	2,856	(6,235)
	19,899	(2,486)	35,967	12,821
<i>Other operating income</i>				
Gross dividend income from securities				
- unit trust in Malaysia	-	-	-	43
- unit trust outside Malaysia	-	32	-	32
- unquoted in Malaysia	6,044	2,857	6,458	2,857
Gross dividend income from subsidiary	-	6,000	-	6,000
	6,044	8,889	6,458	8,932
<i>Fees and commission</i>				
Fees	33,351	34,684	60,075	58,018
Commission	5,828	4,473	11,110	8,334
Others	2,697	2,586	5,746	4,926
	41,876	41,743	76,931	71,278
<i>Other income</i>				
Net gain/(loss) on disposal of property and equipment	50	(24)	(967)	(18)
Rental income	902	319	1,809	570
Other income	116	7	124	531
	1,068	302	966	1,083
	99,760	75,324	180,770	147,609

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

21. Allowances for impairment on financing and advances

Group and Bank	3 months ended		6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Allowances for impaired financing, advances and others:				
- collective assessment allowance	31,745	28,838	91,600	63,905
- individual assessment allowance	(290)	4,936	5,427	22,191
Bad debts and financing recovered	(29,053)	(31,168)	(95,432)	(68,201)
	<u>2,402</u>	<u>2,606</u>	<u>1,595</u>	<u>17,895</u>

22. Income attributable to depositors

Group	3 months ended		6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- Mudharabah fund	145,206	86,031	284,878	169,021
- Non-Mudharabah fund	47,975	49,974	85,860	98,505
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	3,698	2,071	7,243	3,982
- Non-Mudharabah fund	288	62	1,166	131
	<u>197,167</u>	<u>138,138</u>	<u>379,147</u>	<u>271,639</u>

Bank	3 months ended		6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- Mudharabah fund	145,430	86,114	285,281	169,184
- Non-Mudharabah fund	47,979	49,982	85,874	98,521
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	3,698	2,071	7,243	3,982
- Non-Mudharabah fund	288	62	1,166	131
	<u>197,395</u>	<u>138,229</u>	<u>379,564</u>	<u>271,818</u>

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

23. Personnel expenses

Group	3 months ended		6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and bonuses	86,650	73,956	178,381	147,758
Employees' Provident Fund	10,290	9,194	20,346	18,024
Other staff related costs	12,129	9,941	22,146	16,418
	<u>109,069</u>	<u>93,091</u>	<u>220,873</u>	<u>182,200</u>

Bank	3 months ended		6 months ended	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and bonuses	86,053	72,992	176,902	145,831
Employees' Provident Fund	10,155	9,071	20,086	17,751
Other staff related costs	11,989	9,801	21,869	16,177
	<u>108,197</u>	<u>91,864</u>	<u>218,857</u>	<u>179,759</u>

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

24. Other overhead expenses

Group	3 months ended		6 months ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
<i>Promotion</i>				
Advertisement and publicity	2,991	3,118	3,934	4,924
Credit card expenses	5,259	4,084	8,637	7,535
Commissions	2,638	1,702	5,057	4,055
	<u>10,888</u>	<u>8,904</u>	<u>17,628</u>	<u>16,514</u>
<i>Establishment</i>				
Office rental	11,586	12,408	23,119	24,725
Depreciation of property and equipment	11,621	9,907	22,871	19,385
Information technology expenses	7,057	6,182	14,349	13,222
Rental equipment	973	1,053	2,008	2,032
Office maintenance	2,014	2,115	4,046	3,511
Utilities	2,989	3,159	6,344	6,035
Security services	2,652	2,815	5,237	6,068
Takaful and insurance	2,128	1,247	2,916	2,060
Others	-	6	274	295
	<u>41,020</u>	<u>38,892</u>	<u>81,164</u>	<u>77,333</u>
<i>General expenses</i>				
Professional fees	735	2,174	1,379	3,184
Office supplies	2,972	2,002	5,212	4,245
Outsourcing fees	12,018	12,033	24,574	22,870
Others	14,721	14,848	32,346	28,009
	<u>30,446</u>	<u>31,057</u>	<u>63,511</u>	<u>58,308</u>
	<u>82,354</u>	<u>78,853</u>	<u>162,303</u>	<u>152,155</u>

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

24. Other overhead expenses (continued)

Bank	3 months ended		6 months ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
<i>Promotion</i>				
Advertisement and publicity	2,831	3,041	3,615	4,756
Credit card expenses	5,259	4,084	8,637	7,535
Commissions	2,503	1,625	4,805	3,922
	<u>10,593</u>	<u>8,750</u>	<u>17,057</u>	<u>16,213</u>
<i>Establishment</i>				
Office rental	11,484	12,247	22,860	24,348
Depreciation of property and equipment	11,600	9,877	22,831	19,242
Information technology expenses	7,057	6,182	14,349	13,222
Rental equipment	956	1,041	1,973	2,015
Office maintenance	1,973	2,085	3,964	3,440
Utilities	2,969	3,108	6,302	5,934
Security services	2,650	2,735	5,231	5,791
Takaful and insurance	2,083	1,218	2,832	1,926
Others	-	6	274	295
	<u>40,772</u>	<u>38,499</u>	<u>80,616</u>	<u>76,213</u>
<i>General expenses</i>				
Professional fees	679	2,116	1,289	3,028
Office supplies	2,945	1,977	5,155	4,239
Outsourcing fees	12,018	12,033	24,574	22,870
Others	15,096	14,770	31,871	27,858
	<u>30,738</u>	<u>30,896</u>	<u>62,889</u>	<u>57,995</u>
	<u>82,103</u>	<u>78,145</u>	<u>160,562</u>	<u>150,421</u>

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

25. 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				→		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			
As at 30 June 2013										
<i>Assets</i>										
Cash, balances and placements with banks	2,756,262	101,045	-	-	-	719,548	-	3,576,855	2.43	
Financial assets held-for- trading	-	-	-	-	-	-	1,331,931	1,331,931	2.91	
Derivative financial assets	-	-	-	-	-	-	18,684	18,684	0.68	
Financial assets available- for-sale	638,338	347,020	3,605,061	5,247,589	2,411,664	-	-	12,249,672	3.91	
Financial assets held-to- maturity	-	-	-	-	65,137	-	-	65,137	9.57	
Financing, advances and others										
- non-impaired	13,643,310	623,903	538,034	2,843,728	3,911,125	-	-	21,560,100	6.40	
- impaired net of allowances *	-	-	-	-	-	(190,050)	-	(190,050)	-	
Other assets	-	-	-	-	-	1,500,682	-	1,500,682	-	
Total assets	17,037,910	1,071,968	4,143,095	8,091,317	6,387,926	2,030,180	1,350,615	40,113,011		

* 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

25. 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 June 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Liabilities									
Deposits from customers	20,433,819	1,459,409	28,458	99,308	-	12,804,350	-	34,825,344	2.13
Deposits and placements of banks and other financial institutions	1,190,379	129,076	1,480	-	-	-	-	1,320,935	2.19
Derivative financial liabilities	-	-	-	-	-	-	13,677	13,677	0.50
Bills and acceptance payable	-	-	-	-	-	211,470	-	211,470	-
Other liabilities	-	-	-	-	-	482,738	-	482,738	-
Total liabilities	21,624,198	1,588,485	29,938	99,308	-	13,498,558	13,677	36,854,164	
Equity									
Equity attributable to equity holders of the Bank	-	-	-	-	-	3,258,847	-	3,258,847	
Total liabilities and shareholders' equity	21,624,198	1,588,485	29,938	99,308	-	16,757,405	13,677	40,113,011	

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

25. 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 June 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On-balance sheet profit sensitivity gap	(4,586,288)	(516,517)	4,113,157	7,992,009	6,387,926	(14,727,225)	1,336,938	-
Off-balance sheet profit sensitivity gap (profit rate swaps)	400,000	600,000	-	(600,000)	(400,000)	-	-	-
Total profit sensitivity gap	(4,186,288)	83,483	4,113,157	7,392,009	5,987,926	(14,727,225)	1,336,938	-

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

25. 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			
As at 31 December 2012									
<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	-
Total assets	12,843,798	2,372,147	2,728,419	8,574,836	7,127,928	2,148,469	1,627,294	37,422,891	

* 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

25. 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			
As at 31 December 2012									
Liabilities									
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	-
Total liabilities	18,826,468	1,029,790	127,964	103,891	-	14,217,474	14,339	34,319,926	
Equity									
Equity attributable to equity holders of the Bank	-	-	-	-	-	3,102,965	-	3,102,965	
Total liabilities and shareholders' equity	18,826,468	1,029,790	127,964	103,891	-	17,320,439	14,339	37,422,891	

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

25. 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)	-	-	-
Total profit sensitivity gap	(5,582,670)	1,942,357	2,600,455	7,870,945	6,727,928	(15,171,970)	1,612,955	-

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

25. 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	
As at 30 June 2013									
<i>Assets</i>									
Cash, balances and placements with banks	2,756,174	101,045	-	-	-	717,559	-	3,574,778	2.43
Financial assets held-for-trading	-	-	-	-	-	-	1,331,931	1,331,931	2.91
Derivative financial assets	-	-	-	-	-	-	18,684	18,684	0.68
Financial assets available-for-sale	638,338	347,020	3,605,061	5,247,589	2,413,675	-	-	12,251,683	3.91
Financial assets held-to-maturity	-	-	-	-	65,137	-	-	65,137	9.57
Financing, advances and others									
- non-impaired	13,643,310	623,903	538,034	2,843,728	3,911,125	-	-	21,560,100	6.40
- impaired net of allowances*	-	-	-	-	-	(190,050)	-	(190,050)	-
Other assets	-	-	-	-	-	1,527,869	-	1,527,869	-
Total assets	17,037,822	1,071,968	4,143,095	8,091,317	6,389,937	2,055,378	1,350,615	40,140,132	

* 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

25. 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 June 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Liabilities									
Deposits from customers	20,467,142	1,459,409	28,983	99,308	-	12,804,350	-	34,859,192	2.13
Deposits and placements of banks and other financial institutions	1,190,379	129,076	1,480	-	-	-	-	1,320,935	2.19
Derivative financial liabilities	-	-	-	-	-	-	13,677	13,677	0.50
Bills and acceptance payable	-	-	-	-	-	211,470	-	211,470	-
Other liabilities	-	-	-	-	-	477,959	-	477,959	-
Total liabilities	21,657,521	1,588,485	30,463	99,308	-	13,493,779	13,677	36,883,233	
Equity									
Equity attributable to equity holders of the Bank	-	-	-	-	-	3,256,899	-	3,256,899	
Total liabilities and shareholders' equity	21,657,521	1,588,485	30,463	99,308	-	16,750,678	13,677	40,140,132	

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

25. 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 June 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On-balance sheet profit sensitivity gap	(4,619,699)	(516,517)	4,112,632	7,992,009	6,389,937	(14,695,300)	1,336,938	-
Off-balance sheet profit sensitivity gap (profit rate swaps)	400,000	600,000	-	(600,000)	(400,000)	-	-	-
Total profit sensitivity gap	(4,219,699)	83,483	4,112,632	7,392,009	5,989,937	(14,695,300)	1,336,938	-

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

25. 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	
As at 31 December 2012									
<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	-
Total assets	12,843,600	2,372,147	2,728,419	8,575,770	7,129,939	2,173,629	1,627,294	37,450,798	

* 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

25. 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	%
Liabilities									
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	-
Total liabilities	18,853,412	1,029,790	128,489	103,891	-	14,221,262	14,339	34,351,183	
Equity									
Equity attributable to equity holders of the Bank	-	-	-	-	-	3,099,615	-	3,099,615	
Total liabilities and shareholders' equity	18,853,412	1,029,790	128,489	103,891	-	17,320,877	14,339	37,450,798	

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

25. Profit Rate Risk (continued)

Bank	←		Non trading book				→		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	Trading book RM'000		
As at 31 December 2012									
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)	-	-	-	
Total profit sensitivity gap	(5,609,812)	1,942,357	2,599,930	7,871,879	6,729,939	(15,147,248)	1,612,955	-	

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

26. Segmental Reporting on Revenue, Profit and Assets

	Consumer Banking RM'000	Corporate and Commercial Banking RM'000	Treasury RM'000	Shareholders unit RM'000	Elimination RM'000	Total RM'000
<u>6 months ended 30 June 2013</u>						
Total Revenue	580,421	151,628	292,982	75,691	(5,290)	1,095,432
Net fund based income	362,027	139,724	30,285	48,947	(11)	580,972
Non-fund based income	63,309	16,623	45,018	15,225	(4,862)	135,313
Net income	425,336	156,347	75,303	64,172	(4,873)	716,285
Allowances for impairment	(43,316)	44,689	3,491	(2,968)	-	1,896
Profit before overheads, zakat & taxation	382,020	201,036	78,794	61,204	(4,873)	718,181
Operating expenses						(394,327)
						323,854
Share of results of associate company						(1,333)
Profit before zakat & taxation						322,521
<u>6 months ended 30 June 2012</u>						
Total Revenue	476,602	121,140	254,018	73,301	(10,557)	914,504
Net fund based income	323,503	134,733	25,193	42,127	(1,476)	524,080
Non-fund based income	49,846	21,590	40,269	15,982	(8,902)	118,785
Net income	373,349	156,323	65,462	58,109	(10,378)	642,865
Allowances for impairment	(12,354)	(5,541)	1,748	-	-	(16,147)
Profit before overheads, zakat & taxation	360,995	150,782	67,210	58,109	(10,378)	626,718
Operating expenses						(350,654)
						276,064
Share of results of associate company						2,338
Profit before zakat & taxation						278,402

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

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

	Consumer Banking RM'000	Corporate and Commercial Banking RM'000	Treasury RM'000	Shareholders unit RM'000	Elimination RM'000	Total RM'000
<u>At 30 June 2013</u>						
Segment assets	16,116,952	5,253,098	16,524,654	59,401	(35,932)	37,918,173
Unallocated assets						2,194,838
Total assets						<u>40,113,011</u>
<u>At 31 December 2012</u>						
Segment assets	14,520,857	4,987,876	15,636,823	62,633	(39,950)	35,168,239
Unallocated assets						2,254,652
Total assets						<u>37,422,891</u>

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

27. 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:

	Group		Bank	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
Common Equity Tier I (CET I) Capital Ratio	12.292%	N/A	12.167%	N/A
Total Tier I Capital Ratio	12.292%	12.942% *	12.167%	12.942% *
Total Capital Ratio	13.371%	13.986% *	13.247%	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

	30.06.2013	
	Group RM'000	Bank RM'000
<u>Tier I capital</u>		
Paid-up share capital	2,265,490	2,265,490
Retained earnings	158,344	154,992
Other reserves	544,331	544,318
Less: Deferred tax assets	(18,629)	(18,629)
Less: Investment in subsidiaries	-	(28,027)
Less: Investment in associate company	(21,579)	(22,563)
Total Common Equity Tier I Capital	2,927,957	2,895,581
Total Additional Tier I Capital	-	-
Total Tier I Capital	2,927,957	2,895,581
Collective assessment allowance ^	257,051	257,022
Total Tier II Capital	257,051	257,022
Total Capital	3,185,008	3,152,603

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

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

27. Capital adequacy (continued)

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

	31.12.2012	
	Group	Bank
	RM'000	RM'000
<u>Tier I capital</u>		
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)
Total Tier I capital	<u>2,962,004</u>	<u>2,958,478</u>
Collective assessment allowance #	<u>257,769</u>	<u>257,769</u>
Total Tier II capital	<u>257,769</u>	<u>257,769</u>
Total capital	3,219,773	3,216,247
Less: Investment in subsidiaries	-	(28,027)
Less: Investment in associate company	(22,912)	(22,563)
Capital base	<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:

	Group		Bank	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Credit risk	20,564,082	19,369,281	20,561,771	19,361,943
Market risk	910,152	917,234	910,152	917,234
Operational risk	2,345,990	2,207,161	2,326,734	2,187,160
	<u>23,820,224</u>	<u>22,493,676</u>	<u>23,798,657</u>	<u>22,466,337</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:

	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Asset RM'000
As at 30 June 2013				
<i>Credit related exposures</i>				
Direct credit substitutes	399,676		399,676	393,221
Assets sold with recourse	2		2	2
Transaction related contingent items	864,344		432,172	419,430
Short term self-liquidating trade related contingencies	255,190		51,038	50,014
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- not exceeding one year	3,157		631	613
- exceeding one year	611,921		305,960	261,462
Unutilised credit card lines	981,560		196,312	147,234
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	4,983,763		-	-
	8,099,613		1,385,791	1,271,976
<i>Derivative Financial Instruments</i>				
Foreign exchange related contracts				
- less than one year	1,316,079	4,706	10,931	6,299
Profit rate related contracts				
- one year to less than five years	600,000	2,162	10,000	2,000
- five years and above	722,895	11,218	36,229	20,229
Equity related contracts				
- one year to less than five years	111,450	598	8,916	4,458
	2,750,424	18,684	66,076	32,986
Total	10,850,037	18,684	1,451,867	1,304,962

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 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	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		-	-
	8,699,906		1,606,866	1,509,670
<i>Derivative Financial Instruments</i>				
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
	2,228,884	16,736	74,080	35,069
Total	10,928,790	16,736	1,680,946	1,544,739

Bank Islam Malaysia Berhad (98127-X)

(Incorporated in Malaysia)

Unaudited Interim Financial Statements

29. Performance review for the six months ended 30 June 2013

For the six months ended 30 June 2013, the Group recorded profit before tax and zakat of RM322.5 million, an increase of RM44.1 million or 15.8% over that achieved for the previous corresponding period of RM278.4 million. The improved performance was mainly attributed to growth in business activities.

Year-on-year net financing assets grew RM5.0 billion or 30.2% to reach RM21.4 billion as at end June 2013. Correspondingly, fund based income from financing also increased by RM125.2 million or 23.7%. Non fund based income also reported a 13.9% growth or RM16.5 million mainly from foreign exchange transactions and fees and commission.

Customer deposits reported a year-on-year growth of 21.4% or RM6.1 billion to reach RM34.8 billion as at end June 2013. Similarly, the low cost current and savings accounts (CASA) also increased RM0.7 billion or 6.2% year-on-year. The CASA ratio as at end June 2013 was 36.5%, much higher than the Islamic Banking Industry ratio of 26.6% as at end May 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 1.36% as at end June 2013, consequently the net impaired financing ratio also improved from a negative 0.67% as at end December 2012 to a negative 0.89% as at end June 2013. The Islamic Banking Industry gross and net impaired ratios were 1.60% and -0.31% respectively as at end May 2013.

30. Prospect for 2013

The Malaysian economy is expected to grow between 5% and 6% in 2013. Domestic demand is expected to remain relatively resilient throughout the year driven by the implementation of the Economic Transformation Programme (ETP) and also Foreign Direct Investment to support investment projects to be implemented in the second half of 2013.

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. We are growing personal financing (PF) at a rapid pace as it provides one of the highest rate of return. For the 1H13, this segment grew at an annualised pace of 31%. Our personal financing is considered secured as more than 90% is package PF 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. The Bank is also growing the house financing and auto financing, whereby the 1H13 saw an annualised growth of 19% and 11% respectively.

We are also targeting to grow the business portfolio which comprises both the Commercial and Corporate financing portfolios. For 1H13, the Commercial portfolio grew an annualised 21%. 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.

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

31. Prospect for 2013 (continued)

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 130.

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 and cheque deposit machines.

30. 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.

31. Credit Transactions and Exposures with Connected Parties

	Group and Bank	
	30.06.2013	31.12.2012
	RM'000	RM'000
Outstanding credit exposures with connected parties	1,307,796	1,189,406
% of outstanding credit exposures to connected parties as a proportion of total credit exposures	5.99%	5.96%
% of outstanding credit exposures with connected parties which is non-performing or in default	0.001%	0.001%

The above disclosure on Credit Transaction and Exposures with Connected Parties is presented in accordance with Para 9.1 of Bank Negara Malaysia's Revised Guidelines on Credit Transaction and Exposures with Connected Parties.