

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

Statements of Financial Position as at 31 March 2013

	Note	Group		Bank	
		31.03.2013 RM'000	31.12.2012 RM'000	31.03.2013 RM'000	31.12.2012 RM'000
Assets					
Cash and short-term funds	8	4,583,212	1,657,866	4,582,738	1,657,400
Deposits and placements with banks and other financial institutions	9	167,156	38,042	167,156	38,042
Financial assets held-for-trading	10	1,614,353	1,610,558	1,614,353	1,610,558
Derivative financial assets	11	16,000	16,736	16,000	16,736
Financial assets available-for-sale	12	12,617,725	12,916,055	12,619,736	12,918,066
Financial assets held-to-maturity	13	179,589	178,291	179,589	178,291
Financing, advances and others	14	20,435,620	19,507,799	20,435,620	19,508,733
Other assets	15	18,311	132,657	16,646	131,145
Statutory deposits with Bank Negara Malaysia		1,145,900	1,059,900	1,145,900	1,059,900
Current tax assets		40,612	40,642	40,468	40,468
Deferred tax assets		18,475	18,455	18,629	18,629
Investments in subsidiary companies		-	-	28,027	28,027
Investment in associate company		22,560	22,912	22,563	22,563
Property and equipment		217,522	222,978	217,337	222,240
Total assets		41,077,035	37,422,891	41,104,762	37,450,798
Liabilities and equity					
Deposits from customers	16	36,378,230	32,550,990	36,413,640	32,583,175
Deposits and placements of banks and other financial institutions	17	737,573	860,278	737,573	860,278
Derivative financial liabilities	11	13,862	14,339	13,862	14,339
Bills and acceptance payable		242,328	385,138	242,328	385,138
Other liabilities	18	480,178	497,771	474,657	496,887
Zakat and taxation		25,027	11,410	24,969	11,366
Total liabilities		37,877,198	34,319,926	37,907,029	34,351,183

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Statements of Financial Position as at 31 March 2013 (continued)

		Group		Bank	
	Note	31.03.2013 RM'000	31.12.2012 RM'000	31.03.2013 RM'000	31.12.2012 RM'000
Equity					
Share capital		2,265,490	2,265,490	2,265,490	2,265,490
Reserves		<u>934,347</u>	<u>837,475</u>	<u>932,243</u>	<u>834,125</u>
Total equity		<u>3,199,837</u>	<u>3,102,965</u>	<u>3,197,733</u>	<u>3,099,615</u>
Total liabilities and equity		<u>41,077,035</u>	<u>37,422,891</u>	<u>41,104,762</u>	<u>37,450,798</u>
Commitments and Contingencies	28	<u>11,085,953</u>	<u>10,928,790</u>	<u>11,085,953</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.

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**Statements of Profit or Loss and Other Comprehensive Income
for the three months ended 31 March 2013**

	Note	Group		Bank	
		3 months ended		3 months ended	
		31.03.2013	31.03.2012	31.03.2013	31.03.2012
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	19	447,167	380,439	447,178	381,473
Income derived from investment of shareholders' funds	20	82,625	76,151	81,010	72,285
Allowances for impairment on financing and advances	21	807	(15,289)	807	(15,289)
Allowances for impairment on investments		-	(9,777)	-	(9,777)
Reversal of allowances for impairment on other assets		-	1,356	-	1,356
Direct expenses		<u>(6,188)</u>	<u>(6,881)</u>	<u>(6,188)</u>	<u>(6,881)</u>
Total distributable income		524,411	425,999	522,807	423,167
Income attributable to depositors	22	<u>(181,980)</u>	<u>(133,501)</u>	<u>(182,169)</u>	<u>(133,589)</u>
Total net income		342,431	292,498	340,638	289,578
Personnel expenses	23	(111,804)	(89,109)	(110,660)	(87,895)
Other overhead expenses	24	<u>(79,949)</u>	<u>(73,302)</u>	<u>(78,459)</u>	<u>(72,276)</u>
		150,678	130,087	151,519	129,407
Share of results of associate company		<u>(352)</u>	<u>540</u>	<u>-</u>	<u>-</u>
Profit before zakat and tax		150,326	130,627	151,519	129,407
Zakat		(2,272)	(1,677)	(2,259)	(1,650)
Tax expense		<u>(37,722)</u>	<u>(38,983)</u>	<u>(37,677)</u>	<u>(38,915)</u>
Profit for the period		<u>110,332</u>	<u>89,967</u>	<u>111,583</u>	<u>88,842</u>
Earnings per share (sen)		<u>4.87</u>	<u>3.97</u>		

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**Statements of Profit or Loss and Other Comprehensive Income
for the three months ended 31 March 2013 (continued)**

	Group		Bank	
	3 months ended		3 months ended	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	<u>110,332</u>	<u>89,967</u>	<u>111,583</u>	<u>88,842</u>
Other comprehensive income:				
Currency translation differences in respect of foreign operations	(3,583)	9,945	(3,588)	9,953
Net (loss)/gain on revaluation of financial assets available-for-sale	<u>(9,877)</u>	<u>7,080</u>	<u>(9,877)</u>	<u>7,080</u>
Other comprehensive income for the period, net of tax	<u>(13,460)</u>	<u>17,025</u>	<u>(13,465)</u>	<u>17,033</u>
Total comprehensive income for the period	<u>96,872</u>	<u>106,992</u>	<u>98,118</u>	<u>105,875</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.

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Consolidated Statement of Changes in Equity for the three months ended 31 March 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	-	-	-	110,332	110,332
Other comprehensive income	-	-	(13,460)	-	(13,460)
Total comprehensive income for the period	-	-	(13,460)	110,332	96,872
At 31 March 2013	2,265,490	-	614,697	319,650	3,199,837
At 1 January 2012	2,265,490	500,020	1,082,603	(1,040,270)	2,807,843
Profit for the period	-	-	-	89,967	89,967
Other comprehensive income	-	-	17,025	-	17,025
Total comprehensive income for the period	-	-	17,025	89,967	106,992
Zerorisation of accumulated losses	-	(500,020)	(684,335)	1,184,355	-
Dividends payable on ordinary shares	-	-	-	(44,686)	(44,686)
At 31 March 2012	2,265,490	-	415,293	189,366	2,870,149

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.

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Statement of Changes in Equity for the three months ended 31 March 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	-	-	-	111,583	111,583
Other comprehensive income	-	-	(13,465)	-	(13,465)
Total comprehensive income for the period	-	-	(13,465)	111,583	98,118
At 31 March 2013	2,265,490	-	614,694	317,549	3,197,733
At 1 January 2012	2,265,490	500,020	1,082,595	(1,047,148)	2,800,957
Profit for the period	-	-	-	88,842	88,842
Other comprehensive income	-	-	17,033	-	17,033
Total comprehensive income for the period	-	-	17,033	88,842	105,875
Zerorisation of accumulated losses	-	(500,020)	(684,335)	1,184,355	-
Dividends payable on ordinary shares	-	-	-	(44,686)	(44,686)
At 31 March 2012	2,265,490	-	415,293	181,363	2,862,146

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.

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Condensed Statements of Cash Flow
for the three months ended 31 March 2013

	Group		Bank	
	3 months ended		3 months ended	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Profit before zakat and tax	150,326	130,627	151,519	129,407
Adjustment for non-cash items	4,490	9,378	3,736	9,795
Operating profit before working capital changes	154,816	140,005	155,255	139,202
Changes in working capital:				
Net changes in operating assets	(1,023,604)	212,851	(1,022,517)	193,338
Net changes in operating liabilities	3,670,332	(2,187,861)	3,668,920	(2,202,842)
Cash generated from / (used in) operations	2,801,544	(1,835,005)	2,801,658	(1,870,302)
Zakat and tax paid	(26,367)	(21,084)	(26,333)	(20,987)
Tax refund	-	1,790	-	1,790
Net cash generated from / (used in) operating activities	2,775,177	(1,854,299)	2,775,325	(1,889,499)
Net cash generated from / (used in) investing activities	282,866	(627,500)	282,715	(627,399)
Net increase / (decrease) in cash and cash equivalents	3,058,043	(2,481,799)	3,058,040	(2,516,898)
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	(3,583)	9,948	(3,588)	9,954
Cash and cash equivalents at end of the period	4,750,368	1,752,510	4,749,894	1,709,001

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.

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**Notes to the unaudited interim financial statements
for the three months ended 31 March 2013**

1. Basis of preparation

The unaudited interim financial statements of the Group and of the Bank for the three months ended 31 March 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), Bank Negara Malaysia (BNM) Guidelines, the provisions of the Companies Act, 1965 and Shariah requirements.

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

The unaudited interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group and 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 three months ended 31 March 2013.

4. Unusual items

There were no unusual items in the three months ended 31 March 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 three months ended 31 March 2013.

6. Debt and equity securities

There were no issuance or repayment of debt and equity securities or share buy-back during the three months ended 31 March 2013.

7. Dividends

There was no dividend payment during the three months ended 31 March 2013.

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8. Cash and short-term funds

	Group		Bank	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Cash and balances with banks and other financial institutions	781,966	782,538	781,608	782,270
Money at call and interbank placements with remaining maturity not exceeding one month	3,801,246	875,328	3,801,130	875,130
	<u>4,583,212</u>	<u>1,657,866</u>	<u>4,582,738</u>	<u>1,657,400</u>

9. Deposits and placements with banks and other financial institutions

	Group and Bank	
	31.03.2013	31.12.2012
	RM'000	RM'000
Licensed Islamic banks	167,156	38,042
	<u>167,156</u>	<u>38,042</u>

10. Financial assets held-for-trading

	Group and Bank	
	31.03.2013	31.12.2012
	RM'000	RM'000
At fair value		
Malaysian Government Investment Issues	80,953	20,190
Bank Negara Negotiable Notes	768,736	846,786
Islamic Debt Securities	664,881	683,891
Islamic Commercial Papers	99,783	49,884
Malaysian Islamic Treasury Bills	-	9,807
	<u>1,614,353</u>	<u>1,610,558</u>

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11. Derivative financial assets/liabilities

The following tables summarise the contractual or underlying principal amounts of derivative financial instruments held at fair value through profit or loss and hedging purposes. The principal or contractual amount of these instruments reflects 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
31.03.2013	RM'000	RM'000	RM'000
Forward contracts	1,420,413	3,450	(2,939)
Profit rate swaps	1,328,485	11,478	(9,851)
Structured deposits	112,080	1,072	(1,072)
	2,860,978	16,000	(13,862)

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)

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12. Financial assets available-for-sale

	Group		Bank	
	31.03.2013 RM'000	31.12.2012 RM'000	31.03.2013 RM'000	31.12.2012 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	1,285,971	1,893,477	1,285,971	1,893,477
Negotiable Islamic Debt				
Certificates	1,418,022	2,239,370	1,418,022	2,239,370
Islamic Debt Securities	9,378,324	8,768,603	9,380,335	8,770,614
Bank Negara Negotiable				
Notes	476,630	-	476,630	-
Accepted Bills	44,141	-	44,141	-
	<u>12,603,088</u>	<u>12,901,450</u>	<u>12,605,099</u>	<u>12,903,461</u>
At fair value				
Islamic Development				
Bank Unit Trust	<u>1,548</u>	<u>1,530</u>	<u>1,548</u>	<u>1,530</u>
At cost				
Unquoted shares in				
Malaysia	22,637	22,477	22,637	22,477
Less: Accumulated				
impairment loss *	<u>(13,921)</u>	<u>(13,761)</u>	<u>(13,921)</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>1,144</u>	<u>1,130</u>	<u>1,144</u>	<u>1,130</u>
	<u>12,617,725</u>	<u>12,916,055</u>	<u>12,619,736</u>	<u>12,918,066</u>

* Movement in accumulated impairment loss due to translation differences

13. Financial assets held-to-maturity

	Group and Bank	
	31.03.2013 RM'000	31.12.2012 RM'000
At amortised cost		
Unquoted securities in Malaysia:		
Islamic Debt Securities	199,327	198,029
Less: Accumulated impairment loss	(19,738)	(19,738)
	<u>179,589</u>	<u>178,291</u>

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14. Financing, advances and others

(a) By type and Shariah contract

Group & Bank	Bai' Bithaman Ajil	Murabahah	Bai Al-Inah	At-Tawarruq	Ijarah Muntahiah Bit-Tamleek	Ijarah	Istisna'	Ar-Rahnu	Total
31 March 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At amortised cost									
Cash line	3,703	-	219,735	441,619	-	-	-	-	665,057
Term financing									
House financing	5,324,622	-	-	12,564	-	-	65,773	-	5,402,959
Syndicated financing	39,157	-	175,517	235,982	-	33,756	-	-	484,412
Leasing financing	-	-	-	-	29,208	172,882	-	-	202,090
Bridging financing	-	-	-	-	-	-	153,431	-	153,431
Personal financing	-	-	752,872	6,178,254	-	-	-	-	6,931,126
Other term financing	3,585,551	-	26,320	1,397,815	-	-	2,048	-	5,011,734
Staff financing	126,766	-	1,814	13,675	-	-	24,151	-	166,406
Credit cards	-	-	420,059	-	-	-	-	-	420,059
Trade bills discounted	-	1,190,629	-	170,039	-	-	-	-	1,360,668
Trust receipts	-	36,702	-	-	-	-	-	-	36,702
Pawn broking	-	-	-	-	-	-	-	79,956	79,956
	9,079,799	1,227,331	1,596,317	8,449,948	29,208	206,638	245,403	79,956	20,914,600
Allowance for impaired financing, advances and others									
- collective assessment allowance									(348,791)
- individual assessment allowance									(130,189)
Net financing, advances and others									20,435,620

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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

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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

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14. Financing, advances and others (continued)

(b) By type of customer

	Group		Bank	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Domestic non-bank financial institutions	210,203	57,558	210,203	58,492
Domestic business enterprise	4,231,594	4,327,447	4,231,594	4,327,447
Small medium industries	549,494	493,352	549,494	493,352
Government and statutory bodies	228,099	165,550	228,099	165,550
Individuals	15,449,381	14,679,594	15,449,381	14,679,594
Other domestic entities	4,916	5,646	4,916	5,646
Foreign entities	240,913	218,974	240,913	218,974
	<u>20,914,600</u>	<u>19,948,121</u>	<u>20,914,600</u>	<u>19,949,055</u>

(c) By profit rate sensitivity

	Group		Bank	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
House financing	1,491,142	1,552,555	1,491,142	1,552,555
Others	8,642,177	8,926,966	8,642,177	8,927,900
Floating rate				
Others	10,781,281	9,468,600	10,781,281	9,468,600
	<u>20,914,600</u>	<u>19,948,121</u>	<u>20,914,600</u>	<u>19,949,055</u>

(d) By remaining contractual maturity

	Group		Bank	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Maturity within one year	3,261,269	3,065,264	3,261,269	3,066,198
More than one year to three years	928,168	969,154	928,168	969,154
More than three years to five years	1,425,535	1,082,872	1,425,535	1,082,872
More than five years	15,299,628	14,830,831	15,299,628	14,830,831
	<u>20,914,600</u>	<u>19,948,121</u>	<u>20,914,600</u>	<u>19,949,055</u>

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14. Financing, advances and others (continued)

(e) By geographical distribution

	Group		Bank	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Central Region	9,048,639	8,570,148	9,048,639	8,571,082
Eastern Region	3,878,321	3,635,878	3,878,321	3,635,878
Northern Region	3,299,831	3,165,074	3,299,831	3,165,074
Southern Region	2,941,488	2,920,068	2,941,488	2,920,068
East Malaysia Region	1,746,321	1,656,953	1,746,321	1,656,953
	<u>20,914,600</u>	<u>19,948,121</u>	<u>20,914,600</u>	<u>19,949,055</u>

(f) By sector

	Group		Bank	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Primary agriculture	205,786	223,163	205,786	223,163
Mining and quarrying	8,193	5,334	8,193	5,334
Manufacturing (including agro-based)	980,710	1,016,127	980,710	1,016,127
Electricity, gas and water	234,021	175,743	234,021	175,743
Wholesale & retail trade, and hotels & restaurants	683,062	673,210	683,062	673,210
Construction	1,680,639	1,725,523	1,680,639	1,725,523
Real estate	575,884	572,787	575,884	572,787
Transport, storage and communications	212,948	208,945	212,948	208,945
Finance, insurance and business activities	617,305	391,521	617,305	392,455
Education, health and others	278,862	254,018	278,862	254,018
Household sectors	15,431,903	14,693,126	15,431,903	14,693,126
Other sectors	5,287	8,624	5,287	8,624
	<u>20,914,600</u>	<u>19,948,121</u>	<u>20,914,600</u>	<u>19,949,055</u>

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14. Financing, advances and others (continued)

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

	Group and Bank	
	31.03.2013	31.12.2012
	RM’000	RM’000
At 1 January 2013/ 2012	308,709	379,790
Classified as impaired during the period/year	103,437	427,775
Reclassified as not impaired during the period/year	(56,907)	(254,872)
Amount recovered	(17,376)	(92,264)
Amount written off	(27,816)	(151,472)
Exchange differences	912	(248)
At 31 March 2013/ 31 December 2012	<u>310,959</u>	<u>308,709</u>
Gross impaired financing as a percentage of gross financing, advances and others	<u>1.49%</u>	<u>1.55%</u>

(h) Impaired financing by geographical distribution

	Group and Bank	
	31.03.2013	31.12.2012
	RM’000	RM’000
Central Region	140,395	130,400
Eastern Region	26,689	26,053
Northern Region	62,021	66,894
Southern Region	19,406	22,199
East Malaysia Region	62,448	63,163
	<u>310,959</u>	<u>308,709</u>

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14. Financing, advances and others (continued)

(i) Impaired financing by sector

	Group and Bank	
	31.03.2013	31.12.2012
	RM'000	RM'000
Primary agriculture	634	207
Manufacturing (including agro-based)	44,077	46,483
Electricity, gas and water	96	160
Wholesale & retail trade, and hotels & restaurants	19,636	17,422
Construction	73,451	74,341
Real estate	11	101
Transport, storage and communications	6,134	722
Finance, insurance and business activities	13,974	9,977
Household sectors	152,923	159,273
Other sectors	23	23
	310,959	308,709

(j) Movement of allowance for impaired financing

	Group and Bank	
	31.03.2013	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	59,855	102,185
Amount written off	(25,300)	(116,848)
Exchange differences	902	309
At 31 March 2013/ 31 December 2012	348,791	313,334
<u>Individual assessment allowance</u>		
At 1 January 2013/ 2012	126,988	75,770
Allowance made during the period/year	5,717	85,042
Amount written off	(2,516)	(33,824)
At 31 March 2013/ 31 December 2012	130,189	126,988

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15. Other assets

	Group		Bank	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Other receivables	(18,876)	96,727	(19,812)	94,797
Deposit and prepayments	36,986	35,898	36,211	35,143
Related companies	201	32	247	1,205
	<u>18,311</u>	<u>132,657</u>	<u>16,646</u>	<u>131,145</u>

16. Deposits from customers

a) By type of deposit

	Group		Bank	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
<i>Non-Mudharabah fund</i>				
Demand deposits	8,168,767	8,963,892	8,173,221	8,968,608
Saving deposits	2,672,000	2,515,341	2,672,000	2,515,341
Negotiable Islamic Debt Securities ("NIDC")	2,149,108	1,638,528	2,149,108	1,638,528
Waheed-i	3,150,195	2,213,836	3,150,863	2,214,548
Ziyad	99,869	101,664	99,869	101,664
Others	73,926	78,562	73,926	78,562
	<u>16,313,865</u>	<u>15,511,823</u>	<u>16,318,987</u>	<u>15,517,251</u>
<i>Mudharabah fund</i>				
Saving deposits	2,004,636	1,942,190	2,004,636	1,942,190
General investment deposits	2,309,717	2,173,818	2,309,717	2,174,125
Special investment deposits	15,750,012	12,923,159	15,780,300	12,949,609
	<u>20,064,365</u>	<u>17,039,167</u>	<u>20,094,653</u>	<u>17,065,924</u>
	<u>36,378,230</u>	<u>32,550,990</u>	<u>36,413,640</u>	<u>32,583,175</u>

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

	Group		Bank	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Due within six months	21,455,458	16,983,754	21,485,889	17,010,698
More than six months to one year	1,721,921	1,243,158	1,722,446	1,243,683
More than one year to three years	229,798	775,333	229,798	775,333
More than three years to five years	51,724	48,760	51,724	48,760
	<u>23,458,901</u>	<u>19,051,005</u>	<u>23,489,857</u>	<u>19,078,474</u>

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16. Deposits from customers (continued)

c) By type of customer

	Group		Bank	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Government and statutory bodies	6,777,837	7,378,695	6,777,837	7,378,695
Business enterprises	11,000,399	8,943,008	11,000,399	8,943,008
Individuals	5,533,717	5,263,990	5,533,717	5,263,990
Others	13,066,277	10,965,297	13,101,687	10,997,482
	<u>36,378,230</u>	<u>32,550,990</u>	<u>36,413,640</u>	<u>32,583,175</u>

17. Deposits and placements of banks and other financial institutions

	Group and Bank	
	31.03.2013	31.12.2012
	RM'000	RM'000
<i>Non-Mudharabah fund</i>		
Licensed Islamic banks	1,473	1,475
Other financial institutions	47,337	50,153
	<u>48,810</u>	<u>51,628</u>
<i>Mudharabah fund</i>		
Licensed Islamic banks	628,763	768,360
Other financial institutions	60,000	40,290
	<u>688,763</u>	<u>808,650</u>
	<u>737,573</u>	<u>860,278</u>

18. Other liabilities

	Group		Bank	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Other payable	319,915	362,571	315,939	363,141
Accruals	160,263	135,200	158,718	133,746
	<u>480,178</u>	<u>497,771</u>	<u>474,657</u>	<u>496,887</u>

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19. Income derived from investment of depositors' funds

	Group		Bank	
	3 months ended		3 months ended	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
(i) General investment deposits	29,483	31,223	29,483	31,217
(ii) Other deposits	417,684	349,216	417,695	350,256
	<u>447,167</u>	<u>380,439</u>	<u>447,178</u>	<u>381,473</u>

(i) Income derived from investment of general investment deposits

	Group		Bank	
	3 months ended		3 months ended	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
<i>Finance, income and hibah</i>				
Financing, advances and others	21,025	21,110	21,025	21,104
Financial assets:				
- held-for-trading	461	127	461	127
- available-for-sale	6,338	6,904	6,338	6,904
- held-to-maturity	227	309	227	309
Money at call and deposits with financial institutions	934	1,361	934	1,361
	<u>28,985</u>	<u>29,811</u>	<u>28,985</u>	<u>29,805</u>
<i>Other dealing income</i>				
Net gain from sale of financial assets held-for-trading	16	104	16	104
Net gain on revaluation of financial assets held-for-trading	361	434	361	434
	<u>377</u>	<u>538</u>	<u>377</u>	<u>538</u>
<i>Other operating income</i>				
Net gain from sale of financial assets available-for-sale	121	874	121	874
	<u>121</u>	<u>874</u>	<u>121</u>	<u>874</u>
	<u>29,483</u>	<u>31,223</u>	<u>29,483</u>	<u>31,217</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	429	521	429	521
	<u>429</u>	<u>521</u>	<u>429</u>	<u>521</u>

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

(ii) Income derived from investment of other deposits

	Group		Bank	
	3 months ended		3 months ended	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
<i>Finance, income and hibah</i>				
Financing, advances and others	297,837	236,029	297,848	237,069
Financial assets:				
- held-for-trading	6,530	1,423	6,530	1,423
- available-for-sale	89,810	77,576	89,810	77,576
- held-to-maturity	3,218	3,437	3,218	3,437
Money at call and deposits with financial institutions	13,235	15,223	13,235	15,223
	410,630	333,688	410,641	334,728
<i>Other dealing income</i>				
Net gain from sale of financial assets held-for-trading	235	1,164	235	1,164
Net gain on revaluation of financial assets held-for-trading	5,114	4,822	5,114	4,822
	5,349	5,986	5,349	5,986
<i>Other operating income</i>				
Net gain from sale of financial assets available-for-sale	1,705	9,542	1,705	9,542
	1,705	9,542	1,705	9,542
	417,684	349,216	417,695	350,256
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	6,070	5,838	6,070	5,838

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20. Income derived from investment of shareholders' funds

	Group		Bank	
	3 months ended		3 months ended	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
<i>Finance, income and hibah</i>				
Financing, advances and others	1,083	3,062	1,083	999
Financial assets available-for-sale	26,438	25,284	26,438	25,284
Money at call and deposits with financial institutions	2,055	336	2,054	336
	29,576	28,682	29,575	26,619
<i>Other dealing income</i>				
Net gain from foreign exchange transactions	16,456	9,016	16,456	9,016
Net derivatives (loss)/gain	(388)	6,291	(388)	6,291
	16,068	15,307	16,068	15,307
<i>Other operating income</i>				
Profit on sale of foreign currencies	-	647	-	-
Reversal of impairment allowance	60	60	-	-
Gross dividend income from securities				
- unit trust in Malaysia	-	43	-	43
- unquoted in Malaysia	414	-	414	-
	474	750	414	43
<i>Fees and commission</i>				
Fees	28,610	24,626	26,724	23,334
Commission	5,282	3,861	5,282	3,861
Others	2,609	2,019	3,049	2,340
	36,501	30,506	35,055	29,535
<i>Other income</i>				
Net (loss)/gain on disposal of property and equipment	(1,034)	6	(1,017)	6
Rental income	907	251	907	251
Other income	133	649	8	524
	6	906	(102)	781
	82,625	76,151	81,010	72,285

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21. Allowances for impairment on financing and advances

	Group and Bank	
	3 months ended	
	31.03.2013	31.03.2012
	RM'000	RM'000
Allowances for impaired financing, advances and others:		
- collective assessment allowance	59,855	35,067
- individual assessment allowance	5,717	17,255
Bad debts and financing recovered	(66,379)	(37,033)
	(807)	15,289

22. Income attributable to depositors

	Group		Bank	
	3 months ended		3 months ended	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- Mudharabah fund	139,672	82,990	139,851	83,070
- Non-Mudharabah fund	37,885	48,531	37,895	48,539
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	3,545	1,911	3,545	1,911
- Non-Mudharabah fund	878	69	878	69
	181,980	133,501	182,169	133,589

23. Personnel expenses

	Group		Bank	
	3 months ended		3 months ended	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and bonuses	91,731	73,802	90,849	72,839
Employees' Provident Fund	10,056	8,830	9,931	8,680
Other staff related costs	10,017	6,477	9,880	6,376
	111,804	89,109	110,660	87,895

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24. Other overhead expenses

	Group		Bank	
	3 months ended		3 months ended	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
<i>Promotion</i>				
Advertisement and publicity	943	1,806	784	1,715
Credit card expenses	3,378	3,451	3,378	3,451
Commissions	2,419	2,353	2,302	2,297
	6,740	7,610	6,464	7,463
<i>Establishment</i>				
Office rental	11,533	12,317	11,376	12,101
Depreciation of property and equipment	11,250	9,478	11,231	9,365
Information technology expenses	7,292	7,040	7,292	7,040
Rental equipment	1,035	979	1,017	974
Office maintenance	2,032	1,396	1,991	1,355
Utilities	3,355	2,876	3,333	2,826
Security services	2,585	3,253	2,581	3,056
Takaful and insurance	788	813	749	708
Others	274	289	274	289
	40,144	38,441	39,844	37,714
<i>General expenses</i>				
Professional fees	644	1,010	610	912
Office supplies	2,240	2,243	2,210	2,262
Outsourcing fees	12,556	10,837	12,556	10,837
Others	17,625	13,161	16,775	13,088
	33,065	27,251	32,151	27,099
	79,949	73,302	78,459	72,276

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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				→		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 March 2013									
<i>Assets</i>									
Cash, balances and placements with banks	3,820,516	30,000	117,148	-	-	782,704	-	4,750,368	2.29
Financial assets held-for-trading	-	-	-	-	-	-	1,614,353	1,614,353	3.17
Derivative financial assets	-	-	-	-	-	-	16,000	16,000	0.56
Financial assets available-for-sale	1,214,110	745,029	2,388,881	5,184,405	3,085,300	-	-	12,617,725	3.82
Financial assets held-to-maturity	17,083	9,677	8,420	48,894	95,515	-	-	179,589	7.83
Financing, advances and others									
- non-impaired	12,353,493	651,275	552,527	2,980,709	4,065,637	-	-	20,603,641	6.39
- impaired net of allowances *	-	-	-	-	-	(168,021)	-	(168,021)	-
Other assets	-	-	-	-	-	1,463,380	-	1,463,380	-
Total assets	17,405,202	1,435,981	3,066,976	8,214,008	7,246,452	2,078,063	1,630,353	41,077,035	

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

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25. Profit Rate Risk (continued)

Group	←		Non trading book				Non profit sensitive	Trading book	Total	Effective profit rate %
	Up to 1 month	>1-3 months	>3-12 months	1-5 years	Over 5 years	RM'000				
As at 31 March 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Liabilities										
Deposits from customers	20,522,269	1,374,847	1,461,926	99,869	-	12,919,319	-	36,378,230	2.01	
Deposits and placements of banks and other financial institutions	665,184	30,930	-	41,459	-	-	-	737,573	2.06	
Derivative financial liabilities	-	-	-	-	-	-	13,862	13,862	0.48	
Bills and acceptance payable	-	-	-	-	-	242,328	-	242,328	-	
Other liabilities	-	-	-	-	-	505,205	-	505,205	-	
Total liabilities	21,187,453	1,405,777	1,461,926	141,328	-	13,666,852	13,862	37,877,198		
Equity										
Equity attributable to equity holders of the Bank	-	-	-	-	-	3,199,837	-	3,199,837		
Total liabilities and shareholders' equity	21,187,453	1,405,777	1,461,926	141,328	-	16,866,689	13,862	41,077,035		

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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 March 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On-balance sheet profit sensitivity gap	(3,782,251)	30,204	1,605,050	8,072,680	7,246,452	(14,788,626)	1,616,491	-
Off-balance sheet profit sensitivity gap (profit rate swaps)	400,000	600,000	-	(600,000)	(400,000)	-	-	-
Total profit sensitivity gap	(3,382,251)	630,204	1,605,050	7,472,680	6,846,452	(14,788,626)	1,616,491	-

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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.

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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	

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25. Profit Rate Risk (continued)

Group	Non trading book						Trading book RM'000	Total RM'000
	← Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non profit sensitive RM'000		
As at 31 December 2012								
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	-

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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 March 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	3,821,138	30,000	117,148	-	-	781,608	-	4,749,894	2.29
Financial assets held-for-trading	-	-	-	-	-	-	1,614,353	1,614,353	3.17
Derivative financial assets	-	-	-	-	-	-	16,000	16,000	0.56
Financial assets available-for-sale	1,214,110	745,029	2,388,881	5,184,405	3,087,311	-	-	12,619,736	3.82
Financial assets held-to-maturity	17,083	9,677	8,420	48,894	95,515	-	-	179,589	7.83
Financing, advances and others									
- non-impaired	12,353,493	651,275	552,527	2,980,709	4,065,637	-	-	20,603,641	6.39
- impaired net of allowances*	-	-	-	-	-	(168,021)	-	(168,021)	-
Other assets	-	-	-	-	-	1,489,570	-	1,489,570	-
Total assets	17,405,824	1,435,981	3,066,976	8,214,008	7,248,463	2,103,157	1,630,353	41,104,762	

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

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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 March 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Liabilities									
Deposits from customers	20,552,700	1,374,847	1,462,451	99,869	-	12,923,773	-	36,413,640	2.01
Deposits and placements of banks and other financial institutions	665,184	30,930	-	41,459	-	-	-	737,573	2.06
Derivative financial liabilities	-	-	-	-	-	-	13,862	13,862	0.48
Bills and acceptance payable	-	-	-	-	-	242,328	-	242,328	-
Other liabilities	-	-	-	-	-	499,626	-	499,626	-
Total liabilities	21,217,884	1,405,777	1,462,451	141,328	-	13,665,727	13,862	37,907,029	
Equity									
Equity attributable to equity holders of the Bank	-	-	-	-	-	3,197,733	-	3,197,733	
Total liabilities and shareholders' equity	21,217,884	1,405,777	1,462,451	141,328	-	16,863,460	13,862	41,104,762	

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25. Profit Rate Risk (continued)

Bank	Non trading book						Trading book	Total
	←					→		
As at 31 March 2013	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non profit sensitive RM'000	RM'000	RM'000
On-balance sheet profit sensitivity gap	(3,812,060)	30,204	1,604,525	8,072,680	7,248,463	(14,760,303)	1,616,491	-
Off-balance sheet profit sensitivity gap (profit rate swaps)	400,000	600,000	-	(600,000)	(400,000)	-	-	-
Total profit sensitivity gap	(3,412,060)	630,204	1,604,525	7,472,680	6,848,463	(14,760,303)	1,616,491	-

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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	
<i>As at 31 December 2012</i>									
<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.

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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	

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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	-	

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26. Operating Segments

<u>3 months ended 31 March 2013</u>	Consumer Banking RM'000	Corporate and Commercial Banking RM'000	Treasury RM'000	Shareholders unit RM'000	Elimination RM'000	Total RM'000
Total Revenue	280,112	73,615	144,868	33,720	(2,523)	529,792
Net fund based income	179,585	70,555	15,580	21,502	(11)	287,211
Non-fund based income	28,323	6,531	24,236	3,834	(2,323)	60,601
Net income	207,908	77,086	39,816	25,336	(2,334)	347,812
Allowances for impairment	(25,560)	29,335	-	(2,968)	-	807
Profit before overheads, zakat & taxation	182,348	106,421	39,816	22,368	(2,334)	348,619
Operating expenses						(197,941)
						150,678
Share of results of associate company						(352)
Profit before zakat & taxation						150,326
<u>Selected Balance Sheets items</u>						
Gross Financing	15,470,188	5,444,412	-	-	-	20,914,600
Deposits from customers	8,317,379	7,753,338	20,307,513	-	-	36,378,230

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26. Operating Segments (continued)

<u>3 months ended 31 March 2012</u>	Consumer Banking RM'000	Corporate and Commercial Banking RM'000	Treasury RM'000	Shareholders unit RM'000	Elimination RM'000	Total RM'000
Total Revenue	237,727	58,489	129,625	33,182	(2,433)	456,590
Net fund based income	157,947	71,902	11,775	18,104	(1,048)	258,680
Non-fund based income	30,641	7,196	23,945	3,924	(1,297)	64,409
Net income	188,588	79,098	35,720	22,028	(2,345)	323,089
Allowances for impairment	(4,722)	(10,568)	(8,420)	-	-	(23,710)
Profit before overheads, zakat & taxation	183,866	68,530	27,300	22,028	(2,345)	299,379
Operating expenses						(169,292)
						130,087
Share of results of associate company						540
Profit before zakat & taxation						130,627
<u>Selected Balance Sheets items</u>						
Gross Financing	11,591,090	3,703,800	-	-	-	15,294,890
Deposits from customers	7,367,615	7,588,085	11,186,986	-	-	26,142,686

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27. Capital adequacy

The Bank's regulatory capital and capital adequacy ratios are determined according to the requirements of the Capital Adequacy Framework for Islamic Banks (CAFIB) as required under the Islamic Banking Act (IBA) 1983. The Bank has adopted the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk.

With effect 1 January 2013, the Bank has complied with the latest approach set out by CAFIB issued on 28 November 2012 for computing total capital and capital adequacy ratios. The comparative total capital and capital adequacy ratios are computed in accordance to the earlier approach set out in CAFIB-Basel II.

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

	Group		Bank	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
Common Equity Tier I (CET I) Capital Ratio	12.72%	N/A	12.60%	N/A
Total Tier I Capital Ratio	12.72%	12.94% *	12.60%	12.94% *
Total Capital Ratio	13.80%	13.99% *	13.68%	13.86% *

* 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

	31.03.2013	
	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	553,352	553,349
Less: Deferred tax assets	(18,475)	(18,629)
Less: Investment in subsidiaries	-	(28,027)
Less: Investment in associate company	(22,560)	(22,563)
Total Common Equity Tier I Capital	2,936,151	2,904,612
Total Additional Tier I Capital	-	-
Total Tier I Capital	2,936,151	2,904,612
Collective assessment allowance ^	249,227	249,193
Total Tier II Capital	249,227	249,193
Total Capital	3,185,378	3,153,805

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

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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	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Credit risk	19,938,180	19,369,281	19,935,400	19,361,943
Market risk	873,502	917,234	873,502	917,234
Operational risk	2,272,324	2,207,161	2,252,474	2,187,160
	<u>23,084,006</u>	<u>22,493,676</u>	<u>23,061,376</u>	<u>22,466,337</u>

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28. Commitment and Contingencies

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

As at 31 March 2013	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	547,002		547,002	539,450
Assets sold with recourse	2		2	2
Transaction related contingent items	788,039		394,020	384,051
Short term self-liquidating trade related contingencies	287,042		57,408	55,975
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- not exceeding one year	3,690		738	720
- exceeding one year	500,522		250,261	219,645
Unutilised credit card lines	977,273		195,454	146,591
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	5,121,405		-	-
	8,224,975		1,444,885	1,346,434
<i>Derivative Financial Instruments</i>				
Foreign exchange related contracts				
- less than one year	1,420,413	3,450	13,886	7,215
Profit rate related contracts				
- one year to less than five years	600,000	2,225	12,000	2,400
- five years and above	728,485	9,253	40,515	21,315
Equity related contracts				
- one year to less than five years	112,080	1,072	8,966	4,483
	2,860,978	16,000	75,367	35,413
Total	11,085,953	16,000	1,520,252	1,381,847

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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

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29. Performance review for the three months ended 31 March 2013

The Group achieved a profit before tax and zakat of RM150.3 million for the three months ended 31 March 2013, an increase of RM19.7 million or 15.1% over the previous corresponding period of RM130.6 million. The improved performance was mainly attributed to increase in fund based income by RM77.0 million or 19.6%.

The higher fund based income came mainly from financing income of RM59.7 million with the Group's net financing year-on-year growth of RM5.6 billion or 37.3% to reach RM20.4 billion as at end March 2013.

Customer deposits reported a year-on-year growth of 39.2% or RM10.2 billion to reach RM36.4 billion as at end March 2013. Similarly, the low cost current and savings accounts (CASA) also increased RM0.6 billion or 4.8% year-on-year. The CASA ratio as at end March 2013 was 35.3%, much higher than the Islamic Banking Industry ratio of 27.2% as at end February 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 1.49% as at end March 2013, consequently the net impaired financing ratio also improved from a negative 0.67% as at end December 2012 to a negative 0.82% as at end March 2013. The Islamic Banking Industry gross and net impaired ratios were 1.70% and -0.25% respectively as at end February 2013.

30. Prospect for 2013

The Malaysian economy is expected to grow between 5% and 6% in 2013. Economic activity will be anchored by the continued resilience of domestic demand and supported by a gradual improvement in the external sector.

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. In terms of financing, we have targeted a 25% growth for the current financial year. The Bank will continue to grow its consumer financing portfolio as well as focus on resilient industries in particular those that are set to benefit from the Economic Transformation Programme. Other initiatives include increasing the proportion of floating-rate financing, shortening personal-financing tenures and optimising the financing-to-deposits ratio. At the same time, the Bank remains mindful of the challenging surrounding economic conditions and the importance of acquiring good quality assets amidst such an environment and as such the Bank will continue to make enhancements to the current control and practices.

The Bank's financing to deposits ratio is targeted at 65% as at end 2013. To this end, deposits are expected to grow by 15% per annum. Competition has been stiff for CASA and we expect to maintain our CASA composition at 35%. We have launched a campaign for Al-Awfar product that will see 2 draws per year with a grand prize of RM1.0 million each plus 20 prizes of RM10,000 each, when a minimum deposit balance of RM1,000 is maintained for three months.

We also expect greater contribution from non-fund based income from our key sources of fee-based income from deposit products, wealth management and bancatakaful services as well as our corporate advisory services, foreign exchange and trade businesses.

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 127.

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.

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31. Subsequent events

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