

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

OVERVIEW

This document discloses Bank Islam Group's ("the Group") quantitative disclosures in accordance with the disclosure requirements as outlined in the Capital Adequacy Framework for Islamic Banks ("CAFIB") – Disclosure Requirements ("Pillar 3") issued by Bank Negara Malaysia ("BNM").

The Group has adopted the Standardised Approach in determining the capital requirements for credit and market risk and has applied the Basic Indicator Approach for operational risk for the Pillar 1 since January 2008. Under the Standardised Approach, standard risk weights are used to assess the capital requirements for exposures in credit and market risk whilst the capital required for operational risk under the Basic Indicator Approach is computed based on a fixed percentage over the Group's average gross income for a fixed number of quarterly periods.

In compliance with the Pillar 3 Guideline, the Pillar 3 report for the Bank is being regularly prepared for two periods: 30 June and 31 December. The Bank's Pillar 3 report will be made available under the Corporate Info section of the Bank's website at www.bankislam.com.my, attached to its annual and the half-yearly financial reports after the notes to the financial statements.

The following tables show the minimum regulatory capital requirement to support the Group's and the Bank's risk weighted assets.

Group	30.06.2014		31.12.2013	
	RISK-WEIGHTED ASSETS	MINIMUM CAPITAL REQUIREMENT AT 8%	RISK-WEIGHTED ASSETS	MINIMUM CAPITAL REQUIREMENT AT 8%
	RM'000	RM'000	RM'000	RM'000
Credit risk	24,308,953	1,944,716	22,252,433	1,780,195
Market risk	609,502	48,760	761,777	60,942
Operational risk	2,592,022	207,362	2,457,803	196,624
Total	27,510,477	2,200,838	25,472,012	2,037,761

Bank	30.06.2014		31.12.2013	
	RISK-WEIGHTED ASSETS	MINIMUM CAPITAL REQUIREMENT AT 8%	RISK-WEIGHTED ASSETS	MINIMUM CAPITAL REQUIREMENT AT 8%
	RM'000	RM'000	RM'000	RM'000
Credit risk	24,306,717	1,944,537	22,249,166	1,779,933
Market risk	609,502	48,760	761,777	60,942
Operational risk	2,571,961	205,757	2,437,809	195,025
Total	27,488,180	2,199,054	25,448,752	2,035,900

The Group does not have any capital requirement for Large Exposure Risk as there is no amount in excess of the lowest threshold arising from equity holdings as specified in the BNM's CAFIB.

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

1. Scope of Application

The Pillar 3 Disclosure is prepared on a consolidated basis and comprises information on the Bank (including the offshore banking operations in the Federal Territory of Labuan) and its subsidiaries.

There are no significant restrictions or impediments on the transfer of funds or regulatory capital within the Group. There were no capital deficiencies in any of the subsidiary companies of the Group as at the financial half-year.

2. Capital Adequacy

Effective 1 January 2013, total capital and capital adequacy ratios of the Bank are computed based on BNM's Capital Adequacy Framework for Islamic Banks (Capital Components and Risk-Weighted Assets) issued on 28 November 2012 and its subsequent updates on 27 June 2013. The comparative total capital and capital adequacy ratios are computed in accordance to the approach set out in the then prevailing capital framework and thus may not be directly comparable to data used prior to 1 January 2013.

Capital Adequacy Ratios

The Risk Weighted Capital Ratio ("RWCR") of the Group and Bank are set out below:

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

	GROUP		BANK	
	30.06.2014	31.12.2013	30.06.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Common Equity Tier 1 (CET 1) Capital Ratio	12.80%	12.96%	12.74%	12.88%
Tier 1 Capital Ratio	12.80%	12.96%	12.74%	12.88%
Risk-Weighted Capital Ratio	13.90%	14.06%	13.85%	13.97%

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

2. Capital Adequacy (continued)

(b) CET 1, Tier I, and Tier II capital components of the Group and of the Bank:

	GROUP	BANK
	30.06.2014	30.06.2014
	RM'000	RM'000
<u>Tier I capital</u>		
Paid-up share capital	2,298,165	2,298,165
Share Premium	52,281	52,281
Retained earnings	374,481	377,432
Other reserves	820,252	820,231
Less: Deferred tax assets	(24,613)	(24,613)
Less: Investment in subsidiaries	-	(20,627)
Less: Investment in associate company	-	-
Total Common Equity Tier I Capital	3,502,566	3,502,869
Total Additional Tier I Capital	-	-
Total Tier I Capital	3,502,566	3,502,869
Collective assessment allowance ^	303,862	303,834
Total Tier II Capital	303,862	303,834
Total Capital	3,824,428	3,806,703

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

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

2. Capital Adequacy (continued)

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

	GROUP	BANK
	31.12.2013	31.12.2013
	RM'000	RM'000
<u>Tier I capital</u>		
Paid-up share capital	2,298,165	2,298,165
Share Premium	52,281	52,281
Retained earnings	253,822	256,389
Other reserves	722,567	722,539
Less: Deferred tax assets	(24,613)	(24,613)
Less: Investment in subsidiaries	-	(28,027)
Less: Investment in associate company	-	-
Total Common Equity Tier I Capital	3,302,222	3,276,734
Total Additional Tier I Capital	-	-
Total Tier I Capital	3,302,222	3,276,734
Collective assessment allowance ^	278,155	278,115
Total Tier II Capital	278,155	278,115
Total Capital	3,580,377	3,554,849

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

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

2. Capital Adequacy (continued)

Capital Adequacy Ratios (continued)

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

(i) *Group*

30 JUNE 2014 EXPOSURE CLASS	GROSS EXPOSURE RM'000	NET EXPOSURE RM'000	RISK- WEIGHTED ASSET RM'000	MINIMUM CAPITAL REQUIREMENT AT 8% RM'000
Credit Risk				
On-Balance Sheet Exposures				
Sovereign/Central Banks	3,775,002	3,775,002	-	-
Public Sector Entities	856,838	855,834	258,040	20,643
Banks, Developments Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	1,328,493	1,328,493	165,569	13,246
Corporate	13,548,444	13,382,778	6,073,367	485,869
Regulatory Retail	12,197,980	12,094,125	10,778,971	862,318
Residential Mortgages	7,718,549	7,716,084	4,751,692	380,135
Higher Risk Assets	25,554	25,554	38,331	3,066
Other Assets	2,056,325	2,056,325	321,207	25,697
Defaulted Exposures	443,798	433,162	599,444	47,955
Total for On-Balance Sheet Exposures	41,950,984	41,667,357	22,986,621	1,838,930
Off-Balance Sheet Exposures				
Credit-related Exposures	1,478,539	1,478,539	1,283,921	102,714
Derivative Financial Instruments	51,223	51,223	25,860	2,069
Defaulted Exposures	8,395	8,395	12,551	1,004
Total for Off-Balance Sheet Exposures	1,538,156	1,538,156	1,322,332	105,787
Total On and Off-Balance Sheet Exposures	43,489,140	43,205,513	24,308,953	1,944,716
Market Risk				
	Long position	Short Position		
Benchmark Rate Risk	2,736,652	(2,713,582)	23,070	255,955
Foreign Exchange Risk	25,725	(350,485)	(324,760)	350,485
Inventory Risk	-	-	3,062	3,062
Total Market Risk	2,762,377	(3,064,067)	(298,628)	609,502
Operational Risk			2,592,022	207,362
Total RWA and Capital Requirements			27,510,477	2,200,838

Note: As at 30 June 2014, the Group did neither have any credit risk weighted assets absorbed by Profit Sharing Investment Accounts (“PSIA”), nor exposures under securitisation.

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

2. Capital Adequacy (continued)

Capital Adequacy Ratios (continued)

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

(i) *Group (continued)*

31 DECEMBER 2013 EXPOSURE CLASS	GROSS EXPOSURE RM'000	NET EXPOSURE RM'000	RISK- WEIGHTED ASSET RM'000	MINIMUM CAPITAL REQUIREMENT AT 8% RM'000
Credit Risk				
On-Balance Sheet Exposures				
Sovereign/Central Banks	4,808,880	4,808,880	-	-
Public Sector Entities	699,354	699,354	253,647	20,292
Banks, Developments Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	909,903	909,903	188,052	15,044
Corporate	14,816,786	14,705,515	5,660,109	452,809
Regulatory Retail	11,412,447	11,311,373	9,950,827	796,066
Residential Mortgages	6,527,539	6,525,795	3,971,215	317,697
Higher Risk Assets	22,034	22,034	33,050	2,644
Other Assets	2,169,818	2,169,818	334,184	26,735
Defaulted Exposures	418,363	408,829	584,256	46,740
Total for On-Balance Sheet Exposures	41,785,123	41,561,500	20,975,340	1,678,027
Off-Balance Sheet Exposures				
Credit-related Exposures	1,421,531	1,421,531	1,237,498	99,000
Derivative Financial Instruments	72,296	72,296	36,220	2,898
Defaulted Exposures	2,256	2,256	3,375	270
Total for Off-Balance Sheet Exposures	1,496,083	1,496,083	1,277,093	102,167
Total On and Off-Balance Sheet Exposures	43,281,206	43,057,583	22,252,433	1,780,195
	Long position	Short Position		
Market Risk				
Benchmark Rate Risk	773,841	(913,005)	(139,164)	355,225
Foreign Exchange Risk	26,300	(403,396)	(377,096)	403,396
Inventory Risk	-	-	3,156	3,156
Total Market Risk	800,141	(1,316,401)	(513,105)	761,777
Operational Risk			2,457,803	196,624
Total RWA and Capital Requirements			25,472,012	2,037,761

Note: As at 31 December 2013, the Group did neither have any credit risk weighted assets absorbed by Profit Sharing Investment Accounts (“PSIA”), nor exposures under securitisation.

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

2. Capital Adequacy (continued)

Capital Adequacy Ratios (continued)

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

(continued):

(ii) *Bank*

30 JUNE 2014 EXPOSURE CLASS	GROSS EXPOSURE RM'000	NET EXPOSURE RM'000	RISK- WEIGHTED ASSET RM'000	MINIMUM CAPITAL REQUIREMENT AT 8% RM'000
Credit Risk				
On-Balance Sheet Exposures				
Sovereign/Central Banks	3,775,002	3,775,002	-	-
Public Sector Entities	856,838	855,834	258,040	20,643
Banks, Developments Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	1,328,011	1,328,011	165,472	13,238
Corporate	13,548,444	13,382,778	6,073,367	485,869
Regulatory Retail	12,197,980	12,094,125	10,778,971	862,318
Residential Mortgages	7,718,549	7,716,084	4,751,692	380,135
Higher Risk Assets	25,554	25,554	38,331	3,066
Other Assets	2,056,443	2,056,443	319,067	25,525
Defaulted Exposures	443,798	433,162	599,444	47,955
Total for On-Balance Sheet Exposures	41,950,620	41,666,993	22,984,385	1,838,751
Off-Balance Sheet Exposures				
Credit-related Exposures	1,478,539	1,478,539	1,283,921	102,714
Derivative Financial Instruments	51,223	51,223	25,860	2,069
Defaulted Exposures	8,395	8,395	12,551	1,004
Total for Off-Balance Sheet Exposures	1,538,156	1,538,156	1,322,332	105,787
Total On and Off-Balance Sheet Exposures	43,488,776	43,205,149	24,306,717	1,944,537
Market Risk				
	Long position	Short Position		
Benchmark Rate Risk	2,736,652	(2,713,582)	23,070	255,955
Foreign Exchange Risk	25,725	(350,485)	(324,760)	350,485
Inventory Risk	-	-	3,062	3,062
Total Market Risk	2,762,377	(3,064,067)	(298,628)	609,502
Operational Risk			2,571,961	205,757
Total RWA and Capital Requirements			27,488,180	2,199,054

Note: As at 30 June 2014, the Bank did neither have any credit risk weighted assets absorbed by Profit Sharing Investment Accounts (“PSIA”), nor exposures under securitisation.

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

2. Capital Adequacy (continued)

Capital Adequacy Ratios (continued)

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

(ii) *Bank (continued)*

31 DECEMBER 2013 EXPOSURE CLASS	GROSS EXPOSURE RM'000	NET EXPOSURE RM'000	RISK- WEIGHTED ASSET RM'000	MINIMUM CAPITAL REQUIREMENT AT 8% RM'000
Credit Risk				
On-Balance Sheet Exposures				
Sovereign/Central Banks	4,808,880	4,808,880	-	-
Public Sector Entities	699,354	699,354	253,647	20,292
Banks, Developments Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	907,638	907,638	187,599	15,008
Corporate	14,816,786	14,705,515	5,660,109	452,809
Regulatory Retail	11,412,447	11,311,373	9,950,827	796,066
Residential Mortgages	6,527,539	6,525,795	3,971,215	317,697
Higher Risk Assets	22,034	22,034	33,050	2,644
Other Assets	2,169,216	2,169,216	331,370	26,510
Defaulted Exposures	418,363	408,829	584,256	46,740
Total for On-Balance Sheet Exposures	41,782,256	41,558,633	20,972,073	1,677,766
Off-Balance Sheet Exposures				
Credit-related Exposures	1,421,531	1,421,531	1,237,498	99,000
Derivative Financial Instruments	72,296	72,296	36,220	2,898
Defaulted Exposures	2,256	2,256	3,375	270
Total for Off-Balance Sheet Exposures	1,496,083	1,496,083	1,277,093	102,167
Total On and Off-Balance Sheet Exposures	43,278,339	43,054,716	22,249,166	1,779,933
	Long position	Short Position		
Market Risk				
Benchmark Rate Risk	773,841	(913,005)	(139,164)	355,225
Foreign Exchange Risk	26,300	(403,396)	(377,096)	403,396
Inventory Risk	-	-	3,156	3,156
Total Market Risk	800,141	(1,316,401)	(513,105)	761,777
Operational Risk			2,437,809	195,025
Total RWA and Capital Requirements			25,448,752	2,035,900

Note: As at 31 December 2013, the Bank did neither have any credit risk weighted assets absorbed by Profit Sharing Investment Accounts (“PSIA”), nor exposures under securitisation.

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk

3.1 Credit Quality of Gross Financing and Advances

The table below present the Group's and the Bank's gross financing and advances analysed by credit quality:

	GROUP		BANK	
	30.06.2014 RM'000	31.12.2013 RM'000	30.06.2014 RM'000	31.12.2013 RM'000
Neither past due nor impaired	26,102,735	23,527,458	26,102,735	23,527,458
Past due but not impaired	399,695	429,760	399,695	429,760
Impaired	307,293	285,302	307,293	285,302
	26,809,724	24,242,520	26,809,724	24,242,520
Gross impaired financing as a percentage of gross financing and advances	1.15%	1.18%	1.15%	1.18%

(a) Neither Past Due Nor Impaired

Financings classified as neither past due nor impaired are financings for which the borrower has not missed a contractual payment (profit or principal) when contractually due and is not impaired as there is no objective evidence of impairment of the financing.

The credit quality of gross financing and advances which are neither past due nor impaired is as follows:

	GROUP		BANK	
	30.06.2014 RM'000	31.12.2013 RM'000	30.06.2014 RM'000	31.12.2013 RM'000
Excellent to good	20,753,497	18,909,824	20,753,497	18,909,824
Satisfactory	4,947,469	4,249,300	4,947,469	4,249,300
Fair	401,769	368,334	401,769	368,334
	26,102,735	23,527,458	26,102,735	23,527,458

Internal rating definition:-

Excellent to Good: Sound financial position of the obligor with no difficulty in meeting its obligations.

Satisfactory: Adequate safety of the obligor meeting its current obligations but more time is required to meet its obligations in full.

Fair: High risks on payment obligations. Financial performance may continue to deteriorate.

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.1 Credit Quality of Gross Financing and Advances (continued)

(b) Past Due But Not Impaired

Financings classified as past due but not impaired are financings on which its contractual profit or principal payments are past due, but the Group and the Bank believe that impairment is not appropriate on the basis of the level of collateral available and/or the stage of collection amounts owed to the Group and the Bank

Analysis of the past due but not impaired financing and advances by aging analysis:

	GROUP AND BANK	
	30.06.2014	31.12.2013
By ageing	RM'000	RM'000
Month-in-arrears 1	268,103	294,267
Month-in-arrears 2	131,592	135,493
	399,695	429,760

Analysis of the past due but not impaired financings and advances by sector:

	GROUP AND BANK	
	30.06.2014	31.12.2013
	RM'000	RM'000
Primary agriculture	5,876	2,543
Mining and quarrying	-	-
Manufacturing (including agro-based)	1,645	21,158
Electricity, gas and water	-	-
Wholesale & retail trade, and hotels & restaurants	6,201	6,526
Construction	11,891	20,206
Real estate	-	24,660
Transport, storage and communications	15,923	271
Finance, insurance and business activities	129	5,854
Education, health and others	115	2,613
Household sectors	357,915	345,610
Other sectors	-	319
	399,695	429,760

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.1 Credit Quality of Gross Financing and Advances (continued)

(c) Impaired financing and advances

A financing is classified as impaired when the principal or profit or both are past due for three months or more, or where a financing is in arrears for less than three months, but the financing exhibits indications of significant credit weakness.

Impaired financing by assessment type:

	GROUP AND BANK	
	30.06.2014	31.12.2013
	RM'000	RM'000
Individually assessed	177,102	162,492
<i>of which:</i>		
<i>Month-in-arrears 0</i>	69,805	74,049
<i>Month-in-arrears 1</i>	7,761	4,322
<i>Month-in-arrears 2</i>	5,852	1,295
<i>Month-in-arrears 3 and above</i>	93,684	82,826
Collectively assessed	130,191	122,810
	307,293	285,302

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.1 Credit Quality of Gross Financing and Advances (continued)

(c) Impaired financing and advances (continued)

30 JUNE 2014	INDIVIDUAL ASSESSMENT ALLOWANCE					COLLECTIVE ASSESSMENT ALLOWANCE AT 30.06.2014	TOTAL IMPAIRMENT ALLOWANCES FOR FINANCING AT 30.06.2014
	IMPAIRED FINANCING AT 30-06-2014	INDIVIDUAL ASSESSMENT AS AT 1.01.2014	NET CHARGE FOR THE FINANCIAL YEAR	AMOUNTS WRITTEN OFF/OTHER MOVEMENTS	INDIVIDUAL ASSESSMENT AS AT 30.06.2014		
Primary Agriculture	1,268	-	420	-	420	3,402	3,821
Mining and quarrying	-	-	-	-	-	117	117
Manufacturing (including agro-based)	35,687	29,180	537	-	29,717	17,596	47,313
Electricity, gas and water	1,090	-	-	-	-	7,263	7,263
Wholesale & retail trade and restaurants & hotels	19,394	6,212	1,297	-	7,509	25,335	32,844
Construction	30,863	18,681	7,492	-	26,173	28,399	54,573
Real estate	-	-	-	-	-	5,851	5,851
Transport, storage and communication	32,630	30,725	(318)	-	30,407	10,907	41,314
Finance, insurance and business services	56,842	50,597	2,261	(3,122)	49,736	29,231	78,967
Education, health and others	618	-	-	-	-	10,356	10,356
Household sectors	128,902	802	144	-	946	268,087	269,032
Other Sectors	-	-	-	-	-	2	2
Total	307,293	136,197	11,832	(3,122)	144,907	406,545	551,452

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.1 Credit Quality of Gross Financing and Advances (continued)

(c) Impaired financing and advances (continued)

31 DECEMBER 2013 RM '000	INDIVIDUAL ASSESSMENT ALLOWANCE					COLLECTIVE ASSESSMENT ALLOWANCE AT 31.12.2013	TOTAL IMPAIRMENT ALLOWANCES FOR FINANCING AT 31.12.2013
	IMPAIRED FINANCING AT 31.12.2013	INDIVIDUAL ASSESSMENT AS AT 1.01.2013	NET CHARGE FOR THE FINANCIAL YEAR	AMOUNTS WRITTEN OFF/OTHER MOVEMENTS	INDIVIDUAL ASSESSMENT AS AT 31.12.2013		
Primary Agriculture	-	-	-	-	-	4,245	4,245
Mining and quarrying	-	-	-	-	-	76	76
Manufacturing (including agro- based)	32,302	43,835	2,271	(16,926)	29,180	19,700	48,880
Electricity, gas and water	108	-	-	-	-	7,732	7,732
Wholesale & retail trade and restaurants & hotels	15,525	7,421	(156)	(1,053)	6,212	29,527	35,739
Construction	21,601	70,161	442	(51,922)	18,681	27,179	45,860
Real estate	-	-	-	-	-	8,963	8,963
Transport, storage and communication	33,117	-	30,725	-	30,725	7,733	38,458
Finance, insurance and business services	61,393	4,551	46,039	7	50,597	20,527	71,124
Education, health and others	-	-	-	-	-	11,460	11,460
Household sectors	121,226	1,020	(218)	-	802	228,078	228,880
Other Sectors	30	-	-	-	-	155	155
Total	285,302	126,988	79,103	(69,894)	136,197	365,375	501,572

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.1 Credit Quality of Gross Financing and Advances (continued)

(d) Gross financing and advances – Exposures by Geographical Areas

30 JUNE 2014 RM '000	GROSS FINANCING	OF WHICH:			
		PAST DUE BUT NOT IMPAIRED FINANCING	IMPAIRED FINANCING	INDIVIDUAL ALLOWANCES	COLLECTIVE ALLOWANCES
Central Region	11,707,595	172,329	145,672	73,414	200,152
Eastern Region	4,833,821	67,659	33,963	3,431	54,426
Northern Region	4,277,159	70,147	53,162	21,299	66,386
Southern Region	3,832,680	58,378	13,475	-	45,011
East Malaysia Region	2,158,469	31,182	61,022	46,762	40,571
Grand Total	26,809,724	399,695	307,293	144,907	406,545

31 DECEMBER 2013 RM '000	GROSS FINANCING	OF WHICH:			
		PAST DUE BUT NOT IMPAIRED FINANCING	IMPAIRED FINANCING	INDIVIDUAL ALLOWANCES	COLLECTIVE ALLOWANCES
Central Region	10,699,889	194,827	129,930	66,503	190,678
Eastern Region	4,455,488	65,001	28,106	3,032	47,916
Northern Region	3,928,233	73,732	52,873	21,335	55,185
Southern Region	3,191,397	50,216	13,702	-	33,715
East Malaysia Region	1,967,513	45,984	60,691	45,327	37,881
Grand Total	24,242,520	429,760	285,302	136,197	365,375

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.2 Gross Credit Exposures

(a) Geographic distribution of credit exposures

(i) Group

30 JUNE 2014 EXPOSURE CLASS	CENTRAL REGION RM'000	EASTERN REGION RM'000	NORTHERN REGION RM'000	SOUTHERN REGION RM'000	EAST MALAYSIA REGION RM '000	TOTAL RM '000
Credit Risk						
On-Balance Sheet Exposures						
Sovereign/Central Banks	3,775,002	-	-	-	-	3,775,002
Public Sector Entities	658,871	110,494	27,020	60,352	101	856,838
Banks, Developments Financial Institutions and Multilateral Development Banks	1,323,798	-	-	-	4,695	1,328,493
Corporate	11,635,041	496,430	549,697	505,213	401,910	13,588,292
Regulatory Retail	4,287,312	2,808,567	2,116,947	1,967,390	1,205,669	12,385,886
Residential Mortgages	3,167,524	1,414,815	1,556,951	1,300,802	493,285	7,933,377
Higher Risk Assets	9,065	3,627	6,576	1,001	6,502	26,771
Other Assets	2,056,025	-	-	-	300	2,056,325
Total for On-Balance Sheet Exposures	26,912,638	4,833,934	4,257,192	3,834,758	2,112,462	41,950,984
Off-Balance Sheet Exposures						
Credit-related Exposures	1,476,288	-	-	-	10,646	1,486,934
Derivative Financial Instruments	51,223	-	-	-	-	51,223
Total for Off-Balance Sheet Exposures	1,527,511	-	-	-	10,646	1,538,156
Total On and Off-Balance Sheet Exposures	28,440,149	4,833,934	4,257,192	3,834,758	2,123,108	43,489,140

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(a) Geographic distribution of credit exposures (continued)

(i) Group(continued)

31 DECEMBER 2013 EXPOSURE CLASS	CENTRAL REGION RM'000	EASTERN REGION RM'000	NORTHERN REGION RM'000	SOUTHERN REGION RM'000	EAST MALAYSIA REGION RM '000	TOTAL RM '000
Credit Risk						
On-Balance Sheet Exposures						
Sovereign/Central Banks	4,808,880	-	-	-	-	4,808,880
Public Sector Entities	490,023	112,481	28,891	67,839	121	699,354
Banks, Developments Financial Institutions and Multilateral Development Banks	903,903	-	-	-	6,000	909,903
Corporate	13,120,241	490,459	530,971	220,152	434,292	14,796,114
Regulatory Retail	4,082,043	2,653,793	1,981,086	1,816,313	1,079,702	11,612,937
Residential Mortgages	2,710,655	1,197,203	1,358,151	1,088,249	410,016	6,764,275
Higher Risk Assets	7,541	3,957	6,724	1,115	4,505	23,842
Other Assets	2,169,467	-	-	-	351	2,169,818
Total for On-Balance Sheet Exposures	28,292,752	4,457,893	3,905,823	3,193,667	1,934,988	41,785,123
Off-Balance Sheet Exposures						
Credit-related Exposures	1,413,954	-	-	-	9,833	1,423,787
Derivative Financial Instruments	72,296	-	-	-	-	72,296
Total for Off-Balance Sheet Exposures	1,486,250	-	-	-	-	1,496,083
Total On and Off-Balance Sheet Exposures	29,779,002	4,457,893	3,905,823	3,193,667	1,944,821	43,281,206

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(a) Geographic distribution of credit exposures (continued)

(ii) Bank

30 JUNE 2014 EXPOSURE CLASS	CENTRAL REGION RM'000	EASTERN REGION RM'000	NORTHERN REGION RM'000	SOUTHERN REGION RM'000	EAST MALAYSIA REGION RM '000	TOTAL RM '000
Credit Risk						
On-Balance Sheet Exposures						
Sovereign/Central Banks	3,775,002	-	-	-	-	3,775,002
Public Sector Entities	658,871	110,494	27,020	60,352	101	856,838
Banks, Developments Financial Institutions and Multilateral Development Banks	1,323,316	-	-	-	4,695	1,328,011
Corporate	11,635,041	496,430	549,697	505,213	401,910	13,588,292
Regulatory Retail	4,287,312	2,808,567	2,116,947	1,967,390	1,205,669	12,385,886
Residential Mortgages	3,167,524	1,414,815	1,556,951	1,300,802	493,285	7,933,377
Higher Risk Assets	9,065	3,627	6,576	1,001	6,502	26,771
Other Assets	2,056,143	-	-	-	300	2,056,443
Total for On-Balance Sheet Exposures	26,912,274	4,833,934	4,257,192	3,834,758	2,112,462	41,950,620
Off-Balance Sheet Exposures						
Credit-related Exposures	1,476,288	-	-	-	10,646	1,486,934
Derivative Financial Instruments	51,223	-	-	-	-	51,223
Total for Off-Balance Sheet Exposures	1,527,511	-	-	-	10,646	1,538,156
Total On and Off-Balance Sheet Exposures	28,439,785	4,833,934	4,257,192	3,834,758	2,123,108	43,488,776

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(a) Geographic distribution of credit exposures (continued)

(ii) Bank (continued)

31 DECEMBER 2013 EXPOSURE CLASS	CENTRAL REGION RM'000	EASTERN REGION RM'000	NORTHERN REGION RM'000	SOUTHERN REGION RM'000	EAST MALAYSIA REGION RM '000	TOTAL RM '000
Credit Risk						
On-Balance Sheet Exposures						
Sovereign/Central Banks	4,808,880	-	-	-	-	4,808,880
Public Sector Entities	490,023	112,481	28,891	67,839	121	699,354
Banks, Developments Financial Institutions and Multilateral Development Banks	901,638	-	-	-	6,000	907,638
Corporate	13,120,241	490,459	530,971	220,152	434,292	14,796,114
Regulatory Retail	4,082,043	2,653,793	1,981,086	1,816,313	1,079,702	11,612,937
Residential Mortgages	2,710,655	1,197,203	1,358,151	1,088,249	410,016	6,764,275
Higher Risk Assets	7,541	3,957	6,724	1,115	4,505	23,842
Other Assets	2,168,865	-	-	-	351	2,169,216
Total for On-Balance Sheet Exposures	28,289,885	4,457,893	3,905,823	3,193,667	1,934,988	41,782,256
Off-Balance Sheet Exposures						
Credit-related Exposures	1,413,954	-	-	-	9,833	1,423,787
Derivative Financial Instruments	72,296	-	-	-	-	72,296
Total for Off-Balance Sheet Exposures	1,486,250	-	-	-	-	1,496,083
Total On and Off-Balance Sheet Exposures	29,776,135	4,457,893	3,905,823	3,193,667	1,944,821	43,278,339

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(b) Distribution of credit exposures by sector

(i) Group

30 JUNE 2014 Exposure Class	Primary Agriculture	Mining and quarrying	Manufacturing	Electricity, gas and water	Wholesale & retail trade and restaurant & hotels	Construction	Real Estate	Transport, storage & communi- cation	Finance, insurance and business services	Education, health and others	Household Sector	Other Sectors	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Credit Risk													
On-Balance Sheet Exposures													
Sovereign/Central Banks	-	-	-	-	-	-	-	-	3,775,002	-	-	-	3,775,002
Public Sector Entities	-	-	-	-	-	-	-	354,701	294,260	207,775	101	-	856,838
Banks, Developments Financial Institutions and Multilateral Development Banks	-	-	-	-	-	-	-	-	1,297,145	-	-	31,349	1,328,493
Corporate	292,862	7,595	952,152	3,858,626	650,270	2,693,258	777,723	1,560,735	2,600,247	114,473	75,855	4,495	13,588,292
Regulatory Retail	11,189	2,264	43,569	4,237	79,904	76,447	24,963	23,404	50,239	29,385	12,040,208	76	12,385,886
Residential Mortgages	-	-	-	-	-	-	-	-	-	-	7,933,377	-	7,933,377
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	26,771	-	26,771
Other Assets	-	-	-	-	-	-	-	-	-	-	-	2,056,325	2,056,325
Total for On-Balance Sheet Exposures	304,052	9,859	995,722	3,862,862	730,174	2,769,705	802,685	1,938,840	8,016,893	351,633	20,076,313	2,092,245	41,950,984
Off-Balance Sheet Exposures													
Credit-related Exposures	51,830	42,155	66,717	123,186	142,274	197,882	66,909	47,151	134,572	47,736	555,761	10,762	1,486,934
Derivative Financial Instruments	-	-	617	-	5,075	-	13,563	1	22,445	67	-	9,455	51,223
Total for Off-Balance Sheet Exposures	51,830	42,155	67,334	123,186	147,349	197,882	80,472	47,151	157,017	47,802	555,761	20,217	1,538,156
Total On and Off-Balance Sheet Exposures	355,882	52,014	1,063,055	3,986,048	877,523	2,967,587	883,158	1,985,991	8,173,910	399,435	20,632,074	2,112,462	43,489,140

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(b) Distribution of credit exposures by sector (continued)

(i) Group (continued)

31 DECEMBER 2013 Exposure Class	Primary Agriculture	Mining and quarrying	Manufacturing	Electricity, gas and water	Wholesale & retail trade and restaurant & hotels	Construction	Real Estate	Transport, storage & communi- cation	Finance, insurance and business services	Education, health and others	Household Sector	Other Sectors	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Credit Risk													
On-Balance Sheet Exposures													
Sovereign/Central Banks	-	-	-	-	-	-	-	-	4,808,880	-	-	-	4,808,880
Public Sector Entities	664	-	-	-	-	429	60,201	244,276	254,414	139,238	131	-	699,354
Banks, Developments Financial Institutions and Multilateral Development Banks	-	-	-	-	-	-	-	-	867,937	-	-	41,966	909,903
Corporate	338,728	6,685	840,973	4,425,104	640,166	2,831,299	765,902	1,782,560	2,992,449	107,733	54,462	10,053	14,796,114
Regulatory Retail	10,767	1,429	44,946	3,550	79,064	69,735	17,258	18,031	49,392	26,018	11,292,589	159	11,612,937
Residential Mortgages	-	-	-	-	-	-	-	-	-	-	6,764,275	-	6,764,275
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	23,842	-	23,842
Other Assets	-	-	-	-	-	-	-	-	-	-	-	2,169,818	2,169,818
Total for On-Balance Sheet Exposures	350,158	8,114	885,919	4,428,653	719,230	2,901,464	843,361	2,044,867	8,973,072	272,989	18,135,299	2,221,997	41,785,123
Off-Balance Sheet Exposures													
Credit-related Exposures	58,540	31,153	43,775	172,706	123,971	203,675	51,617	44,081	122,178	61,853	495,843	14,395	1,423,787
Derivative Financial Instruments	-	-	2,489	-	650	9	15,660	-	2,172	3,124	-	48,191	72,296
Total for Off-Balance Sheet Exposures	58,540	31,153	46,264	172,706	124,622	203,684	67,277	44,081	124,350	64,977	495,843	62,587	1,496,083
Total On and Off-Balance Sheet Exposures	408,699	39,266	932,184	4,601,360	843,852	3,105,148	910,638	2,088,948	9,097,422	337,966	18,631,142	2,284,583	43,281,206

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(b) Distribution of credit exposures by sector (continued)

(ii) Bank

30 JUNE 2014 Exposure Class	Primary Agriculture	Mining and quarrying	Manufacturing	Electricity, gas and water	Wholesale & retail trade and restaurant & hotels	Construction	Real Estate	Transport, storage & communica tion	Finance, insurance and business services	Education, health and others	Household Sector	Other Sectors	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Credit Risk													
On-Balance Sheet Exposures													
Sovereign/Central Banks	-	-	-	-	-	-	-	-	3,775,002	-	-	-	3,775,002
Public Sector Entities	-	-	-	-	-	-	-	354,701	294,260	207,775	101	-	856,838
Banks, Developments Financial Institutions and Multilateral Development Banks	-	-	-	-	-	-	-	-	1,297,145	-	-	30,867	1,328,011
Corporate	292,862	7,595	952,152	3,858,626	650,270	2,693,258	777,723	1,560,735	2,600,247	114,473	75,855	4,495	13,588,292
Regulatory Retail	11,189	2,264	43,569	4,237	79,904	76,447	24,963	23,404	50,239	29,385	12,040,208	76	12,385,886
Residential Mortgages	-	-	-	-	-	-	-	-	-	-	7,933,377	-	7,933,377
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	26,771	-	26,771
Other Assets	-	-	-	-	-	-	-	-	-	-	-	2,056,443	2,056,443
Total for On-Balance Sheet Exposures	304,052	9,859	995,722	3,862,862	730,174	2,769,705	802,685	1,938,840	8,016,893	351,633	20,076,313	2,091,881	41,950,620
Off-Balance Sheet Exposures													
Credit-related Exposures	51,830	42,155	66,717	123,186	142,274	197,882	66,909	47,151	134,572	47,736	555,761	10,762	1,486,934
Derivative Financial Instruments	-	-	617	-	5,075	-	13,563	1	22,445	67	-	9,455	51,223
Total for Off-Balance Sheet Exposures	51,830	42,155	67,334	123,186	147,349	197,882	80,472	47,151	157,017	47,802	555,761	20,217	1,538,156
Total On and Off-Balance Sheet Exposures	355,882	52,014	1,063,055	3,986,048	877,523	2,967,587	883,158	1,985,991	8,173,910	399,435	20,632,074	2,112,098	43,488,776

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(b) Distribution of credit exposures by sector (continued)

(ii) Bank (continued)

31 DECEMBER 2013 Exposure Class	Primary Agriculture	Mining and quarrying	Manufacturing	Electricity, gas and water	Wholesale & retail trade and restaurant & hotels	Construction	Real Estate	Transport, storage & communica tion	Finance, insurance and business services	Education, health and others	Household Sector	Other Sectors	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Credit Risk													
On-Balance Sheet Exposures													
Sovereign/Central Banks	-	-	-	-	-	-	-	4,808,880	-	-	-	-	4,808,880
Public Sector Entities	664	-	-	-	-	429	60,201	244,276	254,414	139,238	131	-	699,354
Banks, Developments Financial Institutions and Multilateral Development Banks	-	-	-	-	-	-	-	-	867,937	-	-	39,701	907,638
Corporate	338,728	6,685	840,973	4,425,104	640,166	2,831,299	765,902	1,782,560	2,992,449	107,733	54,462	10,053	14,796,114
Regulatory Retail	10,767	1,429	44,946	3,550	79,064	69,735	17,258	18,031	49,392	26,018	11,292,589	159	11,612,937
Residential Mortgages	-	-	-	-	-	-	-	-	-	-	6,764,275	-	6,764,275
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	23,842	-	23,842
Other Assets	-	-	-	-	-	-	-	-	-	-	-	2,169,216	2,169,216
Total for On-Balance Sheet Exposures	350,158	8,114	885,919	4,428,653	719,230	2,901,464	843,361	2,044,867	8,973,072	272,989	18,135,299	2,219,130	41,782,256
Off-Balance Sheet Exposures													
Credit-related Exposures	58,540	31,153	43,775	172,706	123,971	203,675	51,617	44,081	122,178	61,853	495,843	14,395	1,423,787
Derivative Financial Instruments	-	-	2,489	-	650	9	15,660	-	2,172	3,124	-	48,191	72,296
Total for Off-Balance Sheet Exposures	58,540	31,153	46,264	172,706	124,622	203,684	67,277	44,081	124,350	64,977	495,843	62,587	1,496,083
Total On and Off-Balance Sheet Exposures	408,699	39,266	932,184	4,601,360	843,852	3,105,148	910,638	2,088,948	9,097,422	337,966	18,631,142	2,281,716	43,278,339

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(c) Residual contractual maturity breakdown

(i) Group

30 JUNE 2014 Exposure Class	Up to 1 year RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Total RM'000
Credit Risk				
On-Balance Sheet Exposures				
Sovereign/Central Banks	1,511,438	944,461	1,319,102	3,775,002
Public Sector Entities	160,415	445,043	251,379	856,838
Banks, Developments Financial Institutions and Multilateral Development Banks	714,258	580,883	33,352	1,328,493
Corporate	2,871,457	5,234,398	5,482,437	13,588,292
Regulatory Retail	88,004	1,727,127	10,570,754	12,385,886
Residential Mortgages	3,699	87,055	7,842,624	7,933,377
Higher Risk Assets	-	313	26,458	26,771
Other Assets	1,685,816	-	370,509	2,056,325
Total for On-Balance Sheet Exposures	7,035,088	9,019,281	25,896,615	41,950,984
Off-Balance Sheet Exposures				
Credit-related Exposures	553,632	476,288	457,014	1,486,934
Derivative Financial Instruments	17,650	20,010	13,563	51,223
Total for Off-Balance Sheet Exposures	571,281	496,297	470,578	1,538,156
Total On and Off-Balance Sheet Exposures	7,606,369	9,515,578	26,367,193	43,489,140

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(c) Residual contractual maturity breakdown (continued)

(i) Group (continued)

31 DECEMBER 2013	Up to 1 year	> 1 – 5 years	Over 5 years	Total
Exposure Class	RM'000	RM'000	RM'000	RM'000
Credit Risk				
On-Balance Sheet Exposures				
Sovereign/Central Banks	3,532,342	396,055	880,483	4,808,880
Public Sector Entities	29,739	412,234	257,381	699,354
Banks, Developments Financial Institutions and Multilateral Development Banks	720,654	158,083	31,167	909,903
Corporate	4,144,424	5,588,149	5,063,541	14,796,114
Regulatory Retail	128,277	1,703,421	9,781,239	11,612,937
Residential Mortgages	3,758	86,446	6,674,071	6,764,275
Higher Risk Assets	90	553	23,199	23,842
Other Assets	1,783,236	-	386,582	2,169,818
Total for On-Balance Sheet Exposures	10,342,518	8,344,941	23,097,663	41,785,123
Off-Balance Sheet Exposures				
Credit-related Exposures	569,098	451,385	403,304	1,423,787
Derivative Financial Instruments	18,796	17,840	35,660	72,296
Total for Off-Balance Sheet Exposures	587,894	469,225	438,964	1,496,083
Total On and Off-Balance Sheet Exposures	10,930,412	8,814,166	23,536,627	43,281,206

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(c) Residual contractual maturity breakdown (continued)

(ii) Bank

30 JUNE 2014	Up to 1 year	> 1 – 5 years	Over 5 years	Total
Exposure Class	RM'000	RM'000	RM'000	RM'000
<u>Credit Risk</u>				
On-Balance Sheet Exposures				
Sovereign/Central Banks	1,511,438	944,461	1,319,102	3,775,002
Public Sector Entities	160,415	445,043	251,379	856,838
Banks, Developments Financial Institutions and Multilateral Development Banks	713,776	580,883	33,352	1,328,011
Corporate	2,871,457	5,234,398	5,482,437	13,588,292
Regulatory Retail	88,004	1,727,127	10,570,754	12,385,886
Residential Mortgages	3,699	87,055	7,842,624	7,933,377
Higher Risk Assets	-	313	26,458	26,771
Other Assets	1,685,934	-	370,509	2,056,443
Total for On-Balance Sheet Exposures	7,034,724	9,019,281	25,896,615	41,950,620
Off-Balance Sheet Exposures				
Credit-related Exposures	553,632	476,288	457,014	1,486,934
Derivative Financial Instruments	17,650	20,010	13,563	51,223
Total for Off-Balance Sheet Exposures	571,281	496,297	470,578	1,538,156
Total On and Off-Balance Sheet Exposures	7,606,005	9,515,578	26,367,193	43,488,776

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(c) Residual contractual maturity breakdown (continued)

(ii) Bank (continued)

31 DECEMBER 2013	Up to 1 year	> 1 – 5 years	Over 5 years	Total
Exposure Class	RM'000	RM'000	RM'000	RM'000
Credit Risk				
On-Balance Sheet Exposures				
Sovereign/Central Banks	3,532,342	396,055	880,483	4,808,880
Public Sector Entities	29,739	412,234	257,381	699,354
Banks, Developments Financial Institutions and Multilateral Development Banks	718,389	158,083	31,167	907,638
Corporate	4,144,424	5,588,149	5,063,541	14,796,114
Regulatory Retail	128,277	1,703,421	9,781,239	11,612,937
Residential Mortgages	3,758	86,446	6,674,071	6,764,275
Higher Risk Assets	90	553	23,199	23,842
Other Assets	1,782,634	-	386,582	2,169,216
Total for On-Balance Sheet Exposures	10,339,651	8,344,941	23,097,663	41,782,256
Off-Balance Sheet Exposures				
Credit-related Exposures	569,098	451,385	403,304	1,423,787
Derivative Financial Instruments	18,796	17,840	35,660	72,296
Total for Off-Balance Sheet Exposures	587,894	469,225	438,964	1,496,083
Total On and Off-Balance Sheet Exposures	10,927,545	8,814,166	23,536,627	43,278,339

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.3 Assignment of Risk Weights for Portfolios Under the Standardised Approach (continued)

The following presents the credit exposures by risk weights and after credit risk mitigation of the Group:

(i) As at 30 June 2014

Exposures after Netting & Credit Risk Mitigation (CRM)										
Risk Weights	Sovereigns / Central Banks RM'000	Public Sector Entities RM'000	Banks, DFIs & MDBs RM'000	Corporate RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Total Exposures after Netting & CRM RM'000	Total Risk Weighted Asset RM'000
0%	3,775,002	393,121	504,553	2,761,903	14,941	-	-	1,735,118	9,184,637	-
20%	-	255,841	850,328	5,376,914	16,187	15,915	-	-	6,515,185	1,303,037
35%	-	-	-	-	-	2,363,166	-	-	2,363,166	827,108
50%	-	-	6,604	500,228	245,824	1,258,267	-	-	2,010,923	1,005,462
75%	-	-	-	281,642	4,927,181	3,458,698	-	-	8,667,521	6,500,641
100%	-	207,801	1,289	5,441,166	7,135,696	938,729	-	322,151	14,046,830	14,046,830
150%	-	-	-	27,824	145,297	200,192	43,938	-	417,250	625,875
Total Exposures	3,775,002	856,762	1,362,774	14,389,676	12,485,126	8,234,968	43,938	2,057,268	43,205,513	24,308,953
RWA by Exposures	-	258,969	174,656	7,019,629	11,175,176	5,292,465	65,907	322,151	24,308,953	
Average Risk Weight	0.0%	30.2%	12.8%	48.8%	89.5%	64.3%	150.0%	15.7%	56.3%	
Deduction from Capital Base										

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.3 Assignment of Risk Weights for Portfolios Under the Standardised Approach (continued)

The following presents the credit exposures by risk weights and after credit risk mitigation of the Group (continued):

(ii) As at 31 December 2013

Exposures after Netting & Credit Risk Mitigation (CRM)										
Risk Weights	Sovereigns / Central Banks RM'000	Public Sector Entities RM'000	Banks, DFIs & MDBs RM'000	Corporate RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Total Exposures after Netting & CRM RM'000	Total Risk Weighted Asset RM'000
0%	4,808,880	283,057	-	3,948,784	16,830	-	-	1,835,634	10,893,185	-
20%	-	202,493	930,442	5,978,514	12,717	16,171	-	-	7,140,337	1,428,067
35%	-	-	-	-	-	2,013,232	-	-	2,013,232	704,631
50%	-	1,311	21,724	636,514	244,881	1,195,067	-	-	2,099,498	1,049,749
75%	-	-	-	312,198	5,127,165	2,803,256	-	-	8,242,619	6,181,964
100%	-	216,354	2,120	4,751,496	6,161,950	763,446	-	334,729	12,230,094	12,230,094
150%	-	-	-	26,022	149,173	221,303	42,120	-	438,618	657,927
Total Exposures	4,808,880	703,216	954,287	15,653,528	11,712,716	7,012,474	42,120	2,170,363	43,057,583	22,252,433
RWA by Exposures	-	257,508	199,071	6,538,637	10,356,068	4,503,240	63,180	334,729	22,252,433	
Average Risk Weight	0.0%	36.6%	20.9%	41.8%	88.4%	64.2%	150%	15.4%	51.7%	
Deduction from Capital Base										

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.3 Assignment of Risk Weights for Portfolios Under the Standardised Approach (continued)

The following presents the credit exposures by risk weights and after credit risk mitigation of the Bank:

(i) As at 30 June 2014

Exposures after Netting & Credit Risk Mitigation (CRM)										
Risk Weights	Sovereigns / Central Banks RM'000	Public Sector Entities RM'000	Banks, DFIs & MDBs RM'000	Corporate RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Total Exposures after Netting & CRM RM'000	Total Risk Weighted Asset RM'000
0%	3,775,002	393,121	504,553	2,761,903	14,941	-	-	1,737,376	9,186,895	-
20%	-	255,841	849,846	5,376,914	16,187	15,915	-	-	6,514,703	1,302,941
35%	-	-	-	-	-	2,363,166	-	-	2,363,166	827,108
50%	-	-	6,604	500,228	245,824	1,258,267	-	-	2,010,923	1,005,462
75%	-	-	-	281,642	4,927,181	3,458,698	-	-	8,667,521	6,500,641
100%	-	207,801	1,289	5,441,166	7,135,696	938,729	-	320,011	14,044,690	14,044,690
150%	-	-	-	27,824	145,297	200,192	43,938	-	417,250	625,875
Total Exposures	3,775,002	856,762	1,362,292	14,389,676	12,485,126	8,234,968	43,938	2,057,386	43,205,149	24,306,717
RWA by Exposures	-	258,969	174,560	7,019,629	11,175,176	5,292,465	65,907	320,011	24,306,717	
Average Risk Weight	0.0%	30.2%	12.8%	48.8%	89.5%	64.3%	150.0%	15.6%	56.3%	
Deduction from Capital Base										

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.3 Assignment of Risk Weights for Portfolios Under the Standardised Approach (continued)

The following present the credit exposures by risk weights and after credit risk mitigation of the Bank (continued):

(ii) As at 31 December 2013

Exposures after Netting & Credit Risk Mitigation (CRM)										
Risk Weights	Sovereigns / Central Banks RM'000	Public Sector Entities RM'000	Banks, DFIs & MDBs RM'000	Corporate RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Total Exposures after Netting & CRM RM'000	Total Risk Weighted Asset RM'000
0%	4,808,880	283,057	-	3,948,784	16,830	-	-	1,837,846	10,895,397	-
20%	-	202,493	928,177	5,978,514	12,717	16,171	-	-	7,138,072	1,427,614
35%	-	-	-	-	-	2,013,232	-	-	2,013,232	704,631
50%	-	1,311	21,724	636,514	244,881	1,195,067	-	-	2,099,498	1,049,749
75%	-	-	-	312,198	5,127,165	2,803,256	-	-	8,242,619	6,181,964
100%	-	216,354	2,120	4,751,496	6,161,950	763,446	-	331,915	12,227,280	12,227,280
150%	-	-	-	26,022	149,173	221,303	42,120	-	438,618	657,927
Total Exposures	4,808,880	703,216	952,022	15,653,528	11,712,716	7,012,474	42,120	2,169,761	43,054,716	22,249,166
RWA by Exposures	-	257,508	198,618	6,538,637	10,356,068	4,503,240	63,180	331,915	22,249,166	
Average Risk Weight	0.0%	36.6%	20.9%	41.8%	88.4%	64.2%	150%	15.3%	51.7%	
Deduction from Capital Base										

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

3. Credit Risk (continued)

3.4 Disclosures of rated and unrated exposures according to ratings by ECAI

a) Ratings of Sovereigns and Central Banks by Approved ECAIs

		Ratings of Sovereigns and Central Banks by Approved ECAIs						
		Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
30 JUNE 2014	S&P		AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
Exposure Class	Fitch		AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
<u>On and Off Balance-Sheet Credit Exposures</u>								
Sovereign and Central Banks*			-	3,775,002	-	-	-	-
Total			-	3,775,002	-	-	-	-

		Ratings of Sovereigns and Central Banks by Approved ECAIs						
		Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
31 DECEMBER 2013	S&P		AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
Exposure Class	Fitch		AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
<u>On and Off Balance-Sheet Credit Exposures</u>								
Sovereign and Central Banks*			-	4,808,880	-	-	-	-
Total			-	4,808,880	-	-	-	-

* These exposures refer to exposures to Federal Government of Malaysia and Bank Negara Malaysia which are accorded a preferential sovereign risk weight of 0%.

b) Ratings of Corporate by Approved ECAIs

		Ratings of Corporate by Approved ECAIs					Unrated
		Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	B+ to C	Unrated
30 JUNE 2014	S&P		AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
Exposure Class	Fitch		AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAMs		AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC		AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<u>On and Off Balance-Sheet Credit Exposures</u>							
Public Sector Entities			50,275	-	-	-	806,488
Insurance Cos, Securities Firms & Fund Manager			-	-	-	-	-
Corporate			4,940,094	89,935	57,196	-	9,302,451
Total			4,990,368	89,935	57,196	-	10,108,938

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

31 DECEMBER 2013 Exposure Class	Ratings of Corporate by Approved ECAIs					
	Moodys S&P Fitch RAMs MARC	Aaa to Aa3 AAA to AA- AAA to AA- AAA to AA3 AAA to AA-	A1 to A3 A+ to A- A+ to A- A to A3 A+ to A-	Baa1 to Ba3 BBB+ to BB- BBB+ to BB- BBB to BB BBB+ to BB-	B+ to C B+ to D B+ to D B to D B+ to D	Unrated Unrated Unrated Unrated Unrated
<u>On and Off Balance-Sheet Credit Exposures</u>						
Public Sector Entities		-	-	-	-	
Insurance Cos, Securities Firms & Fund Manager		-	-	-	-	
Corporate		5,331,015	97,025	86,814	75	10,138,600
Total		5,331,015	97,025	86,814	75	10,138,600

c) Short term Ratings of Banking Institutions and Corporate by Approved ECAIs

30 JUNE 2014 Exposure Class	Short term Ratings of Banking Institutions and Corporates by Approved ECAIs					
	Moodys S&P Fitch RAMs MARC	P-1 A-1 F1+, F1 P-1 MARC-1	P-2 A-2 F2 P-2 MARC-2	P-3 A-3 F3 P-3 MARC-3	Others Others B to D NP MARC-4	Unrated Unrated Unrated Unrated Unrated
<u>On and Off Balance-Sheet Credit Exposures</u>						
Public Sector Entities		-	-	-	-	-
Insurance Cos, Securities Firms & Fund Manager		-	-	-	-	-
Corporate		-	-	-	-	-
Banks, MDBs, and DFIs		-	-	-	-	-
Total		-	-	-	-	-

31 DECEMBER 2013 Exposure Class	Short term Ratings of Banking Institutions and Corporates by Approved ECAIs					
	Moodys S&P Fitch RAMs MARC	P-1 A-1 F1+, F1 P-1 MARC-1	P-2 A-2 F2 P-2 MARC-2	P-3 A-3 F3 P-3 MARC-3	Others Others B to D NP MARC-4	Unrated Unrated Unrated Unrated Unrated
<u>On and Off Balance-Sheet Credit Exposures</u>						
Public Sector Entities		-	-	-	-	-
Insurance Cos, Securities Firms & Fund Manager		-	-	-	-	-
Corporate		-	-	-	-	-
Banks, MDBs, and DFIs		-	-	-	-	-
Total		-	-	-	-	-

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

d) Ratings of Banking Institutions by Approved ECAIs

		Ratings of Banking Institutions by Approved ECAIs						
30 JUNE 2014	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1+ to B3	Caa1 to C	Unrated	
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated	
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated	
	RAMs	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to B3	C1 to D	Unrated	
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	C+ to D	Unrated	
<u>On and Off Balance-Sheet</u>								
<u>Credit Exposures</u>								
Banks, MDBs, and DFIs		815,313	336	-	-	-	546,642	
Total		815,313	336	-	-	-	546,642	

		Ratings of Banking Institutions by Approved ECAIs						
31 DECEMBER 2013	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1+ to B3	Caa1 to C	Unrated	
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated	
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated	
	RAMs	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to B3	C1 to D	Unrated	
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	C+ to D	Unrated	
<u>On and Off Balance-Sheet</u>								
<u>Credit Exposures</u>								
Banks, MDBs, and DFIs		834,306	50,106	34	-	-	67,575	
Total		834,306	50,106	34	-	-	67,575	

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

4. Credit Risk Mitigation (CRM)

Disclosure of Credit Risk Mitigation (CRM):

30 June 2014			
Exposure Class	Exposures before CRM RM'000	Exposures covered by Guarantees RM'000	Exposures covered by Eligible Financial and Non-Financial Collateral RM'000
On-Balance Sheet Exposures			
Sovereign/Central Banks	3,775,002	-	-
Public Sector Entities	856,838	-	12,996
Banks, DFIs and MDBs	1,328,011	-	-
Corporates	13,548,444	297,815	740,315
Regulatory Retail	12,197,980	29,661	119,412
Residential Mortgages	7,718,549	13,743	21,326
Higher Risk Assets	25,554	-	-
Other Assets	2,056,443	-	-
Defaulted Exposures	443,798	15,288	25,062
Total for On-Balance Sheet Exposures	41,950,620	356,507	919,111
Off-Balance Sheet Exposures			
Credit-related Exposures	1,478,539	8,373	3,175
Derivative Financial Instruments	51,223	-	-
Defaulted Exposures	8,395	-	-
Total for Off-Balance Sheet Exposures	1,538,156	8,373	3,175
Total On and Off-Balance Sheet Exposures	43,488,776	364,880	922,287

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

4. Credit Risk Mitigation (CRM) (continued)

Disclosure of Credit Risk Mitigation (CRM) (continued):

31 December 2013 Exposure Class	Exposures before CRM RM'000	Exposures covered by Guarantees RM'000	Exposures covered by Eligible Financial and Non-Financial Collateral RM'000
On-Balance Sheet Exposures			
Sovereign/Central Banks	4,808,880	-	-
Public Sector Entities	699,354	-	-
Banks, DFIs and MDBs	907,638	-	-
Corporates	14,816,786	348,019	240,106
Regulatory Retail	11,412,447	27,295	122,106
Residential Mortgages	6,527,539	13,809	18,411
Higher Risk Assets	22,034	-	-
Other Assets	2,169,216	-	-
Defaulted Exposures	418,363	8,027	15,496
Total for On-Balance Sheet Exposures	41,782,256	397,150	396,118
Off-Balance Sheet Exposures			
Credit-related Exposures	1,421,531	5,796	2,734
Derivative Financial Instruments	72,296	-	-
Defaulted Exposures	2,256	-	-
Total for Off-Balance Sheet Exposures	1,496,083	5,796	2,734
Total On and Off-Balance Sheet Exposures	43,278,339	402,946	398,853

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

5. The Off-Balance Sheet and Counterparties Credit Risk for the Group and the Bank

(i) As at 30 June 2014

NATURE OF ITEM	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	340,136		340,136	334,676
Assets sold with recourse	2		2	2
Transaction related contingent items	887,767		443,883	391,957
Short term self-liquidating trade related contingencies	240,420		48,084	43,885
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- not exceeding one year	115		23	5
- exceeding one year	906,374		453,187	374,733
Unutilised credit card lines	1,008,091		201,618	151,214
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	5,309,808		-	-
	8,692,714		1,486,934	1,296,472
<i>Derivative Financial Instruments</i>				
Foreign exchange related contracts				
- less than one year	1,122,792	2,812	10,399	4,894
- one year to less than five years	-	-	-	-
Profit rate related contracts				
- less than one year	400,000	946	750	150
- one year to less than five years	600,000	12,823	20,010	4,002
- five years and above	299,750	4,796	13,563	13,563
Equity related contracts				
- less than one year	108,345	111	6,501	3,250
- one year to less than five years	-	-	-	-
- five years and above	-	-	-	-
	2,530,887	21,488	51,223	25,860
<i>Other Treasury related exposures</i>				
Obligations under an on-going underwriting agreement	-		-	-
	-		-	-
Total	11,223,601	21,488	1,538,156	1,322,332

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

5. The Off-Balance Sheet and Counterparties Credit Risk for the Group and the Bank (continued):

(ii) As at 31 December 2013

NATURE OF ITEM	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	319,032		319,032	312,161
Assets sold with recourse	2		2	2
Transaction related contingent items	877,246		438,623	386,730
Short term self-liquidating trade related contingencies	278,297		55,659	54,695
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- not exceeding one year	1,714		343	327
- exceeding one year	823,818		411,909	338,294
Unutilised credit card lines	991,097		198,219	148,665
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	5,116,604		0	0
	8,407,810		1,423,787	1,240,873
<i>Derivative Financial Instruments</i>				
Foreign exchange related contracts				
- less than one year	1,381,894	8,681	18,546	10,290
- one year to less than five years	-	-	-	-
Profit rate related contracts				
- less than one year	100,000	695	250	50
- one year to less than five years	500,000	2,705	9,000	1,800
- five years and above	711,481	16,455	35,660	19,660
Equity related contracts				
- less than one year				
- one year to less than five years	110,495	582	8,840	4,420
- five years and above				
	2,803,870	29,118	72,296	36,220
<i>Other Treasury related exposures</i>				
Obligations under an on-going underwriting agreement	-		-	-
	-		-	-
Total	11,211,680	29,118	1,496,083	1,277,093

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

6. Market Risk

Profit Rate Risk in the Banking Book

Profit rate risk in the Banking Book is managed and controlled using measurements known as economic value of equity (“EVE”) and earnings-at-risk (“EaR”). EVE and EaR limits are approved by the Board Risk Committee (“BRC”) and independently monitored monthly by the Market Risk Management Department (“MRMD”). Exposures and limits are regularly discussed and reported to Asset Liability and Management Committee (“ALCO”) and the BRC.

The table below shows the projected Group’s and Bank’s sensitivity to a 100 basis points parallel shift to profit rates across all maturities applied on the Group’s and Bank’s profit rate sensitivity gap as at reporting date.

Behavioral	30 June 2014		31 December 2013	
	-100bps	+100bps	-100bps	+100bps
	Increase/(Decrease)			
	RM million	RM million	RM million	RM million
Bank				
Impact on EaR	(41.50)	41.50	(38.68)	38.68
Impact on EVE	(232.02)	232.02	(214.26)	214.26
<hr/>				
Contractual	30 June 2014		31 December 2013	
	-100bps	+100bps	-100bps	+100bps
	Increase/(Decrease)			
	RM million	RM million	RM million	RM million
Bank				
Impact on EaR	(54.07)	54.07	(51.45)	51.45
Impact on EVE	(515.71)	515.71	(521.44)	521.44

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

Market Risk in the Trading Portfolio

Market risk in the trading portfolio is monitored and controlled using Value-at-Risk (“VaR”). VaR limit is approved by the BRC and independently monitored daily by MRMD. Exposures and limits are regularly discussed and reported to ALCO and BRC.

A summary of the VaR position of the Bank’s trading portfolios at the reporting date is as follows:

	As at 30.06.2014	1.1.2014 to 30.6.2014		
	RM million	Average RM million	High RM million	Low RM million
Profit Rate Risk	1.54	1.67	2.63	1.23
Foreign exchange risk	0.05	0.24	1.24	0.01
Overall	1.59	1.92	3.59	1.35

	As at 31.12.2013	1.1.2013 to 31.12.2013		
	RM million	Average RM million	High RM million	Low RM million
Profit Rate Risk	1.48	1.64	3.33	0.43
Foreign exchange risk	0.78	0.26	1.06	0.01
Overall	2.26	1.90	3.64	0.55

Foreign exchange risk

Trading positions

In addition to VaR and stress testing, the Bank controls the foreign exchange risk within the trading portfolio by limiting the open exposure to individual currencies, and on an aggregate basis.

Overall (trading and non-trading positions)

The Bank controls the overall foreign exchange risk by limiting the open exposure to non-Ringgit positions on an aggregate basis.

Foreign exchange limits are approved by the BRC and independently monitored daily by MRMD. Exposures and limits are regularly discussed and reported to ALCO and BRC.

Sensitivity Analysis

Considering that other risk variables remain constant, the foreign currency revaluation sensitivity for the Group and Bank as at reporting date is summarized as follows (only exposures in currencies that account for more than 5 percent of the net open positions are shown in its specific currency in the table below. For other currencies, these exposures are grouped as “Others”):

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2014

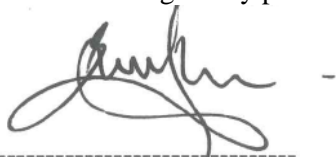
	2014		2013	
	-1% Depreciation	+1% Appreciation	-1% Depreciation	+1% Appreciation
	RM'000	RM'000	RM'000	RM'000
Group				
US Dollar	364	(364)	8,604	(8,604)
Euro	(4,997)	4,997	6,306	(6,306)
Others	(714)	714	(148)	148
Bank				
US Dollar	364	(364)	8,604	(8,604)
Euro	(4,997)	4,997	6,306	(6,306)
Others	(714)	714	(148)	148

7. Non-Shariah Compliant Income

30 June 2014	31 December 2013
RM2,460.01	RM50,713.42

Managing Director Attestation

In accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Bank (CAFIB) Disclosure Requirements (Pillar 3), I hereby attest that to the best of my knowledge, the disclosures contained in Bank Islam Berhad's Pillar 3 Disclosures report for the financial half-year as at 30 June 2014 are consistent with the manner in which the Group and the Bank assesses and manages its risk, and are not misleading in any particular way.



Dato' Sri Zukri Samat
 Managing Director