

Bank Islam Malaysia Berhad [Registration No. 198301002944 (98127-X)]
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

Statements of Financial Position as at 30 September 2021

	Note	Group		Bank	
		30.09.2021 RM'000	31.12.2020 RM'000	30.09.2021 RM'000	31.12.2020 RM'000
Assets					
Cash and short-term funds	8	4,304,260	5,216,737	4,279,672	5,216,280
Financial assets at fair value through profit or loss (FVTPL)	9	1,572,300	1,181,200	1,527,735	1,175,440
Derivative financial assets	10	34,501	61,665	34,501	61,665
Financial assets at fair value through other comprehensive income (FVOCI)	11	12,091,875	12,557,991	12,092,613	12,558,729
Financing, advances and others	12	55,927,384	54,670,635	55,927,384	54,670,635
Other financial assets at amortised cost (AC)	13	1,591,908	207,349	1,540,474	196,588
Statutory deposits with Bank Negara Malaysia		180,175	192,425	180,175	192,425
Current tax assets		29,999	106,773	29,639	106,773
Deferred tax assets		169,839	1,511	168,408	-
Right-of-use assets	14	198,304	209,736	197,802	209,736
Investments in subsidiaries		-	-	100,905	15,525
Property and equipment		243,315	231,000	240,815	230,516
Total assets		<u>76,343,860</u>	<u>74,637,022</u>	<u>76,320,123</u>	<u>74,634,312</u>
Liabilities and equity					
Deposits from customers	15	51,067,012	51,077,262	51,088,885	51,095,451
Investment accounts of customers	16	13,335,192	12,368,528	13,353,667	12,368,897
Derivative financial liabilities	10	22,326	105,872	22,326	105,872
Bills and acceptance payable		35,305	29,621	35,305	29,621
Recourse obligations on financing sold to Cagamas	17	2,001,720	1,501,187	2,001,720	1,501,187
Subordinated Sukuk Murabahah	18	1,723,361	1,713,164	1,723,361	1,713,164
Other liabilities	19	1,165,027	1,136,863	1,134,355	1,121,885
Lease Liabilities	14	304,417	312,429	303,865	312,429
Zakat and taxation		192,800	31,952	192,645	31,776
Deferred tax liabilities		-	74,445	-	74,445
Total liabilities		<u>69,847,160</u>	<u>68,351,323</u>	<u>69,856,129</u>	<u>68,354,727</u>

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	Note	Group		Bank	
		30.09.2021 RM'000	31.12.2020 RM'000	30.09.2021 RM'000	31.12.2020 RM'000
Equity					
Share capital		3,445,757	3,306,118	3,445,757	3,306,118
Reserves		<u>3,050,943</u>	<u>2,979,581</u>	<u>3,018,237</u>	<u>2,973,467</u>
Total equity		<u>6,496,700</u>	<u>6,285,699</u>	<u>6,463,994</u>	<u>6,279,585</u>
Total liabilities and equity		<u>76,343,860</u>	<u>74,637,022</u>	<u>76,320,123</u>	<u>74,634,312</u>
Restricted investment accounts managed by the Bank	16	1,180	11,915	1,180	11,915
Total Islamic banking asset owned and managed by the Bank		<u>76,345,040</u>	<u>74,648,937</u>	<u>76,321,303</u>	<u>74,646,227</u>
Commitments and Contingencies	31	<u>20,195,136</u>	<u>20,189,496</u>	<u>20,195,136</u>	<u>20,189,496</u>
Net assets per share attributable to equity holders of the Bank (RM)		<u>3.13</u>	<u>2.42</u>	<u>3.11</u>	<u>2.41</u>

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Statements of Profit or Loss for the nine months ended 30 September 2021

Group	Note	3 months ended		9 months ended	
		30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Income derived from investment of depositors' funds	20	530,716	635,865	1,666,828	1,885,194
Income derived from investment account funds	21	110,764	121,133	352,712	355,003
Income derived from investment of shareholders' funds	22	104,739	119,095	331,834	342,712
Net allowance for impairment on financing and advances, net of recoveries	23	(33,996)	(155,527)	(79,555)	(212,206)
Net allowance for impairment on other financial assets		(6,937)	(54)	(6,691)	2,814
Direct expenses		(2,090)	(4,377)	(8,132)	(10,352)
Total distributable income		703,196	716,135	2,256,996	2,363,165
Wakalah fees from restricted investment accounts		-	-	107	479
Income attributable to depositors	24	(203,979)	(234,805)	(607,591)	(802,851)
Income attributable to investment account holders	25	(41,334)	(49,913)	(119,505)	(177,081)
Total net income		457,883	431,417	1,530,007	1,383,712
Personnel expenses	26	(164,579)	(168,115)	(497,159)	(485,358)
Other overhead expenses	27	(118,529)	(104,483)	(339,250)	(306,122)
		174,775	158,819	693,598	592,232
Finance cost	28	(21,934)	(21,502)	(65,782)	(65,952)
Profit before zakat and tax		152,841	137,317	627,816	526,280
Zakat	B5	(3,739)	(3,775)	(11,246)	(11,208)
Tax expense		(47,472)	(31,295)	(161,903)	(127,330)
Profit for the period		101,630	102,247	454,667	387,742
Earnings per share (sen)	B11			17.71	15.34

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Statements of Other Comprehensive Income for the nine months ended 30 September 2021

Group	3 months ended		9 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Profit for the period	<u>101,630</u>	<u>102,247</u>	<u>454,667</u>	<u>387,742</u>
Other comprehensive income, net of tax:				
Items that are or may be reclassified subsequently to profit or loss				
Currency translation differences in respect of foreign operations	(3,461)	12,188	(16,240)	(6,000)
Movement in fair value reserve (debt instruments):				
Net change in fair value	(48,241)	116,947	(240,353)	295,665
Changes in expected credit losses	(6,937)	(54)	(6,875)	(81)
Net amount transferred to profit or loss	(23,752)	(104,325)	(83,218)	(264,802)
Income tax effect relating to components of other comprehensive income	<u>18,942</u>	<u>(3,016)</u>	<u>79,307</u>	<u>(7,388)</u>
	<u>(63,449)</u>	<u>21,740</u>	<u>(267,379)</u>	<u>17,394</u>
Items that will not be reclassified to profit or loss				
Movement in fair value reserve (equity instrument):				
Net change in fair value	<u>(341)</u>	<u>3,031</u>	<u>(1,961)</u>	<u>3,605</u>
Other comprehensive income for the period, net of tax	<u>(63,790)</u>	<u>24,771</u>	<u>(269,340)</u>	<u>20,999</u>
Total comprehensive income for the period	<u>37,840</u>	<u>127,018</u>	<u>185,327</u>	<u>408,741</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 2020.

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Statements of Profit or Loss for the nine months ended 30 September 2021

Bank	Note	3 months ended		9 months ended	
		30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Income derived from investment of depositors' funds	20	530,716	635,865	1,666,828	1,885,194
Income derived from investment account funds	21	110,764	121,133	352,712	355,003
Income derived from investment of shareholders' funds	22	96,767	112,034	311,735	323,506
Net allowance for impairment on financing and advances, net of recoveries	23	(33,996)	(155,527)	(79,555)	(212,206)
Net allowance for impairment on other financial assets		(6,937)	(54)	(6,691)	2,814
Direct expenses		(2,090)	(4,377)	(8,132)	(10,352)
Total distributable income		695,224	709,074	2,236,897	2,343,959
Wakalah fees from restricted investment accounts		-	-	107	479
Income attributable to depositors	24	(204,022)	(234,857)	(607,734)	(803,029)
Income attributable to investment account holders	25	(41,362)	(49,913)	(119,533)	(177,081)
Total net income		449,840	424,304	1,509,737	1,364,328
Personnel expenses	26	(158,958)	(164,837)	(482,762)	(475,236)
Other overhead expenses	27	(116,322)	(100,977)	(334,470)	(298,456)
		174,560	158,490	692,505	590,636
Finance cost	28	(21,932)	(21,502)	(65,780)	(65,951)
Profit before zakat and tax		152,628	136,988	626,725	524,685
Zakat		(3,750)	(3,750)	(11,250)	(11,250)
Tax expense	B5	(47,428)	(31,250)	(161,690)	(127,193)
Profit for the period		101,450	101,988	453,785	386,242

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Statements of Other Comprehensive Income for the nine months ended 30 September 2021

Bank	3 months ended		9 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Profit for the period	<u>101,450</u>	<u>101,988</u>	<u>453,785</u>	<u>386,242</u>
Other comprehensive income, net of tax:				
Items that are or may be reclassified subsequently to profit or loss				
Currency translation differences in respect of foreign operations	(3,467)	12,216	(16,276)	(6,012)
Movement in fair value reserve (debt instruments):				
Net change in fair value	(48,241)	11,6947	(240,353)	295,665
Changes in expected credit losses	(6,937)	(54)	(6,875)	(81)
Net amount transferred to profit or loss	(23,752)	(104,325)	(83,218)	(264,802)
Income tax effect relating to components of other comprehensive income	<u>18,942</u>	<u>(3,016)</u>	<u>79,307</u>	<u>(7,388)</u>
	<u>(63,455)</u>	<u>21,768</u>	<u>(267,415)</u>	<u>17,382</u>
Items that will not be reclassified to profit or loss				
Movement in fair value reserve (equity instrument):				
Net change in fair value	<u>(341)</u>	<u>3,031</u>	<u>(1,961)</u>	<u>3,605</u>
Other comprehensive income for the period, net of tax	<u>(63,796)</u>	<u>24,799</u>	<u>(269,376)</u>	<u>20,987</u>
Total comprehensive income for the period	<u><u>37,654</u></u>	<u><u>126,787</u></u>	<u><u>184,409</u></u>	<u><u>407,229</u></u>

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Consolidated Statement of Changes in Equity for the nine months ended 30 September 2021

Group	Note	← Attributable to equity holders of the Bank →			Total equity RM'000
		← Non-distributable Share Capital RM'000	→ Other reserves RM'000	Distributable Retained earnings RM'000	
At 1 January 2021		3,306,118	88,558	2,891,023	6,285,699
Profit for the period		-	-	454,667	454,667
Currency translation difference in respect of foreign operations		-	(16,240)	-	(16,240)
Fair value reserve (debt instruments):					
Net change in fair value		-	(240,353)	-	(192,112)
Changes in expected credit losses		-	(6,875)	-	62
Net amount transferred to profit or loss		-	(83,218)	-	(59,466)
Income tax effect relating to components of other comprehensive income		-	79,307	-	60,365
Fair value reserve (equity instruments):					
Net change in fair value		-	(1,961)	-	(1,620)
Total comprehensive income for the period		-	(269,340)	454,667	147,487
Effect on predecessor accounting	B6	-	25,674	-	25,674
Dividend paid on ordinary shares		-	-	(139,639)	(139,639)
Issue of shares pursuant to Dividend Reinvestment Plan		139,639	-	-	139,639
At 30 September 2021		3,445,757	(155,108)	3,206,051	6,496,700
At 1 January 2020		3,012,368	107,265	2,594,820	5,714,453
Profit for the period		-	-	387,742	387,742
Currency translation difference in respect of foreign operations		-	(6,000)	-	(6,000)
Fair value reserve (debt instruments):					
Net change in fair value		-	295,665	-	295,665
Changes in expected credit losses		-	(81)	-	(81)
Net amount transferred to profit or loss		-	(264,802)	-	(264,802)
Income tax effect relating to components of other comprehensive income		-	(7,388)	-	(7,388)
Fair value reserve (equity instruments):					
Net change in fair value		-	3,605	-	3,605
Total comprehensive income for the period		-	20,999	387,742	408,741
Transfer from regulatory reserves		-	(25,000)	25,000	-
Dividend paid on ordinary shares		-	-	(293,751)	(293,751)
Issue of shares pursuant to Dividend Reinvestment Plan		293,750	-	-	293,750
At 30 September 2020		3,306,118	103,264	2,713,811	6,123,193

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Statement of Changes in Equity for the nine months ended 30 September 2021

	← Attributable to equity holders of the Bank →			
	← Non-distributable →	Distributable		Total Equity RM'000
Bank	Share capital RM'000	Other reserves RM'000	Retained earnings RM'000	
At 1 January 2021	3,306,118	88,707	2,884,760	6,279,585
Profit for the period	-	-	453,785	453,785
Currency translation difference in respect of foreign operations	-	(16,276)	-	(16,276)
Fair value reserve (debt instruments):				
Net change in fair value	-	(240,353)	-	(240,353)
Changes in expected credit losses	-	(6,875)	-	(6,875)
Net amount transferred to profit or loss	-	(83,218)	-	(83,218)
Income tax effect relating to components of other comprehensive income	-	79,307	-	79,307
Fair value reserve (equity instruments):				
Net change in fair value	-	(1,961)	-	(1,961)
Total comprehensive income for the period	-	(269,376)	453,785	184,409
Dividend paid on ordinary shares	-	-	(139,639)	(139,639)
Issue of shares pursuant to Dividend Reinvestment Plan	139,639	-	-	139,639
At 30 September 2021	3,445,757	(180,669)	3,198,906	6,463,994
At 1 January 2020	3,012,368	107,398	2,589,798	5,709,564
Profit for the period	-	-	386,242	386,242
Currency translation difference in respect of foreign operations	-	(6,012)	-	(6,012)
Fair value reserve (debt instruments):				
Net change in fair value	-	295,665	-	178,718
Changes in expected credit losses	-	(81)	-	(27)
Net amount transferred to profit or loss	-	(264,802)	-	(160,477)
Income tax effect relating to components of other comprehensive income	-	(7,388)	-	(4,372)
Fair value reserve (equity instruments):				
Net change in fair value	-	3,605	-	574
Total comprehensive income for the period	-	20,987	386,242	407,229
Transfer from regulatory reserves	-	(25,000)	25,000	-
Dividend paid on ordinary shares	-	-	(293,751)	(293,751)
Issue of shares pursuant to Dividend Reinvestment Plan	293,750	-	-	293,750
At 30 September 2020	3,306,118	103,385	2,707,289	6,116,792

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Condensed Statements of Cash Flow for the nine months ended 30 September 2021

	Group		Bank	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Profit before zakat and tax	627,816	526,280	626,725	524,685
Adjustment for non-cash items	176,370	120,404	176,344	120,321
Operating profit before working capital changes	804,186	646,684	803,069	645,006
Changes in working capital:				
Net changes in operating assets	(2,691,442)	(3,693,592)	(2,696,973)	(3,693,747)
Net changes in operating liabilities	1,387,237	1,350,998	1,413,344	1,352,534
Net cash used in operations	(500,019)	(1,695,910)	(480,560)	(1,696,207)
Zakat and tax paid	(98,667)	(111,249)	(98,482)	(111,056)
Net cash used in operating activities	(598,686)	(1,807,159)	(579,042)	(1,807,263)
Net cash used in investing activities	(231,473)	(368,808)	(275,259)	(368,672)
Net cash generated from/ (used in) financing activities	(66,077)	35,221	(66,030)	35,258
Net decrease in cash and cash equivalents	(896,236)	(2,140,746)	960,331	(2,140,677)
Cash and cash equivalents at beginning of the period	5,216,737	3,472,386	5,216,280	3,471,509
Exchange difference on translation	(16,241)	(6,000)	(16,277)	(6,012)
Cash and cash equivalents at end of the period	4,304,260	1,325,640	4,279,672	1,342,820
Cash and cash equivalents comprise:				
Cash and short-term funds	4,304,260	1,325,279	4,279,672	1,324,820
Deposits and placements with banks and other financial institutions	-	361	-	-
	4,304,260	1,325,640	4,279,672	1,324,820

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Notes to the unaudited interim financial statements
for the nine months ended 30 September 2021

1. Basis of preparation

The unaudited interim financial statements of the Group and of the Bank for the nine months ended 30 September 2021 have been prepared in accordance with the applicable requirements of MFRS 134: *Interim Financial Reporting* in Malaysia issued by Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of Bursa Malaysia Securities Berhad’s Listing Requirements, Financial Reporting for Islamic Banking Institution policy document issued by Bank Negara Malaysia (“BNM”) and the requirements of the Companies Act 2016.

The unaudited interim financial statements have been prepared under the historical cost convention except for derivative financial instruments, financial assets at fair value through profit or loss and financial assets through other comprehensive income, 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 2020. 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 2020.

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 2020, except for the adoption of the following amendments to Malaysian Financial Reporting Standards (“MFRS”):

- Amendments to MFRS 7, MFRS 9 and MFRS 16, *Profit Rate Benchmark Reform Phase 2*
- Amendment to MFRS 16 Leases, *Covid-19-Related Rent Concessions beyond 30 June 2021*

The adoption of the amendments to published standards are not expected to have impact on the financial results of the Group and the Bank.

2. Auditors’ report on preceding financial statements

The auditors’ report on the audited financial statements for the financial year ended 31 December 2020 was not qualified.

3. Seasonal or cyclical factors

The operations of the Bank were not materially affected by any seasonal or cyclical factors in the nine months ended 30 September 2021.

4. Unusual items

There were no unusual items in the nine months ended 30 September 2021.

5. Changes in accounting estimates

There were no material changes in estimates of amounts reported in the prior financial year that have a material effect in the nine months ended 30 September 2021.

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6. Sukuk and equity securities

There was no sukuk issuance or share buy-back during the nine months ended 30 September 2021.

7. Significant events during the nine months ended 30 September 2021

There was no significant event during the nine months ended 30 September 2021 other than as disclosed in Note B6 to the interim financial statements.

8. Cash and short-term funds

	Group		Bank	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Cash and balances with banks and other financial institutions	689,525	726,005	686,699	725,548
Money at call and interbank placements with remaining maturity not exceeding three months	3,614,735	4,490,732	3,592,973	4,490,732
	<u>4,304,260</u>	<u>5,216,737</u>	<u>4,279,672</u>	<u>5,216,280</u>

9. Financial assets at fair value through profit and loss (“FVTPL”)

	Group		Bank	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
At fair value				
Malaysian Government Investment Issues	303,296	602,925	303,296	602,925
Unit trust	295,674	238,490	253,211	232,730
Malaysian Islamic Treasury Bills	889,714	243,618	889,714	243,618
Islamic Commercial Paper	-	30,051	-	30,051
Corporate Sukuk	83,616	66,116	81,514	66,116
	<u>1,572,300</u>	<u>1,181,200</u>	<u>1,527,735</u>	<u>1,175,440</u>

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10. 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. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding at financial position date, and do not represent amounts at risk.

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

Group and Bank	30.09.2021			31.12.2020		
	Notional amount RM'000	Fair value		Notional amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Forward contracts	9,123,447	33,274	(21,409)	8,518,422	59,494	(104,228)
Profit rate swaps	88,059	1,227	(917)	114,056	2,171	(1,644)
	9,211,506	34,501	(22,326)	8,632,478	61,665	(105,872)

11. Financial assets at fair value through other comprehensive income (“FVOCI”)

	Group		Bank	
	30.09.2021 RM'000	31.12.2020 RM'000	30.09.2021 RM'000	31.12.2020 RM'000
Financial assets at FVOCI:				
(a) Debt instruments	12,029,885	12,494,040	12,029,885	12,494,040
(b) Equity instruments	61,990	63,951	62,728	64,689
	12,091,875	12,557,991	12,092,613	12,558,729

(a) Debt instrument at FVOCI

	Group and Bank	
	30.09.2021 RM'000	31.12.2020 RM'000
Unquoted		
Corporate Sukuk	7,266,935	9,314,815
Malaysian Government Investment Issues	3,289,149	2,919,864
Malaysian Islamic Treasury Bills	1,057,702	-
Islamic Commercial Papers	416,099	259,361
	12,029,885	12,494,040

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11. Financial assets at fair value through other comprehensive income (“FVOCI”) (continued)

(a) Debt instrument at FVOCI (continued)

Movement of allowance for impairment on financial assets at fair value through other comprehensive income:

	Group and Bank	
	30.09.2021	31.12.2020
	RM'000	RM'000
Stage 1		
At 1 January	403	265
Addition of impairment during the period/ year	<u>6,875</u>	<u>138</u>
At 30 September / 31 December	<u>7,278</u>	<u>403</u>

(b) Equity instrument at FVOCI

	Group		Bank	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Quoted Shares				
- outside Malaysia	<u>11,794</u>	<u>13,755</u>	<u>11,794</u>	<u>13,755</u>
Unquoted Shares				
- in Malaysia	50,194	50,194	50,932	50,932
- outside Malaysia	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
	<u>50,196</u>	<u>50,196</u>	<u>50,934</u>	<u>50,934</u>
	<u>61,990</u>	<u>63,951</u>	<u>62,728</u>	<u>64,689</u>

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12. Financing, advances and others

(a) By type and Shariah contract

Group and Bank 30 September 2021	Bai' Bithaman Ajil RM'000	Murabahah RM'000	Bai' Al-Dayn RM'000	Bai' Al-Inah RM'000	At- Tawarruq RM'000	^Ijarah Muntahiah Bit-Tamleek RM'000	Istisna' RM'000	Ar- Rahnu RM'000	Total RM'000
At amortised cost									
Cash line	-	-	-	484	1,090,726	-	-	-	1,091,210
Term financing									
House financing	3,024,451	-	-	-	19,640,164	-	43,275	-	22,707,890
Syndicated financing	-	-	-	-	1,464,196	-	-	-	1,464,196
Leasing financing	-	-	-	-	-	94,214	-	-	94,214
Bridging financing	-	-	-	-	-	-	42,110	-	42,110
Personal financing	-	-	-	6,119	17,122,934	-	-	-	17,119,053
Other term financing	337,387	1,357,772	-	-	10,936,284	-	977	-	12,632,420
Staff financing	41,271	17,468	-	-	371,611	-	6,711	-	437,063
Credit cards	-	-	-	-	423,291	-	-	-	423,291
Trade bills discounted	-	623,599	66,326	-	116,816	-	-	-	806,741
Trust receipts	-	2,733	-	-	-	-	-	-	2,733
Pawn broking	-	-	-	-	-	-	-	90,449	90,449
	3,403,111	2,001,572	66,326	6,603	51,156,022	94,214	93,073	90,449	56,911,370
Allowance for impairment on financing, advances and others									
- Stage 1									(702,225)
- Stage 2									(142,753)
- Stage 3									(139,008)
Net financing, advances and others									55,927,384

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12. Financing, advances and others (continued)

(a) By type and Shariah contract (continued)

Group and Bank	Bai' Bithaman Ajil	Murabahah	Bai' Al-Dayn	Bai' Al-Inah	At-Tawarruq	^Ijarah Muntahiah Bit-Tamleek	Istisna'	Ar-Rahnu	Total
31 December 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At amortised cost									
Cash line	-	-	-	1,465	1,287,126	-	-	-	1,288,591
Term financing									
House financing	3,238,398	-	-	-	18,280,073	-	45,780	-	21,564,251
Syndicated financing	-	-	-	-	1,459,016	-	-	-	1,459,016
Leasing financing	-	-	-	-	-	114,300	-	-	114,300
Bridging financing	-	-	-	-	-	-	47,380	-	47,380
Personal financing	-	-	-	5,256	16,816,181	-	-	-	16,821,437
Other term financing	487,567	1,411,820	-	15	10,736,190	-	1,119	-	12,636,711
Staff financing	46,367	15,847	-	-	307,861	-	7,584	-	377,659
Credit cards	-	-	-	-	447,471	-	-	-	447,471
Trade bills discounted	-	631,567	31,221	3,034	164,888	-	-	-	830,710
Trust receipts	-	5,584	5	-	-	-	-	-	5,589
Pawn broking	-	-	-	-	-	-	-	5,481	5,481
	3,772,332	2,064,818	31,226	9,770	49,498,806	114,300	101,863	5,481	55,598,596
Allowance for impairment on financing, advances and others									
- Stage 1									(653,983)
- Stage 2									(151,446)
- Stage 3									(122,532)
Net financing, advances and others									54,670,635

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12. Financing, advances and others (continued)

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

Included in financing, advances and others are house financing and personal financing that are used for the underlying assets of Unrestricted Investment Accounts (“URIA”) and financing sold to Cagamas with recourse to the Group and the Bank. The details are as follows:

	Note	Group		Bank	
		30.09.2021 RM'000	31.12.2020 RM'000	30.09.2021 RM'000	31.12.2020 RM'000
House financing					
Unrestricted Investment Accounts	16	9,679,910	8,740,902	9,689,147	8,741,086
Sold to Cagamas with recourse	17	2,001,720	1,501,187	2,001,720	1,501,187
		<u>11,681,630</u>	<u>10,242,089</u>	<u>11,690,867</u>	<u>10,242,273</u>
Personal financing					
Unrestricted Investment Accounts	16	3,655,282	3,627,626	3,664,520	3,627,811

[^] Assets funded under *Ijarah* financing are owned by the Bank throughout the tenure of the *Ijarah* financing and ownership of the assets will be transferred to customer at the end of financing tenure for a token consideration or other amount as specified in the *Ijarah* financing contract.

(b) By type of customer

	Group and Bank	
	30.09.2021 RM'000	31.12.2020 RM'000
Domestic non-bank financial institutions	1,150,583	1,473,316
Domestic business enterprise	9,919,763	9,859,263
Small and medium industries	2,105,463	1,799,003
Government and statutory bodies	809,908	743,051
Individuals	42,624,351	41,353,603
Other domestic entities	20,287	102,008
Foreign entities	281,015	268,352
	<u>56,911,370</u>	<u>55,598,596</u>

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12. Financing, advances and others (continued)

(c) By profit rate sensitivity

	Group and Bank	
	30.09.2021	31.12.2020
	RM'000	RM'000
Fixed rate		
House financing	982,272	732,437
Others	4,403,053	3,859,673
Floating rate		
House financing	22,397,397	21,485,764
Others	29,128,648	29,520,722
	<u>56,911,370</u>	<u>55,598,596</u>

(d) By remaining contractual maturity

	Group and Bank	
	30.09.2021	31.12.2020
	RM'000	RM'000
Maturity within one year	3,935,500	3,660,883
More than one year to three years	1,155,732	1,516,856
More than three years to five years	3,312,219	3,272,167
More than five years	48,507,919	47,148,690
	<u>56,911,370</u>	<u>55,598,596</u>

(e) By geographical distribution

	Group and Bank	
	30.09.2021	31.12.2020
	RM'000	RM'000
Central Region	25,977,393	25,745,132
Eastern Region	8,964,162	8,757,468
Northern Region	7,681,459	7,431,066
Southern Region	9,846,030	9,416,361
East Malaysia Region	4,442,326	4,248,569
	<u>56,911,370</u>	<u>55,598,596</u>

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	Group and Bank	
	30.09.2021	31.12.2020
	RM'000	RM'000
Primary agriculture	993,871	1,044,451
Mining and quarrying	69,637	67,305
Manufacturing (including agro-based)	1,038,762	1,001,272
Electricity, gas and water	1,991,764	2,032,684
Wholesale & retail trade, and hotels & restaurants	1,014,275	951,149
Construction	2,774,881	2,736,468
Transport, storage and communications	671,907	681,659
Finance, insurance, real estate and business activities	4,526,047	4,557,954
Education, health and others	1,202,846	1,168,902
Household sectors	42,627,380	41,356,752
	<u>56,911,370</u>	<u>55,598,596</u>

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

	Group and Bank	
	30.09.2021	31.12.2020
	RM'000	RM'000
At 1 January	373,234	433,001
Classified as impaired during the period/ year	307,907	311,012
Reclassified as not impaired during the period/ year	(167,648)	(190,989)
Amount recovered	(48,303)	(67,114)
Amount written-off	(78,601)	(112,676)
At 30 September/ 31 December	<u>386,589</u>	<u>373,234</u>
Gross impaired financing as a percentage of gross financing, advances and others	<u>0.68%</u>	<u>0.67%</u>

The contractual amount outstanding on financing and advances that were written-off during the period/ year are still subject to enforcement activity.

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12. Financing, advances and others (continued)

(h) Impaired financing by geographical distribution

	Group and Bank	
	30.09.2021	31.12.2020
	RM'000	RM'000
Central Region	185,617	174,617
Eastern Region	82,321	86,291
Northern Region	79,684	78,220
Southern Region	22,538	19,167
East Malaysia Region	16,429	14,939
	<u>386,589</u>	<u>373,234</u>

(i) Impaired financing by sector

	Group and Bank	
	30.09.2021	31.12.2020
	RM'000	RM'000
Manufacturing (including agro-based)	14,384	28,328
Wholesale & retail trade, and hotels & restaurants	94,201	89,812
Construction	43,488	36,220
Transport, storage and communications	15,393	17,801
Finance, insurance, real estate and business activities	6,738	6,141
Education, health and others	3,435	3,969
Household sectors	208,950	190,963
	<u>386,589</u>	<u>373,234</u>

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12. Financing, advances and others (continued)

(j) Movement of allowance for impairment on financing, advances and others

Group and Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2020	431,135	148,115	172,197	751,447
Transfer to Stage 1	1,245	(1,179)	(66)	-
Transfer to Stage 2	(7,782)	10,508	(2,726)	-
Transfer to Stage 3	(264)	(7,659)	7,923	-
Net allowance made during the year	134,059	13,592	60,558	208,209
New financial assets originated or purchased	139,295	6,403	686	146,384
Financial assets that have been derecognised	(44,708)	(18,334)	(3,364)	(66,406)
Write-offs	-	-	(112,676)	(112,676)
Exchange differences	1,003	-	-	1,003
At 31 December 2020/ 1 January 2021	653,983	151,446	122,532	927,961
Transfer to Stage 1	2,380	(2,354)	(26)	-
Transfer to Stage 2	(12,881)	14,397	(1,516)	-
Transfer to Stage 3	(206)	(7,880)	8,086	-
Net allowance made during the period	41,878	(8,346)	90,956	124,488
New financial assets originated or purchased	47,686	7,508	655	55,849
Financial assets that have been derecognised	(29,299)	(12,018)	(3,078)	(44,395)
Write-offs	-	-	(78,601)	(78,601)
Exchange differences	(1,316)	-	-	(1,316)
At 30 September 2021	702,225	142,753	139,008	983,986

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13. Other financial assets at amortised cost

	Group		Bank	
	30.09.2021 RM'000	31.12.2020 RM'000	30.09.2021 RM'000	31.12.2020 RM'000
Malaysian Government Investments				
Issues	814,038	-	814,038	-
Corporate sukuk	553,604	5,289	553,604	5,289
Other receivables	174,647	168,256	129,461	157,952
Deposit and prepayments	56,400	41,012	49,771	40,457
Related companies*	1,483	1,056	1,864	1,154
	<u>1,600,172</u>	<u>215,613</u>	<u>1,548,738</u>	<u>204,852</u>
Less: Allowance for impairment				
Stage 3				
-Corporate sukuk	(5,289)	(5,289)	(5,289)	(5,289)
-Other receivables	(2,975)	(2,975)	(2,975)	(2,975)
	<u>1,591,908</u>	<u>207,349</u>	<u>1,540,474</u>	<u>196,588</u>

* This relates to amounts due from holding and related companies that are unsecured, not subject to compensation charges for late payment and repayment is neither fixed nor expected.

14. Right-of-use assets and lease liabilities

The statement of financial position shows the following amounts relating to leases:

	Group		Bank	
	30.09.2021 RM'000	31.12.2020 RM'000	30.09.2021 RM'000	31.12.2020 RM'000
Right-of-use assets:				
Buildings	<u>198,304</u>	<u>209,736</u>	<u>197,802</u>	<u>209,736</u>
Lease liabilities	<u>304,417</u>	<u>312,429</u>	<u>303,865</u>	<u>312,429</u>

The statement of profit or loss shows the following amounts relating to leases:

	Group		Bank	
	30.09.2021 RM'000	31.12.2020 RM'000	30.09.2021 RM'000	31.12.2020 RM'000
Depreciation charge on right-of-use assets	13,856	18,348	13,817	18,317
Finance cost	12,760	17,836	12,758	17,835
Expenses relating to short-term leases	<u>27,079</u>	<u>35,192</u>	<u>26,970</u>	<u>35,477</u>

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15. Deposits from customers

a) By type and Shariah contract

	Group		Bank	
	30.09.2021 RM'000	31.12.2020 RM'000	30.09.2021 RM'000	31.12.2020 RM'000
Saving Deposit				
<i>Qard</i>	7,553,881	6,051,242	7,553,881	6,051,242
Demand Deposit				
<i>Qard</i>	11,525,083	11,742,875	11,537,164	11,752,697
Term Deposit	31,885,667	33,163,038	31,895,459	33,171,405
Special Investment Deposit <i>Mudharabah</i>	-	3,662	-	3,662
General Investment Deposit <i>Mudharabah</i>	160,897	176,359	160,897	176,359
Term Deposit <i>Tawarruq</i>	30,889,320	31,496,106	30,899,112	31,504,473
Negotiable Islamic Debt Certificates (NIDC)	835,450	1,486,911	835,450	1,486,911
Others	<u>102,381</u>	<u>120,107</u>	<u>102,381</u>	<u>120,107</u>
Total Deposits	<u>51,067,012</u>	<u>51,077,262</u>	<u>51,088,885</u>	<u>51,095,451</u>

b) Maturity structure of term deposits are as follows:

	Group		Bank	
	30.09.2021 RM'000	31.12.2020 RM'000	30.09.2021 RM'000	31.12.2020 RM'000
Due within six months	14,936,003	18,093,028	14,936,184	18,093,941
More than six months to one year	12,805,756	9,960,654	12,807,811	9,962,675
More than one year to three years	1,442,160	2,336,348	1,449,716	2,341,781
More than three years to five years	2,701,748	2,773,008	2,701,748	2,773,008
	<u>31,885,667</u>	<u>33,163,038</u>	<u>31,895,459</u>	<u>33,171,405</u>

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	Group		Bank	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Domestic non-bank financial institutions	6,186,455	6,901,831	6,208,328	6,920,020
Business enterprises	20,250,329	20,921,604	20,250,329	20,921,604
Government and statutory bodies	12,985,347	13,033,032	12,985,347	13,033,032
Individuals	8,214,264	7,042,432	8,214,264	7,042,431
Domestic banking institutions	652,432	718,962	652,432	718,962
Others	2,778,185	2,459,401	2,778,185	2,459,402
	<u>51,067,012</u>	<u>51,077,262</u>	<u>51,088,885</u>	<u>51,095,451</u>

16. Investment accounts of customers**(a) By type and Shariah contract**

	Group		Bank	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Unrestricted investment accounts				
Without maturity				
<i>Mudharabah</i>	6,024,627	5,113,275	6,024,627	5,113,275
- <i>Saving</i>	5,195,231	4,446,643	5,195,231	4,446,643
- <i>Demand</i>	829,396	666,632	829,396	666,632
With maturity				
<i>Wakalah</i>	7,310,565	7,255,253	7,329,040	7,255,622
	<u>13,335,192</u>	<u>12,368,528</u>	<u>13,353,667</u>	<u>12,368,897</u>
With maturity				
<i>Wakalah</i>	1,180	11,915	1,180	11,915

[^] The Bank has an arrangement with its ultimate holding entity where the Bank acts as an investment agent to manage and administer the RIA.

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16. Investment accounts of customers (continued)

(b) By type of customers

	Group		Bank	
	30.09.2021 RM'000	31.12.2020 RM'000	30.09.2021 RM'000	31.12.2020 RM'000
Individuals	5,622,351	4,840,308	5,622,351	4,840,308
Government and statutory bodies	4,573,790	4,385,196	4,573,790	4,385,196
Business enterprises	1,622,360	1,130,539	1,622,360	1,130,539
Non-bank financial institutions	1,363,690	1,861,096	1,382,165	1,861,465
Others	153,001	151,389	153,001	151,389
	<u>13,335,192</u>	<u>12,368,528</u>	<u>13,353,667</u>	<u>12,368,897</u>

17. Recourse obligations on financing sold to Cagamas

Recourse obligations on financing sold to Cagamas represents house financing accounts that are sold to Cagamas with recourse. Under the agreement, the Bank undertakes to administer the financing on behalf of Cagamas and to buy back any financing which are regarded as defective based on pre-determined and agreed-upon prudential criteria with recourse against the Bank. Such financing transactions and the obligation to buy back the financing are reflected as a liability on the statements of financial position. The financing are not de-recognised and are analysed in Note 12 (a). The details are as follows:

Note	Nominal value RM'000	Issue date	Maturity Date	Profit rate (% p.a.)
(a)	1,500,000	25 May 2018	25 May 2023	4.75
(b)	500,000	15 May 2021	15 May 2024	2.95

18. Subordinated Sukuk Murabahah

	Note	Group and Bank	
		30.09.2021 RM'000	31.12.2020 RM'000
<i>Issued under the RM1.0 billion Subordinated Sukuk Murabahah Programme</i>			
Third tranche	(a)	<u>305,720</u>	<u>302,046</u>
<i>Issued under the RM10.0 billion Sukuk Murabahah Programme</i>			
First tranche	(b)	306,222	302,243
Second tranche	(c)	400,165	403,904
Third tranche	(d)	711,254	704,971
		<u>1,417,641</u>	<u>1,411,118</u>
		<u>1,723,361</u>	<u>1,713,164</u>
Finance cost on Subordinated Sukuk Murabahah		<u>53,022</u>	<u>73,622</u>

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18. Subordinated Sukuk Murabahah (continued)

The details of the issued subordinated Sukuk are as follows:

Note	Nominal value RM'000	Issue date	First call date*	Maturity Date	Profit rate (% p.a.)#
(a)	300,000	13 November 2017	12 December 2022	12 November 2027	5.08
(b)	300,000	7 November 2018	7 December 2023	7 November 2028	5.15
(c)	400,000	26 March 2020	26 March 2025	26 March 2030	3.75
(d)	700,000	21 October 2020	21 October 2025	21 October 2030	3.60

* Optional redemption date or any periodic payment date thereafter.

Accrued and payable semi-annually in arrears.

The Subordinated Sukuk Murabahah qualifies as Tier II capital for the computation of the regulatory capital of the Bank in accordance with the Capital Adequacy Framework (Capital Components) for Islamic Banks issued by BNM.

19. Other liabilities

	Group		Bank	
	30.09.2021 RM'000	31.12.2020 RM'000	30.09.2021 RM'000	31.12.2020 RM'000
Other payables	525,716	357,571	496,879	344,347
Advance payment	569,561	680,508	569,561	680,508
Accruals	69,750	98,784	67,915	97,030
	<u>1,165,027</u>	<u>1,136,863</u>	<u>1,134,355</u>	<u>1,121,885</u>

Other payables include funds received by the Bank under various government funding schemes as part of government support measure in response to COVID-19 pandemic for specific financing purposes amounting to RM210,337,853 (2020: RM59,522,673) at concession rate. The fair value gain arising from this is RM55,444,708 (2021: RM15,238,699).

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20. Income derived from investment of depositors' funds

Group and Bank	3 months ended		9 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Income derived from investment of:				
(i) Saving and demand deposits	187,790	222,603	594,891	649,172
(ii) General investment deposits	2,127	2,989	6,864	9,604
(iii) Term deposits	332,742	398,316	1,030,405	1,182,654
(iv) Other deposits	8,057	11,957	34,668	43,764
	<u>530,716</u>	<u>635,865</u>	<u>1,666,828</u>	<u>1,885,194</u>

(i) Income derived from investment of saving and demand deposits

Group and Bank	3 months ended		9 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
<i>Finance income and hibah</i>				
Financing, advances and others	155,503	162,562	493,890	483,084
Financial assets:				
- at FVTPL	1,573	1,525	4,593	5,508
- at FVOCI	15,328	19,398	51,093	62,273
- at AC	1,818	-	1,902	85
Money at call and deposits with financial institutions	5,685	1,542	15,766	7,605
	<u>179,907</u>	<u>185,027</u>	<u>567,244</u>	<u>558,555</u>
<i>Other dealing income</i>				
Net (gain)/ loss from sale of financial assets at FVTPL	76	1,980	(2,391)	334
Net gain/ (loss) on revaluation of financial assets at FVTPL	(583)	(924)	589	(929)
	<u>(507)</u>	<u>1,056</u>	<u>(1,802)</u>	<u>(595)</u>
<i>Other operating income</i>				
Net gain from sale of financial assets at FVOCI	8,390	36,520	29,448	91,212
<i>Other income</i>				
Gain on disposal of assets	-	-	1	-
	<u>187,790</u>	<u>222,603</u>	<u>594,891</u>	<u>649,172</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	2,414	559	9,234	4,604
<i>Unwinding of modification loss</i>	(11,063)	1,058	(8,339)	(22,977)

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

(ii) Income derived from investment of general investment deposits

Group and Bank	3 months ended		9 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
<i>Finance income and hibah</i>				
Financing, advances and others	1,829	2,307	5,900	7,558
Financial assets:				
- at FVTPL	14	18	43	68
- at FVOCI	141	219	485	761
- at AC	16	-	17	1
Money at call and deposits with financial institutions	54	21	154	114
	<u>2,054</u>	<u>2,565</u>	<u>6,599</u>	<u>8,502</u>
<i>Other dealing income</i>				
Net loss from sale of financial assets at FVTPL	1	23	(23)	3
Net gain on revaluation of financial assets at FVTPL	(5)	(9)	6	(8)
	<u>(4)</u>	<u>14</u>	<u>(17)</u>	<u>(5)</u>
<i>Other operating income</i>				
Net gain from sale of financial assets at FVOCI	77	410	282	1,107
	<u>2,127</u>	<u>2,989</u>	<u>6,864</u>	<u>9,604</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	22	7	88	59
<i>Unwinding of modification loss</i>	<u>(108)</u>	<u>12</u>	<u>(82)</u>	<u>(243)</u>

(iii) Income derived from investment of term deposits

Group and Bank	3 months ended		9 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
<i>Finance income and hibah</i>				
Financing, advances and others	275,381	290,807	854,366	879,625
Financial assets:				
- at FVTPL	2,797	2,730	7,972	10,012
- at FVOCI	27,231	34,693	88,475	113,143
- at AC	3,194	-	3,344	147
Money at call and deposits with financial institutions	10,048	2,753	27,359	13,972
	<u>318,651</u>	<u>330,983</u>	<u>981,516</u>	<u>1,016,899</u>

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

(iii) Income derived from investment of term deposits (continued)

Group and Bank	3 months ended		9 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
<i>Other dealing income</i>				
Net gain/ (loss) from sale of financial assets at FVTPL	169	3,569	(4,028)	648
Net gain on revaluation of financial assets at FVTPL	(1,004)	(1,636)	1,127	(1,613)
	<u>(835)</u>	<u>1,933</u>	<u>(2,901)</u>	<u>(965)</u>
<i>Other operating income</i>				
Net gain from sale of financial assets at FVOCI	<u>14,926</u>	<u>65,400</u>	<u>51,789</u>	<u>166,720</u>
<i>Other income</i>				
Gain on disposal of assets	-	-	1	-
	<u>332,742</u>	<u>398,316</u>	<u>1,030,405</u>	<u>1,182,654</u>
<i>of which</i>				
Financing income earned on impaired financing	4,348	1,009	16,076	8,630
Unwinding of modification loss	<u>(20,619)</u>	<u>1,900</u>	<u>(15,982)</u>	<u>(40,751)</u>

(iv) Income derived from investment of other deposits

Group and Bank	3 months ended		9 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
<i>Finance income and hibah</i>				
Financing, advances and others	6,675	8,675	28,879	33,047
Financial assets:				
- at FVTPL	67	82	271	375
- at FVOCI	656	1,019	3,027	4,176
- at AC	80	-	83	7
Money at call and deposits with financial institutions	<u>244</u>	<u>78</u>	<u>879</u>	<u>524</u>
	<u>7,722</u>	<u>9,854</u>	<u>33,139</u>	<u>38,129</u>

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

(iv) Income derived from investment of other deposits (continued)

Group and Bank	3 months ended		9 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	31.09.2021 RM'000	31.09.2020 RM'000
<i>Other dealing income</i>				
Net gain/ (loss) from sale of financial assets at FVTPL	2	134	(173)	(60)
Net gain/ (loss) on revaluation of financial assets at FVTPL	(26)	(26)	3	(68)
	<u>(24)</u>	<u>108</u>	<u>(170)</u>	<u>(128)</u>
<i>Other operating income</i>				
Net gain from sale of financial assets at FVOCI	359	1,995	1,699	5,763
	<u>8,057</u>	<u>11,957</u>	<u>34,668</u>	<u>44,764</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	102	40	552	332
<i>Financing income earned on impaired financing</i>	<u>(469)</u>	<u>69</u>	<u>(312)</u>	<u>(900)</u>

21. Income derived from investment account funds

Group and Bank	3 months ended		9 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Finance income				
Unrestricted investment accounts				
- <i>Mudharabah</i>	53,886	42,291	151,522	122,710
- <i>Wakalah</i>	71,200	78,481	212,548	259,085
Unwinding of modification loss	(14,322)	361	(11,358)	(26,792)
	<u>110,764</u>	<u>121,133</u>	<u>352,712</u>	<u>355,003</u>

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22. Income derived from investment of shareholders' funds

Group	3 months ended		9 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
<i>Finance income and hibah</i>				
Financing, advances and others	2,525	1,904	7,114	4,632
Financial assets at FVOCI	43,873	47,714	134,273	143,911
Money at call and deposits with financial institutions	32	-	31	3
	<u>46,430</u>	<u>49,618</u>	<u>141,418</u>	<u>148,546</u>
<i>Other dealing income</i>				
Net gain from foreign exchange transactions	4,685	8,771	26,418	34,344
Net gain/ (loss) on revaluation of financial assets at FVTPL	272	6,599	540	(2,369)
Net derivatives gain	2	3	6	28
	<u>4,959</u>	<u>15,373</u>	<u>26,964</u>	<u>32,003</u>
<i>Other operating income</i>				
Gross dividend income from:				
- quoted in Malaysia	5	-	5	-
- unit trust in Malaysia	107	32	8,600	7,397
- income from rebate on investment in unit trust	618	480	1,618	480
	<u>730</u>	<u>512</u>	<u>10,223</u>	<u>7,877</u>
<i>Fees and commission</i>				
Fees	43,804	48,607	127,123	136,073
Commission	4,150	(83)	9,964	5,268
Others	4,242	4,349	13,866	10,950
	<u>52,196</u>	<u>52,873</u>	<u>150,953</u>	<u>152,291</u>
<i>Other income</i>				
Net gain on disposal of property and equipment	-	1	577	3
Rental income	399	677	1,553	1,864
Other income	25	41	146	128
	<u>424</u>	<u>719</u>	<u>2,276</u>	<u>1,995</u>
	<u>104,739</u>	<u>119,095</u>	<u>331,834</u>	<u>342,712</u>

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

Bank	3 months ended		9 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
<i>Finance income and hibah</i>				
Financing, advances and others	2,525	1,904	7,114	4,632
Financial assets at FVOCI	43,873	47,714	134,273	143,911
Money at call and deposits with financial institutions	-	1	(1)	3
	<u>46,398</u>	<u>49,619</u>	<u>141,386</u>	<u>148,546</u>
<i>Other dealing income</i>				
Net gain from foreign exchange transactions	4,690	8,787	26,445	34,374
Net gain/ (loss) on revaluation of financial assets at FVTPL	213	6,598	481	(2,366)
Net derivatives gain	2	3	6	28
	<u>4,905</u>	<u>15,388</u>	<u>26,932</u>	<u>32,036</u>
<i>Other operating income</i>				
Gross dividend income from:				
- unit trust in Malaysia	22	5	8,462	7,288
- income from rebate on investment in unit trust	618	480	1,618	480
	<u>640</u>	<u>485</u>	<u>10,080</u>	<u>7,768</u>
<i>Fees and commission</i>				
Fees	35,472	40,362	104,284	113,370
Commission	5,239	813	14,083	8,733
Others	3,614	4,590	12,523	10,864
	<u>44,325</u>	<u>45,765</u>	<u>130,890</u>	<u>132,967</u>
<i>Other income</i>				
Net gain on disposal of property and equipment	-	1	576	3
Rental income	498	776	1,849	2,148
Other income	1	-	22	38
	<u>499</u>	<u>777</u>	<u>2,447</u>	<u>2,189</u>
	<u>96,767</u>	<u>112,034</u>	<u>311,735</u>	<u>323,506</u>

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23. Net allowance for impairment on financing and advances

Group and Bank	3 months ended		9 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Net allowance for impairment on financing, advances and others				
- Stage 1	42,306	198,909	60,265	257,950
- Stage 2	161	(21,278)	59,124	12,584
- Stage 3	10,616	(4,151)	16,553	(903)
	<u>53,083</u>	<u>173,480</u>	<u>135,942</u>	<u>269,631</u>
Bad debts and financing recovered	(19,087)	(17,953)	(56,387)	(57,425)
	<u>33,996</u>	<u>155,527</u>	<u>79,555</u>	<u>212,206</u>

24. Income attributable to depositors

Group	3 months ended		9 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Deposits from customers				
- Mudharabah fund	384	1,018	1,894	3,683
- Non-Mudharabah fund	182,200	216,011	547,049	745,491
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah fund	-	-	36	340
Recourse obligation on financing sold to Cagamas	21,395	17,776	58,612	53,337
	<u>203,979</u>	<u>234,805</u>	<u>607,591</u>	<u>802,851</u>

Bank

Deposits from customers				
- Mudharabah fund	384	1,018	1,894	3,683
- Non-Mudharabah fund	182,243	216,063	547,192	745,669
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah fund	-	-	36	340
Recourse obligation on financing sold to Cagamas	21,395	17,776	58,612	53,337
	<u>204,022</u>	<u>234,857</u>	<u>607,734</u>	<u>803,029</u>

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25. Income attributable to investment account holders

Group	3 months ended		9 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Unrestricted investment accounts				
- <i>Mudharabah</i>	3,587	2,474	9,567	7,939
- <i>Wakalah</i>	37,747	47,439	109,938	169,142
	41,334	49,913	119,505	177,081
Bank				
Unrestricted investment accounts				
- <i>Mudharabah</i>	3,587	2,474	9,567	7,939
- <i>Wakalah</i>	37,775	47,439	109,966	169,142
	41,362	49,913	119,533	177,081

26. Personnel expenses

Group	3 months ended		9 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Salaries, allowances and bonuses	129,412	129,775	386,763	377,938
Employees' Provident Fund	19,875	19,616	60,153	56,053
Other staff related costs	15,292	18,724	50,243	51,367
	164,579	168,115	497,159	485,358
Bank				
Salaries, allowances and bonuses	124,806	127,120	375,040	369,916
Employees' Provident Fund	19,231	19,249	58,539	54,916
Other staff related costs	14,921	18,468	49,183	50,404
	158,958	164,837	482,762	475,236

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27. Other overhead expenses

Group	3 months ended		9 months ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
<i>Promotion</i>				
Credit and debit card expenses	10,774	11,592	32,656	31,039
Advertisement and publicity	2,538	2,292	9,073	7,801
Others	4,675	4,217	13,356	11,564
	<u>17,987</u>	<u>18,101</u>	<u>55,085</u>	<u>50,404</u>
<i>Establishment</i>				
Office rental	7,826	8,197	22,383	22,189
Depreciation of property and equipment	14,251	14,062	43,749	41,843
Depreciation right-of-use assets	4,641	4,572	13,856	13,736
Information technology related expenses	20,219	16,070	56,420	48,253
Security services	2,554	2,443	7,038	7,202
Utilities	2,773	3,457	8,861	9,656
Office maintenance	2,507	2,176	7,472	8,052
Rental of equipment	1,678	1,599	4,697	4,277
Takaful	3,600	988	5,510	3,486
Others	39	39	320	320
	<u>60,088</u>	<u>53,603</u>	<u>170,306</u>	<u>159,014</u>
<i>General expenses</i>				
Outsourcing fees	5,640	4,311	16,497	12,179
Office supplies	2,739	2,968	6,624	7,585
Subscription fees	3,771	1,510	10,427	4,685
SMS service charges	5,765	2,534	14,361	8,419
Security services – cash in transit	996	1,067	3,824	4,107
Professional fees	3,238	2,314	7,102	7,450
Others	18,305	18,075	55,024	52,279
	<u>40,454</u>	<u>32,779</u>	<u>113,859</u>	<u>96,704</u>
	<u>118,529</u>	<u>104,483</u>	<u>339,250</u>	<u>306,122</u>

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27. Other overhead expenses (continued)

Bank	3 months ended		9 months ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
<i>Promotion</i>				
Credit and debit card expenses	10,774	11,592	32,656	31,039
Advertisement and publicity	2,518	2,267	8,992	7,680
Others	1,887	746	5,969	3,400
	15,179	14,605	47,617	42,119
<i>Establishment</i>				
Office rental	7,597	8,290	22,330	22,467
Depreciation of property and equipment	14,154	14,012	43,561	41,686
Depreciation right-of-use assets	4,602	4,568	13,817	13,705
Information technology related expenses	20,219	16,070	56,420	48,253
Security services	2,554	2,443	7,038	7,202
Utilities	2,748	3,439	8,798	9,597
Office maintenance	2,442	2,126	7,308	7,896
Rental of equipment	1,653	1,578	4,641	4,218
Takaful	3,595	987	5,502	3,484
Others	39	39	320	320
	59,603	53,552	169,735	158,828
<i>General expenses</i>				
Outsourcing fees	6,847	5,724	20,747	18,960
Office supplies	2,710	2,933	6,549	7,505
Subscription fees	3,771	1,508	10,427	4,683
SMS service charges	5,765	2,534	14,361	8,419
Security services – cash in transit	996	1,067	3,824	4,107
Professional fees	2,950	2,283	6,608	7,307
Others	18,501	16,771	54,602	46,528
	41,540	32,820	117,118	97,509
	116,322	100,977	334,470	298,456

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Group	Note	3 months ended		9 months ended	
		30.09.2021	30.09.2020	30.09.2021	30.09.2020
		RM'000	RM'000	RM'000	RM'000
Finance cost:					
- Subordinated Sukuk					
Murabahah	18	17,868	17,061	53,022	52,519
- Profit expense on leases	14	4,066	4,441	12,760	13,433
		21,934	21,502	65,782	65,952

Bank

Finance cost:					
- Subordinated Sukuk					
Murabahah	18	17,868	17,061	53,022	52,519
- Profit expense on leases	14	4,064	4,441	12,758	13,432
		21,932	21,502	65,780	65,951

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29. Segmental Reporting on Revenue, Profit and Assets

Group	Consumer Banking RM'000	Corporate and Commercial Banking RM'000	Treasury RM'000	Shareholders unit RM'000	Elimination RM'000	Total RM'000
<u>9 months ended 30 September 2021</u>						
Total Revenue	1,409,833	455,818	445,553	55,144	(14,867)	2,351,481
Net fund based income	801,712	276,472	88,536	188,811	-	1,355,531
Non-fund based income	108,366	21,997	105,819	47,368	(14,696)	268,854
Net income	910,078	298,469	194,355	236,179	(14,696)	1,624,385
Net allowance for impairment	(2,358)	(77,197)	(6,691)	-	-	(86,246)
Profit before overheads, zakat & tax	907,720	221,272	187,664	236,179	(14,696)	1,538,139
Operating expenses						(910,323)
Profit before zakat & tax						627,816
<u>9 months ended 30 September 2020</u>						
Total Revenue	1,391,558	499,295	657,760	46,068	(11,293)	2,583,388
Net fund based income	683,911	264,506	104,091	93,193	-	1,145,701
Non-fund based income	104,002	28,805	295,076	40,987	(11,115)	457,755
Net income	787,913	293,311	399,167	134,180	(11,115)	1,603,456
Net allowance for impairment	(76,421)	(133,285)	314	-	-	(209,392)
Profit before overheads, zakat & tax	711,492	160,026	399,481	134,180	(11,115)	1,394,064
Operating expenses						(867,784)
Profit before zakat & tax						526,280

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

Group	Consumer Banking RM'000	Corporate and Commercial Banking RM'000	Treasury RM'000	Shareholders unit RM'000	Elimination RM'000	Total RM'000
<u>3 months ended 30 September 2021</u>						
Total Revenue	439,397	154,862	140,140	17,022	(5,202)	746,219
Net fund based income	238,765	92,421	25,906	63,121	-	420,213
Non-fund based income	34,755	9,510	27,323	14,236	(5,131)	80,693
Net income	273,520	101,931	(53,229)	77,357	(5,131)	500,906
Net allowance for impairment	28,474	(62,654)	(6,753)	-	-	(40,933)
Profit before overheads, zakat & tax	301,994	39,277	46,476	77,357	(5,131)	459,973
Operating expenses						(307,132)
Profit before zakat & tax						152,841
<u>3 months ended 30 September 2020</u>						
Total Revenue	467,128	163,839	234,669	13,975	(3,518)	876,093
Net fund based income	273,243	76,636	40,852	23,730	-	414,461
Non-fund based income	35,287	10,306	122,877	11,910	(3,466)	176,914
Net income	308,530	86,942	163,729	35,640	(3,466)	591,375
Net allowance for impairment	(84,813)	(70,713)	(55)	-	-	(155,581)
Profit before overheads, zakat & tax	223,717	16,229	163,674	35,640	(3,466)	435,794
Operating expenses						(298,477)
Profit before zakat & tax						137,317

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

	Consumer Banking RM'000	Corporate and Commercial Banking RM'000	Treasury RM'000	Shareholders unit RM'000	Elimination RM'000	Total RM'000
<u>At 30 September 2021</u>						
Segment assets	42,158,111	13,769,273	18,610,174	291,977	(179,250)	74,650,285
Unallocated assets						<u>1,693,575</u>
Total assets						<u><u>76,343,860</u></u>
<u>At 31 December 2020</u>						
Segment assets	40,874,237	13,796,398	18,286,566	54,179	(35,164)	72,976,216
Unallocated assets						<u>1,660,806</u>
Total assets						<u><u>74,637,022</u></u>

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30. Fair value of Financial Instruments

Fair value hierarchy

MFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Group's market assumptions. The fair value hierarchy is as follows:

- Level 1 – Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes quoted equity securities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This level includes debt instruments, profit rates swap and structured debt. The sources of input parameters include Bank Negara Malaysia (BNM) indicative yields or counterparty credit risk.
- Level 3 – Inputs for asset or liability that are not based on observable market data (unobservable inputs). This level includes equity instruments and debt instruments with significant unobservable components.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. The table does not include those short-term/on demand financial assets and financial liabilities where the carrying amounts are reasonable approximation of their fair values.

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30. Fair value of Financial Instruments (continued)

Fair value hierarchy (continued)

Group 30 September 2021 RM'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value Level 3	Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total			
<i>Financial assets</i>							
Financial assets at FVTPL	-	1,572,300	-	1,572,300	-	1,572,300	1,572,300
Derivative financial assets	-	34,501	-	34,501	-	34,501	34,501
Financial assets at FVOCI	11,794	12,029,885	50,196	12,091,875	-	12,091,875	12,091,875
Financing, advances and others	-	-	-	-	59,058,351	59,058,351	55,927,384
<i>Financial liabilities</i>							
Derivative financial liabilities	-	22,326	-	22,326	-	22,326	22,326
Recourse obligations on financing sold to Cagamas	-	-	-	-	2,054,050	2,054,050	2,001,720
Subordinated Sukuk Murabahah	-	-	-	-	1,720,573	1,720,573	1,723,361
31 December 2020							
RM'000							
<i>Financial assets</i>							
Financial assets at FVTPL	-	1,181,200	-	1,181,200	-	1,181,200	1,181,200
Derivative financial assets	-	61,665	-	61,665	-	61,665	61,665
Financial assets at FVOCI	13,755	12,494,040	50,196	12,557,991	-	12,557,991	12,557,991
Financing, advances and others	-	-	-	-	58,065,344	58,065,344	54,670,635
<i>Financial liabilities</i>							
Derivative financial liabilities	-	105,872	-	105,872	-	105,872	105,872
Recourse obligations on financing sold to Cagamas	-	-	-	-	1,577,805	1,577,805	1,501,187
Subordinated Sukuk Murabahah	-	-	-	-	1,730,236	1,730,236	1,713,164

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30. Fair value of Financial Instruments (continued)

Fair value hierarchy (continued)

Bank 30 September 2021 RM'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value Level 3	Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total			
Financial assets							
Financial assets at FVTPL	-	1,527,735	-	1,527,735	-	1,527,735	1,527,735
Derivative financial assets	-	34,501	-	34,501	-	34,501	34,501
Financial assets at FVOCI	11,794	12,029,885	50,934	12,092,613	-	12,092,613	12,092,613
Financing, advances and others	-	-	-	-	59,058,351	59,058,351	55,927,384
Financial liabilities							
Derivative financial liabilities	-	22,326	-	22,326	-	22,326	22,326
Recourse obligations on financing sold to Cagamas	-	-	-	-	2,054,050	2,054,050	2,001,720
Subordinated Sukuk Murabahah	-	-	-	-	1,720,573	1,720,573	1,723,361
31 December 2020							
RM'000							
Financial assets							
Financial assets at FVTPL	-	1,175,440	-	1,175,440	-	1,175,440	1,175,440
Derivative financial assets	-	61,665	-	61,665	-	61,665	61,665
Financial assets at FVOCI	13,755	12,494,040	50,934	12,558,729	-	12,558,729	12,558,729
Financing, advances and others	-	-	-	-	58,065,344	58,065,344	54,670,635
Financial liabilities							
Derivative financial liabilities	-	105,872	-	105,872	-	105,872	105,872
Recourse obligations on financing sold to Cagamas	-	-	-	-	1,577,805	1,577,805	1,501,187
Subordinated Sukuk Murabahah	-	-	-	-	1,730,236	1,730,236	1,713,164

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30. Fair value of Financial Instruments (continued)

Fair value hierarchy (continued)

Unobservable inputs used in measuring fair value

The following tables show the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

(a) Financial instruments carried at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at FVOCI	Net tangible assets	Net tangible assets	Higher net tangible assets results in higher fair value

(b) Financial instruments not carried at fair value

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Financing, advances and others

The fair values of variable rate financing are estimated to approximate their carrying values. For fixed rate financing, the fair values are estimated based on expected future cash flows of contractual instalment payments, discounted at applicable and prevailing rates at reporting date offered for similar facilities to new borrowers with similar credit profiles. In respect of impaired financing, the fair values are deemed to approximate the carrying values which are net of impairment allowances.

(ii) Subordinated Sukuk Murabahah and recourse obligations on financing sold to Cagamas

The fair values of Subordinated Sukuk Murabahah obligations and recourse obligations on financing sold to Cagamas are estimated by discounting the expected future cash flows using the applicable prevailing profit rates for borrowings with similar risks profiles.

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31. Commitment and Contingencies

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

As at 30 September 2021	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Asset RM'000	
<i>Credit related exposures</i>				
Direct credit substitutes	484,413	484,413	484,982	
Transaction related contingent items	861,501	430,751	417,541	
Short-term self-liquidating trade related contingencies	475,262	95,052	94,934	
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	983,815	491,907	379,078	
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	8,178,639	-	-	
	<u>10,983,630</u>	<u>1,502,123</u>	<u>1,376,535</u>	
	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Asset RM'000
<i>Derivative Financial Instruments</i>				
Foreign exchange related contracts				
- less than one year	9,123,447	33,274	118,385	83,783
Profit rate related contracts				
- one year to less than five years	88,059	1,227	2,849	2,145
	<u>9,211,506</u>	<u>34,501</u>	<u>121,234</u>	<u>85,928</u>
Total	<u>20,195,136</u>	<u>34,501</u>	<u>1,623,357</u>	<u>1,462,463</u>

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31. 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 2020	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Asset RM'000
<i>Credit related exposures</i>			
Direct credit substitutes	449,506	449,506	442,426
Transaction related contingent items	899,541	449,770	436,481
Short-term self-liquidating trade related contingencies	592,744	118,549	117,165
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:			
- exceeding one year	938,247	469,124	362,317
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	8,676,980	-	-
	11,557,018	1,486,949	1,358,389
	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000
			Risk Weighted Asset RM'000
<i>Derivative Financial Instruments</i>			
Foreign exchange related contracts			
- less than one year	8,518,422	59,494	143,217
Profit rate related contracts			
- one year to less than five years	114,056	2,171	5,414
	8,632,478	61,665	148,631
Total	20,189,496	61,665	1,635,580
			1,423,021

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32. Capital adequacy

Total capital and capital adequacy ratios of the Bank have been computed based on BNM's Capital Adequacy Framework for Islamic Banks (Capital Components and Risk-Weighted Assets). The Bank has adopted the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk.

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

	Group		Bank	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
CET I & Tier I capital ratio	14.833%	14.667%	14.581%	14.642%
Total capital ratio	19.940%	19.822%	19.706%	19.804%

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

	Group		Bank	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Paid-up share capital	3,445,757	3,306,118	3,445,757	3,306,118
Retained earnings	3,206,051	2,891,023	3,198,906	2,884,760
Other reserves	(155,108)	88,558	(180,669)	88,707
<u>Less:</u>				
Deferred tax assets	(169,839)	(1,511)	(168,408)	-
Gain on financial instruments classified as FVOCI	-	(103,564)	-	(103,564)
Investment in subsidiaries	-	-	(100,905)	(15,525)
Total CET I and Tier I Capital	<u>6,326,861</u>	<u>6,180,624</u>	<u>6,194,681</u>	<u>6,160,496</u>
Sukuk Murabahah	1,700,000	1,700,000	1,700,000	1,700,000
Loss provision ^	478,605	472,256	477,075	472,005
Total Tier II Capital	<u>2,178,605</u>	<u>2,172,256</u>	<u>2,177,075</u>	<u>2,172,005</u>
Total Capital	<u>8,505,466</u>	<u>8,352,880</u>	<u>8,371,756</u>	<u>8,332,501</u>

^ Impairment allowances on non-impaired financing and regulatory reserve, subject to maximum of 1.25% of total credit risk-weighted assets less credit absorbed by unrestricted investment accounts.

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32. Capital adequacy (continued)

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

	Group		Bank	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Credit risk	48,164,865	46,862,577	48,057,607	46,842,825
Less : Credit risk absorbed by unrestricted investment accounts	(9,876,401)	(9,082,114)	(9,891,641)	(9,082,416)
	38,288,464	37,780,463	38,165,966	37,760,409
Market risk	557,018	638,925	557,018	638,925
Operational risk	3,809,577	3,719,636	3,760,374	3,675,867
	42,655,059	42,139,024	42,483,358	42,075,201

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Explanatory notes pursuant to Appendix 9B of the listing requirements of Bursa Malaysia Securities Berhad

B1. Performance review for the nine months ended 30 September 2021

Current Year-to date vs. Previous Year-to-date

	Group		Variance	
	9 months ended			
	30.09.2021	30.09.2020	RM'000	%
Key Profit or Loss Items:	RM'000	RM'000	RM'000	
Revenue	2,351,481	2,583,388	(231,907)	-9.0
Profit Before Zakat and Taxation	627,816	526,280	101,536	19.3
Profit After Zakat and Taxation	454,667	387,742	66,925	17.3

Bank Islam Group (“Bank Islam” or “the Group”) recorded a Profit Before Zakat and Taxation (“PBZT”) of RM627.8 million for the nine months ended 30 September 2021, which rose by 19.3% over the corresponding period in 2020. The increase in PBZT was mainly due to lower net allowance for impairment on financing and advances..

The performance translates to Group’s earnings per share of 17.71 sen and annualised Return on Equity (“ROE”) of 9.4% (after tax and zakat).

The non-fund based income decreased by RM188.9 million for the nine months ended 30 September 2021 as compared to the same period of preceding year, which was mainly due to lower investment income, particularly lower net gain from sale of financial assets at FVOCI.

The higher overheads by RM42.7 million was mainly due to higher staff costs and general expenses by RM11.8 million and RM19.6 million respectively.

Net allowance charged for impairment on financing and advances of RM79.6 million for the nine months ended 30 September 2021, was lower by RM132.7 million as compared to RM212.2 million in the same period last year, as no lower pre-emptive impairment provision in the form of management overlay was set aside for the current period.

The Group’s total assets grew year-on-year by 9.8% to stood at RM76.3 billion at end 30 September 2021. Net assets per share was at RM3.13.

Gross financing grew by 3.9% year-on-year to RM56.9 billion, while customer deposits and investment accounts stood at RM64.4 billion with a year-on-year increase by RM5.5 billion or 9.3%. Total current and saving accounts and transactional investment accounts (“CASATIA”) composition is at healthy level of 39.0% of total customer deposits and investment accounts.

The gross impaired financing as at 30 September 2021 was RM386.6 million compared to RM328.9 million at end September 2020.

As at 30 September 2021, the Group’s Total Capital Ratio remained strong at 19.9%.

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B1. Performance review for the nine months ended 30 September 2021 (continued)

Operating Segment

Consumer Banking's reported net income of RM910.1 million for the nine months ended 30 September 2021, 15.5% higher than previous year, attributed mainly from higher net fund-based income. Gross financing for Consumer Banking as at end September 2021 stood at RM42.6 billion, a year-on-year growth of 5.4%, mainly driven by growth in house financing and personal financing.

Corporate and Commercial Banking recorded net income of RM298.5 million, higher by 1.8% from previous year. Total gross financing for the segment stood at RM14.3 mil.

Treasury registered net income of RM194.4 million for the period, lower by 51.3% than previous year mainly due to lower investment income, particularly lower net gain from sale of financial assets at FVOCI. Segment assets stood at RM18.6 billion.

Current Quarter vs. Previous Year Corresponding Quarter

Key Profit or Loss Items:	Group			
	3 months ended			
	30.09.2021	30.09.2020	Variance	
	RM'000	RM'000	RM'000	%
Revenue	746,219	876,093	(129,874)	-14.8
Profit Before Zakat and Taxation	152,841	137,317	15,524	11.3
Profit After Zakat and Taxation	101,630	102,247	(617)	-0.6

For the third quarter ended 30 September 2021 ("Q3 2021"), Bank Islam Group achieved a profit before zakat and tax ("PBZT") of RM152.8 million, an increase of RM15.5 million or 11.3% over the PBZT of the corresponding quarter last year ("Q3 2020") of RM137.3 million. The increase in PBZT was mainly due to lower net allowance for impairment on financing and advances.

Gross fund-based income decreased by RM33.7 million or 4.8% as a result of the downward revision of Overnight Policy Rate ("OPR") in 2020. The non-fund based income also decreased by RM96.2 million for the Q3 2021 as compared to Q3 2020, which was mainly due to lower investment income, particularly lower net gain from sale of financial assets at FVOCI.

For Q3 2021, the Group recorded net allowance charged for impairment on financing and advances of RM34.0 million compared to RM155.5 million in Q3 2020. The lower allowance for impairment on financing and advances was mainly due to modest deterioration of assets quality as a result of various efforts from the Group to assist customers during these challenging times such as PEMULIH Repayment Assistance, targeted relief as well as giving out automatic moratorium to the affected customers.

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B2. Comparison with the preceding quarter's results for the three months performance (Third Quarter 2021 vs. Second Quarter 2021)

Key Profit or Loss Items:	Group		Variance	
	3 months ended			
	30.09.2021	30.06.2021	RM'000	%
	RM'000	RM'000		
Revenue	746,219	834,340	(88,121)	-10.6
Profit Before Zakat and Taxation	152,841	260,500	(107,659)	-41.3
Profit After Zakat and Taxation	101,630	194,326	(92,696)	-47.7

For the third quarter ended 30 September 2021 ("Q3 2021"), Bank Islam Group reported PBZT of RM152.8 million, a decrease of RM107.7 million or 41.3% over the PBZT of immediate preceding quarter ("Q2 2021") of RM260.5 million. The decrease in PBZT was mainly due to decrease in total revenue by RM88.1 million and increase in total overheads by RM10.4 million.

B3. Prospects for 2021

Economic recovery in the near term appear more favourable, supported by the country's National Recovery Plan's ("NRP") systematic re-opening of various economic sectors, including social activities. 2022 growth is expected to rebound in line with the recovery in the economy and trade throughout 2H2021 and 2022, particularly as vaccination efforts are ramped up. With the recently announced 12th Malaysia Plan ("MP"), Malaysia's economic growth is expected to range between 4.5%-5.5% during 2021- 2025 period, higher as compared to the 11th MP performance of 2.7%. Business sector performance began to recover heading into the final quarter of 2021 amid the easing of movement restrictions

The Covid-19 pandemic and its resulting challenges continued to feature prominently in all sectors. That being said, risks to financial stability have remained relatively well contained. Although 6.8% of system financing are deemed to be of higher credit risk and is above BNM's earlier stress test Gross Impaired Financing ratio of 5.4%, analysts are still not overly concerned as banks have made reasonable pre-emptive allowances in FY2020 and credit risk has been adequately priced in by the market. Analysts maintain their industry's 2021 financing growth target of 3-4% for now, as the impending recovery from easing restrictions is believed to translate positively into demand for financing in 4Q2021. Whilst the average lending rate fell by 3 bps, the net profit margin is expected to be under pressure given brewing deposit rivalry and limited scope for further CASA expansion. With the current challenging economy landscape expected for the remaining of the year, banks are expected to continuously assess the situation, albeit to remain positive following further opening up of the economy.

With the Bank assuming listing status on 8th October 2021, the new Bank Islam Group continues its focus to incorporate principles of Shariah, Value-Based Intermediation ("VBI") and ESG considerations whilst mobilising its six strategic objectives to support and govern the Bank's agenda namely Sustainable Prosperity, Value Based Culture, Community Empowerment, Customer Centricity, Real Economy and Digitalisation. The Bank remains vigilant in ensuring that impacted customers continue to have access to financial assistance by participating in the opt in blanket six-month moratorium including the recently announced financial management and resilience program ("URUS") and expanding the iTEKAD microfinancing programme which aims to provide seed & working capital, and upskilling training for micro-entrepreneurs. The URUS program which will commence from 15 November 2021 to 31 January 2022 is expected to have impact on short-term earnings of the Bank arising from the profit reduction and profit waiver offered to eligible B50 customers. The iTEKAD has enrolled 98 micro entrepreneurs as of 31 July 2021 under a structured training programme with approved micro-financing and zakat funds of approximately RM2 million. Through its application, GO Mobile has enabled the customers to transact at their convenience, anytime and anywhere. In less than two years, GO Mobile has seen tremendous 72% growth of its active users since its inception, and its total transaction volume has also grown incredibly by 45 times bagging home an award from Malaysia National Business Awards 2021 in the Banking category. In promoting affordable investing, the BEST Invest app launched by BIMB Investment has also received the Best Fintech Robo Mobile Application award by The Asset. BEST Invest is BIMB Investment's first Shariah-ESG Robo-Intelligence unit trust mobile application.

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B4. Variance from profit forecast and profit guarantee

The Group neither made any profit forecast nor issued any profit guarantee.

B5. Tax expense

Major components of tax expense

Group	3 months ended		9 months ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Current tax expense:				
Malaysia				
Current year	55,589	82,028	162,035	189,675
(Over)/Under provision in prior years	(2)	(2)	84	(1)
Deferred tax expense:				
Origination and reversal of temporary differences	(8,115)	(50,731)	(216)	(62,359)
(Over)/Under provision in prior years	-	-	-	15
	47,472	31,295	161,903	127,330

A reconciliation of effective tax expense for the Group is as follows:

Group	3 months ended		9 months ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Profit before tax	152,841	137,317	627,816	526,280
Income tax calculated using				
Malaysian tax rate of 24%	36,682	32,956	150,676	126,307
Non-deductible expenses	10,794	(1,627)	11,277	1,269
Non-taxable income	(2)	(32)	(134)	(260)
	47,474	31,297	161,819	127,316
(Over)/Under provision in prior years	(2)	(2)	84	(1)
(Over)/Under provision of deferred tax	-	-	-	15
Tax expense	47,472	31,295	161,903	127,330

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B5. Tax expense (continued)

	3 months ended		9 months ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
Bank	RM'000	RM'000	RM'000	RM'000
Current tax expense:				
Malaysia				
Current year	55,543	81,981	161,906	189,552
Deferred tax expense:				
Origination and reversal of temporary differences	(8,115)	(50,731)	(216)	(62,359)
	<u>47,428</u>	<u>31,250</u>	<u>161,690</u>	<u>127,193</u>

A reconciliation of effective tax expense for the Bank is as follows:

	3 months ended		9 months ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
Bank	RM'000	RM'000	RM'000	RM'000
Profit before tax	<u>152,628</u>	<u>136,988</u>	<u>626,725</u>	<u>524,685</u>
Income tax calculated using Malaysian tax rate of 24%	36,631	32,877	150,414	125,924
Non-deductible expenses	<u>10,797</u>	<u>(1,627)</u>	<u>11,276</u>	<u>1,269</u>
Tax expense	<u>47,428</u>	<u>31,250</u>	<u>161,690</u>	<u>127,193</u>

B6. Significant events

On 11 December 2019, the former immediate holding company, BIMB Holdings Berhad (“BHB”) had announced and proposed to undertake several corporate exercises (“the Proposals”). Subsequently, BHB has obtained approvals from Minister of Finance (on the recommendation of BNM), BNM, shareholders and warrant holders of BHB.

On 23 February 2021, BHB has announced that it has received approval from Bursa Securities for the listing and quotation of BHB shares to be issued pursuant to the proposed placements and admission of the Bank to the official list of Bursa Securities and the listing of and quotation for the entire issued share capital of the Bank on the Main Market of Bursa Securities pursuant to the proposed transfer of listing.

BHB on 13 April 2021 has announce that it has completed the book building exercise pursuant to the proposed placement and has raised gross proceeds of RM795.6 million. The proceeds raised together with internal cash of BHB has been used to fully redeem outstanding sukuk by BHB on 3 June 2021 with total redemption amount of RM988.4 million.

On 27 August 2021, BHB has announced the completion of scheme of arrangement following the payment to the warrantsholders amounting RM162.15 million.

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B6. Significant events (continued)

On 3 September 2021, the Bank has completed a consolidation of its ordinary shares into 2,075,872,514 Bank Islam shares to match BHB's outstanding shares in issue so that the distribution of the Bank shares will be on a one-for-one basis.

The internal reorganisation which entailed the disposal by BHB of its entire shareholdings in BIMB Securities (Holdings) Sdn. Bhd., BIMB Securities Sdn. Bhd. and Syarikat Al Ijarah Sdn. Bhd. to the Bank was completed on 13 September 2021 following the payment made by the Bank.

On 7 October 2021, the distribution and capital repayment, was completed following the distribution of BHB's entire shareholding in Bank Islam and Syarikat Takaful Malaysia Keluarga Berhad to its shareholders. Concurrently, BHB has issued two (2) new ordinary shares to Bank Islam such that BHB is now a wholly-owned subsidiary of Bank Islam.

On 8 October 2021, the transfer of listing status has been completed following the de-listing of BHB from the Main Market of Bursa Securities and the listing of and quotation for Bank Islam in its place.

The Group has adopted predecessor accounting and consolidated the acquired entity results, assets and liabilities prospectively from the date on which the business combination between entities under common control occurred. Consequently, the consolidated financial statements do not reflect the results of the acquired entities for the period before the transaction occurred. The corresponding amounts for the previous year are not restated. The differences between the consideration given and the aggregated carrying amounts of the asset and liabilities (as of the date of transaction) of the acquired entity amounting to RM 25,674,596 is recorded as an adjustment to equity. No additional goodwill is recognised.

B7. Status of utilisation of proceeds raised from corporate proposals

The proceeds raised from the issuances of all debt securities in prior years have been used for working capital, general banking and other corporate purposes, as intended.

B8. Deposits and placements of financial institutions and debt securities and borrowings

	Group	
	30.09.2021	30.09.2020
	RM'000	RM'000
Deposits from customers		
Mudharabah and Tawarruq term deposits and Negotiable Islamic Debt Certificates		
- One year or less (short-term)	31,059,119	26,857,947
- More than one year (medium/long-term)	826,548	1,973,120
	31,885,667	28,831,067
Current accounts	11,525,083	11,218,390
Savings accounts	7,553,881	6,086,085
Others	102,381	107,445
Total deposits	51,067,012	46,242,987
Investment accounts of customers		
- One year or less (short-term)	13,329,041	12,678,832
- More than one year (medium/long-term)	6,151	13,765
	13,335,192	12,692,597

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B8. Deposits and placements of financial institutions and debt securities and borrowings
(continued)

RM'000	As at 30.09.2021		
	Long term	Short term	Total borrowings
Secured			
- Recourse obligations on financing sold to Cagamas	2,000,000	1,720	2,001,720
Unsecured			
- Subordinated Sukuk Murabahah	1,700,000	23,361	1,723,361

RM'000	As at 30.09.2020		
	Long term	Short term	Total borrowings
Secured			
- Recourse obligations on financing sold to Cagamas	1,500,000	1,187	1,501,187
Unsecured			
- Subordinated Sukuk Murabahah	1,000,000	367,792	1,367,792

The borrowings comprise the following:

- a) On 25 May 2018, the Bank has entered into recourse obligations on financing sold to Cagamas amounting to RM1.5 billion. Subsequently on 15 May 2021, the Bank added another RM500 million on the recourse obligations sold to Cagamas. Under the agreement, the Bank undertakes to administer the identified house financing on behalf of Cagamas and to buy back any house financing which are regarded as defective based on pre-determined and agreed-upon prudential criteria with recourse against the Bank. Such financing transactions and the obligation to buy back the financing are reflected as a liability on the statements of financial position. The financing sold with recourse to the Bank are not de-recognised until recourse period has expired and the risks and rewards of the financing have been fully transferred.
- b) Subordinated Sukuk Murabahah

	Nominal value RM'000	Issue date	First call date*	Maturity date	Profit rate (% p.a.)#
(i)	300,000	13 November 2017	12 December 2022	12 November 2027	5.08
(ii)	300,000	7 November 2018	7 December 2023	7 November 2028	5.15
(iii)	400,000	26 March 2020	26 March 2025	26 March 2030	3.75
(iv)	700,000	21 October 2020	21 October 2025	21 October 2030	3.60

* Optional redemption date or any periodic payment date thereafter.

Accrued and payable semi-annually in arrears.

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B9. Material litigation

- (a) On 16 April 2019, 5 Star Room Hotel Sdn Bhd ("Plaintiff") filed a civil suit against Bank Islam and claimed damages for a breach of promise to grant a financing facility to Pan Asian Resorts Sdn Bhd (Plaintiff's parent company). The Plaintiff claimed for an amount of RM400,000,000.00.

Bank Islam had filed the Defence on 21 May 2019.

On 4 June 2019, the Plaintiff had filed the application to amend Writ of Summons and Statement of Claim ("the Application").

On 7 August 2019, the High Court ("HC") had directed parties to file respective submissions in regards to the Application by 28 August 2019.

On 1 October 2019, the HC allowed the Application with no order as to cost.

On 20 December 2019, Bank Islam had filed an application for striking out Order 18 ("O.18").

On 6 July 2020, the HC had fixed the hearing for Bank Islam's preliminary objection ("PO") against the Plaintiff's Further Affidavit in Reply due to the said affidavit was filed beyond 14 days and in contrary with service of affidavit (Order 32 ("O.32")) and Application FS.

The HC had fixed 13 July 2020 for decision on the PO and O.18. On 13 July 2020, the HC had allowed O.18 with cost of RM7,500.00 and Bank Islam's PO was dismissed.

On 29 July 2020, the Plaintiff had filed an appeal to the Court of Appeal ("COA") against the HC's decision.

On 15 December 2020, the COA had fixed for case management on 22 February 2021 for Plaintiff/Appellant to update the Court on the status of the Written Grounds of Judgment from Alor Setar, High Court.

On 22 February 2021, the COA had fixed the next case management date on 14 April 2021 pending Written Grounds of Judgment from Alor Setar, High Court. The hearing date will only be fixed once the Written Grounds of Judgment is ready from Alor Setar, High Court.

On 14 April 2021, COA was informed that the Plaintiff/Appellant had received Written Grounds of Judgment from Alor Setar, High Court. Hence, the COA had fixed the Hearing of the Appeal on 30 August 2021.

On 17 August 2021, the Plaintiff/Appellant's Solicitor had filed the Motion to withdraw from representing the Appellants in the Appeal.

The Court had fixed the Motion for hearing on 30 August 2021 and the Hearing of the Appeal would be adjourned pending the disposal of the said Motion.

On 30 August 2021, the COA had allowed the Plaintiff/Appellant's Solicitor Motion to withdraw themselves from representing Plaintiff/Appellant in this Appeal.

The COA had fixed the next case management date on 30 September 2021 for the Plaintiff/Appellant to appoint a new Solicitor.

On 30 September 2021, the COA had fixed the Hearing of the Plaintiff/Appellant's Appeal on 15 February 2022.

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B9. Material litigation (continued)

- (b) On 20 August 2019, Bank Islam filed a civil suit against 5 Star Room Hotel Sdn Bhd ("Customer") and the guarantors, namely Tang Wooi Chon, Chunsi Kudkumkong, Tang Woan Rou and Tang Woanren (collectively be referred to as "the Defendants") claiming for an amount of RM120,738,812.69 being the outstanding financing facilities granted by Bank Islam to the Customer whose accounts had been defaulted.

On 8 November 2019, Bank Islam had filed an application for summary judgment (Order 14 ("O.14")). On 18 November 2019, Bank Islam had filed an application for striking out against the Defendants' Counter Claim (Order 18 ("O.18")).

On 4 December 2019, the Defendants had filed an application to transfer and consolidate the Kuala Lumpur case with the Alor Setar case ("the Application").

The High Court had fixed 1 July 2020 for decision on O.14, O.18 and the Application.

The Court had allowed Bank Islam's application on O.14, O.18 and the Defendants' application to transfer this case to Alor Setar High Court was dismissed.

The Court also ordered the Defendants to pay costs of RM8,000.00 to Bank Islam.

Hence, the Summary Judgment was recorded against the Defendants and the Defendants' Counter Claim was struck out.

On 9 July 2020, the Defendants had filed an appeal to Court of Appeal ("COA") against the HC's decision.

On 19 August 2020, the Defendants had filed the application for stay of execution against the HC's decision.

On 1 October 2020, the HC had allowed the application with costs to be borne by Defendants.

On 27 October 2020, the COA had fixed for hearing (on the appeal) on 7 July 2021 and instructed the parties to file common bundle, written submissions and bundle of authorities by 16 June 2021.

On 7 July 2021, the COA had allowed Bank Islam's application to record summary judgment against the Appellants. Further the COA had allowed the Bank's application to strike out the Appellants' counterclaim and dismissed the Appellants' application to transfer and consolidate this case with the Alor Setar Suit. The also COA had unanimously dismissed the appeal with costs of RM10,000.00, subject to allocator.

On 24 August 2021, the Defendants had filed the motion for leave to appeal to Federal Court ("FC"). The FC had fixed the case management on 23 September 2021.

On 23 September 2021, the case management has been postponed to 29 September 2021.

On 29 September 2021, the FC had instructed the Defendants to file Notice of Motion for leave at Federal Court and the case management is fixed on 14 October 2021.

On 14 October 2021, the Defendants requested time to file Notice of Motion for leave to appeal at FC. The FC had fixed the case management on 29 October 2021.

On 29 October 2021, the FC had instructed parties to file Affidavit in reply to the Notice of Motion and fixed the case management on 24 November 2021.

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B9. Material litigation (continued)

(b) (continued)

On 24 November 2021, the FC had directed parties to file Written Submissions and Bundle of Authorities by 3 March 2022.

Hearing of Motion for Extension of Time to File Leave to Appeal to FC and Motion for Leave to Appeal to FC fixed on 21 March 2022.

(c) On 18 October 2021, Perbadanan Harta Intelek Malaysia (“Plaintiff”) filed a civil suit against BIMB Investment Management Berhad (“First Defendant”), a wholly owned subsidiary of the Bank and Ahmad Azwan Bin Aboo Mansor (“Second Defendant”).

Plaintiff plead that the Defendants are liable for loss and damage caused by the Defendants fraudulent misrepresentation, negligence misrepresentation, negligence and breach of statutory duty on the placement of deposit in the sum of RM85,530,000.00 by Plaintiff to First Defendant upon representation made by Second Defendant.

The sealed Writ and Statement of Claim dated 18 October 2021 was served to Messrs Ganesan & Imrohizam (“First Defendant’s Solicitor”) on 25 October 2021. The Plaintiff claimed for the following:

- i. RM43,958,509.29 being the difference between the balance sum and total principal sum deposited;
- ii. RM15,910,619.62 for lost of profit on deposit sum;
- iii. Alternatively RM 11,443,914.00 for lost of profit on deposit sum;
- iv. General damages;
- v. Exemplary damages; and
- vi. Interest

The 1st Defendants Solicitors had entered Appearance on 8 November 2021 and has requested for an extension of two weeks from 24 November 2021 to file Defence. The Court fixed for next Case Management on 24 November 2021.

On 24 November 2021, the Court directed 1st Defendant to file Defence on 8 December 2021 and Plaintiff to file Reply to Defence by 5 January 2022. Case Management was fixed on 20 January 2022.

B10. Dividend

(a) On 4 June 2021, the Bank paid a final single tier dividend of 5.37 sen per ordinary share amounting RM139.6 million for the financial year ended 31 December 2020. The final dividend was fully reinvested through the issuance of 42,966,054 new ordinary shares at RM3.25 each via the Dividend Reinvestment Plan (“DRP”).

(b) i) An interim single tier dividend of 10.93 sen per ordinary share amounting to RM226,892,865.78 based on the outstanding issued share capital as at 30 September 2021, has been declared by the directors. The entire interim dividend is applicable for the DRP.

ii) Amount per share: Single tier dividend of 10.93 sen.

iii) Previous corresponding period: Nil.

iv) Payment date: Tentatively end January 2022, subject to approval by relevant authorities.

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B10. Dividend (continued)

- v) Entitlement to dividend will be determined on the basis of the record of shareholders as at book closing date, before or on 31 December 2021.

B11. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the number of average ordinary shares in issue during the period.

Group	3 months ended		9 months ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Net profit for the period under review attributable to equity holders of the parent	101,630	102,247	454,667	387,742
Number of ordinary shares	2,075,873	2,600,366	2,075,873	2,600,366
Number of average ordinary shares	2,489,131	2,562,401	2,566,973	2,527,753
Earnings per share (sen)	4.08	3.99	17.71	15.34

Diluted earnings per share

The Group has no dilution in its earnings per share in the current and the preceding financial period as there are no dilutive potential ordinary shares.

B12. Foreign exchange exposure/hedging policy

The breakdown of Group's net foreign exchange exposure in RM equivalent is as follows:

RM equivalent	As at	
	30.09.2021	31.12.2020
	RM'000	RM'000
USD	116,081	165,180
EURO	(83,930)	(101,164)
Others	21,249	21,747

The Bank's exposure on USD and other currencies are mainly related to its Labuan branch operations and maintenance of foreign current accounts ("FCA").

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B13. Material impairment of assets

The breakdown of the assets' carrying value in the book before impairment, impairment losses and carrying value in the book after impairment against its market value are as follows:

Group	As at 30 September 2021			
	Carrying value before impairment	Impairment losses	Carrying value after impairment	Market value
	RM'000	RM'000	RM'000	RM'000
Financing, advances and others	56,911,370	(983,986)	55,927,384	59,058,351

Group	As at 31 December 2020			
	Carrying value before impairment	Impairment losses	Carrying value after impairment	Market value
	RM'000	RM'000	RM'000	RM'000
Financing, advances and others	55,598,596	(927,961)	54,670,635	58,065,344

At each reporting date, the Group first assesses individually whether there is a significant increase in credit risk or objective evidence of impairment exists for significant financial assets and collectively for financial assets that are not individually significant. If it is determined that there is significant increase in credit risk or objective evidence of impairment exists, i.e. credit impaired, for an individually assessed financial assets measured at amortised cost and FVOCI, a lifetime ECL will be recognised for impairment loss which has been incurred.

The Group has considered the impact of the pandemic and has taken into account the economic and financial measures announced by the Government in estimating the ECL on the financial assets.

Under collective assessment, the Group applies a three-stage approach to measuring ECL on financial assets measured at amortised cost and FVOCI. Financial assets migrate through the following three stages based on the change in credit quality since initial recognition:

- i) Stage 1: 12-months ECL ("Stage 1")
For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon recognition, the portion of lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.
- ii) Stage 2: Lifetime ECL - not credit impaired ("Stage 2")
For exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised.
- iii) Stage 3: Lifetime ECL - credit impaired ("Stage 3")
Financial assets are assessed as credit impaired when one or more events that have a negative impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised.

The Group considers the economic and financial measures announced by the Government, i.e. automatic moratorium as well as rescheduling and restructuring for eligible customers are granted as part of an unprecedented government effort to support the economy amid the pandemic, rather than in response to the financial circumstances of individual customers. Judgement is exercised in determining the significant increase in credit risk for customers receiving relief assistance and do not automatically result in a stage transfer.

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B13. Material impairment of assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience, informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly when it is more than 30 days past due. The Group also uses its internal credit risk grading system and external risk rating to assess deterioration in credit quality of a financial asset.

The Group assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar risk characteristics, taking into account the asset type, industry, geographical location, collateral type, past-due status and other relevant factors. These characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the counterparty's ability to pay all amounts due according to the contractual terms of the assets being evaluated.

B14. Derivatives

The Group holds derivative financial instruments to hedge its foreign currency and profit rate exposures.

	Notional amount 30.09.2021 RM'000	Fair value 30.09.2021 RM'000	Notional amount 31.12.2020 RM'000	Fair value 31.12.2020 RM'000
<i>Trading derivatives</i>				
Foreign exchange related contracts				
- Less than one year	9,123,447	11,865	8,518,422	(44,734)
Profit rate related contracts				
- One year to 3 years	88,059	310		
- More than 3 years	-	-	114,056	527
	9,211,506	12,175	8,632,478	(44,207)

Market risk

Market risk on derivatives is the potential loss to the value of these contracts due to changes in prices of the underlying item such as equities, interest rates, foreign exchange rates, credit spreads, commodities or other indices. The notional or contractual amounts provide only the volume of transactions outstanding at the reporting date and not the amount of risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at 30 September 2021, the amount of contracts which were not hedged and, hence, exposed to market risk was RM557.02 million (31 December 2020: RM638.93 million).

Credit risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Bank has a gain position. This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices. As at 30 September 2021, the credit risk measured in terms of the cost to replace the profitable contracts, was RM121.23 million (31 December 2020: RM148.63 million).

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B14. Derivatives (continued)

Liquidity risk

Liquidity risk on derivatives is the risk that the derivatives position cannot be closed out promptly. Exposure to liquidity risk is reduced through contracting derivatives where the underlying items are widely traded.

Cash Requirements of the Derivatives

Cash requirement of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit rating.

There have been no changes since the end of the previous financial year in respect of the following:

- a) The types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
- b) The risk management policies in place for mitigating and control in the risk associated with these financial derivative contracts; and
- c) The related accounting policies.

B15. The amount of gains/losses arising from fair value changes of its financial liabilities for the current quarter and financial year to date

Derivative financial assets and liabilities are measured at fair value. Gain or loss arising from fair value changes of these instruments are as follows:

	3 months ended 30.09.2021 RM'000	9 months ended 30.09.2021 RM'000
<i>Trading derivatives</i>		
Net loss arising from fair value changes from derivatives assets and liabilities	(66)	(213)

The Group holds derivative financial instruments to hedge its foreign currency and profit rate exposures. However, the Group elects not to apply hedge accounting. Hence, foreign exchange trading positions, including spot and forward contracts, are revalued at prevailing market rates at statement of financial position date and the resultant gains and losses for the financial year are recognised in the profit or loss.