

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

**Statements of Financial Position as at 30 September 2024**

	Note	Group		Bank	
		30.09.2024 RM'000	31.12.2023 RM'000	30.09.2024 RM'000	31.12.2023 RM'000
<b>Assets</b>					
Cash and short-term funds	8	3,079,901	4,714,465	3,065,024	4,678,243
Financial assets at fair value through profit or loss ("FVTPL")	9	1,717,019	1,215,769	1,565,542	914,246
Derivative financial assets	10	513,874	68,412	513,874	68,412
Financial assets at fair value through other comprehensive income ("FVOCI")	11	14,113,133	12,520,208	14,114,492	12,521,567
Financial assets at amortised cost ("AC")	12	4,419,748	3,120,230	4,419,748	3,120,230
Financing, advances and others	13	67,671,003	66,817,115	67,671,003	66,817,115
Other financial assets at AC	14	465,497	863,813	350,601	763,308
Statutory deposits with Bank Negara Malaysia		1,003,732	989,407	1,003,732	989,407
Current tax assets		7,216	7,184	6,662	6,662
Deferred tax assets		151,742	174,728	151,123	173,756
Right-of-use assets	15	162,285	167,436	159,890	166,624
Investments in subsidiaries		-	-	261,085	344,049
Investment in associated companies		115,455	-	91,861	-
Property and equipment		284,241	252,753	281,194	250,279
Intangible assets		51,578	50,354	51,578	50,354
<b>Total assets</b>		<b>93,756,424</b>	<b>90,961,874</b>	<b>93,707,409</b>	<b>90,864,252</b>
<b>Liabilities and equity</b>					
Deposits from customers	16	60,149,328	59,016,131	60,172,010	59,042,581
Investment accounts of customers	17	18,204,558	17,073,156	18,205,863	17,092,594
Deposits and placements of banks and other financial institutions		231,608	351,787	231,608	351,787
Obligations on Financial Assets Sold Under Repurchase Agreement		296,852	-	296,852	-
Derivative financial liabilities	10	544,489	56,548	544,489	56,548
Bills and acceptance payable		19,217	15,614	19,217	15,614
Recourse obligations on financing sold to Cagamas	B7(a)	1,503,796	2,004,329	1,503,796	2,004,329
Subordinated sukuk and capital securities	B7(b)	3,336,011	2,323,540	3,336,011	2,323,540
Other liabilities	18	1,412,092	2,399,093	1,355,041	2,276,009
Lease liabilities	15	277,105	281,174	274,439	280,359
Zakat and taxation		3,759	40,290	3,755	40,279
<b>Total liabilities</b>		<b>85,978,815</b>	<b>83,561,662</b>	<b>85,943,081</b>	<b>83,483,640</b>

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

**Statements of Financial Position as at 30 September 2024 (continued)**

	Note	Group		Bank	
		30.09.2024 RM'000	31.12.2023 RM'000	30.09.2024 RM'000	31.12.2023 RM'000
<b>Equity</b>					
Share capital		3,888,725	3,888,725	3,888,725	3,888,725
Reserves		<u>3,888,884</u>	<u>3,511,487</u>	<u>3,875,603</u>	<u>3,491,887</u>
		<u>7,777,609</u>	<u>7,400,212</u>	<u>7,764,328</u>	<u>7,380,612</u>
<b>Total liabilities and equity</b>		<u><b>93,756,424</b></u>	<u><b>90,961,874</b></u>	<u><b>93,707,409</b></u>	<u><b>90,864,252</b></u>
<b>Total Islamic banking asset owned and managed by the Bank</b>		<u><b>93,756,424</b></u>	<u><b>90,961,874</b></u>	<u><b>93,707,409</b></u>	<u><b>90,864,252</b></u>
<b>Commitments and Contingencies</b>	30	<u><b>23,143,592</b></u>	<u><b>21,482,102</b></u>	<u><b>23,143,592</b></u>	<u><b>21,482,102</b></u>
<b>Net assets per share attributable to equity holders of the Bank (RM)</b>		<u><b>3.43</b></u>	<u><b>3.27</b></u>	<u><b>3.43</b></u>	<u><b>3.26</b></u>

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

**Statements of Profit or Loss for the nine months ended 30 September 2024**

Group	Note	3 months ended		9 months ended	
		30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Income derived from investment of depositors' funds	19	<b>865,990</b>	821,988	<b>2,522,436</b>	2,425,301
Income derived from investment account funds	20	<b>181,375</b>	180,370	<b>545,751</b>	540,864
Income derived from investment of shareholders' funds	21	<b>119,071</b>	136,097	<b>391,018</b>	396,433
Net allowance for impairment on financing and advances, net of recoveries	22	<b>(38,025)</b>	(41,305)	<b>(115,544)</b>	(164,906)
Net allowance for impairment on other financial assets		<b>(95)</b>	522	<b>407</b>	726
Direct expenses		<b>(7,006)</b>	(6,311)	<b>(19,871)</b>	(17,722)
<b>Total distributable income</b>		<b>1,121,310</b>	1,091,361	<b>3,324,197</b>	3,180,696
Wakalah fees from restricted investment accounts		-	-	-	11
Income attributable to depositors	23	<b>(431,495)</b>	(425,596)	<b>(1,273,739)</b>	(1,263,563)
Income attributable to investment account holders	24	<b>(105,464)</b>	(92,485)	<b>(309,096)</b>	(261,733)
<b>Total net income</b>		<b>584,351</b>	573,280	<b>1,741,362</b>	1,655,411
Personnel expenses	25	<b>(212,491)</b>	(204,179)	<b>(652,989)</b>	(623,930)
Other overhead expenses	26	<b>(160,255)</b>	(144,338)	<b>(457,817)</b>	(406,354)
		<b>211,605</b>	224,763	<b>630,556</b>	625,127
Finance cost	27	<b>(37,088)</b>	(27,657)	<b>(93,385)</b>	(82,351)
Share of profits in associates		<b>1,219</b>	-	<b>1,219</b>	-
<b>Profit before zakat and tax</b>		<b>175,736</b>	197,106	<b>538,390</b>	542,776
Zakat		<b>(2,500)</b>	(3,750)	<b>(10,014)</b>	(11,250)
Tax expense	B5	<b>(43,603)</b>	(52,815)	<b>(129,933)</b>	(136,760)
<b>Profit for the period</b>		<b>129,633</b>	140,541	<b>398,443</b>	394,766
<b>Attributable to:</b>					
Equity holders of the Bank		<b>130,437</b>	140,541	<b>396,775</b>	394,766
Non-controlling interest		<b>(804)</b>	-	<b>1,668</b>	-
<b>Profit for the period</b>		<b>129,633</b>	140,541	<b>398,443</b>	394,766
<b>Earnings per share (sen)</b>	B10			<b>17.51</b>	17.58

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(Incorporated in Malaysia)  
Unaudited Interim Financial Statements**

**Statements of Other Comprehensive Income for the nine months ended 30 September 2024**

Group	3 months ended		9 months ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Profit for the period	<u>129,633</u>	<u>140,541</u>	<u>398,443</u>	<u>394,766</u>
<b>Other comprehensive income, net of tax:</b>				
<b>Items that are or may be reclassified subsequently to profit or loss</b>				
Currency translation differences in respect of Labuan operations	29,341	(1,568)	26,235	(6,910)
Movement in fair value reserve (debt instruments):				
Net change in fair value	64,826	(5,685)	100,196	169,499
Changes in expected credit loss	(90)	78	61	282
Net amount transferred to profit or loss	(17,634)	(9,820)	(34,220)	(52,558)
Income tax effect relating to components of other comprehensive income	(11,304)	3,816	(15,926)	(28,020)
	<u>65,139</u>	<u>(13,179)</u>	<u>76,346</u>	<u>82,293</u>
<b>Items that will not be reclassified to profit or loss</b>				
Movement in fair value reserve (equity instruments):				
Net change in fair value	(855)	13,524	264	13,893
<b>Other comprehensive income for the period, net of tax</b>	<u>64,284</u>	<u>345</u>	<u>76,610</u>	<u>96,186</u>
<b>Total comprehensive income for the period</b>	<u>193,917</u>	<u>140,886</u>	<u>475,053</u>	<u>490,952</u>
<b>Attributable to:</b>				
Equity holders of the Bank	194,721	140,886	473,385	490,952
Non-controlling interest	(804)	-	1,668	-
<b>Total comprehensive income for the period</b>	<u>193,917</u>	<u>140,886</u>	<u>475,053</u>	<u>490,952</u>

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

**Statements of Profit or Loss for the nine months ended 30 September 2024**

Bank	Note	3 months ended		9 months ended	
		30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Income derived from investment of depositors' funds	19	<b>865,990</b>	821,988	<b>2,522,436</b>	2,425,301
Income derived from investment account funds	20	<b>181,375</b>	180,370	<b>545,751</b>	540,864
Income derived from investment of shareholders' funds	21	<b>112,735</b>	131,184	<b>364,651</b>	461,866
Net allowance for impairment on financing and advances, net of recoveries	22	<b>(38,025)</b>	(41,305)	<b>(115,544)</b>	(164,906)
Net allowance for impairment on other financial assets		<b>(8,790)</b>	(4,478)	<b>(7,610)</b>	(4,274)
Direct expenses		<b>(7,006)</b>	(6,311)	<b>(19,871)</b>	(17,722)
<b>Total distributable income</b>		<b>1,106,279</b>	1,081,448	<b>3,289,813</b>	3,241,129
Wakalah fees from restricted investment accounts		-	-	-	11
Income attributable to depositors	23	<b>(431,644)</b>	(425,697)	<b>(1,274,565)</b>	(1,263,821)
Income attributable to investment account holders	24	<b>(105,507)</b>	(92,667)	<b>(310,083)</b>	(263,051)
<b>Total net income</b>		<b>569,128</b>	563,084	<b>1,705,165</b>	1,714,268
Personnel expenses	25	<b>(199,128)</b>	(193,172)	<b>(613,339)</b>	(592,020)
Other overhead expenses	26	<b>(147,806)</b>	(148,298)	<b>(456,852)</b>	(416,585)
		<b>222,194</b>	221,614	<b>634,974</b>	705,663
Finance cost	27	<b>(37,058)</b>	(27,656)	<b>(93,294)</b>	(82,342)
<b>Profit before zakat and tax</b>		<b>185,136</b>	193,958	<b>541,680</b>	623,321
Zakat		<b>(2,500)</b>	(3,750)	<b>(10,000)</b>	(11,250)
Tax expense	B5	<b>(43,462)</b>	(52,704)	<b>(128,986)</b>	(136,424)
<b>Profit for the period</b>		<b>139,174</b>	137,504	<b>402,694</b>	475,647

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(Incorporated in Malaysia)  
Unaudited Interim Financial Statements**

**Statements of Other Comprehensive Income for the nine months ended 30 September 2024**

Bank	3 months ended		9 months ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Profit for the period	<u>139,174</u>	<u>137,504</u>	<u>402,694</u>	<u>475,647</u>
<b>Other comprehensive income, net of tax:</b>				
<b>Items that are or may be reclassified subsequently to profit or loss</b>				
Currency translation differences in respect of Labuan operations	29,419	(1,100)	26,292	(6,513)
Movement in fair value reserve (debt instruments):				
Net change in fair value	64,826	(6,157)	100,196	169,027
Changes in expected credit loss	(90)	78	61	282
Net amount transferred to profit or loss	(17,634)	(9,820)	(34,220)	(52,558)
Income tax effect relating to components of other comprehensive income	(11,304)	3,816	(15,926)	(28,020)
	<u>65,217</u>	<u>(13,183)</u>	<u>76,403</u>	<u>82,218</u>
<b>Items that will not be reclassified to profit or loss</b>				
Movement in fair value reserve (equity instruments):				
Net change in fair value	(855)	13,996	264	14,365
<b>Other comprehensive income for the period, net of tax</b>	<u>64,362</u>	<u>813</u>	<u>76,667</u>	<u>96,583</u>
<b>Total comprehensive income for the period</b>	<u>203,536</u>	<u>138,317</u>	<u>479,361</u>	<u>572,230</u>

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**Unaudited Interim Financial Statements**

**Consolidated Statement of Changes in Equity for the nine months ended 30 September 2024**

Group	<i>Attributable to equity holders</i>			
	← Non-distributable →	← Distributable →		
	Share capital RM'000	Other reserves RM'000	Retained earnings RM'000	Total equity RM'000
<b>At 1 January 2024</b>	3,888,725	254,478	3,257,009	7,400,212
Profit for the period	-	-	396,775	396,775
Currency translation difference in respect of Labuan operations	-	26,235	-	26,235
Fair value reserve (debt instruments):				
Net change in fair value	-	100,196	-	100,196
Changes in expected credit loss	-	61	-	61
Net amount transferred to profit or loss	-	(34,220)	-	(34,220)
Income tax effect relating to components of other comprehensive income	-	(15,926)	-	(15,926)
Fair value reserve (equity instruments):				
Net change in fair value	-	264	-	264
Total comprehensive income for the period	-	76,610	396,775	473,385
Transfer to regulatory reserve	-	84,700	(84,700)	-
Effect on predecessor accounting	-	(343)	-	(343)
Dividends paid on ordinary shares	-	-	(95,645)	(95,645)
<b>At 30 September 2024</b>	<b>3,888,725</b>	<b>415,445</b>	<b>3,473,439</b>	<b>7,777,609</b>

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(Incorporated in Malaysia)  
Unaudited Interim Financial Statements**

**Consolidated Statement of Changes in Equity for the nine months ended 30 September 2024 (continued)**

Group	<i>← Attributable to equity holders →</i>			
	<i>← Non-distributable →</i>	<i>← Distributable →</i>	<i>← Distributable →</i>	<i>← Distributable →</i>
	Share capital RM'000	Other Reserves RM'000	Retained earnings RM'000	Total Equity RM'000
<b>At 1 January 2023</b>	3,645,043	54,596	3,096,604	6,796,243
Profit for the period	-	-	394,766	394,766
Currency translation difference in respect of Labuan operations	-	(6,910)	-	(6,910)
Fair value reserve (debt instruments):				
Net change in fair value	-	169,499	-	169,499
Changes in expected credit loss	-	282	-	282
Net amount transferred to profit or loss	-	(52,558)	-	(52,558)
Income tax effect relating to components of other comprehensive income	-	(28,020)	-	(28,020)
Fair value reserve (equity instruments):				
Net change in fair value	-	13,893	-	13,893
Total comprehensive income for the period	-	96,186	394,766	490,952
Transfer to regulatory reserve	-	29,000	(29,000)	-
Dividend paid on ordinary shares	-	-	(76,296)	(76,296)
Issue of shares pursuant to Dividend Reinvestment Plan	243,682	-	-	243,682
<b>At 30 September 2023</b>	<b>3,888,725</b>	<b>179,782</b>	<b>3,386,074</b>	<b>7,454,581</b>

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**(Incorporated in Malaysia)**  
**Unaudited Interim Financial Statements**

**Statement of Changes in Equity for the nine months ended 30 September 2024**

	<i>← Attributable to equity holders →</i>			
	<i>← Non-distributable →</i>	<i>← Distributable →</i>		
<b>Bank</b>	<b>Share capital</b>	<b>Other Reserves</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2024</b>	<b>3,888,725</b>	<b>143,590</b>	<b>3,348,297</b>	<b>7,380,612</b>
Profit for the period	-	-	<b>402,694</b>	<b>402,694</b>
Currency translation difference in respect of Labuan operations	-	<b>26,292</b>	-	<b>26,292</b>
Fair value reserve (debt instruments):				
Net change in fair value	-	<b>100,196</b>	-	<b>100,196</b>
Changes in expected credit loss	-	<b>61</b>	-	<b>61</b>
Net amount transferred to profit or loss	-	<b>(34,220)</b>	-	<b>(34,220)</b>
Income tax effect relating to components of other comprehensive income	-	<b>(15,926)</b>	-	<b>(15,926)</b>
Fair value reserve (equity instruments):				
Net change in fair value	-	<b>264</b>	-	<b>264</b>
Total comprehensive income for the period	-	<b>76,667</b>	<b>402,694</b>	<b>479,361</b>
Transfer to regulatory reserve	-	<b>84,700</b>	<b>(84,700)</b>	-
Dividends paid on ordinary shares	-	-	<b>(95,645)</b>	<b>(95,645)</b>
<b>At 30 September 2024</b>	<b>3,888,725</b>	<b>304,957</b>	<b>3,570,646</b>	<b>7,764,328</b>

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**(Incorporated in Malaysia)**  
**Unaudited Interim Financial Statements**

**Statement of Changes in Equity for the nine months ended 30 September 2024 (continued)**

	<i>Attributable to equity holders</i>			
	← Non-distributable →	← Distributable →		
<b>Bank</b>	<b>Share capital RM'000</b>	<b>Other Reserves RM'000</b>	<b>Retained earnings RM'000</b>	<b>Total Equity RM'000</b>
<b>At 1 January 2023</b>	3,645,043	(56,368)	3,105,912	6,694,587
Profit for the period			475,647	475,647
Currency translation difference in respect of Labuan operations	-	(6,513)	-	(6,513)
Fair value reserve (debt instruments):				
Net change in fair value	-	169,027	-	169,027
Changes in expected credit loss	-	282	-	282
Net amount transferred to profit or loss	-	(52,558)	-	(52,558)
Income tax effect relating to components of other comprehensive income	-	(28,020)	-	(28,020)
Fair value reserve (equity instruments):				
Net change in fair value	-	14,365	-	14,365
Total comprehensive income for the period	-	96,583	475,647	572,230
Transfer to regulatory reserve	-	29,000	(29,000)	-
Dividend paid on ordinary shares	-	-	(76,296)	(76,296)
Issue of shares pursuant to Dividend Reinvestment Plan	243,682	-	-	243,682
<b>At 30 September 2023</b>	<b>3,888,725</b>	<b>69,215</b>	<b>3,476,263</b>	<b>7,434,203</b>

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Unaudited Interim Financial Statements**

**Statements of Cash Flow for the nine months ended 30 September 2024**

	Group		Bank	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Profit before zakat and tax	538,390	542,776	541,680	623,321
Adjustment for:				
Depreciation of property and equipment	39,894	40,916	39,480	40,323
Amortisation of intangible assets	11,820	12,479	11,820	12,479
Depreciation of right-of-use assets	13,869	13,589	13,621	13,207
Property and equipment provision written-off	227	409	205	369
Allowance for impairment on financing, advances and others	207,434	233,102	207,434	233,102
Net allowance for impairment on other financial assets and investment in subsidiaries	(61)	(726)	8,639	4,274
Bad debt recovered on other financial assets	(346)	-	(346)	-
Net gain on sale of financial assets at FVTPL	(2,646)	(1,722)	(2,534)	(1,722)
Net gain on sale of financial assets at FVOCI	(34,220)	(52,558)	(34,220)	(52,558)
Net gain on sale of other financial assets at amortised cost	(3)	-	(3)	-
Fair value gain on financial assets at FVTPL	(1,522)	(2,463)	(1,243)	(2,423)
Dividend from subsidiary	-	-	-	(80,000)
Dividend from financial assets at FVTPL	(104)	(1,680)	(1,211)	(1,146)
Dividends from financial assets at FVOCI	(489)	-	(322)	-
Gain on partial disposal of subsidiaries and other investments	-	-	(452)	-
Income from rebate on investment in unit trust	-	-	(357)	(499)
Net derivatives gain	-	(1)	-	(1)
Finance cost on sukuk and capital securities	81,615	70,120	81,615	70,120
Profit expense on lease	11,770	12,231	11,679	12,222
<b>Operating profit before changes in assets and liabilities</b>	<b>865,628</b>	<b>866,472</b>	<b>875,485</b>	<b>871,068</b>
Changes in assets and liabilities:				
Deposits and placements of banks and other financial institutions	(120,179)	381,142	(120,179)	381,142
Financing, advances and others	(1,061,322)	(1,798,179)	(1,061,322)	(1,798,179)
Statutory deposits with Bank Negara Malaysia	(14,325)	(67,607)	(14,325)	(67,607)
Other financial asset at amortised cost	(96,446)	104,471	(90,755)	57,723
Deposits from customers	1,133,197	(2,779,521)	1,129,429	(2,876,481)
Investment account of customers	1,131,402	1,545,130	1,113,269	1,471,784
Obligations on Financial Assets Sold Under Repurchase Agreement	296,852	-	296,852	-
Bills and acceptance payables	3,603	22,783	3,603	22,783

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

**Statements of Cash Flow for the nine months ended 30 September 2024 (continued)**

	Group		Bank	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Other liabilities	(500,824)	(324,717)	(433,026)	(181,486)
Recourse obligation on financing sold to Cagamas	(500,533)	(1,001,014)	(500,533)	(1,001,014)
<b>Cash generated from/ (used in) operations</b>	<b>1,137,053</b>	<b>(3,051,040)</b>	<b>1,198,498</b>	<b>(3,120,267)</b>
Zakat paid	(11,446)	(13,715)	(11,432)	(13,630)
Tax paid	(157,989)	(177,299)	(157,360)	(176,826)
Tax refund	-	167	-	-
<b>Net cash generated from/ (used in) operating activities</b>	<b>967,618</b>	<b>(3,241,887)</b>	<b>1,029,706</b>	<b>(3,310,723)</b>
<b>Cash flows from investing activities</b>				
Changes in investment in associates	(115,455)	-	-	-
Purchase of property and equipment	(71,630)	(64,291)	(70,611)	(63,998)
Purchase of intangible assets	(13,044)	(6,690)	(13,044)	(6,690)
Dividend from subsidiary	-	-	-	80,000
Dividend from financial assets at FVTPL	104	1,680	1,211	1,146
Dividends from financial assets at FVOCI	489	-	322	-
Income from rebate on investment in unit trust	-	-	357	499
Net proceeds from disposal of securities	(3,239,294)	(1,277,244)	(3,481,140)	(1,277,182)
<b>Net cash used in investing activities</b>	<b>(3,438,830)</b>	<b>(1,346,545)</b>	<b>(3,562,905)</b>	<b>(1,266,225)</b>
<b>Cash flows from financing activities</b>				
Issuance of Subordinated Sukuk Mudharabah	1,000,000	-	1,000,000	-
Dividend paid on ordinary shares	(95,645)	(56,762)	(95,645)	(56,762)
Capital repayment of a subsidiary	-	-	82,964	-
Finance cost paid on sukuk and capital securities	(69,144)	(67,378)	(69,144)	(67,378)
Payment of lease liabilities	(24,806)	(23,660)	(24,484)	(23,233)
<b>Net cash used in financing activities</b>	<b>810,405</b>	<b>(147,800)</b>	<b>893,691</b>	<b>(147,373)</b>
Net decrease in cash and cash equivalents	(1,660,807)	(4,736,232)	(1,639,508)	(4,724,321)
Cash and cash equivalents as at beginning of year	4,714,465	7,145,114	4,678,243	7,128,159
Exchange difference on translation	26,243	(6,930)	26,289	(6,523)
<b>Cash and cash equivalents as at end of period</b>	<b>3,079,901</b>	<b>2,401,952</b>	<b>3,065,024</b>	<b>2,397,315</b>

*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 2023.*

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

**Notes to the unaudited interim financial statements for the nine months ended 30 September 2024**

**1. Basis of preparation**

The unaudited interim financial statements of the Group and of the Bank for the financial period ended 30 September 2024 have been prepared in accordance with the applicable requirements of MFRS 134: *Interim Financial Reporting* in Malaysia issued by Malaysian Accounting Standards Board (“MASB”), 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”), the provisions of the Companies Act 2016 and Shariah requirements.

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 2023. 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 2023.

The material 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 2023, except for the adoption of the following amendments to Malaysian Financial Reporting Standards (“MFRS”):

- Amendments to MFRS 101, *Classification of liabilities as current or non-current* (2020 amendments) and *Non-current Liabilities with Covenants* (2022 amendments)
- Amendments to MFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 107 and MFRS 7, *Supplier Finance Arrangements*

The adoption of the above amendments to MFRSs do not have any significant impact to 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 2023 was not qualified.

**3. Seasonal or cyclical factors**

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors in the nine months ended 30 September 2024.

**4. Unusual items**

There were no unusual items in the nine months ended 30 September 2024.

**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 2024.

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

**6. Changes in debt and equity securities**

There were no changes to debt and equity securities and no share buy-back during the financial period ended 30 September 2024.

**7. Subsequent events during the nine months ended 30 September 2024**

On 2 October 2024, the Bank has issued the second tranche of the Sukuk Wakalah Programme amounting to RM250 million with a profit rate of 4.58% per annum. There was no subsequent event other than as disclosed above.

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

	Group		Bank	
	30.09.2024	31.12.2023	30.09.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Cash and balances with banks and other financial institutions	822,911	936,629	821,199	933,427
Money at call and interbank placements with remaining maturity not exceeding three months	2,256,990	3,777,836	2,243,825	3,744,816
	<u>3,079,901</u>	<u>4,714,465</u>	<u>3,065,024</u>	<u>4,678,243</u>

**9. Financial assets at fair value through profit and loss ("FVTPL")**

	Group		Bank	
	30.09.2024	31.12.2023	30.09.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Malaysian Government Investment Issues	951,224	417,999	951,224	417,999
Unit trust	7,680	21,799	7,624	6,997
Malaysian Islamic Treasury Bills	49,723	-	49,723	-
Bank Negara Monetary Notes	-	489,246	-	489,246
Islamic Commercial Papers	370,084	-	370,084	-
Corporate Sukuk	338,308	286,725	186,887	4
	<u>1,717,019</u>	<u>1,215,769</u>	<u>1,565,542</u>	<u>914,246</u>

**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.

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

**10. Derivative financial assets/ liabilities (continued)**

Group and Bank	30.09.2024			31.12.2023		
	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	10,030,124	513,874	(544,489)	8,651,500	68,402	(56,539)
Profit rate swaps	-	-	-	3,343	10	(9)
	<b>10,030,124</b>	<b>513,874</b>	<b>(544,489)</b>	<b>8,654,843</b>	<b>68,412</b>	<b>(56,548)</b>

**11. Financial assets at fair value through other comprehensive income ("FVOCI")**

	Group		Bank	
	30.09.2024 RM'000	31.12.2023 RM'000	30.09.2024 RM'000	31.12.2023 RM'000
Financial assets at FVOCI:				
(a) Debt instruments	14,023,087	12,430,426	14,023,087	12,430,426
(b) Equity instruments	90,046	89,782	91,405	91,141
	<b>14,113,133</b>	<b>12,520,208</b>	<b>14,114,492</b>	<b>12,521,567</b>

**(a) Debt instrument at FVOCI**

	Group and Bank	
	30.09.2024 RM'000	31.12.2023 RM'000
Malaysian Government Investment Issues	5,752,250	4,550,080
Corporate Sukuk	8,270,837	7,320,739
Bank Negara Monetary Notes	-	399,534
Islamic Commercial Paper	-	160,073
	<b>14,023,087</b>	<b>12,430,426</b>

Movement of allowance for impairment on financial assets at FVOCI:

Group and Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2023	231	481	10,500	11,212
Transfer to Stage 1	40	(40)	-	-
Changes in credit risk	(51)	(86)	4,336	4,199
Purchases and origination	86	-	-	86
Derecognition and disposal	(78)	(65)	-	(143)
At 31 December 2023/ 1 January 2024	<b>228</b>	<b>290</b>	<b>14,836</b>	<b>15,354</b>
Transfer to Stage 1	10	(10)	-	-
Changes in credit risk	24	-	-	24
Purchases and origination	233	-	-	233
Derecognition and disposal	(38)	(280)	-	(318)
At 30 September 2024	<b>457</b>	<b>-</b>	<b>14,836</b>	<b>15,293</b>

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

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

**(b) Equity instrument at FVOCI**

	Group		Bank	
	30.09.2024 RM'000	31.12.2023 RM'000	30.09.2024 RM'000	31.12.2023 RM'000
Quoted Shares				
- outside Malaysia	<u>6,581</u>	<u>6,317</u>	<u>6,581</u>	<u>6,317</u>
Unquoted Shares				
- in Malaysia	<u>83,448</u>	<u>83,448</u>	<u>84,807</u>	<u>84,807</u>
- outside Malaysia	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>
	<u>83,465</u>	<u>83,465</u>	<u>84,824</u>	<u>84,824</u>
	<u>90,046</u>	<u>89,782</u>	<u>91,405</u>	<u>91,141</u>

**12. Financial assets at amortised cost (“AC”)**

	Group and Bank	
	30.09.2024 RM'000	31.12.2023 RM'000
<b><i>Debt instrument at amortised cost:</i></b>		
Malaysian Government Investment Issues	<u>2,599,069</u>	<u>1,875,465</u>
Corporate sukuk	<u>1,820,679</u>	<u>745,458</u>
Bank Negara negotiable notes	<u>-</u>	<u>499,307</u>
	<u>4,419,748</u>	<u>3,120,230</u>

Included in financial assets at AC of the Group and the Bank are Malaysian Government Investment Issues, which are pledged as collateral for Obligations on Financial Assets Sold Under Repurchase Agreement.



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

**13. Financing, advances and others**

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

<b>Group and Bank 30.09.2024</b>	<b>Bai' Bithaman Ajil RM'000</b>	<b>Murabahah RM'000</b>	<b>Bai' Al-Dayn RM'000</b>	<b>Bai' Al-Inah RM'000</b>	<b>At-Tawarruq RM'000</b>	<b>^Ijarah Muntahiah Bit-Tamleek RM'000</b>	<b>Istisna' RM'000</b>	<b>Total RM'000</b>
<b>At amortised cost</b>								
Cash line	-	-	-	-	1,617,573	-	-	1,617,573
Term financing								
House financing	2,260,648	-	-	-	25,554,367	-	32,069	27,847,084
Syndicated financing	-	-	-	-	791,429	-	-	791,429
Leasing financing	-	-	-	-	-	163,061	-	163,061
Personal financing	-	-	-	602	21,180,004	-	-	21,180,606
Other term financing	124,880	2,207,237	-	1,784	12,281,396	-	710	14,616,007
Staff financing	26,710	29,578	-	-	615,066	-	4,131	675,485
Credit cards	-	-	-	-	561,592	-	-	561,592
Trade bills discounted	-	611,337	57,346	-	143,247	-	-	811,930
Trust receipts	-	5,736	-	-	-	-	-	5,736
Pawn broking	-	-	-	-	193,938	-	-	193,938
	<b>2,412,238</b>	<b>2,853,888</b>	<b>57,346</b>	<b>2,386</b>	<b>62,938,612</b>	<b>163,061</b>	<b>36,910</b>	<b>68,464,441</b>

Allowance for impairment on financing, advances and others

- Stage 1	(289,915)
- Stage 2	(238,859)
- Stage 3	(264,664)

**Net financing, advances and others**

**67,671,003**

^ 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.

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

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

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

<b>Group and Bank 31.12.2023</b>	<b>Bai' Bithaman Ajil RM'000</b>	<b>Murabahah RM'000</b>	<b>Bai' Al-Dayn RM'000</b>	<b>At-Tawarruq RM'000</b>	<b>^Ijarah Muntahiah Bit-Tamleek RM'000</b>	<b>Istisna' RM'000</b>	<b>Total RM'000</b>
<b>At amortised cost</b>							
Cash line	-	-	-	1,512,926	-	-	1,512,926
Term financing							
House financing	2,449,530	-	-	24,568,611	-	35,525	27,053,666
Syndicated financing	-	-	-	1,049,780	-	-	1,049,780
Leasing financing	-	-	-	-	127,324	-	127,324
Bridging financing	-	-	-	-	-	2,074	2,074
Personal financing	-	-	-	20,284,237	-	-	20,284,237
Other term financing	142,781	1,797,505	-	13,586,508	-	812	15,527,606
Staff financing	29,867	24,074	-	559,185	-	4,756	617,882
Credit cards	-	-	-	544,179	-	-	544,179
Trade bills discounted	-	622,819	69,839	35,244	-	-	727,902
Trust receipts	-	8,003	-	-	-	-	8,003
Pawn broking	-	-	-	169,210	-	-	169,210
	<u>2,622,178</u>	<u>2,452,401</u>	<u>69,839</u>	<u>62,309,880</u>	<u>127,324</u>	<u>43,167</u>	<u>67,624,789</u>
Allowance for impairment on financing, advances and others							
- Stage 1							(302,306)
- Stage 2							(282,324)
- Stage 3							(223,044)
Net financing, advances and others							<u>66,817,115</u>

^ 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.

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

**13. 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	
		30.09.2024 RM'000	31.12.2023 RM'000	30.09.2024 RM'000	31.12.2023 RM'000
House financing					
Unrestricted Investment Accounts	17(a)	14,219,633	13,356,777	14,220,286	13,366,496
Sold to Cagamas with recourse	B8(a)	1,503,796	2,004,329	1,503,796	2,004,329
		<u>15,723,429</u>	<u>15,361,106</u>	<u>15,724,082</u>	<u>15,370,825</u>
Personal financing					
Unrestricted Investment Accounts	17(a)	3,984,925	3,716,379	3,985,577	3,726,098

**(b) By type of customer**

	Group and Bank	
	30.09.2024 RM'000	31.12.2023 RM'000
Domestic banking institutions	66	200,052
Domestic non-bank financial institutions	1,098,574	804,182
Domestic business enterprise	9,582,417	11,095,362
Small and medium industries	2,785,869	2,739,497
Government and statutory bodies	1,986,034	1,910,528
Individuals	52,883,076	50,718,810
Other domestic entities	16,550	18,008
Foreign entities	111,855	138,350
	<u>68,464,441</u>	<u>67,624,789</u>

**(c) By profit rate sensitivity**

	Group and Bank	
	30.09.2024 RM'000	31.12.2023 RM'000
Fixed rate		
House financing	935,602	940,957
Others	6,639,005	6,299,591
Floating rate		
House financing	27,613,247	26,802,712
Others	33,276,587	33,581,529
	<u>68,464,441</u>	<u>67,624,789</u>

**Bank Islam Malaysia Berhad [Registration No. 198301002944 (98127-X)]****(Incorporated in Malaysia)****Unaudited Interim Financial Statements****13. Financing, advances and others (continued)****(d) By remaining contractual maturity**

	<b>Group and Bank</b>	
	<b>30.09.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Maturity within one year	<b>6,080,416</b>	6,895,986
More than one year to three years	<b>2,225,352</b>	1,772,141
More than three years to five years	<b>3,566,329</b>	3,865,750
More than five years	<b>56,592,344</b>	55,090,912
	<b><u>68,464,441</u></b>	<b><u>67,624,789</u></b>

**(e) By geographical distribution**

	<b>Group and Bank</b>	
	<b>30.09.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Central Region	<b>31,809,910</b>	31,685,138
Eastern Region	<b>10,311,306</b>	10,201,039
Northern Region	<b>9,480,038</b>	9,175,037
Southern Region	<b>11,604,804</b>	11,468,449
East Malaysia Region	<b>5,258,383</b>	5,095,126
	<b><u>68,464,441</u></b>	<b><u>67,624,789</u></b>

**(f) By sector**

	<b>Group and Bank</b>	
	<b>30.09.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	<b>517,261</b>	842,037
Mining and quarrying	<b>269,526</b>	127,543
Manufacturing (including agro-based)	<b>569,085</b>	607,523
Electricity, gas and water	<b>2,576,961</b>	2,358,054
Construction	<b>1,290,637</b>	1,470,233
Wholesale & retail trade and restaurants & hotels	<b>1,207,894</b>	1,257,455
Finance, insurance, real estate and business activities	<b>6,153,760</b>	2,801,628
Real estate	<b>1,415,657</b>	5,804,729
Education, health and others	<b>1,573,972</b>	1,630,380
Household sectors	<b>52,889,688</b>	50,725,207
	<b><u>68,464,441</u></b>	<b><u>67,624,789</u></b>

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

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

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

	<b>Group and Bank</b>	
	<b>30.09.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2024/ 2023	<b>635,966</b>	835,232
Classified as impaired during the period/ year	<b>692,924</b>	909,473
Reclassified as not impaired during the period/ year	<b>(324,379)</b>	(475,758)
Amount repaid	<b>(88,708)</b>	(126,281)
Amount written-off	<b>(217,786)</b>	(506,700)
At 30 September 2024/ 31 December 2023	<b><u>698,017</u></b>	<u>635,966</u>
Gross impaired financing as a percentage of gross financing, advances and others	<b><u>1.02%</u></b>	<u>0.94%</u>

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

**(h) Impaired financing by geographical distribution**

	<b>Group and Bank</b>	
	<b>30.09.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Central Region	<b>307,684</b>	255,845
Eastern Region	<b>123,408</b>	123,232
Northern Region	<b>163,388</b>	152,661
Southern Region	<b>67,619</b>	73,459
East Malaysia Region	<b>35,918</b>	30,769
	<b><u>698,017</u></b>	<u>635,966</u>

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

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

**(i) Impaired financing by sector**

	<b>Group and Bank</b>	
	<b>30.09.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	<b>700</b>	815
Mining and quarrying	<b>3,943</b>	106
Manufacturing (including agro-based)	<b>38,658</b>	36,476
Electricity, gas and water	<b>2,497</b>	2,415
Wholesale & retail trade, and hotels & restaurants	<b>95,696</b>	88,658
Construction	<b>44,441</b>	34,675
Transport, storage and communications	<b>24,076</b>	7,286
Finance, insurance, real estate and business activities	<b>98,578</b>	52,966
Education, health and others	<b>15,453</b>	7,633
Household sectors	<b>373,975</b>	404,936
	<b><u>698,017</u></b>	<b><u>635,966</u></b>

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

<b>Group and Bank</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2023	366,051	224,397	449,415	1,039,863
Transfer to Stage 1	5,248	(4,869)	(379)	-
Transfer to Stage 2	(15,402)	18,391	(2,989)	-
Transfer to Stage 3	(1,109)	(13,217)	14,326	-
Changes in credit risk	(101,889)	62,188	283,606	243,905
New financial assets originated or purchased	98,761	10,256	1,971	110,988
Financial assets that have been derecognised	(50,975)	(14,822)	(16,206)	(82,003)
Write-offs	-	-	(506,700)	(506,700)
Exchange differences	1,621	-	-	1,621
At 31 December 2023/1 January 2024	302,306	282,324	223,044	807,674
Transfer to Stage 1	<b>6,298</b>	<b>(6,219)</b>	<b>(79)</b>	-
Transfer to Stage 2	<b>(8,534)</b>	<b>12,101</b>	<b>(3,567)</b>	-
Transfer to Stage 3	<b>(1,288)</b>	<b>(16,743)</b>	<b>18,031</b>	-
Changes in credit risk	<b>(28,825)</b>	<b>(33,259)</b>	<b>247,907</b>	<b>185,823</b>
New financial assets originated or purchased	<b>59,825</b>	<b>8,425</b>	<b>2,385</b>	<b>70,635</b>
Financial assets that have been derecognised	<b>(35,983)</b>	<b>(7,770)</b>	<b>(5,271)</b>	<b>(49,024)</b>
Write-offs	-	-	(217,786)	(217,786)
Exchange differences	<b>(3,884)</b>	-	-	<b>(3,884)</b>
At 30 September 2024	<b><u>289,915</u></b>	<b><u>238,859</u></b>	<b><u>264,664</u></b>	<b><u>793,438</u></b>

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

**14. Other financial assets at AC**

	Group		Bank	
	30.09.2024 RM'000	31.12.2023 RM'000	30.09.2024 RM'000	31.12.2023 RM'000
Other receivables	411,296	797,740	299,772	702,631
Deposit and prepayments	56,688	68,579	52,513	61,563
Related companies*	1,155	1,136	1,958	2,756
	<u>469,139</u>	<u>867,455</u>	<u>354,243</u>	<u>766,950</u>
Less: Allowance for impairment				
<b>Stage 3</b>				
- Other receivables	<u>(3,642)</u>	<u>(3,642)</u>	<u>(3,642)</u>	<u>(3,642)</u>
	<u><b>465,497</b></u>	<u><b>863,813</b></u>	<u><b>350,601</b></u>	<u><b>763,308</b></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.

**15. Right-of-use assets and lease liabilities**

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

	Group		Bank	
	30.09.2024 RM'000	31.12.2023 RM'000	30.09.2024 RM'000	31.12.2023 RM'000
Right-of-use assets (Buildings)				
As at 1 January 2024/ 2023	167,436	184,383	166,624	183,959
Addition	8,728	1,148	6,897	268
Depreciation	(13,869)	(18,095)	(13,621)	(17,603)
Effects of movement in exchange rates	<u>(10)</u>	<u>-</u>	<u>(10)</u>	<u>-</u>
As at 30 September 2024/ 31 December 2023	<u><b>162,285</b></u>	<u><b>167,436</b></u>	<u><b>159,890</b></u>	<u><b>166,624</b></u>
Lease liabilities				
As at 1 January 2024/ 2023	281,174	295,585	280,359	295,167
Addition	8,978	1,148	6,896	268
Payment of lease liabilities	(24,806)	(31,756)	(24,484)	(31,257)
Finance cost	11,770	16,213	11,679	16,197
Effects of movement in exchange rates	<u>(11)</u>	<u>(16)</u>	<u>(11)</u>	<u>(16)</u>
As at 30 September 2024/ 31 December 2023	<u><b>277,105</b></u>	<u><b>281,174</b></u>	<u><b>274,439</b></u>	<u><b>280,359</b></u>

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

16. Deposits from customers

a) By type and Shariah contract

	Group		Bank	
	30.09.2024 RM'000	31.12.2023 RM'000	30.09.2024 RM'000	31.12.2023 RM'000
<b>Saving Deposit</b>				
<i>Qard</i>	6,427,865	6,335,945	6,427,865	6,335,945
<b>Demand Deposit</b>				
<i>Qard</i>	12,444,207	14,409,951	12,450,866	14,427,425
<b>Term Deposit</b>	41,168,591	38,154,123	41,184,614	38,163,099
General Investment Deposit <i>Mudharabah</i>	99,616	98,453	99,616	98,453
Term Deposit – i <i>Tawarruq</i>	40,948,963	37,586,078	40,964,986	37,595,054
Negotiable Islamic Debt Certificates (“NIDC”)	120,012	469,592	120,012	469,592
<b>Others</b>	108,665	116,112	108,665	116,112
	<u>60,149,328</u>	<u>59,016,131</u>	<u>60,172,010</u>	<u>59,042,581</u>

b) Maturity structure of term deposits are as follows:

	Group		Bank	
	30.09.2024 RM'000	31.12.2023 RM'000	30.09.2024 RM'000	31.12.2023 RM'000
Due within six months	20,758,045	18,671,414	20,758,380	18,672,999
More than six months to one year	12,831,999	9,079,915	12,837,461	9,086,529
More than one year to three years	5,110,459	7,945,453	5,120,685	7,946,230
More than three years to five years	2,468,088	2,457,341	2,468,088	2,457,341
	<u>41,168,591</u>	<u>38,154,123</u>	<u>41,184,614</u>	<u>38,163,099</u>



**Bank Islam Malaysia Berhad [Registration No. 198301002944 (98127-X)]**

**(Incorporated in Malaysia)**

**Unaudited Interim Financial Statements**

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

**c) By type of customers**

	Group		Bank	
	30.09.2024 RM'000	31.12.2023 RM'000	30.09.2024 RM'000	31.12.2023 RM'000
Domestic non-bank financial institutions	9,299,890	8,588,760	9,322,572	8,615,210
Business enterprises	20,492,711	19,003,287	20,492,711	19,003,287
Government and statutory bodies	17,441,863	17,652,496	17,441,863	17,652,496
Individuals	9,815,445	9,964,048	9,815,445	9,964,048
Domestic banking institutions	2,924	151,135	2,924	151,135
Others	3,096,495	3,656,405	3,096,495	3,656,405
	<u>60,149,328</u>	<u>59,016,131</u>	<u>60,172,010</u>	<u>59,042,581</u>

**17. Investment accounts of customers**

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

	Group		Bank	
	30.09.2024 RM'000	31.12.2023 RM'000	30.09.2024 RM'000	31.12.2023 RM'000
<b>Unrestricted investment accounts</b>				
Without maturity				
<i>Mudharabah</i>	10,234,709	9,640,398	10,234,709	9,640,398
- Saving	5,182,738	4,988,665	5,182,738	4,988,665
- Demand	5,051,971	4,651,733	5,051,971	4,651,733
With maturity				
<i>Wakalah</i>	7,969,849	7,432,758	7,971,154	7,452,196
	<u>18,204,558</u>	<u>17,073,156</u>	<u>18,205,863</u>	<u>17,092,594</u>
Investment portfolio:				
- House financing	14,219,633	13,356,777	14,220,286	13,366,496
- Personal financing	3,984,925	3,716,379	3,985,577	3,726,098
	<u>18,204,558</u>	<u>17,073,156</u>	<u>18,205,863</u>	<u>17,092,594</u>

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

**17. Investment accounts of customers (continued)**

**(b) By type of customers**

	Group		Bank	
	30.09.2024 RM'000	31.12.2023 RM'000	30.09.2024 RM'000	31.12.2023 RM'000
Individuals	5,583,890	5,307,749	5,583,890	5,307,749
Government and statutory bodies	8,337,412	7,144,465	8,337,412	7,144,465
Business enterprises	1,869,152	2,390,058	1,869,152	2,390,058
Non-bank financial institutions	2,207,334	2,067,393	2,208,639	2,086,831
Others	206,770	163,491	206,770	163,491
	<u>18,204,558</u>	<u>17,073,156</u>	<u>18,205,863</u>	<u>17,092,594</u>

**18. Other liabilities**

	Group		Bank	
	30.09.2024 RM'000	31.12.2023 RM'000	30.09.2024 RM'000	31.12.2023 RM'000
Other payables	889,021	1,398,449	851,580	1,340,407
Dividend payable	-	285,349	-	285,349
Advance payment	436,514	555,746	436,393	555,596
Accruals	67,988	95,924	67,068	94,657
Other liabilities due to third party investors	18,569	63,625	-	-
	<u>1,412,092</u>	<u>2,399,093</u>	<u>1,355,041</u>	<u>2,276,009</u>

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

Group and Bank	3 months ended		9 months ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Income derived from investment of:				
(i) Saving and demand deposits	266,653	259,952	812,448	780,327
(ii) General investment deposits	1,757	1,803	5,174	5,409
(iii) Term deposit-i	589,631	551,665	1,691,797	1,610,215
(iv) Other deposits	7,949	8,568	13,017	29,350
	<u>865,990</u>	<u>821,988</u>	<u>2,522,436</u>	<u>2,425,301</u>

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

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

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

Group and Bank	3 months ended		9 months ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
<b>Finance income and hibah</b>				
Financing, advances and others	219,783	224,765	681,955	657,681
Financial assets:				
- at FVTPL	4,180	3,204	12,208	7,323
- at FVOCI	20,893	15,526	61,905	48,040
- at AC	11,259	8,594	30,689	24,693
Money at call and deposit with financial institutions	3,828	5,531	13,968	25,977
	<u>259,943</u>	<u>257,620</u>	<u>800,725</u>	<u>763,714</u>
<b>Other dealing income</b>				
Net gain/ (loss) from sale of financial assets at FVTPL	1,235	(558)	728	618
Net gain/ (loss) on revaluation of financial assets at FVTPL	13	(227)	116	(1,064)
	<u>1,248</u>	<u>(785)</u>	<u>844</u>	<u>(446)</u>
<b>Other operating income</b>				
Net gain from sale of financial assets at FVOCI	5,461	3,117	10,877	17,059
Net gain from sale of other financial assets at amortised cost	1	-	1	-
	<u>5,462</u>	<u>3,117</u>	<u>10,878</u>	<u>17,059</u>
<b>Other income</b>				
Gain on disposal of leased assets	-	-	1	-
	<u>266,653</u>	<u>259,952</u>	<u>812,448</u>	<u>780,327</u>
<i>of which</i>				
Financing income earned on impaired financing	4,696	3,901	13,872	16,111
Unwinding of net modification loss	1,279	1,880	4,094	5,752

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

**19. 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	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
<b>Finance income and hibah</b>				
Financing, advances and others	1,502	1,602	4,489	4,714
Financial assets:				
- at FVTPL	23	18	64	41
- at FVOCI	115	88	325	272
- at AC	61	49	161	140
Money at call and deposits with financial institutions	20	32	72	147
	<u>1,721</u>	<u>1,789</u>	<u>5,111</u>	<u>5,314</u>
<b>Other dealing income</b>				
Net gain/ (loss) from sale of financial assets at FVTPL	6	(2)	4	4
Net (loss)/ gain on revaluation of financial assets at FVTPL	-	(1)	1	(6)
	<u>6</u>	<u>(3)</u>	<u>5</u>	<u>(2)</u>
<b>Other operating income</b>				
Net gain from sale of financial assets at FVOCI	30	17	58	97
	<u>1,757</u>	<u>1,803</u>	<u>5,174</u>	<u>5,409</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	26	23	73	92
<i>Unwinding of net modification loss</i>	7	11	21	33

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

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

*(iii) Income derived from investment of term deposit-i*

Group and Bank	3 months ended		9 months ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
<b>Finance income and hibah</b>				
Financing, advances and others	486,083	476,967	1,419,064	1,358,182
Financial assets:				
- at FVTPL	9,238	6,801	25,538	15,254
- at FVOCI	46,188	32,950	129,131	99,017
- at AC	24,855	18,245	64,105	50,985
Money at call and deposits with financial institutions	8,473	11,755	28,633	53,181
	<u>574,837</u>	<u>546,718</u>	<u>1,666,471</u>	<u>1,576,619</u>
<b>Other dealing income</b>				
Net gain/ (loss) from sale of financial assets at FVTPL	2,753	(1,172)	1,764	1,082
Net gain/ (loss) on revaluation of financial assets at FVTPL	46	(445)	473	(2,319)
	<u>2,799</u>	<u>(1,617)</u>	<u>2,237</u>	<u>(1,237)</u>
<b>Other operating income</b>				
Net gain from sale of financial assets at FVOCI	11,993	6,564	23,086	34,833
Net gain from sale of other financial assets at amortised cost	2	-	2	-
	<u>11,995</u>	<u>6,564</u>	<u>23,088</u>	<u>34,833</u>
<b>Other income</b>				
Gain on disposal of leased assets	-	-	1	-
	<u>589,631</u>	<u>551,665</u>	<u>1,691,797</u>	<u>1,610,215</u>
<i>of which</i>				
Financing income earned on impaired financing	10,355	8,272	28,851	33,502
Unwinding of net modification loss	2,835	3,985	8,501	11,875

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

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

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

Group and Bank	3 months ended		9 months ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
<b>Finance income and hibah</b>				
Financing, advances and others	6,572	7,366	10,857	24,778
Financial assets:				
- at FVTPL	123	105	189	305
- at FVOCI	621	511	990	1,811
- at AC	330	287	508	948
Money at call and deposits with financial institutions	117	181	237	957
	<u>7,763</u>	<u>8,450</u>	<u>12,781</u>	<u>28,799</u>
<b>Other dealing income</b>				
Net (loss)/ gain from sale of financial assets at FVTPL	40	(21)	38	18
Net gain/ (loss) on revaluation of financial assets at FVTPL	(4)	17	(1)	(36)
	<u>36</u>	<u>(4)</u>	<u>37</u>	<u>(18)</u>
<b>Other operating income</b>				
Net gain from sale of financial assets at FVOCI	150	122	199	569
	<u>7,949</u>	<u>8,568</u>	<u>13,017</u>	<u>29,350</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	97	126	180	624
<i>Unwinding of net modification loss</i>	40	63	66	206

**20. Income derived from investment account funds**

Group and Bank	3 months ended		9 months ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
<b>Finance income</b>				
Unrestricted investment accounts				
- <i>Mudharabah</i>	108,667	109,602	330,018	309,889
- <i>Wakalah</i>	71,883	69,362	213,106	225,972
Unwinding of net modification loss	825	1,406	2,627	5,003
	<u>181,375</u>	<u>180,370</u>	<u>545,751</u>	<u>540,864</u>

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

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

Group	3 months ended		9 months ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
<b><i>Finance income and hibah</i></b>				
Financing, advances and others	3,910	3,517	11,297	10,458
Financial assets:				
Financial assets at FVTPL	1,510	-	5,281	-
Financial assets at FVOCI	51,506	48,431	150,583	140,913
Money at call and deposits with financial institutions	65	16	2,070	234
Income from Securities Purchase under SBBA	-	-	61	-
	<u>56,991</u>	<u>51,964</u>	<u>169,292</u>	<u>151,605</u>
<b><i>Other dealing income</i></b>				
Net (loss)/ gain from foreign exchange transactions	(8,309)	18,865	18,760	55,643
Net (loss)/ gain from sale of financial assets FVTPL	(140)	-	112	-
Net (loss)/ gain on revaluation of financial assets at FVTPL	(975)	896	933	5,888
Net derivatives gain	-	-	-	1
	<u>(9,424)</u>	<u>19,761</u>	<u>19,805</u>	<u>61,532</u>
<b><i>Other operating income</i></b>				
Dividend from:				
Unit trust	(1,328)	512	104	1,680
Financial assets at FVOCI	-	-	489	-
	<u>(1,328)</u>	<u>512</u>	<u>593</u>	<u>1,680</u>
<b><i>Fees and commission</i></b>				
Fees	57,556	49,557	157,244	139,926
Commission	9,825	8,305	27,375	23,655
Others	5,218	5,798	15,988	17,392
	<u>72,599</u>	<u>63,660</u>	<u>200,607</u>	<u>180,973</u>
<b><i>Other income</i></b>				
Rental income	190	187	559	556
Other income	43	13	162	87
	<u>233</u>	<u>200</u>	<u>721</u>	<u>643</u>
	<u>119,071</u>	<u>136,097</u>	<u>391,018</u>	<u>396,433</u>

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

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

Bank	3 months ended		9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
<b><i>Finance income and hibah</i></b>				
Financing, advances and others	3,910	3,517	11,297	10,458
Financial assets at FVOCI	51,506	48,431	150,583	140,913
Money at call and deposits with financial institutions	-	2	-	3
Income from Securities Purchase Under SBBA	-	-	61	-
	<u>55,416</u>	<u>51,950</u>	<u>161,941</u>	<u>151,374</u>
<b><i>Other dealing income</i></b>				
Net (loss)/ gain from foreign exchange transactions	(8,282)	18,860	18,765	55,636
Net (loss)/ gain on revaluation of financial assets at FVTPL	(105)	854	654	5,848
Net derivatives gain	-	-	-	1
	<u>(8,387)</u>	<u>19,714</u>	<u>19,419</u>	<u>61,485</u>
<b><i>Other operating income</i></b>				
Dividend from:				
Unit trust	28	329	1,211	1,146
Subsidiary	-	-	-	80,000
Associates	341	-	341	-
Quoted shares outside Malaysia	-	-	322	-
Gain on partial disposal of subsidiaries and other investments	452	-	452	-
Income from rebate on investment in unit trust	92	75	357	499
	<u>913</u>	<u>404</u>	<u>2,683</u>	<u>81,645</u>
<b><i>Fees and commission</i></b>				
Fees	53,693	46,641	145,530	130,559
Commission	10,689	8,919	31,407	25,406
Others	77	3,251	2,687	10,469
	<u>64,459</u>	<u>58,811</u>	<u>179,624</u>	<u>166,434</u>
<b><i>Other income</i></b>				
Rental income	296	293	878	862
Other income	38	12	106	66
	<u>334</u>	<u>305</u>	<u>984</u>	<u>928</u>
	<u>112,735</u>	<u>131,184</u>	<u>364,651</u>	<u>461,866</u>



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

**22. Net allowance for impairment on financing and advances**

Group and Bank	3 months ended		9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Net allowance for impairment on financing, advances and others				
- Stage 1	(14,503)	(4,365)	(4,983)	(17,483)
- Stage 2	(29,046)	11,668	(32,604)	30,014
- Stage 3	116,292	62,363	245,021	220,571
	<u>72,743</u>	<u>69,666</u>	<u>207,434</u>	<u>233,102</u>
Bad debts and financing recovered	(34,718)	(28,361)	(91,890)	(68,196)
	<u>38,025</u>	<u>41,305</u>	<u>115,544</u>	<u>164,906</u>

**23. Income attributable to depositors**

Group	3 months ended		9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- Mudharabah fund	242	314	819	720
- Non-Mudharabah fund	407,393	399,030	1,201,116	1,172,302
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	61	-	58	-
- Non-Mudharabah fund	4,634	5,317	12,487	9,802
Recourse obligation on financing sold to Cagamas	17,225	20,935	57,319	80,739
Profit Attributable on Securities Sold under Sell and Buy Back Agreement	1,940	-	1,940	-
	<u>431,495</u>	<u>425,596</u>	<u>1,273,739</u>	<u>1,263,563</u>

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

**23. Income attributable to depositors (continued)**

Bank	3 months ended		9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- Mudharabah fund	242	314	819	708
- Non-Mudharabah fund	407,542	399,131	1,201,942	1,172,560
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	61	-	58	-
- Non-Mudharabah fund	4,634	5,317	12,487	9,814
Recourse obligation on financing sold to Cagamas	17,225	20,935	57,319	80,739
Profit Attributable on Securities Sold under Sell and Buy Back Agreement	1,940	-	1,940	-
	<u>431,644</u>	<u>425,697</u>	<u>1,274,565</u>	<u>1,263,821</u>

**24. Income attributable to investment account holders**

Group	3 months ended		9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Unrestricted investment accounts				
- Mudharabah	29,838	31,738	95,758	84,776
- Wakalah	75,626	60,747	213,338	176,957
	<u>105,464</u>	<u>92,485</u>	<u>309,096</u>	<u>261,733</u>
<b>Bank</b>				
Unrestricted investment accounts				
- Mudharabah	29,838	31,738	95,758	84,776
- Wakalah	75,669	60,929	214,325	178,275
	<u>105,507</u>	<u>92,667</u>	<u>310,083</u>	<u>263,051</u>

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

**25. Personnel expenses**

Group	3 months ended		9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and bonuses	160,241	158,110	497,812	486,596
Employees' Provident Fund	26,731	23,750	78,084	71,229
Other staff related costs	25,519	22,319	77,093	66,105
	<u>212,491</u>	<u>204,179</u>	<u>652,989</u>	<u>623,930</u>

**Bank**

Salaries, allowances and bonuses	149,177	149,576	465,882	461,061
Employees' Provident Fund	25,229	22,562	73,733	67,665
Other staff related costs	24,722	21,034	73,724	63,294
	<u>199,128</u>	<u>193,172</u>	<u>613,339</u>	<u>592,020</u>

**26. Other overhead expenses**

Group	3 months ended		9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
<b><i>Marketing expenses</i></b>				
Advertisement and publicity	9,409	12,612	25,081	34,152
Sales commission	10,539	4,882	26,059	17,824
Credit card related fees	1,163	2,073	2,821	2,431
Others	6,152	2,109	11,390	6,821
	<u>27,263</u>	<u>21,676</u>	<u>65,351</u>	<u>61,228</u>
<b><i>Establishment cost</i></b>				
Information technology expenses	32,482	28,223	104,657	71,992
Depreciation on property and equipment	12,509	14,238	39,894	40,916
Amortisation of intangible assets	4,073	3,482	11,820	12,479
Rental of premises	7,983	7,637	22,256	22,437
Depreciation on right-of-use assets	4,781	4,539	13,869	13,589
Printing and stationery	3,899	3,654	11,555	12,324
Takaful	3,341	3,322	9,845	9,574
Repair and maintenance	3,048	2,916	8,657	8,733
Utilities	2,688	2,613	8,041	8,209
Rental of equipment	1,651	1,953	4,933	4,828
Others	2,477	2,197	7,335	7,316
	<u>78,932</u>	<u>74,774</u>	<u>242,862</u>	<u>212,397</u>

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

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

Group	3 months ended		9 months ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
<b>Administration and general expenses</b>				
Debit and credit card related fees	19,927	19,067	57,359	50,599
Outsourcing and management fees	5,082	6,136	10,306	15,002
Subscription and professional fees	12,051	16,013	38,868	46,764
Commission and others <sup>^</sup>	17,000	6,672	43,071	20,364
	<u>54,060</u>	<u>47,888</u>	<u>149,604</u>	<u>132,729</u>
	<u>160,255</u>	<u>144,338</u>	<u>457,817</u>	<u>406,354</u>
<b>Bank</b>				
<b>Marketing expenses</b>				
Advertisement and publicity	9,261	12,519	24,706	33,979
Sales commission	8,353	3,785	21,002	14,074
Credit card related fees	1,163	2,073	2,821	2,431
Others	6,087	2,038	11,193	6,634
	<u>24,864</u>	<u>20,415</u>	<u>59,722</u>	<u>57,118</u>
<b>Establishment cost</b>				
Information technology expenses	32,235	27,987	104,008	71,332
Depreciation on property and equipment	12,359	14,058	39,480	40,323
Amortisation of intangible assets	4,073	3,482	11,820	12,479
Rental of premises	8,023	7,649	22,378	22,390
Depreciation on right-of-use assets	4,698	4,412	13,621	13,207
Printing and stationery	3,869	3,613	11,484	12,229
Takaful	3,326	3,304	9,794	9,526
Repair and maintenance	2,958	2,785	8,380	8,336
Utilities	2,657	2,551	7,938	8,002
Rental of equipment	1,613	1,909	4,820	4,701
Others	2,477	2,197	7,335	7,316
	<u>78,288</u>	<u>73,947</u>	<u>241,058</u>	<u>209,841</u>

<sup>^</sup> Included in commission and others is an out of court settlement on legal action taken against BIMB Investment Management Berhad as disclosed in Note B8(a).

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

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

<b>Bank</b>	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2024</b>	<b>30.09.2023</b>	<b>30.09.2024</b>	<b>30.09.2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><i>Administration and general expenses</i></b>				
Debit and credit card related fees	<b>19,927</b>	19,067	<b>57,359</b>	50,599
Outsourcing and management fees	<b>14,580</b>	13,213	<b>38,078</b>	35,307
Subscription and professional fees	<b>10,859</b>	15,787	<b>36,394</b>	44,627
Commission and others	<b>(712)</b>	5,869	<b>24,241</b>	19,093
	<b>44,654</b>	53,936	<b>156,072</b>	149,626
	<b>147,806</b>	148,298	<b>456,852</b>	416,585

**27. Finance cost**

<b>Group</b>	<b>Note</b>	<b>3 months ended</b>		<b>9 months ended</b>	
		<b>30.09.2024</b>	<b>30.09.2023</b>	<b>30.09.2024</b>	<b>30.09.2023</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Finance cost:</b>					
- Subordinated sukuk and capital securities		<b>33,198</b>	23,630	<b>81,615</b>	70,120
- Profit expense on leases	15	<b>3,890</b>	4,027	<b>11,770</b>	12,231
		<b>37,088</b>	27,657	<b>93,385</b>	82,351
<b>Bank</b>					
<b>Finance cost:</b>					
- Subordinated sukuk and capital securities		<b>33,198</b>	23,630	<b>81,615</b>	70,120
- Profit expense on leases	15	<b>3,860</b>	4,026	<b>11,679</b>	12,222
		<b>37,058</b>	27,656	<b>93,294</b>	82,342

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

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

<b>Group</b>	<b>Consumer Banking RM'000</b>	<b>Corporate and Commercial Banking RM'000</b>	<b>Treasury RM'000</b>	<b>Head Office and Others RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>3 months ended 30 September 2024</u></b>						
<b>Total Revenue</b>	<b>743,347</b>	<b>219,619</b>	<b>195,824</b>	<b>20,659</b>	<b>(13,013)</b>	<b>1,166,436</b>
Net fund based income	358,283	155,231	39,586	(7,429)	-	545,671
Non-fund based income	53,397	10,345	13,993	18,892	(12,821)	83,806
<b>Net income</b>	<b>411,680</b>	<b>165,576</b>	<b>53,579</b>	<b>11,463</b>	<b>(12,821)</b>	<b>629,477</b>
Net allowance for impairment	(23,107)	(14,918)	(90)	(5)	-	(38,120)
<b>Profit before overheads, zakat &amp; tax</b>	<b>388,573</b>	<b>150,658</b>	<b>53,489</b>	<b>11,458</b>	<b>(12,821)</b>	<b>591,357</b>
Operating expenses	(239,516)	(90,139)	(14,922)	(35,175)	-	(379,752)
Finance cost	-	-	-	(37,088)	-	(37,088)
Share of profits in associates	-	-	-	1,219	-	1,219
<b>Profit before zakat &amp; tax</b>	<b>149,057</b>	<b>60,519</b>	<b>38,567</b>	<b>(59,586)</b>	<b>(12,821)</b>	<b>175,736</b>
<b><u>3 months ended 30 September 2023</u></b>						
<b>Total Revenue</b>	<b>720,171</b>	<b>232,811</b>	<b>178,655</b>	<b>15,311</b>	<b>(8,493)</b>	<b>1,138,455</b>
Net fund based income	318,751	148,107	24,457	37,515	-	528,830
Non-fund based income	47,761	10,633	26,346	15,014	(8,210)	91,544
<b>Net income</b>	<b>366,512</b>	<b>158,740</b>	<b>50,803</b>	<b>52,529</b>	<b>(8,210)</b>	<b>620,374</b>
Net allowance for impairment	(36,450)	(4,856)	79	444	-	(40,783)
<b>Profit before overheads, zakat &amp; tax</b>	<b>330,062</b>	<b>153,884</b>	<b>50,882</b>	<b>52,973</b>	<b>(8,210)</b>	<b>579,591</b>
Operating expenses	(236,827)	(72,551)	(18,785)	(26,665)	-	(354,828)
Finance cost	-	-	-	(27,657)	-	(27,657)
<b>Profit before zakat &amp; tax</b>	<b>93,235</b>	<b>81,333</b>	<b>32,097</b>	<b>(1,349)</b>	<b>(8,210)</b>	<b>197,106</b>

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

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

<b>Group</b>	<b>Consumer Banking RM'000</b>	<b>Corporate and Commercial Banking RM'000</b>	<b>Treasury RM'000</b>	<b>Head Office and Others RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>9 months ended 30 September 2024</u></b>						
<b>Total Revenue</b>	<b>2,186,506</b>	<b>665,142</b>	<b>576,204</b>	<b>70,359</b>	<b>(39,006)</b>	<b>3,459,205</b>
Net fund based income	1,069,509	477,623	119,066	(48,902)	-	1,617,296
Non-fund based income	149,735	28,502	56,835	61,195	(37,193)	259,074
<b>Net income</b>	<b>1,219,244</b>	<b>506,125</b>	<b>175,901</b>	<b>12,293</b>	<b>(37,193)</b>	<b>1,876,370</b>
Net allowance for impairment	(80,721)	(34,823)	1,090	(683)	-	(115,137)
<b>Profit before overheads, zakat &amp; tax</b>	<b>1,138,523</b>	<b>471,302</b>	<b>176,991</b>	<b>11,610</b>	<b>(37,193)</b>	<b>1,761,233</b>
Operating expenses	(717,052)	(271,393)	(47,767)	(94,465)	-	(1,130,677)
Finance cost	-	-	-	(93,385)	-	(93,385)
Share of profits in associates	-	-	-	1,219	-	1,219
<b>Profit before zakat &amp; tax</b>	<b>421,471</b>	<b>199,909</b>	<b>129,224</b>	<b>(175,021)</b>	<b>(37,193)</b>	<b>538,390</b>
<b><u>9 months ended 30 September 2023</u></b>						
<b>Total Revenue</b>	<b>2,078,476</b>	<b>683,594</b>	<b>576,772</b>	<b>128,882</b>	<b>(105,115)</b>	<b>3,362,609</b>
Net fund based income	883,310	429,890	58,205	170,214	-	1,541,619
Non-fund based income	136,460	28,933	106,765	127,075	(103,539)	295,694
<b>Net income</b>	<b>1,019,770</b>	<b>458,823</b>	<b>164,970</b>	<b>297,289</b>	<b>(103,539)</b>	<b>1,837,313</b>
Net allowance for impairment	(141,773)	(23,133)	282	444	-	(164,180)
<b>Profit before overheads, zakat &amp; tax</b>	<b>877,997</b>	<b>435,690</b>	<b>165,252</b>	<b>297,733</b>	<b>(103,539)</b>	<b>1,673,133</b>
Operating expenses	(692,482)	(201,876)	(50,871)	(102,777)	-	(1,048,006)
Finance cost	-	-	-	(82,351)	-	(82,351)
<b>Profit before zakat &amp; tax</b>	<b>185,515</b>	<b>233,814</b>	<b>114,381</b>	<b>112,605</b>	<b>(103,539)</b>	<b>542,776</b>

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

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

<b>Group</b>	<b>Consumer Banking RM'000</b>	<b>Corporate and Commercial Banking RM'000</b>	<b>Treasury RM'000</b>	<b>Head Office and Others RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>At 30 September 2024</u></b>						
Segment assets	52,436,521	15,234,481	23,678,681	729,081	(327,120)	91,751,644
Unallocated assets						2,004,780
Total assets						<u>93,756,424</u>
<b><u>At 30 September 2023</u></b>						
Segment assets	49,637,868	16,829,203	18,762,733	282,260	(191,128)	85,320,936
Unallocated assets						2,751,049
Total assets						<u>88,071,985</u>



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

**29. 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.

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

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

**Fair value hierarchy (continued)**

Group 30 September 2024 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			
<b>Financial assets</b>							
Financial assets at FVTPL	-	1,717,019	-	1,717,019	-	1,717,019	1,717,019
Derivative financial assets	-	513,874	-	513,874	-	513,874	513,874
Financial assets at FVOCI	6,581	14,023,087	83,465	14,113,133	-	14,113,133	14,113,133
Financial assets at AC	-	-	-	-	4,343,104	4,343,104	4,419,748
Financing, advances and others	-	-	-	-	71,531,871	71,531,871	67,671,003
<b>Financial liabilities</b>							
Derivative financial liabilities	-	544,489	-	544,489	-	544,489	544,489
Recourse obligations on financing sold to Cagamas	-	-	-	-	1,530,575	1,530,575	1,503,796
Subordinated sukuk and capital securities	-	-	-	-	3,327,874	3,327,874	3,336,011
<b>31 December 2023</b>							
<b>RM'000</b>							
<b>Financial assets</b>							
Financial assets at FVTPL	-	1,180,099	-	1,180,099	-	1,180,099	1,180,099
Derivative financial assets	-	68,412	-	68,412	-	68,412	68,412
Financial assets at FVOCI	6,317	12,430,426	83,465	12,520,208	-	12,520,208	12,520,208
Financial assets at AC	-	-	-	-	3,107,799	3,107,799	3,120,230
Financing, advances and others	-	-	-	-	70,406,543	70,406,543	66,817,115
<b>Financial liabilities</b>							
Derivative financial liabilities	-	56,548	-	56,548	-	56,548	56,548
Recourse obligations on financing sold to Cagamas	-	-	-	-	2,029,840	2,029,840	2,004,329
Subordinated sukuk and capital securities	-	-	-	-	2,306,829	2,306,829	2,323,540

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

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

**Fair value hierarchy (continued)**

Bank 30 September 2024 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			
<b>Financial assets</b>							
Financial assets at FVTPL	-	1,565,542	-	1,565,542	-	1,565,542	1,565,542
Derivative financial assets	-	513,874	-	513,874	-	513,874	513,874
Financial assets at FVOCI	6,581	14,023,087	84,824	14,114,492	-	14,114,492	14,114,492
Financial assets at AC	-	-	-	-	4,343,104	4,343,104	4,419,748
Financing, advances and others	-	-	-	-	71,531,871	71,531,871	67,671,003
<b>Financial liabilities</b>							
Derivative financial liabilities	-	544,489	-	544,489	-	544,489	544,489
Recourse obligations on financing sold to Cagamas	-	-	-	-	1,530,575	1,530,575	1,503,796
Subordinated sukuk and capital securities	-	-	-	-	3,327,874	3,327,874	3,336,011
<b>31 December 2023</b>							
<b>RM'000</b>							
<b>Financial assets</b>							
Financial assets at FVTPL	-	914,246	-	914,246	-	914,246	914,246
Derivative financial assets	-	68,412	-	68,412	-	68,412	68,412
Financial assets at FVOCI	6,317	12,430,426	84,824	12,521,567	-	12,521,567	12,521,567
Financial assets at AC	-	-	-	-	3,107,799	3,107,799	3,120,230
Financing, advances and others	-	-	-	-	70,406,543	70,406,543	66,817,115
<b>Financial liabilities</b>							
Derivative financial liabilities	-	56,548	-	56,548	-	56,548	56,548
Recourse obligations on financing sold to Cagamas	-	-	-	-	2,029,840	2,029,840	2,004,329
Subordinated sukuk and capital securities	-	-	-	-	2,306,829	2,306,829	2,323,540

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

**29. Fair value of Financial Instruments (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

<b>Type</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between significant unobservable inputs and fair value measurement</b>
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) Other financial assets at amortised cost

The fair values of securities that are actively traded are determined by quoted mid prices. For non-actively traded securities, the fair values are estimated using valuation techniques such as discounted cash flows analysis. Where discounted cash flows technique is used, the estimated future cash flows are discounted using applicable prevailing market or indicative rates of similar instruments at the reporting date.

(ii) 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.

(iii) Borrowings, subordinated sukuk and capital securities

The fair values are estimated by discounting the expected future cash flows using the applicable prevailing profit rates for borrowings with similar risk profiles.

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

**30. Commitment and Contingencies**

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

<b>As at 30 September 2024</b>	<b>Principal Amount RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Asset RM'000</b>	
<b><i>Credit related exposures</i></b>				
Direct credit substitutes	482,099	482,099	439,104	
Transaction related contingent items	1,249,573	624,787	647,215	
Short-term self-liquidating trade related contingencies	299,578	59,915	37,551	
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	967,568	483,784	424,152	
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	10,114,650	-	-	
	<u>13,113,468</u>	<u>1,650,585</u>	<u>1,548,022</u>	
	<b>Principal Amount RM'000</b>	<b>Positive Fair Value of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Asset RM'000</b>
<b><i>Derivative Financial Instruments</i></b>				
Foreign exchange related contracts				
- less than one year	10,030,124	513,874	650,463	189,568
<b>Total</b>	<u>23,143,592</u>	<u>513,874</u>	<u>2,301,048</u>	<u>1,737,590</u>

# Bank Islam Malaysia Berhad [Registration No. 198301002944 (98127-X)]

(Incorporated in Malaysia)

## Unaudited Interim Financial Statements

### 30. Commitment and Contingencies (continued)

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

As at 31 December 2023	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Asset RM'000	
<b><i>Credit related exposures</i></b>				
Direct credit substitutes	565,760	565,760	624,984	
Transaction related contingent items	1,155,677	577,839	621,457	
Short-term self-liquidating trade related contingencies	313,275	62,655	65,329	
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	1,074,826	537,413	451,996	
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	9,717,721	-	-	
	12,827,259	1,743,667	1,763,766	
	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Asset RM'000
<b><i>Derivative Financial Instruments</i></b>				
Foreign exchange related contracts				
- less than one year	8,651,500	68,402	177,339	82,196
Profit rate related contracts				
- one year to less than five years	3,343	10	5	3
	8,654,843	68,412	177,344	82,199
<b>Total</b>	21,482,102	68,412	1,921,011	1,845,965

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

**31. 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	
	30.09.2024	31.12.2023	30.09.2024	31.12.2023
CET I capital ratio	14.450%	14.124%	14.084%	13.530%
Tier I capital ratio	15.455%	15.132%	15.100%	14.548%
Total capital ratio	20.203%	19.893%	19.884%	19.347%

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

	Group		Bank	
	30.09.2024	31.12.2023	30.09.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Paid-up share capital	3,888,725	3,888,725	3,888,725	3,888,725
Retained earnings	3,473,439	3,257,009	3,570,646	3,348,297
Other reserves	415,445	254,478	304,957	143,590
<u>Less:</u>				
Deferred tax assets	(151,742)	(174,728)	(151,123)	(173,756)
Investment in subsidiaries	-	-	(261,085)	(344,049)
Investment in associates	(115,455)	-	(91,861)	-
Intangible assets	(51,578)	(50,354)	(51,578)	(50,354)
55% of fair value reserves	(21,473)	-	(21,473)	-
Regulatory reserve	(251,700)	(167,000)	(251,700)	(167,000)
<b>Total CET I Capital</b>	<b>7,185,661</b>	<b>7,008,130</b>	<b>6,935,508</b>	<b>6,645,453</b>
Capital securities	500,000	500,000	500,000	500,000
<b>Total Tier I Capital</b>	<b>7,685,661</b>	<b>7,508,130</b>	<b>7,435,508</b>	<b>7,145,453</b>
Subordinated sukuk	1,800,000	1,800,000	1,800,000	1,800,000
Loss provision ^	560,875	562,500	555,978	557,168
<b>Total Tier II Capital</b>	<b>2,360,875</b>	<b>2,362,500</b>	<b>2,355,978</b>	<b>2,357,168</b>
<b>Total Capital</b>	<b>10,046,536</b>	<b>9,870,630</b>	<b>9,791,486</b>	<b>9,502,621</b>

^ 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.

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

**31. Capital adequacy (continued)**

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

	<b>Group</b>		<b>Bank</b>	
	<b>30.09.2024</b>	<b>31.12.2023</b>	<b>30.09.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Credit risk	<b>57,842,668</b>	56,803,773	<b>57,451,867</b>	56,390,694
Less : Credit risk absorbed by unrestricted investment accounts	<b>(12,972,656)</b>	(11,803,750)	<b>(12,973,670)</b>	(11,817,298)
	<b>44,870,012</b>	45,000,023	<b>44,478,197</b>	44,573,396
Market risk	<b>514,890</b>	392,042	<b>514,889</b>	392,042
Operational risk	<b>4,343,930</b>	4,225,384	<b>4,249,954</b>	4,150,406
	<b>49,728,832</b>	49,617,449	<b>49,243,040</b>	49,115,844



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

**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 2024**

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

<b>Key Profit or Loss Items:</b>	<b>Group</b>		<b>Variance</b>	
	<b>9 months ended</b>			
	<b>30.09.2024</b>	<b>30.09.2023</b>	<b>RM'000</b>	<b>%</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	<b>3,459,205</b>	3,362,609	96,596	2.9
Net Income	<b>1,876,370</b>	1,837,313	39,057	2.1
Profit Before Zakat and Tax ("PBZT")	<b>538,390</b>	542,776	(4,386)	-0.8
Profit After Zakat and Tax ("PAZT")	<b>398,443</b>	394,766	3,677	0.9
Net profit attributable to equity holders of the Bank ("PATAMI")	<b>396,775</b>	394,766	2,009	0.5

Bank Islam Group ("Bank Islam" or "the Group") posted a PATAMI of RM396.8 million for the nine months ended 30 September 2024, an increase of RM2.0 million or 0.5% over the previous corresponding period in 2023. This was contributed by higher net income and lower net allowance for impairment on financing, offset by higher total overheads.

The performance translated to Group's earnings per share of 17.51 sen and annualised Return on Equity ("ROE") of 7.0%.

The increase in Group's net income was mainly attributed by higher net fund-based income which improved by RM75.7 million or 4.9%, mostly driven by year-on-year ("YoY") investment securities and financing growth. The net income was however offset by lower non-fund-based income which decreased by RM36.6 million or 12.4% mainly due to lower net gain from foreign exchange transactions and lower net gain from sale of financial assets at FVOCI, mitigated by higher fees and commission income.

The Group's net allowance for impairment on financing and advances declined by RM49.4 million or 29.9% to RM115.5 million as compared to the previous corresponding nine months ended 30 September 2023.

Total overheads for the nine months ended 30 September 2024 recorded an increase of RM82.7 million or 7.9% to RM1,130.7 million over the previous corresponding period in 2023. The increase in overhead expenses was mainly due to higher establishment expenses, personnel expenses and general expenses by RM30.5 million, RM29.1 million and RM16.9 million respectively.

The Group's total assets grew YoY by 6.5% to stand at RM93.8 billion as at 30 September 2024, spurred by growth in investment securities and financing. Net assets per share was at RM3.43.

Gross financing grew by 1.7% YoY to RM68.5 billion, while customer deposits and investment accounts stood at RM78.4 billion with a YoY increase of RM4.4 billion or 6.0%. At end September 2024, current and saving accounts and transactional investment accounts ("CASATIA") stood at RM29.1 billion translating into a healthy level of 37.1% of total customer deposits and investment accounts.

As at 30 September 2024, the gross impaired financing ratio was 1.02% compared to 0.94% at end December 2023.

The Group's Total Capital Ratio remained strong at 20.2% as at 30 September 2024.

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

**B1. Performance review for the nine months ended 30 September 2024 (continued)**

**Current Year-to-date vs. Previous Year-to-date (continued)**

**Operating Segment**

Consumer Banking's achieved a PBZT of RM421.5 million for the nine months ended 30 September 2024, a marked improvement of more than 100% compared to the previous corresponding period in 2023. This was driven by both higher net fund-based income and non-fund-based income as well as lower net allowance for impairment on financing.

On the other hand, Corporate and Commercial Banking recorded a PBZT of RM199.9 million, lower by 14.5% compared to the previous corresponding period in 2023, due to higher overheads and net allowance for impairment on financing.

Treasury reported a PBZT of RM129.2 million for the period, an increase of 13.0% as compared to the previous corresponding period in 2023, driven by higher net fund-based income and lower overheads. This was offset by lower net gain from foreign exchange transactions and lower net gain from sale of financial assets at FVOCI.

**Current Quarter vs. Previous Year Corresponding Quarter**

<b>Key Profit or Loss Items:</b>	<b>Group</b>		<b>Variance</b>	
	<b>3 months ended</b>			
	<b>30.09.2024</b>	<b>30.09.2023</b>	<b>RM'000</b>	<b>%</b>
	<b>RM'000</b>	<b>RM'000</b>		
Revenue	<b>1,166,436</b>	1,138,455	27,981	2.5
Net Income	<b>629,477</b>	620,374	9,103	1.5
Profit Before Zakat and Tax ("PBZT")	<b>175,736</b>	197,106	(21,370)	-10.8
Profit After Zakat and Tax ("PAZT")	<b>129,633</b>	140,541	(10,908)	-7.8
Net profit attributable to equity holders of the Bank ("PATAMI")	<b>130,437</b>	140,541	(10,104)	-7.2

For the third quarter ended 30 September 2024 ("3Q2024"), Bank Islam Group recorded a PBZT of RM175.7 million, a decrease of RM21.4 million or 10.8% over the corresponding quarter last year ("3Q2023") of RM197.1 million. The decrease in PBZT was mainly due to higher total overheads, mitigated by higher net income and lower net allowance for impairment on financing.

Total overheads were higher by RM24.9 million or 7.0% over 3Q2023 overheads mainly due to higher personnel expenses, general expenses and marketing expenses by RM8.3 million, RM6.2 million and RM5.6 million respectively.

The Group's net income increased by RM9.1 million or 1.5% primarily due to higher net fund-based income by RM16.8 million or 3.2% mainly driven by investment securities and financing growth. The net income was however offset by lower non-fund-based income which declined by RM7.7 million or 8.5% mostly due to net loss from foreign exchange transactions, mitigated by both higher investment income and higher fees and commission income.

The Group's net allowance for impairment on financing and advances decreased by RM3.3 million or 7.9% to RM38.0 million as compared to 3Q2023 of RM41.3 million.

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

**B1. Performance review for the nine months ended 30 September 2024 (continued)**

**Current Quarter vs. Previous Year Corresponding Quarter (continued)**

**Operating Segment**

Consumer Banking's achieved a PBZT of RM149.1 million for the 3Q2024, 59.9% higher than the 3Q2023, contributed by both higher net fund-based income and higher non-fund-based income and lower net allowance for impairment on financing.

Corporate and Commercial Banking reported a PBZT of RM60.5 million, lower by 25.6% from 3Q2023. This was attributed by higher overheads and net allowance for impairment on financing.

Treasury recorded a PBZT for 3Q2024 of RM38.6 million, improved by 20.2% as compared to 3Q2023 due to higher net fund-based income and lower overheads. The increase was however offset by lower net gain from foreign exchange transactions.

**B2. Comparison with the preceding quarter's results for the three months performance (Third Quarter 2024 vs. Second Quarter 2024)**

Key Profit or Loss Items:	Group		Variance	
	3 months ended			
	30.09.2024	30.06.2024	RM'000	%
	RM'000	RM'000		
Revenue	1,166,436	1,148,265	18,171	1.6
Net Income	629,477	629,113	364	0.1
Profit Before Zakat and Tax ("PBZT")	175,736	186,496	(10,760)	-5.8
Profit After Zakat and Tax ("PAZT")	129,633	138,078	(8,445)	-6.1
Net profit attributable to equity holders of the Bank ("PATAMI")	130,437	137,166	(6,729)	-4.9

For the third quarter ended 30 September 2024 ("3Q2024"), the Group registered a PBZT of RM175.7 million, lower by RM10.8 million or 5.8% against the preceding quarter ended 30 June 2024 ("2Q2024"). The lower PBZT was mainly due to higher finance cost on subordinated sukuk and capital securities, and higher net allowance for impairment on financing, mitigated by higher net fund-based income and lower personnel expenses.

The Group's finance cost on subordinated sukuk and capital securities increased by RM9.0 million or 37.1% mainly due to issuance of RM1.0 billion Senior Sukuk Murabahah on 15 July 2024.

The Group's net allowance for impairment on financing and advances increased by RM2.8 million to RM38.0 million as compared to 2Q2024 of RM35.2 million.

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

**B3. Prospects for 2024**

Department of Statistic Malaysia in its report released on 21 October 2024 indicated that Malaysia's economy grew 5.3% in the third quarter of 2024 following robust growth in the preceding quarter. The growth was led by services and manufacturing sectors. The stable labour market, moderate inflationary pressures, accommodative fiscal and monetary policies, and ongoing recovery in tourism are expected to contribute to the expansionary momentum of the economy. Stable monetary policy stance by BNM could provide support and lead to increased demand for financing, which can boost banks' lending portfolios and overall profitability in line with stronger economic dynamics. Additionally, the World Bank is forecasting a growth of 4.9% in GDP for Malaysia in 2024.

Bank Islam's strategic partnership with Nomura Asset Management Malaysia will expand the Bank's Shariah-compliant investment options by providing customers with access to six new investment products. Renowned for commitment to sustainability and ESG principles, Nomura's collaboration will enable Bank Islam to meet the evolving financial needs of its clients. In October this year, the Bank's subsidiary, BIMB Investment Management Berhad, clinched multiple awards at "*The Edge Malaysia ESG Awards 2024*" by winning 4 categories via its Makmur myWakaf RM fund. The fund won the gold award in the best E (environmental), the best S (social) and the best G (governance) fund categories and the silver award in the best allocation fund category. The strategic partnership entered, and awards won had signified the Bank initiatives that aligned with ethical investment that promote personal wealth growth while also making positive societal impacts in the future.

Recently, Bank Islam acted as the Principal Advisor, Lead Arranger and Shariah Advisor of Air Selangor's recent RM1.2 billion Sustainable and Responsible Investment (SRI) Sukuk issuance, Bank Islam continues to play a leading role in advancing sustainable financial practices. Being the largest issuance to date under Air Selangor's Sukuk Murabahah programme, the success was further proven by the oversubscription of 4.95 times, which demonstrated the Bank's capability in promoting innovative and climate positive initiative.

Bank Islam continues to empower the micro-entrepreneur segment through its strategic partnership with Waqaf An-Nur Corporation Berhad. With a contribution of RM120,000 to iTEKAD microfinancing programme, this collaboration reinforces Bank Islam's dedication to supporting micro-businesses, particularly within asnaf and B40 communities.

Providing excellent customers experience remains one of Bank Islam's main focuses with the launch of Pay with Rewards™ loyalty programme in partnership with Mastercard. This innovative programme allows Bank Islam Mastercard Credit Card-i cardholders to instantly earn and redeem points at over 100 million Mastercard acceptance locations worldwide. The integration of Mastercard's Pay with Rewards with Bank Islam's TruPoints system ensures a seamless and flexible redemption experience for its cardholders.

**B4. Variance from profit forecast and profit guarantee**

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

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

**B5. Tax expense**

**Major components of tax expense**

Group	3 months ended		9 months ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Malaysia income tax:				
Current year	<b>50,750</b>	51,167	<b>124,044</b>	124,799
(Over)/Under provision in prior years	<b>(1,384)</b>	5,624	<b>(1,171)</b>	5,596
Deferred tax expense relating to origination and reversal of temporary differences arising from:				
Current year	<b>(5,251)</b>	(3,976)	<b>7,219</b>	6,404
Over provision in prior years	<b>(512)</b>	-	<b>(159)</b>	(39)
	<b>43,603</b>	52,815	<b>129,933</b>	136,760

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

Group	3 months ended		9 months ended	
	30.09.2024 RM'000	30.09.2023 RM'000	30.09.2024 RM'000	30.09.2023 RM'000
Profit before tax	<b>175,736</b>	197,106	<b>538,390</b>	542,776
Income tax calculated using Malaysian tax rate of 24%	<b>42,177</b>	47,305	<b>129,214</b>	130,266
Income not subject to tax	<b>1,366</b>	(19,560)	<b>(1,139)</b>	(19,898)
Non-deductible expenses	<b>2,563</b>	20,424	<b>5,800</b>	23,351
Zakat	<b>(900)</b>	(1,020)	<b>(2,905)</b>	(2,700)
Deferred tax assets not recognised	-	42	-	184
Share of profits in associates	<b>293</b>	-	<b>293</b>	-
(Over)/Under provision in prior years	<b>(1,896)</b>	5,624	<b>(1,330)</b>	5,557
	<b>43,603</b>	52,815	<b>129,933</b>	136,760

**B6. Status of corporate proposals**

There has been no new corporate proposal since the date of last quarterly report.

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

**B7. Borrowings, subordinated sukuk and capital securities**

RM'000	As at 30.09.2024		
	Long term	Short term	Total borrowings
<b>Secured</b>			
- Recourse obligations on financing sold to Cagamas	1,500,000	3,796	1,503,796
<b>Unsecured</b>			
- Subordinated sukuk	1,400,000	424,743	1,824,743
- Capital securities	500,000	2,545	502,545
- Senior Sukuk Murabahah	1,000,000	8,723	1,008,723
<b>Total unsecured</b>	<b>2,900,000</b>	<b>436,011</b>	<b>3,336,011</b>

RM'000	As at 31.12.2023		
	Long term	Short term	Total borrowings
<b>Secured</b>			
- Recourse obligations on financing sold to Cagamas	1,500,000	504,329	2,004,329
<b>Unsecured</b>			
- Subordinated sukuk	1,800,000	14,351	1,814,351
- Capital securities	500,000	9,189	509,189
<b>Total unsecured</b>	<b>2,300,000</b>	<b>23,540</b>	<b>2,323,540</b>

RM'000	As at 30.09.2023		
	Long term	Short term	Total borrowings
<b>Secured</b>			
- Recourse obligations on financing sold to Cagamas	1,500,000	504,329	2,004,329
<b>Unsecured</b>			
- Subordinated sukuk	1,400,000	322,148	1,722,148
- Capital securities	500,000	2,686	502,686
<b>Total unsecured</b>	<b>1,900,000</b>	<b>324,834</b>	<b>2,224,834</b>

The borrowings, subordinated sukuk and capital securities comprise the following:

- a) 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.

These financing are not de-recognised and are analysed in Note 13(a). The details are as follows:

	Nominal value RM'000	Issue date	Maturity Date	Profit rate (% p.a.)
(i)	1,000,000	4 November 2022	4 November 2027	4.83
(ii)	500,000	28 June 2023	28 June 2028	4.16

On 18 May 2024, RM500 million of the financing has matured.

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

**B7. Borrowings, subordinated sukuk and capital securities (continued)**

b) Subordinated sukuk and capital securities

	Nominal value RM'000	Issue date	First call date*	Maturity Date	Profit rate (% p.a.)#
Subordinated sukuk					
(i)	400,000	26 March 2020	26 March 2025	26 March 2030	3.75
(ii)	700,000	21 October 2020	21 October 2025	21 October 2030	3.60
(iii)	300,000	12 November 2021	12 November 2026	12 November 2031	4.10
(iv)	400,000	17 October 2023	17 October 2028	17 October 2033	4.70
Capital securities					
(v)	500,000	24 August 2022	24 August 2027	Perpetual	5.16
Senior Sukuk Murabahah					
(vi)	400,000	15 July 2024	Non-callable	13 July 2029	4.01
(vii)	600,000	15 July 2024	Non-callable	15 July 2031	4.13

\* Optional redemption date or any periodic payment date thereafter.

# Accrued and payable semi-annually in arrears.

On 7 November 2023, the Bank has exercised the call option and redeemed RM300 million in nominal value of the Subordinated Sukuk Murabahah under the RM10.0 billion Subordinated Sukuk Murabahah Programme.

**B8. Material litigation**

- (a) 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 Abou Mansor ("Second Defendant").

Plaintiff pleaded that the Defendants are liable for loss and damage caused by the Defendants fraudulent misrepresentation, negligent 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 to Plaintiff.

The sealed Writ and Statement of Claim dated 18 October 2021 was served to Messrs Ganesan & Irmohizam ("First Defendant's Solicitors") on 25 October 2021.

The Plaintiff claimed for the following:

- 1) RM43,958,509.29 being the difference between the balance sum and total principal sum deposited;
- 2) RM15,910,619.62 for lost of profit on deposit sum;
- 3) Alternatively, RM11,443,914.00 for lost of profit on deposit sum;
- 4) General damages;
- 5) Exemplary damages; and
- 6) Interest.

The First Defendants Solicitors had entered Appearance on 8 November 2021 and requested for an extension of two weeks from 24 November 2021 to file Defence. The Court fixed for next Case Management ("CM") on 24 November 2021. On 24 November 2021, the Court directed First Defendant to file Defence on 8 December 2021 and Plaintiff to file Reply to Defence by 5 January 2022.

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

**B8. Material litigation**

(a) Continued...

During the CM held on 18 July 2022, the Court made the following directions in relation to Enclosure 32 (First Defendant's Notice of Application seeking original documents for forensic examination):

- 1) Plaintiff shall file and serve its Affidavit in Reply on or before 29 July 2022;
- 2) First Defendant shall file and serve its Affidavit in Reply on or before 12 August 2022;
- 3) Both Parties shall file respective written submissions simultaneously on or before 23 August 2022;
- 4) Both Parties shall file respective written submissions in reply simultaneously on or before 30 August 2022.

Full trial of this suit which was scheduled on 27th, 28th and 29th of May 2024 had been postponed to 13th to 17th January 2025. The matter was fixed for CM on 12 December 2024 for the parties to seek further direction from the Court.

By an amicable settlement, it was agreed between the parties to settle the matter through out of court settlement. Pursuant to the said settlement, on 2 September 2024, notice of discontinuance had been filed where the Plaintiff has withdrawn the action against BIMB Investment Management Berhad. Based on the above, the matter is considered as resolved.

(b) On 26 April 2022, a group of syndicated financiers including Bank Islam Malaysia Berhad, HSBC Amanah Malaysia Berhad, Ambank Islamic Berhad, MIDF Amanah Investment Bank Berhad, Standard Chartered Saadiq Berhad and United Overseas Bank (Malaysia) Berhad filed a winding up petition against Serba Dinamik Holdings Berhad ("Customer") and Serba Dinamik Group Berhad, Serba Dinamik Sdn Bhd, Serba Dinamik Development Sdn Bhd, Serba Dinamik Controls Sdn Bhd ("Guarantors").

The Customer defaulted on payment of Syndicated Term Financing which involved RM1.2 billion (Bank Islam exposure RM245 million). The Customer made an application to Court for an appointment of Interim Judicial Managers ("IJM"). However, the application on IJM was withdrawn by the Customer citing majority of the financiers were opposing on the appointment of the Customer's choice of IJM and further indicated to Court that they will apply for Scheme of Arrangement under Section 366 instead.

Meanwhile, the syndicated financiers had proceeded with a winding up petition and appointment of an Interim Liquidator from PricewaterhouseCoopers Advisory Services Sdn Bhd ("PwC") which were filed in April 2022. The matters were contested by the Customer by filing stay, striking out and cross examination applications. The Court fixed hearing of the applications on 8 June 2022.

At the same time, the Customer filed for the preliminary draft of Scheme of Arrangement ("SOA") in the Commercial Court indicating the SOA proposal among others that payment would be made in tranches with full recovery expected by year 2025. There would be further discussions in respect to the detailed SOA proposal.

The SOA and other matters were fixed at the Creditors Meeting on 25 July 2022. The Court Convened Meeting ("CCM") was concluded, and majority of the scheme creditors attended have voted and supported the proposed SOA.

As the Customer had breached the terms of the Scheme, the solicitor for the Syndicated Financiers issued a letter to the Court to advise that there has been a breach of the Scheme or the Consent Order which entitled the Syndicated Financiers to move for the Interim Liquidator ("IL"). On 23 August 2022, the Court allowed for the application of the IL.



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

**B8. Material litigation (continued)**

(b) Continued...

The Interim Liquidator appointed was Victor Saw Seng Kee, the licensed liquidator from PwC. The Guarantors filed an application to stay and discharge of the Court Order on the Appointment of IL and to modify the Scheme. The Court fixed for the Case Management ("CM") on the application to stay and discharge on 15 September 2022 and hearing to modify the Scheme on 27 September 2022.

On CM date 18 October 2022, the solicitors for IL submitted that IL requires more time to complete their assessment on the viability of the Scheme and the Scheme funds. The IL was preparing an affidavit to update the Winding Up court on their current investigation status and indicated that they would extend this affidavit to the scheme court. The Judge fixed a CM date on 9 November 2022. At the Scheme Proceedings the Court ordered that all Originating Summons ("OS") (OS 812, 813, 814, 815 (Serba Dinamik Development Sdn Bhd) and 816 (Serba Dinamik Controls Sdn Bhd) to be struck out with liberty to file afresh.

During the CM, IL indicated that they were taking instructions on the filing of an Affidavit in Reply and the Court directed for any replies to be filed within 14 days and fixed for hearing of the application on 10 January 2023 together with the Syndicated Financiers' Winding Up Petition.

On 10 January 2023 the Winding Up order was granted against Serba Dinamik Holdings Bhd ("SDHB"), Serba Dinamik International Ltd ("SDIL"), Serba Dinamik Sdn Bhd ("SDSB") and Serba Dinamik Group Berhad ("SDGB") (collectively referred to as "Companies").

The Companies filed appeal to the Court of Appeal against the dismissal of the Companies' application to adjourn the hearing of the Winding up petition and against the Winding up order dated 10 January 2023. The CM for the appeal was fixed on 11 April 2023.

In the meantime, the Companies sought for interim stay of the Winding Up Order pending disposal of the Stay Application. The Court allowed the interim stay. The proper hearing date for the Stay Application was fixed on 6 March 2023 and the decision was fixed on 16 March 2023 where the Court had dismissed the Stay Application.

On 7 July 2023, the High Court approved the application made by the approved liquidator's application for authorisation to continue the operations of Serba Dinamik Holdings Berhad and three liquidating companies for 365 days starting from 9 July 2023 to 8 July 2024. The only entity which was allowed to continue operations until 7 July 2025 was Serba Dinamik Sdn Bhd.

The Companies filed appeal to the Court of Appeal against the dismissal of the Companies' application to adjourn the hearing of the Winding up petition and against the Winding up order dated 10 January 2023. The CM was held on 31 July 2023, during which the Court has scheduled the hearing of the appeal for 25 June 2024. On 25 June 2024, the Court of Appeal allowed the withdrawal of the appeals without liberty to file afresh with cost to be paid to the Syndicated Financiers.

Additionally, there were Notices of Creditors Meeting from the Liquidator which was held as follows:-

- SDHB on 10 October 2023;
- SDGB and SDSB on 11 October 2023; and
- SDIL on 12 October 2023.

The above meetings were fixed for the appointment of the Committee of Inspection ("COI") where on the meeting date, Bank Islam has been appointed as the committee under the COI for the above four (4) companies.

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

**B8. Material litigation (continued)**

(b) Continued...

The Court on 27 October 2023 allowed the application made by Liquidator to confirm the SDHB's COI. The First COI meeting was called on 14 November 2023 among others to update the committee on the progress made by the Liquidator, discussion on Liquidator Fees and Strategies moving forward. The subsequent COI meeting was held on 29 March 2024 for update on the Liquidator remuneration. Further, subsequent COI meeting was held on 31 May 2024 and 28 June 2024.

On 28 June 2024, COI agreed to adopt to fee structure of 3% upon assets realized and 1% upon amount available for distribution. The COI would revisit the fee structure on 31 December 2025.

(c) Bank Islam ("the Bank") filed a civil suit against Burwood Group Limited ("Customer") and 8 others, namely Robert Kokshoorn, Anthony Richard Witham, George Mavrogenis, Ooi Joo Fong, Dato' Mohd Salleh Bin Yeop Abdul Rahman, Stephen Keith Lavender, BPA Group Limited and Dominic Andrla (collectively be referred to as "the Defendants") claiming for an amount of RM85,456,573.79 being the outstanding financing facilities granted by the Bank to the Customer whose accounts had been defaulted.

On 28 January 2022, the Bank filed civil suit against the Customer and all Guarantors. The latest summary updates of the suit are as follows:

- (i) On 25 August 2022, Judgement in Default ("JID") has been obtained against 2<sup>nd</sup> and 3<sup>rd</sup> Defendants.
- (ii) On 20 September 2022, JID has been obtained against 8<sup>th</sup> Defendant.
- (iii) On 31 May 2023, consent judgment entered between both parties and the 5<sup>th</sup> Defendant has made full payment and the case against 6<sup>th</sup> Defendant has been withdrawn as the 6<sup>th</sup> Defendant passed away.
- (iv) On 22 June 2023, JID has been obtained against 7<sup>th</sup> Defendant.
- (v) On 4 September 2023, the Court allowed the Bank's Summary Judgment application for 1<sup>st</sup> and 4<sup>th</sup> Defendants. The Defendants filed appeal to the Court of Appeal on 2 October 2023. The Court fixed on 5 March 2024 for Case Management ("CM"). The Court has fixed Hearing for the Notices of Appeal by the defendants on 6 March 2025.
- (vi) On 30 October 2023, the Court fixed for CM on the Bank's application for Summary Judgment (Order 14) against the 9<sup>th</sup> Defendant. The Defendant filed an application to set aside the service Writ Summons, hearing on 30 October 2023 and the decision was fixed on 24 November 2023 where the Court allowed the Defendant's application, and the case was fixed for CM on 22 December 2023, 30 January 2024 and 7 March 2024. The Court fixed for CM on 7 October 2024 for the Defendant to file defence. The Bank filed the Summary Judgment (Order 14) application on 28 August 2024, the Court fixed the hearing for the Summary Judgment application on 7 March 2025.

(d) Bank Islam ("the Bank") filed a civil suit against Sawit Raya Oil (Kelantan) Sdn Bhd, Tan See Meng, Tan See Nong and Sawit Raya Sdn Bhd ("the Defendants") to recover the outstanding amount of RM234,621,328.53 for the financing granted to the first Defendant. The Writ Summons and the Statement of Claim were filed on 1 July 2022. The Court has directed the Defendants to file Statement of Defence on or before 23 August 2022 and Reply to Defence on or before 6 September 2022. Defendants to file Affidavit In Reply on or before 17 October 2022 and the Bank to file Affidavit In Reply on or before 31 October 2022. The next Case Management ("CM") was fixed on 3 November 2022.

The Court has directed parties to file Written Submission on or before 18 November 2022 and Submission in Reply on or before 25 November 2022. The hearing of the application for Summary Judgment ("Hearing") has been fixed on 2 December 2022. The Hearing was postponed to 14 February 2023.

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

**B8. Material litigation (continued)**

(d) Continued...

The Court adjourned the hearing as the Defendants filed a Notice of Application to adduce an expert opinion. The next CM date was fixed on 27 February 2023 for the court to fix a date for the hearing of the said Notice of Application and Order 14. The Court has dismissed the Defendant's Application to adduce an expert opinion.

The Court has fixed the hearing for the Bank's Order 14 application on 13 July 2023. The hearing on 13 July 2023 has been adjourned to 25 September 2023. The Court further adjourned the hearing for Order 14 to 22 February 2024. The next hearing was adjourned to 21 March 2024 and was further postponed to 22 August 2024. On 22 August 2024, the Court has fixed next CM on 24 October 2024. The Court has fixed the hearing for the Bank's Order 14 application on 20 May 2025.

(e) On 29 December 2022, 5 Star Room Hotel Sdn Bhd, Tan Wooi Chon, Chundsi Kudkumkong, Tan Woan Rou & Tan Woanren ("Plaintiff") filed a civil suit against Bank Islam ("Defendant"). The first Plaintiff is Bank Islam's Customer and the second to the fifth Plaintiffs are Guarantors for the following facilities granted by Bank Islam to the Customer:

- (a) Business Financing-i RM37,000,000.00;
- (b) Business Cash Line-i (1) RM5,000,000.00;
- (c) Business Cash Line-i (2) RM2,000,000.00;
- (d) Business Cash Line-i (3) RM5,000,000.00.

This suit was different from the suit that was previously initiated by 5 Star Room against the Bank on 22 April 2019 and decided by the Court against 5 Star Room. In this suit, the Plaintiffs sought for an injunction from the Court to restrain Bank Islam from disposing or proceeding with foreclosure action against the charged properties charged to Bank Islam.

The Plaintiff claims for the following:

- (a) Damages RM300,000,000.00;
- (b) An injunction;
- (c) General damages;
- (d) Damages for breach of contract RM500,000,000.00;
- (e) Restitution RM53,420,697.04;
- (f) Punitive damages RM600,000,000.00;
- (g) Exemplary damages RM600,000,000.00; and
- (h) Cost.

The Case Management ("CM") for the Writ was fixed on 8 March 2023. Meanwhile, the Plaintiff filed an Injunction Application whereby the CM was fixed on 13 March 2023. The hearing of the Injunction was fixed on 31 May 2023 and the decision was fixed on 26 July 2023 whereby the Court had dismissed the Plaintiffs' application with cost RM1,000. The CM on 20 September 2023 was fixed for the parties to file any interlocutory applications.

The Court fixed 13 November 2023 for CM for the Bank to serve the Striking Out Application ("SOA") to the Plaintiff and for the Plaintiff to appoint a new solicitor as the current solicitor passed away. The CM was fixed on 9 January 2024 and 26 February 2024. The hearing of SOA was fixed on 7 April 2024, however it was postponed to 13 June 2024. The decision for SOA was fixed on 31 July 2024 whereby the Court allowed the Bank's SOA with cost of RM2,000.00.

Based on the above, the matter is considered as resolved.

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

**B8. Material litigation (continued)**

- (f) Bank Islam ("the Bank") filed a civil suit against Ivory Gleneary Sdn Bhd and Ivory Properties Group Berhad ("the Defendants") to recover the outstanding amount of RM19,816,860.00 for the financing granted to the Defendants.

On 19 April 2024, the Bank filed the Summary Judgment (Order 14) application. Meanwhile, the Defendants filed an application to transfer the proceeding to Pulau Pinang High Court ("PPHC") from Kuala Lumpur High Court ("KLHC"). KLHC had allowed the Defendants' application to transfer this case to PPHC. PPHC fixed for Case Management ("CM") on 15 December 2024.

**B9. Dividend**

- (a) On 30 January 2023, the Bank paid an interim dividend of 10.40 sen per ordinary share amounting RM224.1 million for the financial year ended 31 December 2022. From the total dividend amount, approximately 11% or RM23.6 million was distributed as cash dividend whilst the remaining 89% amounting to RM200.5 million was reinvested to subscribe for 88,736,000 new ordinary shares at RM2.26 each via the Dividend Reinvestment Plan ("DRP"). The new ordinary shares were listed on 31 January 2023.
- (b) On 27 February 2023, Board of Directors of Bank Islam Malaysia Berhad ("The Board") had declared a second interim dividend of 3.40 sen per ordinary share amounting RM76.3 million for the financial year ended 31 December 2022. From the total dividend amount, approximately 43% or RM33.2 million was distributed as cash dividend whilst the remaining 57% amounting to RM43.1 million was reinvested to subscribe for 22,468,100 new ordinary shares at RM1.92 each via the Dividend Reinvestment Plan ("DRP"). The new ordinary shares were listed on 15 May 2023.
- (c) On 12 January 2024, the Bank paid an interim cash dividend of 12.59 sen per ordinary share amounting RM285.4 million for the financial year ended 31 December 2023.
- (d) On 5 April 2024, the Bank paid a second interim cash dividend of 4.22 sen per ordinary share amounting RM95.6 million for the financial year ended 31 December 2023.

**B10. 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	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Net profit for the period under review attributable to equity holders of the parent	130,437	140,541	396,775	394,766
Number of ordinary shares	2,266,473	2,266,473	2,266,473	2,266,473
Number of average ordinary shares	2,266,473	2,255,610	2,266,473	2,245,694
Earnings per share (sen)	<u>5.76</u>	<u>6.20</u>	<u>17.51</u>	<u>17.58</u>

**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.

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

**B11. Foreign exchange exposure/hedging policy**

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

<b>RM equivalent</b>	<b>30.09.2024 RM'000</b>	<b>31.12.2023 RM'000</b>
USD	130,489	91,306
EURO	(90,419)	(100,901)
Others	5,229	18,339

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

**B12. 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:

	<b>As at 30.09.2024</b>			
<b>Group</b>	<b>Carrying value before impairment RM'000</b>	<b>Impairment losses RM'000</b>	<b>Carrying value after impairment RM'000</b>	<b>Market value RM'000</b>
Financing, advances and others	68,464,441	(793,438)	67,671,003	71,531,871

  

	<b>As at 31.12.2023</b>			
<b>Group</b>	<b>Carrying value before impairment RM'000</b>	<b>Impairment losses RM'000</b>	<b>Carrying value after impairment RM'000</b>	<b>Market value RM'000</b>
Financing, advances and others	67,624,789	(807,674)	66,817,115	70,406,543

At each reporting date, the Group first assesses individually whether objective evidence of impairment exists for significant financial assets and collectively for financial assets that are not individually significant. If it is determined that 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.

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

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

**B12. Material impairment of assets (continued)**

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.

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.

**B13. Derivatives**

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

	<b>Notional amount 30.09.2024 RM’000</b>	<b>Fair value 30.09.2024 RM’000</b>	<b>Notional amount 31.12.2023 RM’000</b>	<b>Fair value 31.12.2023 RM’000</b>
<b>Trading derivatives</b>				
Foreign exchange related contracts				
- Less than one year	10,030,124	(30,615)	8,651,500	11,863
Profit rate related contracts				
- Less than one year	-	-	3,343	1
	<u>10,030,124</u>	<u>(30,615)</u>	<u>8,654,843</u>	<u>11,864</u>

**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 items from on and off-balance sheet positions. As at 30 September 2024, the amount of contracts which were not hedged and, hence, exposed to market risk was RM514.9 million (31 December 2023: RM392.0 million).

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

**B13. Derivatives (continued)**

**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 2024, the credit risk measured in terms of the cost to replace the profitable contracts, was RM650.5 million (31 December 2023: RM177.3 million).

**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.

**B14. The amounts 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. 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.

For financial year to date ended 30 September 2024, the net losses arising from fair value changes of financial assets and liabilities was immaterial.