

**Bank Islam Malaysia Berhad**  
 (Company No.98127-X)  
 (Incorporated in Malaysia)

**Condensed Interim Financial Statement**  
**Unaudited Balance Sheet as at 31 March 2007**

	<b>31 March 2007 RM'000</b>	<b>30 June 2006 RM'000</b>
<b><u>ASSETS</u></b>		
Cash and short term funds	5,276,288	2,866,488
Deposits and placements with banks and other financial institutions	-	-
Securities:		
Held-for-trading	648,127	249,618
Held-to-maturity	131,811	132,064
Available-for-sale	3,062,463	2,084,475
Financing, advances and other loans	8,390,197	8,501,362
Other assets	303,476	212,781
Statutory deposit with Bank Negara Malaysia	416,507	459,856
Investment in subsidiary companies	8,397	5,947
Investment in associated companies	-	-
Property, plant and equipment	89,509	85,335
Tax recoverable	32,708	7,390
<b>Total Assets</b>	<b><u>18,359,483</u></b>	<b><u>14,605,316</u></b>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>		
Deposits from customers	16,312,064	14,386,516
Deposits and placements of banks and other financial institutions	256,883	63,028
Bills payables	136,722	100,919
Other liabilities	531,689	232,693
Zakat and Taxation	1,843	-
Deferred taxation	-	-
Subordinated financing	100,000	100,000
<b>Total Liabilities</b>	<b><u>17,339,201</u></b>	<b><u>14,883,156</u></b>
<b>Shareholders' equity</b>		
Share capital	1,725,490	880,000
Reserves	(705,208)	(1,157,840)
<b>Total Shareholders' equity</b>	<b><u>1,020,282</u></b>	<b><u>(277,840)</u></b>
Minority interests	-	-
<b>Total Liabilities and Shareholders' equity</b>	<b><u>18,359,483</u></b>	<b><u>14,605,316</u></b>
<b><u>COMMITMENTS AND CONTINGENCIES</u></b>	<b><u>4,723,284</u></b>	<b><u>4,026,381</u></b>
<b><u>CAPITAL ADEQUACY</u></b>		
Core capital ratio	9.67%	-2.78%
Risk-weighted capital ratio	12.37%	-2.84%

*The condensed interim financial statement should be read in conjunction with the audited Financial Statement of the Bank for the year ended 30 June 2006.*

**Bank Islam Malaysia Berhad**  
 (Company No.98127-X)  
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**Condensed Interim Financial Statement**  
**Unaudited Profit and Loss Account**  
**For the Financial Third Quarter Ended 31 March 2007**

	3 months ended		9 months ended	
	31 March 2007 RM'000	31 March 2006 RM'000	31 March 2007 RM'000	31 March 2006 RM'000
Income derived from investment of depositors' funds and others	242,714	194,463	649,009	610,828
Income derived from investment of shareholders' funds	50,774	43,127	81,659	122,659
Allowance for losses on debt and financing	20,252	(171,885)	42,623	(369,470)
Provision for commitments and contingencies	-	-	-	-
Impairment loss - PDIV	950	(19,474)	75,952	(24,842)
Profit equalisation reserve	(76,915)	(379)	(73,351)	(379)
Other expenses directly attributable to the investment of the depositors and shareholders' funds	-	-	-	-
	<u>237,775</u>	<u>45,852</u>	<u>775,892</u>	<u>338,796</u>
<b>Total distributable income</b>				
Income attributable to the depositors	(112,950)	(68,658)	(315,259)	(243,619)
	<u>124,825</u>	<u>(22,806)</u>	<u>460,633</u>	<u>95,177</u>
<b>Total net income</b>				
Other operating expenses	(89,923)	(87,354)	(259,895)	(248,559)
	<u>34,902</u>	<u>(110,160)</u>	<u>200,738</u>	<u>(153,382)</u>
<b>Profit/(Loss) before zakat and taxation</b>				
Zakat	(1,050)	(1,000)	(3,150)	(2,500)
Taxation	14,407	(7,424)	(184)	(20,080)
	<u>48,259</u>	<u>(118,584)</u>	<u>197,404</u>	<u>(175,962)</u>
<b>Profit/(Loss) after zakat and taxation</b>				

*The condensed interim financial statement should be read in conjunction with the audited Financial Statement of the Bank for the year ended 30 June 2006.*

**Bank Islam Malaysia Berhad**

(Company No.98127-X)

(Incorporated in Malaysia)

**Condensed Interim Financial Statement****Unaudited Statement of Changes in Equity****For the Financial Third Quarter Ended 31 March 2007**

	← Non-Distributable →				Distributable		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Fair value reserve RM'000	Transalation reserve RM'000	Retained profit/ (Accumulated loss) RM'000	
At 30 June 2005/ 1 July 2005	600,000	331,375	200,533	-	-	(401,727)	730,181
Effect to adoption GP8i	-	-	-	56,499	-	-	56,499
							-
<b>At 1 July 2005 (restated)</b>	<b>600,000</b>	<b>331,375</b>	<b>200,533</b>	<b>56,499</b>	<b>-</b>	<b>(401,727)</b>	<b>786,680</b>
Exchange differences on translation of the financial statements of offshore branch	-	-	-	-	15,418	-	15,418
Fair value loss on revaluation of securities available-for-sale	-	-	-	(63,149)	-	-	(63,149)
Issue shares	280,000	-	-	-	-	-	280,000
Net loss for the year	-	-	-	-	-	(1,296,789)	(1,296,789)
<b>At end of financial year 2006</b>	<b>880,000</b>	<b>331,375</b>	<b>200,533</b>	<b>(6,650)</b>	<b>15,418</b>	<b>(1,698,516)</b>	<b>(277,840)</b>
At 1 July 2006	880,000	331,375	200,533	(6,650)	15,418	(1,698,516)	(277,840)
Exchange differences on translation of the financial statements of offshore branch	-	-	-	-	44,277	-	44,277
Fair value gain on revaluation of securities available-for-sale	-	-	-	42,306	-	-	42,306
Utilisation	-	(453)	-	-	-	-	(453)
Issue shares	845,490	169,098	-	-	-	-	1,014,588
Net profit for the third quarter	-	-	-	-	-	197,404	197,404
<b>At end of third quarter 31 March 2007</b>	<b>1,725,490</b>	<b>500,020</b>	<b>200,533</b>	<b>35,656</b>	<b>59,695</b>	<b>(1,501,112)</b>	<b>1,020,282</b>

*The condensed interim financial statement should be read in conjunction with the audited Financial Statement of the Bank for the year ended 30 June 2006.*

**Bank Islam Malaysia Berhad**

(Company No.98127-X)

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**Condensed Interim Financial Statement****Unaudited Cash Flow Statement****For The Financial Third Quarter Ended 31 March 2007**

	<b>31 March 2007 RM'000</b>	<b>31 March 2006 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit/ (Loss) before zakat and taxation	200,738	(153,382)
Adjustments for :		
Depreciation	6,554	11,139
Impairment loss on property, plant and equipments	11,424	-
Allowance for doubtful debt	129	-
Allowance for diminution of value in investment	-	24,842
Allowance for losses on financing	2,625	369,470
Write back of allowance for diminution in value	(75,952)	-
Write back of allowance for losses on financing	(64,243)	-
Dividends	-	(1,521)
Gain on disposal of property, plant and equipments	7	(3)
Net gain/(loss) on sale of securities held-for-trading	212	-
Net gain/(loss) on sale of securities available-for-sale	221	-
Fair value gain on securities held-for-trading	(7,126)	-
Amortisation of premium less accretion of discount	(41,125)	-
Dividend received from securities available-for-sale	(30,885)	-
Dividend received from securities held-for-trading	(178)	-
Dividend received from securities held-to-maturity	(742)	-
Gain on disposal of investments	-	(1,822)
	<hr/>	<hr/>
Operating profit before working capital changes	1,659	248,723
Changes in working capital :		
Deposits and placements with banks and others financial institutions	193,855	(963,787)
Financing and advances	144,918	(399,776)
Bills receivable	(28,018)	68,565
Statutory deposits with Bank Negara Malaysia	43,349	(34,183)
Other receivables	(95,387)	-
Deposits from customers	1,925,548	(370,223)
Bills payable	35,804	(1,892)
Other payables	306,921	-
	<hr/>	<hr/>
Cash generated from/ (used in) operations	2,528,649	(1,452,573)
Zakat paid	(4,876)	(3,364)
Income taxes paid	(21,750)	(21,753)
Net cash generated from/ (used in) operating activities	<hr/> <u>2,502,023</u>	<hr/> <u>(1,477,690)</u>

**Bank Islam Malaysia Berhad**  
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**Condensed Interim Financial Statement, cont'**  
**Unaudited Cash Flow Statement**  
**For The Financial Third Quarter Ended 31 March 2007**

	<b>31 March 2007 RM'000</b>	<b>31 March 2006 RM'000</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipments	(24,628)	(12,843)
Proceeds from disposal of property, plant and equipments	2	-
Dividends received	-	1,521
Dividend received from securities available-for-sale	30,885	-
Dividend received from securities held-for-trading	178	-
Dividend received from securities held-to-maturity	742	-
Net disposal of securities	(1,167,614)	-
(Purchase) / proceeds from sales of investments (net)	-	(159,634)
Net cash (used in)/ generated from investing activities	<u>(1,160,435)</u>	<u>(170,956)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	1,014,588	280,000
Fees paid on restricted issuance of shares	(453)	-
Net cash generated from financing activities	<u>1,014,135</u>	<u>280,000</u>
Exchange difference on translation	54,077	-
Net decrease in cash and cash equivalents	2,409,800	(1,368,646)
Cash and cash equivalents at beginning of year	2,866,488	2,735,635
Cash and cash equivalents at end of period	<u>5,276,288</u>	<u>1,366,989</u>
Cash and cash equivalents comprise :		
Cash and short term funds	<u>5,276,288</u>	<u>1,366,989</u>

*The condensed interim financial statement should be read in conjunction with the audited Financial Statement of the Bank for the year ended 30 June 2006.*

## EXPLANATORY NOTES

### 1. Basis of preparation

The interim financial statement have been prepared in accordance with Financial Reporting Standards ("FRS") 134 Interim Financial Reporting issued by Malaysian Accounting Standards Board ("MASB") and should be read in conjunction with the Annual Financial Statement for the year ended 30 June 2006.

The accounting policies and method of computation in the third quarter financial accounts are similar to that adopted in the annual financial statements for the year ended 30 June 2006 except for the adoption of new and revised FRS issued by MASB that are effective for the Bank's first annual reporting date, 30 June 2007.

### 2. Auditor's report on preceding annual financial statements

The auditor's report on the financial statements for the financial year ended 30 June 2006 was not qualified. The financial statements for the year ended 30 June 2006 have been prepared on a going basis after taking into account the additional capital injection of RM1,014.59 million received by the Bank subsequent to the balance sheet date on 16 October 2007.

### 3. Seasonality or cyclicity of operations.

The business operations of the Bank are not directly affected by any event of cyclical or seasonal in nature.

### 4. Unusual items

There were no unusual items for the third quarter ended 31 March 2007.

### 5. Changes in accounting estimates

There was no change in estimate of amount reported in the prior financial years that have a material effect on the third quarter ended 31 March 2007.

### 6. Issuance, cancellation, repurchase, resale and repayment of securities portfolio.

There were no issuances and repayment of debt and equity securities, shares buyback, shares cancellation, shares held as treasury shares and resale of treasury shares for the current financial quarter.

### 7. Securities

#### (i) Securities held-for-trading

	31 March 2007 RM'000	30 June 2006 RM'000
<b>At fair value</b>		
<u>Quoted Securities in Malaysia</u>		
Shares	37,833	20,703
<u>Unquoted Securities in Malaysia</u>		
Bank Negara Negotiable Note	198,774	-
Islamic Commercial papers	58,746	4,356
Negotiable Islamic Debt Certificate	-	49,950
Government Investment Issue	10,001	4,971
Acceptance Bill - i	342,773	169,638
Total held-for-trading	<u>648,127</u>	<u>249,618</u>

#### (ii) Securities held-to-maturity

	31 March 2007 RM'000	30 June 2006 RM'000
<b>At amortised cost</b>		
Islamic Debt Securities	162,458	162,711
Less: Accumulated impairment loss	<u>(30,647)</u>	<u>(30,647)</u>
Total held-to-maturity	<u>131,811</u>	<u>132,064</u>

**7. (iii) Securities available-for-sale**

<b>At fair value</b>	<b>31 March 2007 RM'000</b>	<b>30 June 2006 RM'000</b>
<u>Quoted Securities In Malaysia</u>		
Unit Trust	3,183	3,183
Shares	17,289	124,591
	<u>20,472</u>	<u>127,774</u>
<u>Unquoted Securities In Malaysia</u>		
Malaysian Government Investment Issues	795,339	254,600
Unquoted shares	26,040	27,006
Islamic Debt Securities-Gov. Guaranteed	137,866	102,736
Promissory Notes	6,022	6,022
Negotiable Islamic Debt Certificate	1,097,095	333,763
Islamic Debt Securities	1,027,060	1,360,328
	<u>3,089,422</u>	<u>2,084,455</u>
<u>Outside Malaysia</u>		
Islamic Development Bank Unit Trust	2,039	2,039
Unquoted shares	25,707	27,209
	<u>27,746</u>	<u>29,248</u>
Less:		
Impairment loss - unit trust	(462)	(462)
Impairment loss - Islamic Debt Securities	(34,950)	(109,952)
Impairment loss - unquoted shares	(15,560)	(20,881)
Impairment loss - quoted shares	(24,205)	(25,707)
Total available-for-sale	<u>3,062,463</u>	<u>2,084,475</u>

**8. Financing, advances and other loans**

**(i) By type**

<b>(i) By type</b>	<b>31 March 2007 RM'000</b>	<b>30 June 2006 RM'000</b>
Cash line	9,493	16,535
Term financing		
House financing	5,672,765	5,686,068
Syndicated financing	249,508	229,959
Lease receivables	152,150	358,714
Bridging financing	410,184	474,453
Personal financing	1,612,181	1,791,079
Other term financing	4,966,419	4,965,446
Staff financing	290,646	264,746
Credit/charge cards	229,192	175,406
Revolving credit	1,264,423	1,259,281
	<u>14,856,961</u>	<u>15,221,687</u>
Less: Unearned income	<u>(4,844,957)</u>	<u>(5,004,225)</u>
	10,012,004	10,217,462
Less: Allowance for bad and doubtful financing:		
General	(170,006)	(168,462)
Specific	(1,451,801)	(1,547,638)
Total net financing, advances and other loans	<u>8,390,197</u>	<u>8,501,362</u>

**(ii) By contract**

<b>(ii) By contract</b>	<b>31 March 2007 RM'000</b>	<b>30 June 2006 RM'000</b>
Bai-Bithaman Ajil	6,217,707	6,511,849
Bai-Al-Inah	354,996	182,882
Ijarah	104,507	98,984
Ijarah Muntahia Bittamlik	225,264	216,602
Mudharabah	17,351	21,316
Murabahah	1,290,505	1,411,259
Musarakah	49,332	50,000
Bai-Al-Inah Cash Note	1,183,797	1,061,477
Istisna'	532,884	633,553
Others	35,661	29,540
	<u>10,012,004</u>	<u>10,217,462</u>

**8. (iii) By type of customer**

	<b>31 March 2007 RM'000</b>	<b>30 June 2006 RM'000</b>
Domestic non-bank financial institutions		
- Stockbroking companies	-	-
- Others	91,824	114,437
Domestic business enterprise		
- Small medium industries	1,105,536	1,187,954
- Others	1,570,291	1,501,526
Government & Statutory	69,001	74,049
Individuals	6,346,792	6,508,875
Others domestic entities	28,693	37,331
Foreign entities	799,867	793,290
	<u>10,012,004</u>	<u>10,217,462</u>

**(iv) By profit rate sensitivity**

	<b>31 March 2007 RM'000</b>	<b>30 June 2006 RM'000</b>
Fixed rate		
Housing financing	2,934,432	2,600,168
Others fixed rate financing	<u>7,077,572</u>	<u>7,617,294</u>
	<u>10,012,004</u>	<u>10,217,462</u>

**(v) By sector**

	<b>31 March 2007 RM'000</b>	<b>30 June 2006 RM'000</b>
Agriculture, hunting, forestry & fishing	198,706	140,123
Mining and quarrying	5,619	5,459
Manufacturing	1,285,754	1,198,577
Electricity, gas and water	87,467	93,584
Construction	754,507	777,488
Real estate	78,314	123,757
Purchase of landed property:		
-Residential	2,777,699	2,757,048
-Non-residential	453,966	529,783
Wholesale & retail trade and restaurants & hotels	385,045	468,286
Transport, storage and communication	79,544	82,775
Finance, insurance and business services	154,002	115,080
Purchase of securities	315,463	486,005
Purchase of transport vehicles	1,861,302	1,959,577
Consumption credit	1,415,751	1,235,712
Community, social & personnel	59,944	49,835
Others	98,921	194,373
	<u>10,012,004</u>	<u>10,217,462</u>

**9. Non performing financing**

**(i) Movements in the non-performing financing, advances and other loans.**

	<b>31 March 2007 RM'000</b>	<b>30 June 2006 RM'000</b>
At 1 July	2,327,151	2,036,240
Classified as non-performing	696,589	1,147,756
Reclassified as performing	(60,793)	(189,763)
Amount recovered	(339,981)	(127,873)
Amount written off	(42,477)	(502,861)
Other adjustments	(53,036)	(11,011)
Exchange differences	(39,600)	(25,337)
At end	<u>2,487,853</u>	<u>2,327,151</u>
Less:- Specific allowance (SA)	<u>(1,451,801)</u>	<u>(1,547,638)</u>
Net non-performing financing, advances and loans	<u>1,036,052</u>	<u>779,513</u>
Ratio of net non-performing financing, advances and other loans to total net financing, advances and other loans	<u>12.10%</u>	<u>8.99%</u>

**(ii) Movements in the allowance for bad and doubtful financing**

	<b>31 March 2007 RM'000</b>	<b>30 June 2006 RM'000</b>
<u>General allowance</u>		
At 1 July	168,462	160,533
Allowance made	2,625	29,437
Transferred to specific allowance	-	(11,342)
Transferred to PER/PATD	-	(3,150)
Write back	-	(6,298)
Exchange differences	(1,081)	(718)
Closing	<u>170,006</u>	<u>168,462</u>
As % of gross financing, advances and other loans less specific allowance	1.99%	1.94%
<u>Specific allowance</u>		
At 1 July	1,547,638	879,931
Allowance made	180,442	1,237,296
Transferred from allowance for doubtful debts	-	11,089
Amount recovered	(204,518)	(83,273)
Amount written off	(40,801)	(484,404)
Exchange differences	(30,960)	(13,001)
Closing	<u>1,451,801</u>	<u>1,547,638</u>

**9. (iii) NPF by sector**

	<b>31 March 2007 RM'000</b>	<b>30 June 2006 RM'000</b>
Agriculture, hunting, forestry & fishing	75,275	71,833
Mining and quarrying	4,794	4,926
Manufacturing	631,249	393,907
Electricity, gas and water	83,262	88,200
Construction	488,079	503,813
Real estate	3,915	4,487
Purchase of landed property:		
-Residential	312,478	317,471
-Non-residential	132,569	150,453
Wholesale & retail trade and restaurants & hotels	201,694	243,613
Transport, storage and communication	20,038	19,468
Finance, insurance and business services	4,409	5,007
Purchase of securities	278,250	297,506
Purchase of transport vehicles	66,761	40,067
Consumption credit	118,105	110,173
Community social & personal services	19,896	17,054
Others	47,079	59,173
	<u>2,487,853</u>	<u>2,327,151</u>

**10. Deposit from customers**

**(i) By type of deposit**

	<b>31 March 2007 RM'000</b>	<b>30 June 2006 RM'000</b>
<u>Non-Mudharabah Fund:</u>		
Demand deposits	4,600,863	3,650,270
Saving deposits	1,555,253	1,422,174
Negotiable Islamic Debt Certificates (NIDC)	1,813,122	2,480,933
Others	31,739	24,897
	<u>8,000,977</u>	<u>7,578,274</u>
<u>Mudharabah Fund:</u>		
Demand deposits	553,014	-
Saving deposits	-	454,387
General investment deposits	2,316,974	2,417,239
Special investment deposits	5,440,477	3,927,516
Others	622	9,100
	<u>8,311,087</u>	<u>6,808,242</u>
	<u>16,312,064</u>	<u>14,386,516</u>

**(ii) By type of customer**

	<b>31 March 2007 RM'000</b>	<b>30 June 2006 RM'000</b>
Government and statutory bodies	3,619,135	2,876,855
Business enterprises	4,517,722	5,433,895
Individuals	2,590,360	2,292,431
Others	5,584,847	3,783,335
	<u>16,312,064</u>	<u>14,386,516</u>

**11. Deposit and placements of Banks and other financial institutions**

	<b>31 March 2007 RM'000</b>	<b>30 June 2006 RM'000</b>
Mudharabah:		
Licensed Islamic banks	256,883	63,028
Licensed finance companies	-	-
Licensed merchant banks	-	-
Bank Negara Malaysia	-	-
Other financial institutions	-	-
	<u>256,883</u>	<u>63,028</u>

**12. Income derived from investment of depositors funds and others**

	3 months ended		9 months ended	
	31 March 2007 RM'000	31 March 2006 RM'000	31 March 2007 RM'000	31 March 2006 RM'000
Income derived from investment of :				
(i) General investment deposits	40,062	43,100	112,860	150,847
(ii) Other deposits	202,652	151,363	536,149	459,981
	<u>242,714</u>	<u>194,463</u>	<u>649,009</u>	<u>610,828</u>

**(i) Income derived from investment of general investment deposits**

	3 months ended		9 months ended	
	31 March 2007 RM'000	31 March 2006 RM'000	31 March 2007 RM'000	31 March 2006 RM'000
Finance income and hibah				
Financing, advances and other loans	28,312	33,976	85,771	115,379
Held-for-trading	-	825	2	3,020
Held-to-maturity	33	-	107	-
Available-for-sale	3,408	2,860	7,138	13,120
Money at call and deposit with financial institutions	3,896	3,317	12,401	13,665
	<u>35,649</u>	<u>40,978</u>	<u>105,419</u>	<u>145,184</u>
Amortization of premium less accretion of discounts	2,340	-	5,356	-
	<u>37,989</u>	<u>40,978</u>	<u>110,775</u>	<u>145,184</u>
Other dealing income				
Net (loss)/gain from foreign exchange transactions	1,096	1,053	373	1,333
Net (loss)/gain from sale of trading securities	5	392	(34)	3,182
Net gain/(loss) on revaluation of trading securities	531	446	996	332
	<u>1,632</u>	<u>1,891</u>	<u>1,335</u>	<u>4,847</u>
Other operating income				
Net gain from sale of available for sale	441	231	750	1,172
Dividend income from securities :	-	-	-	-
Quoted in Malaysia	-	-	-	-
Quoted outside Malaysia	-	-	-	-
Unquoted in Malaysia	-	-	-	-
Unquoted outside Malaysia	-	-	-	-
	<u>441</u>	<u>231</u>	<u>750</u>	<u>1,172</u>
Other Income				
Net gains on disposal of foreclosed properties	-	-	-	-
Rental Income	-	-	-	-
Other Income	-	-	-	(356)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(356)</u>
	<u>40,062</u>	<u>43,100</u>	<u>112,860</u>	<u>150,847</u>

12. (ii) Income derived from investment of other deposits

	3 months ended		9 months ended	
	31 March 2007 RM'000	31 March 2006 RM'000	31 March 2007 RM'000	31 March 2006 RM'000
Finance income and hibah				
Financing, advances and other loans	144,539	120,102	407,471	359,397
Held-for-trading	(1)	3,793	10	12,227
Held-to-maturity	215	-	636	-
Available-for-sale	814	6,594	5,069	10,438
Money at call and deposit with financial institutions	25,136	15,144	74,031	56,543
	<u>170,703</u>	<u>145,633</u>	<u>487,217</u>	<u>438,605</u>
Amortization of premium less accretion of discounts	15,070	-	32,486	-
	<u>185,773</u>	<u>145,633</u>	<u>519,703</u>	<u>438,605</u>
Other dealing income				
Net (loss)/gain from foreign exchange transactions	10,548	973	5,850	2,102
Net (loss)/gain from sale of trading securities	30	1,799	(177)	12,762
Net gain/(loss) on revaluation of trading securities	3,441	2,029	6,131	1,415
	<u>14,019</u>	<u>4,801</u>	<u>11,804</u>	<u>16,279</u>
Other operating income				
Net gain from sale of securities	2,860	1,055	4,642	4,866
Dividend income from securities :				
Quoted in Malaysia	-	-	-	-
Quoted outside Malaysia	-	-	-	-
Unquoted in Malaysia	-	-	-	-
Unquoted outside Malaysia	-	-	-	-
	<u>2,860</u>	<u>1,055</u>	<u>4,642</u>	<u>4,866</u>
Other Income				
Net gains on disposal of foreclosed properties	-	-	-	-
Rental Income	-	-	-	-
Other Income	-	(126)	-	231
	<u>-</u>	<u>(126)</u>	<u>-</u>	<u>231</u>
	<u>202,652</u>	<u>151,363</u>	<u>536,149</u>	<u>459,981</u>

**13. Income derived from investment of shareholders' fund**

	3 months ended		9 months ended	
	31 March 2007 RM'000	31 March 2006 RM'000	31 March 2007 RM'000	31 March 2006 RM'000
Finance income and hibah				
Financing, advances and other loans	705	753	2,373	2,353
Held-for-trading	-	-	-	-
Held-to-maturity	-	-	-	-
Available-for-sale	7,571	23,652	16,115	57,032
Money at call and deposit with financial institutions	33,250	7,381	30,311	20,506
	<u>41,526</u>	<u>31,786</u>	<u>48,799</u>	<u>79,891</u>
Amortization of premium less accretion of discounts	1,052	-	3,284	-
	<u>42,578</u>	<u>31,786</u>	<u>52,083</u>	<u>79,891</u>
Other dealing income				
Net (loss)/gain from foreign exchange transactions	(7,490)	1,329	(16,000)	2,882
Net gain from sale of trading securities	-	449	-	995
Net gain on revaluation of trading securities	-	-	-	-
	<u>(7,490)</u>	<u>1,778</u>	<u>(16,000)</u>	<u>3,877</u>
Other operating income				
Net gain from sale of securities	686	1,509	2,399	4,305
Gain on disposal of subsidiary	-	-	-	423
Dividend income from securities :				
Quoted in Malaysia	-	-	-	189
Quoted outside Malaysia	-	-	287	39
Unit trust in Malaysia	68	-	213	-
Unquoted in Malaysia	344	208	409	3,270
Unquoted outside Malaysia	57	-	57	-
Dividend income:				
Sudsiary Companies	40	-	40	-
Associate Companies	-	-	-	-
	<u>1,195</u>	<u>1,717</u>	<u>3,405</u>	<u>8,226</u>
Fees and commission				
Processing fees	513	295	1,537	698
Commitment fees	115	83	221	685
Guarantee fees	-	-	-	-
Corporate advisory fees	108	213	248	1,219
Services charges fees	-	-	-	-
Others	13,709	7,202	40,021	27,865
	<u>14,445</u>	<u>7,793</u>	<u>42,027</u>	<u>30,467</u>
Other Income				
Net (loss)/gains on disposal of property, plant & equipments	(2)	(8)	(7)	76
Net gains/(loss) on disposal of foreclosed properties	-	-	-	-
Rental Income	48	61	151	50
Other Income	-	-	-	72
	<u>46</u>	<u>53</u>	<u>144</u>	<u>198</u>
	<u>50,774</u>	<u>43,127</u>	<u>81,659</u>	<u>122,659</u>

**14. Allowance for losses on debt and financing**

	3 months ended		9 months ended	
	31 March 2007 RM'000	31 March 2006 RM'000	31 March 2007 RM'000	31 March 2006 RM'000
<u>Allowance for bad, doubtful debt and financing</u>				
(a) Specific allowance	(16,649)	185,125	(25,873)	361,866
(b) General allowance	2,625	(10,268)	2,625	(4,542)
(c) Provision for doubtful debt	129	-	129	-
(d) Amortization of deferred allowance	-	9,000	-	27,000
(e) Written off /(written back)	(6,357)	(11,972)	(17,887)	(14,854)
(f) Danaharta recovered	-	-	(1,617)	-
	<u>(20,252)</u>	<u>171,885</u>	<u>(42,623)</u>	<u>369,470</u>

**15. Income attributable to depositors**

	3 months ended		9 months ended	
	31 March 2007 RM'000	31 March 2006 RM'000	31 March 2007 RM'000	31 March 2006 RM'000
Deposits from customers				
- Mudharabah Fund	103,744	57,092	280,211	202,893
- Non-Mudharabah Fund	4,720	4,021	13,147	15,627
Deposits and placements of banks and other financial institutions	-	-	-	-
- Mudharabah Fund	3,457	5,299	5,333	17,076
- Non-Mudharabah Fund	-	-	-	-
Profit attributable to BIMB Holding	1,075	2,246	3,197	8,023
Utilization of PER	-	-	-	-
Others	(46)	-	13,371	-
	<u>112,950</u>	<u>68,658</u>	<u>315,259</u>	<u>243,619</u>

**16. Capital adequacy**

(i) The capital adequacy ratios of the Bank are as follows:

	31 March 2007 RM'000	30 June 2006 RM'000
<u>Tier I capital</u>		
Islamic Banking Fund	1,725,490	880,000
Share premium	500,020	331,375
Retained loss	(1,549,372)	(1,698,516)
Other reserve	260,228	215,951
Total Tier-1 capital	<u>936,366</u>	<u>(271,190)</u>
<u>Tier II capital</u>		
Irredeemable Subordinated Mudharabah financing	100,000	100,000
General allowance for bad and doubtful financing	170,006	168,462
Total Tier-II capital	<u>270,006</u>	<u>268,462</u>
Total Capital	1,206,372	(271,190)
Less: Investment in Subsidiaries	(8,397)	(5,947)
Capital base	<u>1,197,975</u>	<u>(277,137)</u>
Core capital ratio	9.67%	-2.78%
Risk-weighted capital ratio	12.37%	-2.84%

(ii) Breakdown of gross risk-weighted assets in the various categories of risk weights:

	31 March 2007		30 June 2006	
	Principal RM'000	Risk- Weighted RM'000	Principal RM'000	Risk- Weighted RM'000
0%	6,833,910	-	3,545,424	-
10%	13,848	1,385	13,640	1,364
20%	1,022,333	204,467	726,679	145,336
50%	2,433,399	1,216,699	2,435,386	1,217,693
100%	8,023,198	8,023,198	7,909,296	7,909,296
Total risk-weighted assets for credit risk	18,326,688	9,445,749	14,630,425	9,273,689
Total risk-weighted assets for market risk	-	240,707	-	471,239
Total risk-weighted assets for credit and market risk	18,326,688	9,686,456	14,630,425	9,744,928

17. Commitments and contingencies

	31 March 2007		
	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Direct credit substitutes	281,471	281,471	268,257
Transaction-related contingent items	396,195	198,098	196,137
Short term self-liquidating trade related contingencies	719,779	143,956	14,803
Assets sold with recourse and commitments with certain drawdown	10,570	10,570	10,570
Obligation under underwriting agreement	98,000	49,000	49,000
Foreign exchange related contracts:			
- Less than one year	1,863,048	-	-
Others	1,354,221	483,779	453,232
Total	4,723,284	1,166,874	991,999

  

	30 June 2006		
	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Direct credit substitutes	251,029	251,029	238,060
Transaction-related contingent items	323,361	161,680	160,078
Short term self-liquidating trade related contingencies	851,528	170,306	14,389
Assets sold with recourse and commitments with certain drawdown	60,925	60,925	60,925
Obligation under underwriting agreement	89,000	44,500	44,500
Foreign exchange related contracts:			
- Less than one year	1,361,105	-	-
Others	1,089,433	468,037	-
Total	4,026,381	1,156,477	517,952

**18. Profit Rate Risk**

**31 March 2007**

	← Non-trading book →					Non profit sensitive RM'000	Trading book RM'000	Total RM'000	Effective profit rate %
	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000				
<b>Assets</b>									
Cash & short-term funds	4,893,251	-	-	-	-	-	383,037	5,276,288	5.70%
Deposits & placement with banks & other financial institutions	-	-	-	-	-	-	-	-	
<b>Dealing Securities</b>									
-Held for trading	-	-	-	-	-	-	648,127	648,127	3.36%
-Held-to-maturity	-	-	10,873	27,728	93,210	-	-	131,811	
-Available-for-sale	626,822	854,334	303,444	711,645	566,217	-	-	3,062,462	5.16%
<b>Financing, advances &amp; other loans</b>									
- performing	1,352,819	396,416	428,407	1,117,411	2,607,292	-	-	5,902,345	11.87%
- non-performing	-	-	-	-	-	2,487,852	-	2,487,852	
Other assets	-	-	-	-	-	850,598	-	850,598	-33.20%
<b>Total Assets</b>	<b>6,872,892</b>	<b>1,250,750</b>	<b>742,724</b>	<b>1,856,784</b>	<b>3,266,719</b>	<b>3,338,450</b>	<b>1,031,164</b>	<b>18,359,483</b>	
<b>Liabilities</b>									
Deposits from customers	3,212,911	1,545,667	2,874,397	1,443,423	526,536	6,709,129	-	16,312,063	2.74%
Deposits & placement of banks & other financial institutions	256,883	-	-	-	-	-	-	256,883	41.56%
Bills & acceptance payable	136,723	-	-	-	-	-	-	136,723	
Subordinated financing	-	-	-	100,000	-	-	-	100,000	
Other liabilities	-	-	-	-	-	533,532	-	533,532	
<b>Total Liabilities</b>	<b>3,606,517</b>	<b>1,545,667</b>	<b>2,874,397</b>	<b>1,543,423</b>	<b>526,536</b>	<b>7,242,661</b>	<b>-</b>	<b>17,339,201</b>	
Shareholders' equity	-	-	-	-	-	1,020,282	-	1,020,282	
<b>Total Liabilities and shareholders equity</b>	<b>3,606,517</b>	<b>1,545,667</b>	<b>2,874,397</b>	<b>1,543,423</b>	<b>526,536</b>	<b>8,262,943</b>	<b>-</b>	<b>18,359,483</b>	
On balance sheet profit sensitivity gap	3,266,375	(294,917)	(2,131,673)	313,361	2,740,183				
Off balance sheet profit sensitivity gap	902,680	2,174,342	292,042	1,354,221	-				
<b>Total profit sensitivity gap</b>	<b>4,169,055</b>	<b>1,879,425</b>	<b>(1,839,631)</b>	<b>1,667,582</b>	<b>2,740,183</b>				

Bank Islam Malaysia Berhad (98127-X)  
(Incorporated in Malaysia)

30 June 2006

Assets	←		Non-trading book			→		Total RM'000	Effective profit rate %
	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non profit sensitive RM'000	Trading book RM'000		
Cash & short-term funds	2,476,227	-	-	-	-	-	390,261	2,866,488	3.87%
Deposits & placement with banks & other financial institutions	-	-	-	-	-	-	-	-	-
Securities									
-Held for trading	-	-	-	-	-	-	249,618	249,618	5.64%
-Held-to-maturity	-	-	-	33,728	98,336	-	-	132,064	-
-Available-for-sale	558,535	491,533	318,072	367,790	348,545	-	-	2,084,475	6.70%
Financing, advances & other loans									
- performing	1,061,615	167,822	981,101	1,208,358	4,302,953	-	-	7,721,849	8.17%
- non-performing	-	-	-	-	-	779,513	-	779,513	-
Other assets	-	-	-	-	-	771,309	-	771,309	4.57%
<b>Total Assets</b>	<b>4,096,377</b>	<b>659,355</b>	<b>1,299,173</b>	<b>1,609,876</b>	<b>4,749,834</b>	<b>1,550,822</b>	<b>639,879</b>	<b>14,605,316</b>	
<b>Liabilities</b>									
Deposits from customers	2,961,961	1,686,939	2,275,344	1,436,829	498,612	5,526,831	-	14,386,516	2.49%
Deposits & placement of banks & other financial institutions	63,028	-	-	-	-	-	-	63,028	2.67%
Bills & acceptance payable	100,919	-	-	-	-	-	-	100,919	-
Subordinated financing	-	-	-	100,000	-	-	-	100,000	-
Other liabilities	-	-	-	-	-	232,693	-	232,693	-
<b>Total Liabilities</b>	<b>3,125,908</b>	<b>1,686,939</b>	<b>2,275,344</b>	<b>1,536,829</b>	<b>498,612</b>	<b>5,759,524</b>	<b>-</b>	<b>14,883,156</b>	
Shareholders' equity	-	-	-	-	-	(277,840)	-	(277,840)	
<b>Total Liabilities and shareholders equity</b>	<b>3,125,908</b>	<b>1,686,939</b>	<b>2,275,344</b>	<b>1,536,829</b>	<b>498,612</b>	<b>5,481,684</b>	<b>-</b>	<b>14,605,316</b>	
On balance sheet profit sensitivity gap	970,469	(1,027,584)	(976,171)	73,047	4,251,222				
Off balance sheet profit sensitivity gap	1,111,893	1,513,100	311,954	1,089,434	-				
<b>Total profit sensitivity gap</b>	<b>2,082,362</b>	<b>485,516</b>	<b>(664,217)</b>	<b>1,162,481</b>	<b>4,251,222</b>				