

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

	Note	3rd Quarter Ended		Cumulative 9 Months Ended*	
		30 September 2012 RM'000	30 September 2011 (Restated) ¹ RM'000	30 September 2012 RM'000	30 September 2011 (Restated) ¹ RM'000
Income derived from investment of depositors' funds	A23	934,170	770,905	2,657,226	2,082,953
Income derived from investment of shareholder's funds	A24	49,780	42,503	126,731	94,145
Allowance for losses on financing and advances	A25	3,501	(30,220)	13,381	(27,393)
Profit equalisation reserve		-	-	-	(41,784)
Other expenses directly attributable to depositors & shareholders' fund		(56,774)	(17,104)	(113,294)	(25,448)
Total distributable income		930,677	766,084	2,684,044	2,082,473
Income attributable to the depositors	A26	(427,517)	(349,878)	(1,268,221)	(922,388)
Total net income		503,160	416,206	1,415,823	1,160,085
Overhead expenses	A27	(145,615)	(150,251)	(451,987)	(446,248)
Finance cost	A28	(10,493)	(10,579)	(31,247)	(21,216)
Profit before taxation and zakat		347,052	255,376	932,589	692,621
Taxation	A29	(85,093)	(60,678)	(227,249)	(165,393)
Zakat	A29	(4,000)	(4,506)	(13,332)	(9,550)
Profit for the period		257,959	190,192	692,008	517,678
Profit attributable to :					
Equity holders of the parent		257,959	190,192	692,008	517,678
Earnings per share attributable to equity holder of the Bank - Basic/diluted (sen)		208.98	171.96	560.62	468.06

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

* (The Bank has changed its financial year-end from 30 June to 31 December. Comparatives for cumulative quarters consist of 9 months results beginning 1 January 2011 to 30 September 2011 respectively.)

¹ (Refer to Note A32 on financial effects arising from adoption of MFRS framework and changes in accounting policies.)

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

	3rd Quarter Ended		Cumulative 9 Months Ended*	
	30 September 2012 RM'000	30 September 2011 (Restated) ¹ RM'000	30 September 2012 RM'000	30 September 2011 (Restated) ¹ RM'000
Profit for the period	257,959	190,192	692,008	517,678
Other comprehensive income/(loss):				
Net (loss)/gain on available-for-sale financial assets	(22,102)	38,281	(20,358)	38,618
Income tax relating to components of other comprehensive income	5,425	(9,571)	4,989	(9,656)
Other comprehensive income/(loss) for the period, net of tax	(16,677)	28,710	(15,369)	28,962
Total comprehensive income for the period, net of tax	241,282	218,902	676,639	546,640
Total comprehensive income attributable to :				
Equity holders of the parent	241,282	218,902	676,639	546,640

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

* (The Bank has changed its financial year-end from 30 June to 31 December. Comparatives for cumulative quarters consist of 9 months results beginning 1 January 2011 to 30 September 2011 respectively.)

¹ (Refer to Note A32 on financial effects arising from adoption of MFRS framework and changes in accounting policies.)

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012

		30 September 2012	31 December 2011 (Restated)*	1 July 2011 (Restated)*
	Note	RM'000	RM'000	RM'000
ASSETS				
Cash and short-term funds	A13	9,280,335	9,419,350	9,674,441
Deposits and placements with banks and other financial institutions	A14	100,228	406,110	460,595
Securities portfolio	A15	7,307,236	8,265,399	6,366,745
Financing and advances	A16	56,236,607	49,939,551	45,844,219
Derivative assets	A17	53,996	28,198	14,615
Other assets	A18	6,023,716	3,943,593	2,494,253
Statutory deposits with Bank Negara Malaysia		2,068,000	1,834,800	913,900
Deferred tax assets		192,956	176,667	160,433
TOTAL ASSETS		81,263,074	74,013,668	65,929,201
LIABILITIES				
Deposits from customers	A19	59,131,917	58,740,632	48,334,114
Deposits and placements of banks and other financial institutions	A20	15,351,117	9,362,905	11,341,726
Bills and acceptances payable		174,417	501,753	1,053,540
Derivative liabilities	A17	113,876	96,179	53,504
Other liabilities	A21	453,526	109,688	133,463
Provision for taxation and zakat		228,768	80,305	39,571
Subordinated Sukuk	A22	1,021,331	1,010,723	1,010,637
TOTAL LIABILITIES		76,474,952	69,902,185	61,966,555

* Refer to Note A32 on financial effects arising from adoption of MFRS framework and changes in accounting policies.

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012

	Note	30 September 2012 RM'000	31 December 2011 (Restated)* RM'000	1 July 2011 (Restated)* RM'000
EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE BANK				
Share capital		132,720	110,600	110,600
Reserves		4,655,402	4,000,883	3,852,046
TOTAL SHAREHOLDER'S EQUITY		4,788,122	4,111,483	3,962,646
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		81,263,074	74,013,668	65,929,201
COMMITMENTS AND CONTINGENCIES	A30	28,846,226	22,744,187	18,588,631
<u>CAPITAL ADEQUACY</u>	A31			
Based on credit, market and operational risk:				
Basel II				
<u>Before deducting proposed dividend:</u>				
Core capital ratio		11.16%	9.89% ^	10.31% ^
Risk-weighted capital ratio		13.47%	12.61% ^	13.02% ^
<u>After deducting proposed dividend:</u>				
Core capital ratio		11.16%	9.32% ^	9.46% ^
Risk-weighted capital ratio		13.47%	12.04% ^	12.17% ^

* Refer to Note A32 on financial effects arising from adoption of MFRS framework and changes in accounting policies.

^ In arriving at the capital base used in the ratio calculations of the Bank, the proposed dividends for respective financial years were not deducted.

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

<=====Non Distributable=====>

	Share capital RM'000	Share premium RM'000	Equity contribution from the holding company RM'000	Statutory reserve RM'000	Unrealised holding reserve/ (deficit) RM'000	Profit equalisation reserve RM'000	Distributable retained profits RM'000	Total equity RM'000
At 1 January 2012								
- as previously stated	110,600	2,488,400	1,697	147,338	47,381	34,456	1,279,273	4,109,145
- effect of adopting MFRS 1	-	-	-	-	2,338	-	-	2,338
At 1 January 2012, as restated	110,600	2,488,400	1,697	147,338	49,719	34,456	1,279,273	4,111,483
Net profit for the period	-	-	-	-	-	-	692,008	692,008
Other comprehensive loss	-	-	-	-	(15,369)	-	-	(15,369)
Total comprehensive (loss)/income for the period	-	-	-	-	(15,369)	-	692,008	676,639
Dividend paid	-	-	-	-	-	-	(221,200)	(221,200)
Issue of ordinary shares (Notes A8)	22,120	199,080	-	-	-	-	-	221,200
Total transactions with shareholders	22,120	199,080	-	-	-	-	(221,200)	-
At 30 September 2012	132,720	2,687,480	1,697	147,338	34,350	34,456	1,750,081	4,788,122

(These condensed financial statements should be read in conjunction with the audited financial statements for the period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

<=====Non Distributable=====>

	Share capital RM'000	Share premium RM'000	Equity contribution from the holding company RM'000	Statutory reserve RM'000	Unrealised holding reserve/ (deficit) RM'000	Profit equalisation reserve RM'000	Distributable retained profits RM'000	Total equity RM'000
At 1 January 2011	110,600	2,488,400	1,697	147,338	10,468	-	875,171	3,633,674
Net profit for the period	-	-	-	-	-	-	327,486	327,486
Other comprehensive income	-	-	-	-	252	-	-	252
Total comprehensive income for the period	-	-	-	-	252	-	327,486	327,738
At 30 June 2011/1 July 2011								
- as previously stated	110,600	2,488,400	1,697	147,338	10,720	-	1,202,657	3,961,412
- effect of adopting MFRS 1	-	-	-	-	1,234	-	-	1,234
At 30 June 2011/1 July 2011, as restated	110,600	2,488,400	1,697	147,338	11,954	-	1,202,657	3,962,646
Net profit for the period	-	-	-	-	-	-	190,192	190,192
Other comprehensive income	-	-	-	-	28,710	-	-	28,710
Total comprehensive income for the period	-	-	-	-	28,710	-	190,192	218,902
Dividend paid	-	-	-	-	-	-	(311,892)	(311,892)
Reversal of PER under the previous guideline	-	-	-	-	-	-	34,456	34,456
Net transfer for the period (Note A21)	-	-	-	-	-	34,456	(34,456)	-
Total transactions with shareholders	-	-	-	-	-	34,456	(311,892)	(277,436)
At 30 September 2011	110,600	2,488,400	1,697	147,338	40,664	34,456	1,080,957	3,904,112

(These condensed financial statements should be read in conjunction with the audited financial statements for the period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

	30 September 2012 RM'000	30 September 2011 RM'000
Cash flows from operating activities		
Profit before taxation and zakat	932,589	692,621
Adjustments for non-operating and non-cash items:		
Allowances for losses on financing and advances	61,966	83,215
Amortisation of premium less accretion of discount	(52,153)	458
Profit equalisation reserves	-	41,784
(Gain)/loss on revaluation of derivatives	(31,107)	14,624
Unrealised gain on revaluation of securities held-for-trading	(9,928)	(238)
Gain on sale of securities available-for-sale	(43,408)	(15,532)
Gain on sale of securities held-for-trading	(3,868)	(1,333)
Gain on foreign exchange translations	(7,415)	(17,620)
Share options granted under ESS	1,068	-
Operating profit before working capital changes	847,744	797,979
Change in deposits and placements with banks and other financial institutions	305,882	(383,992)
Change in securities portfolio	1,047,162	(835,720)
Change in financing and advances	(6,359,022)	(10,343,245)
Change in derivative assets and liabilities	23,006	11,638
Change in other assets	(2,080,123)	(4,512,320)
Change in statutory deposits with Bank Negara Malaysia	(233,200)	(1,217,300)
Change in deposits from customers	391,285	10,285,440
Change in deposits and placements of banks and other financial institutions	5,995,627	4,319,520
Change in bills and acceptances payable	(327,336)	148,775
Change in other liabilities	374,017	(1,079,968)
Cash used in from operations	(14,958)	(2,809,193)
Taxes and zakat paid	(103,418)	(242,861)
Net cash used in from operating activities	(118,376)	(3,052,054)
Cash flows from financing activities		
Proceeds from issuance of shares	221,200	-
Dividend paid	(221,200)	-
Profit paid for subordinated sukuk	(20,639)	-
Proceeds from issuance of subordinated sukuk	-	1,000,000
Net cash (used in)/generated from investing activities	(20,639)	1,000,000
Net decrease in cash and cash equivalents	(139,015)	(2,052,054)
Cash and cash equivalents at beginning of period	9,419,350	4,577,477
Cash and cash equivalents at end of period	9,280,335	2,525,423
Cash and cash equivalents comprise :		
Cash and short-term funds	9,280,335	2,525,423

(These condensed financial statements should be read in conjunction with the audited financial statements for the period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

Explanatory Notes

Part A: Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting

A1. Basis of Preparation

The unaudited condensed interim financial statements for the third financial quarter ended 30 September 2012 of Maybank Islamic Berhad ("MIB" or "the Bank") have been prepared under the historical cost convention except for the following assets and liabilities that are stated at fair values: securities held-for-trading and available-for-sale and derivative financial instruments.

The unaudited condensed interim financial statements have been prepared in accordance with the requirements of MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"), Bank Negara Malaysia Guidelines (BNM/GP8-i) and the principles of Shariah, except for the comparative figures for income statements, statements of comprehensive income, statements of changes in equity and cash flows statements, in which the comparable interim period (i.e. the cumulative 9 months ended 30 September 2011) comprises 6 months which are in respect of a comparable period in the previous financial year of 30 June 2011 and 3 months which are in respect of a comparable period of the immediately preceding financial period of 31 December 2011. However, the comparable interim period as required by MFRS 134 is the cumulative 3 months ended 30 September 2011 of the immediately preceding financial period of 31 December 2011. The departure is mainly due to the Bank has changed its financial year-end from 30 June to 31 December in the last financial period. For the periods up to and including the six-month financial period ended 31 December 2011, the Bank prepared its financial statements in accordance with Financial Reporting Standards as modified by Bank Negara Malaysia Guidelines ("FRS"). These unaudited condensed interim financial statements also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board except for as mentioned above.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for six-months period ended 31 December 2011. These explanatory notes attached to the unaudited condensed 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 period ended 31 December 2011.

First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

These are the Bank's unaudited condensed interim financial statements for part of the period covered by first MFRS framework annual financial statements of the Bank for the year ending 31 December 2012 and MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* has been applied.

As required by MFRS 1, the resulting adjustments arose from events and transactions before the date of transition to MFRS were recognised directly through retained earnings (or another category of equity, where appropriate) as at 1 July 2011 (the date of transition). This is the effect of the general principle underlying MFRS 1 which is to apply MFRSs retrospectively. There are some mandatory exceptions provided and some exemptions permitted by MFRS 1. The Bank's first time adoption decisions regarding these exemptions are detailed below. Other optional exemptions available under MFRS 1, which are not discussed here, are not applicable to the Bank.

(i) Designation of previously recognised financial instruments

MFRS 1 allows a first-time adopter to designate eligible financial assets as available-for-sale at the date of transition.

The Bank have opted for this exemption and redesignated certain previously recognised financial investments held-to-maturity as available-for-sale at 1 July 2011 (i.e. the transition date to MFRS).

The financial impact of the adoption of the abovementioned exemption on the financial statements of the Bank are disclosed in Note A32.

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A1. Basis of Preparation (contd.)

Explanation of how the transition from FRS to MFRS affects the Bank's financial position, financial performances and cash flows are set out in Note A32. The transition from FRS to MFRS is expecting not to have a material impact on the statement of cash flows.

Estimates

The estimates at 1 July 2011 and at 31 December 2011 are consistent with those made for the same dates in accordance with FRS. The estimates used by the Bank to present these amounts in accordance with MFRS reflect conditions at 1 July 2011, the date transition to MFRS and as of 31 December 2011.

A2. Significant accounting policies

The audited financial statements of the Bank for the six-month financial period ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these unaudited condensed interim financial statements are consistent with those of the audited financial statements for financial period ended 31 December 2011 except for those exemptions elected as discussed in Note A1 above.

A3. Significant Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving higher degree of judgement and complexity, are as follows:

(i) Fair Value Estimation of Securities held-for-trading (Note A15(iii)) and available-for-sale (Note A15(i)) and Derivative Financial Instruments (Note A17)

The fair value of securities and derivatives that are not traded in an active market are determined using valuation techniques based on assumptions of market conditions existing at the balance sheet date, including reference to quoted market prices and independent dealer quotes for similar securities and discounted cash flows method.

(ii) Deferred Tax and Income Taxes (Note A29)

The Bank is subject to income taxes in many jurisdictions and significant judgment is required in estimating the provision for income taxes. There are many transactions and interpretations of tax law for which the final outcome will not be established until some time later. Liabilities for taxation are recognized based on estimates of whether additional taxes will be payable. The estimation process includes seeking expert advice where appropriate. Where the final liability for taxation is different from the amounts that were initially recorded, the differences will affect the income tax and deferred tax provisions in the period in which the estimate is revised or the final liability is established.

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A3. Significant Accounting Estimates and Judgements (contd.)

(iii) Impairment Losses on Financing and Advances (Note A25)

The Bank review its individually significant financing and advances at each statement of financial position date to assess whether an impairment loss should be recorded in the income statement. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Bank make judgments about the borrower's or the customer's financial situation and the net realisable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowances.

Financing and advances that have been assessed individually and found not to be impaired and all individually insignificant financing and advances are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to incurred loss events for which there is objective evidence but whose effects are not yet evident. The collective assessment takes account of data from the financing portfolio (such as credit quality, levels of arrears, credit utilisation, financing to collateral ratios etc.) and concentrations of risks (such as the performance of different individual groups).

(iv) Impairment of Securities Portfolio

The Bank reviews the securities portfolio of Held-for-Trading, Available-for-Sale and Held-to-Maturity and assess at each reporting date whether there is any objective evidence that the investment is impaired. If there are indicators or objective evidence, the assets are subject to impairment review.

The impairment review comprises the following judgement made by Management:

- (i) Determination whether its investment is impaired following certain indicators or triggers such as, among others, prolonged decline in fair value, significant financial difficulties of the issuer or obligors, the disappearance of an active trading market and deterioration of the credit quality of the issuers or obligors.
- (ii) Determination of "significant" or "prolonged" requires judgement and management evaluates various factors, such as historical fair value movement and the significant reduction in fair value.

A4. Auditors' Report on Proceeding Annual Financial Statements

The auditors' report on the audited financial statements for the period ended 31 December 2011 was not qualified.

A5. Seasonal or Cyclical Factors

The operations of the Bank were not materially affected by any seasonal or cyclical factors in the third quarter ended 30 September 2012.

A6. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Bank during the third quarter ended 30 September 2012.

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A7. Changes in Estimates

There were no material changes in estimates during the third quarter ended 30 September 2012.

A8. Issue Of Ordinary Share Capital

On 25 April 2012, the issued and paid-up share capital of the Bank was increased from RM110,600,000 to RM131,720,000 via a rights issue of 22,120,000 new ordinary shares of RM1.00 each at a premium of RM9.00 per shares on the basis of one new share for every five existing ordinary shares held, to Maybank.

A9. Issuance and Repayment of Debt and Securities

There was no repayment of debt and equity securities during third quarter ended 30 September 2012.

A10. Dividends

During the Annual General Meeting held on 28 March 2012, a final tax exempt (single-tier) in respect of the financial period ended 31 December 2011 of RM2.00 per share on 110,600,000 ordinary shares was approved by the shareholder.

The Directors do not recommend the payment of any dividend in respect of the third quarter ended 30 September 2012.

A11. Subsequent Events to the Balance Sheet

There were no material events subsequent to the balance sheet date that requires disclosure or adjustment to the unaudited condensed interim financial statements.

A12. Related Party Transaction

All related party transactions within the Maybank Group had been entered into in the normal course of business and were carried out on normal commercial terms.

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A13. Cash and Short Term Funds

	30 September 2012 RM'000	31 December 2011 RM'000
Cash and balances with banks and other financial institutions	1,854,288	1,757,901
Money at call and interbank placements with remaining maturity not exceeding one month	7,426,047	7,661,449
	9,280,335	9,419,350

**A14. Deposits and Placements with Banks and other
Financial Institutions**

	30 September 2012 RM'000	31 December 2011 RM'000
Bank Negara Malaysia	228	211
Licensed banks	30,000	35,079
Licensed islamic banks	70,000	370,820
	100,228	406,110

A15. Securities Portfolio

	Note	30 September 2012 RM'000	31 December 2011 (Restated) RM'000
Securities available-for-sale ("AFS")	(i)	4,521,978	5,998,980
Securities held-to-maturity ("HTM")	(ii)	-	51,528
Securities held-for-trading ("HFT")	(iii)	2,785,258	2,214,891
		7,307,236	8,265,399

(i) Securities AFS

	30 September 2012 RM'000	31 December 2011 (Restated) RM'000
At fair value		
Money market instruments:-		
Cagamas bonds	35,388	149,891
Malaysian Government Investment Issues	1,520,199	3,155,496
Negotiable Islamic instruments of deposits	278,647	952,927
Bankers' acceptances and Islamic accepted bills	311,518	4,117
Khazanah bonds	255,940	246,208
Bank Negara Malaysia Sukuk Ijarah bonds	-	11,132
Bank Negara Malaysia Monetary Notes	286,728	-
	2,688,420	4,519,771
Unquoted securities :		
Islamic private debt securities in Malaysia	1,766,063	1,411,907
Malaysia Global Sukuk	67,495	67,302
	1,833,558	1,479,209
Total securities AFS	4,521,978	5,998,980

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A15. Securities Portfolio (contd.)

(ii) Securities HTM

	30 September 2012 RM'000	31 December 2011 (Restated) RM'000
At amortised cost less impairment losses		
Money market instruments:-		
Malaysian Government Investment Issues	-	51,192
Unquoted securities :		
Islamic private debt securities in Malaysia	-	336
Total securities HTM	-	51,528

(iii) Securities HFT

	30 September 2012 RM'000	31 December 2011 RM'000
At fair value		
Money market instruments:-		
Malaysian Government Investment Issues	-	215,712
Bank Negara Malaysia Monetary Notes	2,785,258	1,882,848
Bank Negara Malaysia Sukuk Ijarah Bonds	-	116,331
Total securities HFT	2,785,258	2,214,891

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A16. Financing and Advances

(i) By type

	30 September 2012 RM'000	31 December 2011 RM'000
Cashline	2,491,316	2,103,900
Term financing		
- Housing financing	9,226,229	7,275,137
- Syndicated financing	41,199	52,071
- Hire purchase receivables	18,122,823	18,167,588
- Other term financing	54,204,847	42,930,498
Bills receivable	1,595	2,125
Trust receipts	188,391	204,263
Claims on customers under acceptance credits	3,324,985	3,507,816
Staff financing	997,163	864,916
Credit card receivables	347,645	340,254
Revolving credit	4,380,090	4,315,880
	93,326,283	79,764,448
Unearned income	(36,377,627)	(28,894,399)
Gross financing and advances [^]	56,948,656	50,870,049
Allowances for impaired financing and advances:		
- individual	(102,960)	(298,840)
- collective	(609,089)	(631,658)
Net financing and advances	56,236,607	49,939,551

[^] Included in financing and advances are the underlying assets under the Restricted Profit Sharing Investment Account ("RPSIA"), an arrangement between the Bank and its parent amounting to RM650 million (31 December 2011:RM650 million), where the risks and rewards of the RPSIA are accounted by the parent, including allowances for impairment arising thereon, if any and the profit is shared based on pre-agreed ratios.

(ii) By Shariah concepts

	30 September 2012 RM'000	31 December 2011 RM'000
Bai' Bithaman Ajil	19,941,230	17,949,940
Al-Ijarah Thumma Al-Bai (AITAB)	15,253,826	15,146,087
Murabahah	17,452,099	14,473,620
Musyarakah Mutanaqisah	4,029,310	2,852,124
Bai Al-Dayn	2,699	2,217
Al-Ijarah Muntahiyah Bi Tamleek	41,199	52,071
Other concepts	228,293	393,990
Gross financing and advances	56,948,656	50,870,049

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A16. Financing and Advances (contd.)

(iii) By type of customers

	30 September 2012 RM'000	31 December 2011 RM'000
Domestic non-banking institutions	5,364,449	5,294,637
Domestic business enterprises		
- Small and medium enterprises	7,723,100	6,262,452
- Others	6,889,397	6,532,255
Government and statutory bodies	766,932	318,878
Individuals	35,255,952	31,501,647
Other domestic entities	9,866	9,129
Foreign entities in Malaysia	938,960	951,051
Gross financing and advances	<u>56,948,656</u>	<u>50,870,049</u>

(iv) By profit rate sensitivity

	30 September 2012 RM'000	31 December 2011 RM'000
Fixed rate		
- House financing	2,725,694	2,886,621
- Hire purchase receivables	15,334,845	15,152,459
- Other financing	12,520,540	10,477,966
Floating rate		
- House financing	6,706,914	4,545,606
- Other financing	19,660,663	17,807,397
Gross financing and advances	<u>56,948,656</u>	<u>50,870,049</u>

(v) By economic purpose

	30 September 2012		31 December 2011	
	RM'000	RM'000	RM'000	RM'000
Purchase of securities		9,435,159		8,062,663
Purchase of transport vehicles	16,545,786		16,676,327	
Less: Hire purchase receivables sold to Cagamas	<u>(1,189,777)</u>	15,356,009	<u>(1,499,270)</u>	15,177,057
Purchase of landed properties				
- residential	9,435,959		7,438,449	
- non-residential	<u>2,239,411</u>	11,675,370	<u>1,269,053</u>	8,707,502
Personal use		1,096,835		1,000,346
Consumer durables		9		3
Construction		2,182,099		2,205,208
Working capital		16,617,909		15,069,544
Credit cards		347,645		340,254
Others		237,621		307,472
Gross financing and advances		<u>56,948,656</u>		<u>50,870,049</u>

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A16. Financing and Advances (contd.)

(vi) Maturity structure of financing and advances are as follows:

	30 September 2012 RM'000	31 December 2011 RM'000
Maturity within one year	6,664,107	7,173,315
One year to three years	2,223,994	2,085,895
Three years to five years	8,262,193	8,621,309
After five years	39,798,362	32,989,530
Gross financing and advances	<u>56,948,656</u>	<u>50,870,049</u>

(vii) Impaired financing and advances by economic purpose

	30 September 2012		31 December 2011	
	RM'000	RM'000	RM'000	RM'000
Purchase of securities		4,604		7,222
Purchase of transport vehicles		68,087		57,316
Purchase of landed properties				
- residential	101,490		149,843	
- non-residential	<u>41,480</u>	142,970	<u>17,210</u>	167,053
Personal use		12,112		13,197
Credit cards		4,511		6,580
Consumer durables		3		3
Construction		32,513		56,599
Working capital		309,976		504,003
Gross impaired financing and advances		<u>574,776</u>		<u>811,973</u>

(viii) Movement in impaired financing and advances

	30 September 2012 RM'000	31 December 2011 RM'000
At beginning of the year	811,973	928,549
Impaired during the period	393,934	316,586
Reclassified as non-impaired during the period	(179,808)	(220,452)
Recovered	(193,023)	(120,539)
Amount written off	(274,596)	(101,619)
Expenses debited to customers' accounts	16,296	9,448
At end of period	<u>574,776</u>	811,973
Less:		
- Individual allowance	<u>(102,960)</u>	<u>(298,840)</u>
Net impaired financing and advances	<u>471,816</u>	<u>513,133</u>

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A16. Financing and Advances (contd.)

(viii) Movement in impaired financing and advances (contd.)

	30 September 2012 RM'000	31 December 2011 RM'000
Gross financing and advances (excluding RPSIA financing)	56,298,656	50,220,049
Less:		
- Individual allowance	(102,960)	(298,840)
Net financing and advances	56,195,696	49,921,209
Net impaired financing and advances as a percentage of net financing and advances	0.84%	1.03%

(ix) Movement in the allowance for impaired financing and advances are as follows:

	30 September 2012 RM'000	31 December 2011 RM'000
<u>Individual Allowance</u>		
At beginning of the year	298,840	354,688
Allowance made during the period	57,125	28,449
Amount written back in respect of recoveries	(48,317)	(38,004)
Amount written off	(204,688)	(45,554)
Transfer to collective allowance	-	(739)
At end of the period	102,960	298,840
	30 September 2012 RM'000	31 December 2011 RM'000
<u>Collective Allowance</u>		
At beginning of the year	631,658	575,895
Net allowance made during the period/year*	47,339	111,089
Amount written off	(69,908)	(56,065)
Transfer from individual allowance	-	739
At end of the period	609,089	631,658
As a % of gross financing and advances (excluding RPSIA financing) less individual assessment allowance	1.08%	1.27%

* As at 30 June 2012, the gross exposure of the assets under the RPSIA is RM650.0 million (31 December 2011:RM650.0 million) and the collective allowance relating to this RPSIA amounting RM1.5 million (31 December 2011:RM1.5 million) is accounted for by the parent. There was no individual allowance made on this RPSIA financing by the Bank.

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A17. Derivative Financial Instruments

The following tables summarise the contractual or underlying principal amounts of derivatives financial instruments held at fair value through income statement and hedging purposes. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding at balance sheet date, and do not represent amounts of risk.

Trading derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected in "Derivative Financial Instruments" Assets and Liabilities respectively.

	30 September 2012			31 December 2011		
	Principal Amount RM'000	Fair value Assets RM'000	Fair value Liabilities RM'000	Principal Amount RM'000	Fair value Assets RM'000	Fair value Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange contracts:</u>						
Currency forwards						
- Less than one year	404,990	44	(10,010)	1,448,253	20,156	(19,673)
Currency swaps						
- Less than one year	317,855	7,379	-	-	-	-
Currency spot						
- Less than one year	66,610	81	(100)	50,079	41	(47)
<u>Profit rate related contracts:</u>						
Profit rate options						
- More than 3 years	350,000	105	(58,998)	200,000	722	(40,881)
Cross currency profit rate swaps						
- More than 3 years	300,500	6,866	(6,866)	300,500	7,104	(7,104)
<u>Commodity related contracts:</u>						
- Less than one year	-	-	-	35,500	-	-
	1,439,955	14,475	(75,974)	2,034,332	28,023	(67,705)
<u>Hedging derivatives</u>						
Profit rate swaps						
- Less than one year	600,000	137	(382)	-	-	-
- one year to three years	850,000	-	(8,101)	1,450,000	175	(15,207)
- More than 3 years	2,559,363	23,263	(18,921)	350,000	-	(9,157)
Cross currency profit rate swaps						
- one year to three years	259,875	11,533	(10,498)	-	-	-
- More than 3 years	317,500	4,588	-	317,500	-	(4,110)
	4,586,738	39,521	(37,902)	2,117,500	175	(28,474)
Total derivative assets/(liabilities)	6,026,693	53,996	(113,876)	4,151,832	28,198	(96,179)

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A18. Other Assets

	30 September 2012 RM'000	31 December 2011 RM'000
Amount due from holding company	5,507,490	3,726,670
Handling fees	125,849	127,490
Prepayments and deposits	92,527	70,581
Others	297,850	18,852
	6,023,716	3,943,593

A19. Deposits from Customers

i) By type of deposit

	30 September 2012 RM'000	31 December 2011 RM'000
<u>Mudharabah Fund</u>		
Demand deposits	6,314,386	3,683,135
Savings deposits	541,899	418,264
General investment deposits	14,334,014	20,671,521
Negotiable instruments of deposits	239,149	257,716
	21,429,448	25,030,636
<u>Non-Mudharabah Fund</u>		
Demand deposits	6,876,454	5,773,749
Savings deposits	7,627,103	6,689,436
Fixed return investment deposits	22,901,917	21,046,377
Structured deposits *	296,995	200,434
	37,702,469	33,709,996
	59,131,917	58,740,632

* Structured deposits represent Ringgit Malaysia time deposits with embedded foreign currency exchange option, commodity-linked time deposits and profit rate options.

ii) By type of customer

	30 September 2012 RM'000	31 December 2011 RM'000
Business enterprises	26,066,376	27,925,083
Individuals	18,313,704	15,052,850
Government and statutory bodies	6,818,605	7,354,080
Others	7,933,232	8,408,619
	59,131,917	58,740,632

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A20. Deposits and Placement of Banks and Other Financial Institutions

	30 September 2012 RM'000	31 December 2011 RM'000
<u>Mudharabah Fund</u>		
Licensed banks	7,136,161	4,892,905
Licensed islamic banks	2,382,003	257,368
Licensed investment banks	457,507	10,202
Other financial institutions	1,134,432	639,147
	<u>11,110,103</u>	<u>5,799,622</u>
<u>Non-Mudharabah Fund</u>		
Licensed banks	121,430	51,953
Licensed islamic banks	-	190,163
Other financial institutions	4,119,584	3,321,167
	<u>4,241,014</u>	<u>3,563,283</u>
	<u>15,351,117</u>	<u>9,362,905</u>

Included in the deposits and placements of licensed banks is the Restricted Profit Sharing Investment Account ("RPSIA") placed by the parent amounting to RM650 million (31 December 2011:RM650 million). These deposits are used to fund certain specific financing. The RPSIA is a contract based on the Mudharabah principle between two parties to finance a financing where the investor solely provides capital and the business venture is managed solely by the entrepreneur. The profit of the business venture is shared between both parties based on pre-agreed ratios. Losses shall be borne by the depositors.

A21. Other Liabilities

	Note	30 September 2012 RM'000	31 December 2011 RM'000
Profit equalisation reserve ("PER")	(i)	54,695	54,695
Sundry creditors		231,025	9,024
Deposit on trade financing		18,334	28,757
Provisions and accruals		10,528	17,212
Others		138,944	-
		<u>453,526</u>	<u>109,688</u>

(i) PER

	30 September 2012 RM'000	31 December 2011 RM'000
At beginning of period	54,695	90,340
Transfer to Non-Distributable profit equalisation reserve	-	(34,456)
Distribution to Investment Account Holder	-	(1,189)
At end of period	<u>54,695</u>	<u>54,695</u>

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A22. Subordinated Sukuk

	30 September 2012 RM'000	31 December 2011 RM'000
RM1,000 million Islamic Subordinated Sukuk due in 2021	<u>1,021,331</u>	<u>1,010,723</u>

On 31 March 2011, the Bank issued RM1.0 billion nominal value Islamic Subordinated Sukuk ("the Sukuk") under the Shariah principle of Musyarakah. The Sukuk carries a tenure of 10 years from the issue date on 10 non-callable 5 basis, with a profit rate of 4.22% per annum payable semi-annually in arrears in March and September each year, and are due in March 2021. Under the 10 non-callable 5 basis feature, the Bank has the option to redeem the Sukuk on any semi-annual distribution date on or after the 5th anniversary from the issue date. Should the Bank decide not to exercise its option to redeem the Sukuk, the Sukuk shall continue to be outstanding until the final maturity date.

The Sukuk is unsecured and it is subordinated in rights and priority of payment, to all deposit liabilities and other liabilities of the Bank except liabilities of the Bank which by their terms rank pari-passu in right and priority of payment with the Sukuk.

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A23. Income derived from Investment of Depositors' Funds

	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
i) General investment deposits	516,104	502,428	1,673,281	1,391,401
ii) Other deposits	418,066	268,477	983,945	691,552
	<u>934,170</u>	<u>770,905</u>	<u>2,657,226</u>	<u>2,082,953</u>

i) Income derived from investment of general investment deposits

	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Financing and advances	391,464	418,948	1,252,080	1,129,710
Money at call and deposit with financial institutions	65,189	27,355	172,141	76,386
Securities AFS	16,192	31,403	76,357	92,191
Securities HTM	(119)	1,004	1,710	3,261
Securities HFT	607	444	1,921	1,170
	<u>473,333</u>	<u>479,154</u>	<u>1,504,209</u>	<u>1,302,718</u>
Amortisation of premium less accretion of discounts	2,349	(898)	31,346	(297)
Total finance income and hibah	<u>475,682</u>	<u>478,256</u>	<u>1,535,555</u>	<u>1,302,421</u>
Other operating income :				
Fee income				
- Processing fees	178	270	858	905
- Commissions	10,879	11,876	42,186	42,428
- Service charges and other fees	13,413	11,018	37,146	32,561
Gains on sale of securities AFS	8,141	5,678	26,090	10,129
Gains on sale of securities HFT	218	821	2,325	857
Unrealised gains/(losses) on revaluation of:				
- Securities HFT	5,315	(213)	5,967	170
- Derivatives	5,157	(9,483)	18,697	(8,962)
Gains/(losses) on foreign exchange:				
- Realised	6,119	(2,583)	17,913	4,189
- Unrealised	(8,998)	6,788	(13,456)	6,703
	<u>516,104</u>	<u>502,428</u>	<u>1,673,281</u>	<u>1,391,401</u>

Included in finance income were income on impaired assets amounting to RM11.6 million (30.9.2011 :RM16.6 million).

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A23. Income derived from Investment of Depositors' Funds (contd)

ii) Income derived from investment of other deposits

	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September 2012 RM'000	30 September 2011 RM'000	30 September 2012 RM'000	30 September 2011 RM'000
Financing and advances	315,410	223,854	736,265	561,756
Money at call and deposit with financial institutions	48,924	14,617	101,225	37,885
Securities AFS	15,478	16,779	44,900	45,934
Securities HTM	111	536	1,006	1,593
Securities HFT	486	237	1,129	590
	380,409	256,023	884,525	647,758
Amortisation of premium less accretion of discounts	4,253	(480)	18,433	(142)
Total finance income and hibah	384,662	255,543	902,958	647,616
Other operating income :				
Fee income				
- Processing fees	172	144	505	463
- Commissions	9,497	6,345	24,807	21,065
- Service charges and other fees	10,237	5,887	21,843	16,158
Gains on sale of securities AFS	6,565	3,034	15,342	4,810
Gains on sale of securities HFT	337	438	1,367	420
Unrealised gains/(losses) on revaluation of:				
- Securities HFT	3,190	(114)	3,509	65
- Derivatives	4,373	(5,067)	10,994	(4,869)
Gains/(losses) on foreign exchange:				
- Realised	4,766	(1,357)	10,533	2,238
- Unrealised	(5,733)	3,624	(7,913)	3,586
	418,066	268,477	983,945	691,552

Included in finance income were income on impaired assets amounting to RM6.8 million (30.9.2011 :RM8.9 million).

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A24. Income derived from Investment of Shareholder's Funds

	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September 2012 RM'000	30 September 2011 RM'000	30 September 2012 RM'000	30 September 2011 RM'000
Financing and advances	37,600	35,440	94,831	76,575
Money at call and deposit with financial institutions	5,926	2,314	13,038	5,134
Securities AFS	1,782	2,657	5,783	6,284
Securities HTM	8	85	130	208
Securities HFT	58	38	145	84
	45,374	40,534	113,927	88,285
Amortisation of premium less accretion of discounts	446	(76)	2,374	(19)
Total finance income and hibah	45,820	40,458	116,301	88,266
Other operating income :				
Fee income				
- Processing fees	20	23	65	67
- Commissions	1,113	1,005	3,195	2,857
- Service charges and other fees	1,234	932	2,812	2,192
Gains on sale of securities AFS	782	480	1,976	593
Gains on sale of securities HFT	36	69	176	56
Unrealised gains/(losses) on revaluation of:				
- Securities HFT	409	(18)	452	3
- Derivatives	516	(802)	1,416	(793)
Gains/(losses) on foreign exchange:				
- Realised	573	(198)	1,357	354
- Unrealised	(723)	554	(1,019)	550
	49,780	42,503	126,731	94,145

Included in finance income were income on impaired assets amounting to RM0.9 million (30.9.2011 :RM1.4 million).

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A25. Allowance for Impairment on Financing and Advances

	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September 2012 RM'000	30 September 2011 RM'000	30 September 2012 RM'000	30 September 2011 RM'000
Allowances for impaired financing and advances:				
- collective allowance made	41,253	56,416	47,339	57,137
- individual allowance made	13,758	14,766	57,125	52,478
- individual allowance written back	(33,550)	(18,869)	(48,317)	(29,518)
Impaired financing and advances written off	3,289	1,048	5,819	3,118
Impaired financing and advances recovered	(28,251)	(23,141)	(75,347)	(55,822)
	<u>(3,501)</u>	<u>30,220</u>	<u>(13,381)</u>	<u>27,393</u>

A26. Income attributable to Depositors

	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September 2012 RM'000	30 September 2011 RM'000	30 September 2012 RM'000	30 September 2011 RM'000
Deposits from customers				
- Mudharabah	123,758	103,014	452,233	338,420
- Non-Mudharabah	187,570	128,238	542,758	323,252
	<u>311,328</u>	<u>231,252</u>	<u>994,991</u>	<u>661,672</u>
Deposits and placements of banks and other financial institutions				
- Mudharabah	103,614	91,612	232,614	232,311
- Non-Mudharabah	12,575	27,014	40,616	28,405
	<u>116,189</u>	<u>118,626</u>	<u>273,230</u>	<u>260,716</u>
	<u>427,517</u>	<u>349,878</u>	<u>1,268,221</u>	<u>922,388</u>

MAYBANK ISLAMIC BERHAD
(787435-K)
(Incorporated in Malaysia)

A27. Overhead Expenses

	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Personnel expenses	7,072	5,015	20,142	13,028
- Salaries, allowances and bonuses	4,664	3,545	13,637	9,468
- Pension costs	752	1,127	2,432	2,060
- Shares/Options granted under Employee's Shares Scheme	573	-	1,068	-
- Others	1,083	343	3,005	1,500
Establishment costs	740	398	1,995	1,388
- Rental of premises	274	294	862	730
- Repairs, servicing and maintenance	89	-	261	3
- Information technology expenses	377	104	872	655
Marketing costs	625	562	1,828	6,358
- Advertisement and publicity	614	524	1,798	6,306
- Others	11	38	30	52
Administration and general expenses	137,178	144,276	428,022	425,474
- Fees and brokerage	2,365	3,717	10,129	9,535
- Administrative expenses	1,545	1,037	4,358	3,367
- General expenses	2,345	2,655	(327)	20,480
- Shared service cost paid/payable to Maybank	130,923	136,867	413,862	392,092
	145,615	150,251	451,987	446,248

A28. Finance Cost

	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Islamic subordinated sukuk	10,493	10,579	31,247	21,216

A29. Taxation and Zakat

The analysis of the taxation and zakat expense for the third quarter ended 30 September 2012 are as follows:

	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	97,061	75,775	238,549	191,083
Deferred tax expense in relation to origination and reversal of temporary differences	(11,968)	(15,097)	(11,300)	(25,690)
Tax expense for the period	85,093	60,678	227,249	165,393
Zakat expense	4,000	4,506	13,332	9,550
	89,093	65,184	240,581	174,943

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A30. Commitments and Contingencies and Off-Balance Sheet Financial Instruments

In the normal course of business, the Bank make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

The risk-weighted exposures of the Bank as at dates are as follows:

	As at 30 September 2012			As at 31 December 2011		
	Full commitment RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000	Full commitment RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000
<u>Credit-related</u>						
Direct credit substitutes	676,549	676,549	387,390	353,389	353,389	218,717
Certain transaction-related contingent items	1,064,474	528,717	500,738	988,725	488,589	420,439
Short-term self-liquidating trade-related contingencies	144,615	26,688	17,458	275,875	54,868	33,029
Hire purchase financing sold to Cagamas Berhad	1,189,777	1,189,777	390,333	1,499,270	1,499,270	498,592
Irrevocable commitments to extend credit:						
- maturity within one year	16,671,706	1,557,591	960,590	13,278,525	367,560	216,612
- maturity more than one year	3,067,061	2,347,326	652,581	2,183,909	1,117,988	333,118
Miscellaneous	5,351	-	-	12,662	-	-
Total credit-related commitments and contingencies	22,819,533	6,326,648	2,909,090	18,592,355	3,881,664	1,720,507
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- less than one year	789,455	24,253	12,577	1,498,332	43,650	12,648
- one year to less than five years	877,875	96,798	52,064	618,000	62,723	29,045
Profit rate related contracts:						
- less than one year	600,000	737	147	-	-	-
- one year to less than five years	3,759,363	135,126	45,388	1,850,000	39,897	7,979
- five years and above	-	-	-	150,000	9,000	1,800
Commodity related contracts:						
- less than one year	-	-	-	35,500	89	18
Total treasury-related commitments and contingencies	6,026,693	256,914	110,176	4,151,832	155,359	51,490
	28,846,226	6,583,562	3,019,266	22,744,187	4,037,023	1,771,997

* The credit equivalent amount and the risk-weighted amount are arrived at using the credit conversion factors and risk weights respectively, as specified by Bank Negara Malaysia.

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A31. Capital Adequacy

(a) Compliance and Application of Capital Adequacy Ratios

The Bank's ratios are computed in accordance with Bank Negara Malaysia's Risk Weighted Capital Adequacy Framework (Basel II "RWCAF") as follows:

- (i) Credit risk under Internal-Ratings Based Approach
- (ii) Market risk under Standardised Approach
- (iii) Operational risk under Basic Indicator Approach

The minimum regulatory capital adequacy requirement is 8% (2011: 8%) for the risk-weighted capital ratios.

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

	30 September 2012 RM'000	31 December 2011 RM'000
Before deducting proposed dividend:		
Core capital ratio	11.16%	9.89% *
Risk-weighted capital ratio ("RWCR")	13.47%	12.61% *
After deducting proposed dividend:		
Core capital ratio	11.16%	9.32%
Risk-weighted capital ratio ("RWCR")	13.47%	12.04%

* In arriving at the capital base used in the ratio calculations of the Bank, the proposed dividends for respective financial years were not deducted.

There is no proposed dividend for the third quarter ended to 30 September 2012.

Components of Tier I and Tier II capital:

<u>Tier I capital</u>		
Paid-up share capital	132,720	110,600
Share premium	2,687,480	2,488,400
Other reserves	1,641,157	1,428,308
Less: Deferred tax assets ¹	(176,342)	(177,446)
Total Tier I capital	4,285,015	3,849,862
<u>Tier II capital</u>		
Subordinated sukuk	1,000,000	1,000,000
Collective allowance on non-impaired financing and advances	52,058	97,411
Surplus of total EL over total EP ²	(165,935)	(36,645)
Total Tier II capital	886,123	1,060,766
Capital base	5,171,138	4,910,628

¹ Under Bank Negara Malaysia Guidelines, deferred tax are required to be excluded from Tier I capital.

² EL is defined as expected loss and EP is defined as eligible provision.

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A31. Capital Adequacy (Contd.)

The breakdown of Assets and Credit Equivalent values (for Off Balance Sheet items) according to Risk Weighted are as follows:

	30 September 2012 RM'000	31 December 2011 RM'000
Standardised Approach exposure	4,337,914	4,153,679
Internal Ratings Based Approach exposure after scaling factor	31,013,060	28,214,051
Total risk-weighted asset for credit risk	35,350,974	32,367,730
Total risk-weighted asset for credit risk absorbed by parent [^]	(127,304)	(205,926)
Total risk-weighted asset for market risk	267,632	307,942
Total risk-weighted asset for operational risk	2,891,237	2,573,751
Additional risk-weighted asset due to capital floor	-	3,891,670
Total risk-weighted assets	38,382,539	38,935,167

[^] In accordance with BNM's guideline on the recognition and measurement of Restricted Profit Sharing Investment Account ("RPSIA") as Risk Absorbent, the credit risk on the assets funded by the RPSIA are excluded from the risk weighted capital ratio ("RWCR") calculation.

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A32. Financial Effects arising from Adoption of MFRS Framework and Changes in Accounting Policies

In preparing its opening MFRS statement of financial position, the Bank has adjusted certain amounts previously reported in its financial statements prepared in accordance with the previous FRS framework for the financial effects of the adoption of the MFRS framework and changes in accounting policies as stated in Note A1.

The adoption of the new MFRS framework and the change in accounting policy resulted the following reclassification and adjustment:

(i) Designation of previously recognised financial instruments

MFRS 1 allows a first-time adopter to designate eligible financial assets as available-for-sale at the date of transition.

The Bank has opted for this exemption and redesignated certain previously recognised financial investments held-to-maturity as available-for-sale at 1 July 2011 (i.e. the transition date to MFRS).

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A32. Financial Effects arising from Adoption of MFRS Framework and Changes in Accounting Policies (contd.)

(a) Reconciliation of equity as at 1 July 2011 and as at 31 December 2011

	FRS as at 1 July 2011 RM'000	Note A32 (i) RM'000	MFRS as at 1 July 2011 RM'000	FRS as at 31 December 2011 RM'000	Note A32 (i) RM'000	MFRS as at 31 December 2011 RM'000
ASSETS						
Cash and short-term funds	9,674,441	-	9,674,441	9,419,350	-	9,419,350
Deposits and placements with banks and other financial institutions	460,595	-	460,595	406,110	-	406,110
Securities held-for-trading	272,633	-	272,633	2,214,891	-	2,214,891
Securities available-for-sale	5,920,574	122,023	6,042,597	5,875,507	123,473	5,998,980
Securities held-to-maturity	171,893	(120,378)	51,515	171,884	(120,356)	51,528
Financing and advances	45,844,219	-	45,844,219	49,939,551	-	49,939,551
Derivative assets	14,615	-	14,615	28,198	-	28,198
Other assets	2,494,253	-	2,494,253	3,943,593	-	3,943,593
Statutory deposits with Bank Negara Malaysia	913,900	-	913,900	1,834,800	-	1,834,800
Deferred tax assets	160,844	(411)	160,433	177,446	(779)	176,667
TOTAL ASSETS	65,927,967	1,234	65,929,201	74,011,330	2,338	74,013,668

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A32. Financial Effects arising from Adoption of MFRS Framework and Changes in Accounting Policies (cont'd.)

(a) Reconciliation of equity as at 1 July 2011 and as at 31 December 2011 (cont'd.)

	FRS as at 1 July 2011 RM'000	Note A32 (i) RM'000	MFRS as at 1 July 2011 RM'000	FRS as at 31 December 2011 RM'000	Note A32 (i) RM'000	MFRS as at 31 December 2011 RM'000
LIABILITIES						
Deposits from customers	48,334,114	-	48,334,114	58,740,632	-	58,740,632
Deposits and placements of banks and other financial institutions	11,341,726	-	11,341,726	9,362,905	-	9,362,905
Bills and acceptances payable	1,053,540	-	1,053,540	501,753	-	501,753
Derivative liabilities	53,504	-	53,504	96,179	-	96,179
Other liabilities	133,463	-	133,463	109,688	-	109,688
Provision for taxation and zakat	39,571	-	39,571	80,305	-	80,305
Subordinated Sukuk	1,010,637	-	1,010,637	1,010,723	-	1,010,723
TOTAL LIABILITIES	61,966,555	-	61,966,555	69,902,185	-	69,902,185
SHAREHOLDERS' EQUITY						
Share capital	110,600	-	110,600	110,600	-	110,600
Reserves	3,850,812	1,234	3,852,046	3,998,545	2,338	4,000,883
TOTAL SHAREHOLDER'S EQUITY	3,961,412	1,234	3,962,646	4,109,145	2,338	4,111,483
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	65,927,967	1,234	65,929,201	74,011,330	2,338	74,013,668

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A32. Financial Effects arising from Adoption of MFRS Framework and Changes in Accounting Policies (contd.)

(b)(i) Reconciliation of income statement for the period ended 30 September 2011

	Three Months Ended			Nine Months Ended		
	FRS as at		MFRS as at	FRS as at		MFRS as at
	30 September	Note A32 (i)	30 September	30 September	Note A32 (i)	30 September
	2011	RM'000	2011	2011	RM'000	2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	770,905	-	770,905	2,082,953	-	2,082,953
Income derived from investment of shareholder's funds	42,503	-	42,503	94,145	-	94,145
Allowance for losses on financing and advances	(30,220)	-	(30,220)	(27,393)	-	(27,393)
Profit equalisation reserve	-	-	-	(41,784)	-	(41,784)
Other expenses directly attributable to depositors & shareholders' fund	(17,104)	-	(17,104)	(25,448)	-	(25,448)
Total distributable income	766,084	-	766,084	2,082,473	-	2,082,473
Income attributable to the depositors	(349,878)	-	(349,878)	(922,388)	-	(922,388)
Total net income	416,206	-	416,206	1,160,085	-	1,160,085
Overhead expenses	(150,251)	-	(150,251)	(446,248)	-	(446,248)
Finance cost	(10,579)	-	(10,579)	(21,216)	-	(21,216)
Profit before taxation and zakat	255,376	-	255,376	692,621	-	692,621
Taxation	(60,678)	-	(60,678)	(165,393)	-	(165,393)
Zakat	(4,506)	-	(4,506)	(9,550)	-	(9,550)
Profit for the period	190,192	-	190,192	517,678	-	517,678
Profit attributable to :						
Equity holders of the parent	190,192	-	190,192	517,678	-	517,678

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A32. Financial Effects arising from Adoption of MFRS Framework and Changes in Accounting Policies (cont'd.)

(b)(ii) Reconciliation of statement of comprehensive income for the period ended 30 September 2011

	Three Months Ended			Nine Months Ended		
	FRS as at 30 September 2011 RM'000	Note A32 (i) RM'000	MFRS as at 30 September 2011 RM'000	FRS as at 30 September 2011 RM'000	Note A32 (i) RM'000	MFRS as at 30 September 2011 RM'000
	Profit for the period	190,192	-	190,192	517,678	-
Other comprehensive income:						
Net gain on available-for-sale financial assets	37,259	1,022	38,281	37,596	1,022	38,618
- As previously reported	37,259	-	37,259	37,596	-	37,596
- Movement during the period/effect of adopting MFRS 1	-	1,022	1,022	-	1,022	1,022
Income tax relating to components of other comprehensive income	(9,315)	(256)	(9,571)	(9,400)	(256)	(9,656)
- As previously reported	(9,315)	-	(9,315)	(9,400)	-	(9,400)
- Movement during the period/effect of adopting MFRS 1	-	(256)	(256)	-	(256)	(256)
Other comprehensive income for the period, net of tax	27,944	766	28,710	28,196	766	28,962
Total comprehensive income for the period, net of tax	218,136	766	218,902	545,874	766	546,640
Total comprehensive income attributable to : Equity holders of the parent	218,136	766	218,902	545,874	766	546,640

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

PART B – Review of Performance & Current Year Prospects

B1. Performance Review

The Bank recorded a profit before tax and zakat of RM932.6 million for the third quarter ended 30 September 2012, higher by RM240.0 million or 35% from previous year's corresponding period.

Total income grew by RM606.9 million or 28% to RM2,783.9 million from last year's corresponding period, comprising RM2,657.2 million income derived from investment of depositors' funds and RM126.7 million income derived from investment of shareholder's funds. Income attributable to depositors (including inter-bank) rose by RM345.8 million to RM1,268.2 million or 37% as compared to previous year's corresponding period.

Overhead expenses increased by RM5.7 million or 1% to RM452.0 million over the amount reported in the prior year on the back of higher shared services cost which accounted 92% of total overhead cost.

Allowance for losses on financing and advances year-on-year net positive movement was RM40.8 million resulted from an increase in bad debt recovered and higher individual allowance written back. Net impaired financing stood at 0.84% as at 30 September 2012 as compared to 1.03% in December 2011.

The Bank's total asset increased by RM7.2 billion mainly due to growth in financing asset (+RM6.3 billion) and other assets (+RM2.1 billion) but lessened by drop in securities portfolio (-RM0.9 billion) especially from AFS securities.

Gross financing expanded to RM56.9 billion, a growth of RM6.1 billion or 12% from 31 December 2011 largely from term financing portfolios from corporate segment. Total customer deposits closed at RM59.1 billion, surged by RM0.4 billion from RM58.7 billion recorded in last financial year ended 31 December 2011 due to major placements from corporate accounts.

The Bank's risk-weighted capital ratio (under Basel II) improved to 13.47% (*December 2011: 12.61%*). The reason being, no additional risk-weighted assets due to capital floor added as the adjustment factor change from 90% to 80%.

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

B2. Prospects

Based on the latest World Economic Outlook by the International Monetary Fund (IMF), global real GDP growth is expected to moderate to 3.3% in 2012 from 3.9% in 2011 due to the recession in Eurozone, slower growth in other major advanced economies which in turn will adversely affect the performance of Asian Newly Industrialised Economies ("NIEs") - South Korea, Taiwan, Hong Kong, Singapore. However, the ASEAN 5 Group - namely Malaysia, Indonesia, Thailand, Philippines and Vietnam is expected to outperform, as resilient domestic demand overcomes the weakness in external demand.

Economic growth in Malaysia, Singapore and Indonesia, the three home markets where Maybank Group operates in, is expected to expand 5.0%, 2.5% and 6.2% respectively. These three markets collectively contribute more than 90% to the Group's income and profit. We expect to see reasonable business growth in these three markets for the financial year ending 31 December 2012.

Despite the challenging external environment, Malaysia's economy is expected to see positive growth on the back of continued domestic demand supported by an accommodative monetary policy, targeted fiscal measures and various investment activities to support social, economic and infrastructure projects in the country. This is expected to provide healthy stimulus for the banking sector.

Strong domestic demand in Indonesia, coupled with the continued expansion of the banking sector is expected to support loans growth for PT Bank Internasional Indonesia Tbk ("BII") of around 20%. Loans growth for Maybank Singapore is expected to soften as the economy moderates on account of slower global economic growth and tighter property lending guidelines.

Regionalisation continues to be a major theme for the Group, particularly in building a truly regional organisation in terms of governance structures, IT infrastructure and business capabilities (for example global wholesale banking and investment banking, credit cards, global markets, payments). The Group will also continue its focus on further raising customer service quality, embedding the right risk culture, and driving greater effectiveness and efficiency to improve the cost structure.

In December 2011, Bank Negara Malaysia (BNM) announced the implementation of Basel III Capital Rules which were essentially in accordance with globally agreed levels and implementation timeline. We expect BNM to issue the final rules by the fourth quarter of 2012 and Maybank group including the Bank is well positioned to comply with the BNM requirements for 2013.

Barring any unforeseen circumstances, the Bank expects to sustain a satisfactory financial performance for the current financial year ending 31 December 2012.