

AFFIN Islamic Bank Berhad

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENTS OF FINANCIAL POSITION as at 30 September 2013**

	Economic Entity		The Bank	
	Current Financial Quarter 30/9/2013 RM'000	Previous Financial Year-End 31/12/2012 RM'000	Current Financial Quarter 30/9/2013 RM'000	Previous Financial Year-End 31/12/2012 RM'000
ASSETS				
Cash and short-term funds	3,396,817	4,076,266	3,396,817	4,076,266
Deposits and placements with banks and other financial institutions	-	250,086	-	250,086
Financial investments available-for-sale	1,360,819	1,979,812	1,360,819	1,979,812
Financial investments held-to-maturity	86,511	-	86,511	-
Financing, advances and other financing	5,794,603	5,143,356	5,794,603	5,143,356
Other assets	50,814	64,317	50,814	64,317
Amount due from jointly controlled entity	2,745	2,745	2,745	2,745
Deferred tax assets	1,369	-	1,369	-
Statutory deposits with Bank Negara Malaysia	220,500	201,500	220,500	201,500
Investment in jointly controlled entity	-	60	650	500
Property and equipment	3,143	3,027	3,143	3,027
Intangible assets	1,861	2,458	1,861	2,458
TOTAL ASSETS	10,919,182	11,723,627	10,919,832	11,724,067
LIABILITIES AND EQUITY				
Deposits from customers	8,329,223	9,042,261	8,329,223	9,042,261
Deposits and placements of banks and other financial institutions	1,653,508	1,839,724	1,653,508	1,839,724
Other liabilities	33,033	23,521	33,033	23,521
Amount due to holding company	208,765	153,296	208,765	153,296
Provision for taxation	2,221	9,560	2,221	9,560
Deferred tax liabilities	-	266	-	266
TOTAL LIABILITIES	10,226,750	11,068,628	10,226,750	11,068,628
Share capital	360,000	360,000	360,000	360,000
Reserves	332,432	294,999	333,082	295,439
TOTAL EQUITY	692,432	654,999	693,082	655,439
TOTAL LIABILITIES AND EQUITY	10,919,182	11,723,627	10,919,832	11,724,067
COMMITMENTS AND CONTINGENCIES	1,629,310	1,569,943	1,629,310	1,569,943
Capital Adequacy				
CET1 capital ratio	13.909%	-	13.923%	-
Tier 1 capital ratio/Core capital ratio	13.909%	14.610%	13.923%	14.620%
Total capital ratio/Risk-weighted capital ratio	14.323%	15.150%	14.337%	15.160%

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INTERIM FINANCIAL STATEMENTS**UNAUDITED INCOME STATEMENTS for the financial quarter ended 30 September 2013**

	Individual Quarter Economic Entity		Cumulative Quarter Economic Entity	
	Current Financial Quarter 30/9/2013 RM'000	Preceding Year Corresponding Quarter 30/9/2012 RM'000	Current Financial Quarter 30/9/2013 RM'000	Preceding Year Corresponding Quarter 30/9/2012 RM'000
Income derived from investment of depositors' funds and others	108,162	116,131	315,924	344,475
Income derived from investment of shareholders' funds	7,378	6,277	22,107	16,686
Allowances for losses on financing	(283)	2,259	28	18,720
Total distributable income	115,257	124,667	338,059	379,881
Income attributable to the depositors	(68,226)	(74,544)	(195,136)	(222,345)
Total net income	47,031	50,123	142,923	157,536
Personnel expenses	(16,459)	(15,421)	(48,496)	(45,934)
Other overheads and expenditures	(9,705)	(8,462)	(28,026)	(26,245)
	20,867	26,240	66,401	85,357
Share of joint venture's results	(165)	(75)	(210)	(153)
Profit before zakat and taxation	20,702	26,165	66,191	85,204
Zakat	-	-	(8,583)	(6,064)
Profit before taxation	20,702	26,165	57,608	79,140
Taxation	(4,772)	(6,233)	(15,148)	(20,838)
Net profit after zakat and taxation	15,930	19,932	42,460	58,302
Attributable to:				
Equity holders of the Bank	15,930	19,932	42,460	58,302
Earnings per share (sen):				
- Basic/fully diluted	4.4	7.6	11.8	22.3

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INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME***for the financial quarter ended 30 September 2013(continued)*

	Individual Quarter Economic Entity		Cumulative Quarter Economic Entity	
	Current Financial Quarter 30/9/2013 RM'000	Preceding Year Corresponding Quarter 30/9/2012 RM'000	Current Financial Quarter 30/9/2013 RM'000	Preceding Year Corresponding Quarter 30/9/2012 RM'000
Profit after zakat and taxation	15,930	19,932	42,460	58,302
Other comprehensive income:				
Net fair value change in financial investments available-for-sale	(2,082)	(2,103)	(6,703)	(1,741)
Deferred tax on financial investments available-for-sale	521	652	1,676	435
Other comprehensive income for the financial period, net of tax	(1,561)	(1,451)	(5,027)	(1,306)
Total comprehensive income for the financial period	14,369	18,481	37,433	56,996
Attributable to equity holders of the Bank:				
- Total comprehensive income	14,369	18,481	37,433	56,996

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INTERIM FINANCIAL STATEMENTS**UNAUDITED INCOME STATEMENTS** *for the financial quarter ended 30 September 2013**(continued)*

	Individual Quarter		Cumulative Quarter	
	The Bank		The Bank	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2013	30/9/2012	30/9/2013	30/9/2012
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	108,162	116,131	315,924	344,475
Income derived from investment of shareholders' funds	7,378	6,277	22,107	16,686
Allowances for losses on financing	(283)	2,259	28	18,720
Total distributable income	115,257	124,667	338,059	379,881
Income attributable to the depositors	(68,226)	(74,544)	(195,136)	(222,345)
Total net income	47,031	50,123	142,923	157,536
Personnel expenses	(16,459)	(15,421)	(48,496)	(45,934)
Other overheads and expenditures	(9,705)	(8,462)	(28,026)	(26,245)
Profit before zakat and taxation	20,867	26,240	66,401	85,357
Zakat	-	-	(8,583)	(6,064)
Profit before taxation	20,867	26,240	57,818	79,293
Taxation	(4,772)	(6,233)	(15,148)	(20,838)
Net profit after zakat and taxation	16,095	20,007	42,670	58,455
Attributable to:				
Equity holders of the Bank	16,095	20,007	42,670	58,455
Earnings per share (sen):				
- Basic/fully diluted	4.5	7.7	11.9	22.4

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INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME***for the financial quarter ended 30 September 2013(continued)*

	Individual Quarter		Cumulative Quarter	
	The Bank		The Bank	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2013	30/9/2012	30/9/2013	30/9/2012
	RM'000	RM'000	RM'000	RM'000
Profit after zakat and taxation	16,095	20,007	42,670	58,455
Other comprehensive income:				
Net fair value change in financial investments available-for-sale	(2,082)	(2,103)	(6,703)	(1,741)
Deferred tax on financial investments available-for-sale	521	652	1,676	435
Other comprehensive income for the financial period, net of tax	(1,561)	(1,451)	(5,027)	(1,306)
Total comprehensive income for the financial period	14,534	18,556	37,643	57,149
Attributable to equity holders of the Bank:				
- Total comprehensive income	14,534	18,556	37,643	57,149

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INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENTS OF CHANGES IN EQUITY***for the financial quarter ended 30 September 2013*

	Attributable to Equity Holders of the Bank				
	Share capital	Statutory reserves	AFS revaluation reserves	Retained profits	Total
Economic Entity	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2013	360,000	143,451	2,598	148,950	654,999
Comprehensive income:					
Net profit for the financial period	-	-	-	42,460	42,460
Other comprehensive income (net of tax)					
- Financial investments available-for-sale	-	-	(5,027)	-	(5,027)
Total comprehensive income	-	-	(5,027)	42,460	37,433
Transfer to statutory reserves	-	21,335	-	(21,335)	-
At 30 September 2013	360,000	164,786	(2,429)	170,075	692,432
Economic Entity	Share capital	Statutory reserves	AFS revaluation reserves	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2012	260,000	106,420	2,719	112,149	481,288
Comprehensive income:					
Net profit for the financial period	-	-	-	58,302	58,302
Other comprehensive income (net of tax)					
- Financial investments available-for-sale	-	-	(1,306)	-	(1,306)
Total comprehensive income	-	-	(1,306)	58,302	56,996
Issued during the financial period	100,000	-	-	-	100,000
Transfer to statutory reserves	-	29,227	-	(29,227)	-
At 30 September 2012	360,000	135,647	1,413	141,224	638,284

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INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENTS OF CHANGES IN EQUITY***for the financial quarter ended 30 September 2013**(continued)*

	Non-distributable			Distributable	Total
	Share capital	Statutory reserves	AFS revaluation reserves	Retained profits	
The Bank	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2013	360,000	143,451	2,598	149,390	655,439
Comprehensive income:					
Net profit for the financial period	-	-	-	42,670	42,670
Other comprehensive income (net of tax)					
- Financial investments available-for-sale	-	-	(5,027)	-	(5,027)
Total comprehensive income	-	-	(5,027)	42,670	37,643
Transfer to statutory reserves	-	21,335	-	(21,335)	-
At 30 September 2013	360,000	164,786	(2,429)	170,725	693,082
The Bank	Share capital	Statutory reserves	AFS revaluation reserves	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2012	260,000	106,420	2,719	112,359	481,498
Comprehensive income:					
Net profit for the financial period	-	-	-	58,455	58,455
Other comprehensive income (net of tax)					
- Financial investments available-for-sale	-	-	(1,306)	-	(1,306)
Total comprehensive income	-	-	(1,306)	58,455	57,149
Issued during the financial period	100,000	-	-	-	100,000
Transfer to statutory reserves	-	29,227	-	(29,227)	-
At 30 September 2012	360,000	135,647	1,413	141,587	638,647

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INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENTS OF CASH FLOWS for the financial quarter ended 30 September 2013**

	Economic Entity		The Bank	
	30/9/2013 RM'000	30/9/2012 RM'000	30/9/2013 RM'000	30/9/2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before zakat and taxation	66,191	85,204	66,401	85,357
Adjustments for items not involving the movement of cash and cash equivalents:				
Finance income and hibah from:				
- financial investments available-for-sale	(43,734)	(42,517)	(43,734)	(42,517)
- financial investments held-to-maturity	(1,511)	-	(1,511)	-
Accretion of discount less amortisation of premium:				
- financial investments available-for-sale	(2,798)	(11,913)	(2,798)	(11,913)
Gain on sale from:				
- financial investments available-for-sale	(859)	(5,807)	(859)	(5,807)
Depreciation of property and equipment	599	853	599	853
Amortisation of intangible assets	597	598	597	598
Net individual impairment	460	1,448	460	1,448
Net collective impairment	327	(19,763)	327	(19,763)
Bad debt on financing written-off	4	76	4	76
Share of joint venture's results	210	153	-	-
Operating profit before changes in working capital	19,486	8,332	19,486	8,332
<i>(Increase)/decrease in operating assets:</i>				
Deposits and placements with banks and other financial institutions	250,086	(80,048)	250,086	(80,048)
Foreign exchange transaction	1,778	(1,173)	1,778	(1,173)
Financing, advances and other financing	(652,038)	(584,809)	(652,038)	(584,809)
Other assets	13,477	47,462	13,477	47,462
Statutory deposits with Bank Negara Malaysia	(19,000)	(24,000)	(19,000)	(24,000)
<i>Increase/(decrease) in operating liabilities:</i>				
Deposits from customers	(713,038)	2,024,182	(713,038)	2,024,182
Deposits and placements of banks and other financial institutions	(186,216)	(1,162,941)	(186,216)	(1,162,941)
Amount due to holding company	55,469	(244,372)	55,469	(244,372)
Other liabilities	4,850	71,726	4,850	71,726
Cash (used in)/generated from operations	(1,225,146)	54,359	(1,225,146)	54,359
Tax refund	25	-	25	-
Tax paid	(22,470)	(6,647)	(22,470)	(6,647)
Zakat paid	(3,896)	(2,693)	(3,896)	(2,693)
Net cash (used in)/generated from operating activities	(1,251,487)	45,019	(1,251,487)	45,019

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INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENTS OF CASH FLOWS for the financial quarter ended 30 September 2013***(continued)*

	Economic Entity		The Bank	
	30/9/2013 RM'000	30/9/2012 RM'000	30/9/2013 RM'000	30/9/2012 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment in jointly controlled entity	(150)	-	(150)	-
Finance income and hibah received from:				
- financial investments available-for-sale	43,734	42,517	43,734	42,517
- financial investments held-to-maturity	1,511	-	1,511	-
Net sale/(purchase) of financial investments available-for-sale	615,947	(524,240)	615,947	(524,240)
Redemption of financial investments held-to-maturity net of purchase	(86,512)	-	(86,512)	-
Purchase of property and equipment	(714)	(1,099)	(714)	(1,099)
Net cash generated from/(used in) investing activities	573,816	(482,822)	573,816	(482,822)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in share capital	-	100,000	-	100,000
Net cash generated from financing activities	-	100,000	-	100,000
Net decrease in cash and cash equivalents	(677,671)	(337,803)	(677,671)	(337,803)
Net (decrease)/increase in foreign exchange	(1,778)	1,173	(1,778)	1,173
Cash and cash equivalents at beginning of the financial period	4,076,266	4,455,700	4,076,266	4,455,700
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	3,396,817	4,119,070	3,396,817	4,119,070

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MFRS 134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2013

1 BASIS OF PREPARATION

This unaudited condensed interim financial information for the 9 months ended 30 September 2013 has been prepared in accordance with MFRS134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ('MASB') Approved Accounting Standards in Malaysia for Entities Other Than Private Entities, Bank Negara Malaysia ('BNM') Guidelines and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Bank have been prepared under the historical cost convention, unless otherwise indicated in this summary of significant accounting policies.

The unaudited condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with the Malaysian Financial Reporting Standards ('MFRS'). The explanatory notes to this interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the Bank since the year ended 31 December 2012.

2 ACCOUNTING POLICIES

The consolidated financial statements include the financial statements of the Bank and a jointly controlled entity, made up to the quarter ended 30 September 2013.

The presentation of the comparative financial statements of the Bank has been restated to conform with the current period's presentation. The new and revised Malaysian Financial Reporting Standards ('MFRS') which became effective for the financial period beginning 1 January 2013 are duly adopted by the Bank when preparing the financial report for the quarter ended 30 September 2013 are as follows:

MFRS 10 "Consolidated financial statements"
MFRS 11 "Joint arrangements"
MFRS 12 "Disclosures of interests in other entities"
MFRS 13 "Fair value measurement"
The revised MFRS 127 "Separate financial statements"
The revised MFRS 128 "Investments in associates and joint ventures"
Amendment to MFRS 7 "Financial instruments: Disclosures"

3 QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2012 was not qualified.

4 SEASONAL OR CYCLICAL FACTORS

The business operations of the Bank are not subject to material seasonal or cyclical fluctuation.

5 EXCEPTIONAL ITEMS

There was no exceptional items for the quarter ended 30 September 2013.

6 CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT

Refer to Note 2

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MFRS 134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2013

7 CHANGES IN DEBTS AND EQUITY SECURITIES

There were no purchases or disposal of quoted securities for the quarter ended 30 September 2013 other than in the ordinary course of business.

8 DIVIDENDS

There were no interim dividend declared.

9 SUBSEQUENT MATERIAL EVENT

There is no material subsequent event after the quarter ended 30 September 2013 that have material financial impact.

10 CHANGES IN THE COMPOSITION OF THE BANK

On 2 January 2013, AFFIN Islamic Bank Berhad (the 'Bank') entered into a Musharakah Joint Venture Agreement ('JV Agreement') with Albatha Bukit Kiara Holdings Sdn Bhd ("Albatha"), a subsidiary of Bukit Kiara Capital Sdn Bhd, to jointly develop a project namely "VERVE Suites KL South" at Jalan Klang Lama, Kuala Lumpur

Pursuant to the JV Agreement, the Bank acquired 30% stake in the joint venture company namely KL South Development Sdn Bhd (formerly known as Grand Duplex Sdn Bhd) ("KL South") by way of subscription of 150,000 shares of RM1.00 each in KL South at par. The remaining stake of 70% in KL South is held by Albatha.

Under the Musharakah structure, the Bank would be the sole banker to KL South, providing financing using the Islamic concept such as Ijarah for the purchase of building and Istina' for the bridging financing.

Major strategic operation and financial decisions relating to the activities of KL South requires consent by both joint venture parties. The Bank's interest in KL South has been treated as investment in jointly controlled entity, which has been accounted for in the consolidated financial statements using the equity method of accounting.

11 PURCHASE AND SALE OF QUOTED SECURITIES

There were no purchases or disposals of quoted securities for the quarter ended 30 September 2013 other than in the ordinary course of business.

12 STATUS OF CORPORATE PROPOSAL

There were no corporate proposals announced but not completed during the period ended 30 September 2013.

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MFRS 134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2013**13 FINANCING, ADVANCES AND OTHER FINANCING****(i) By type**

	Economic Entity/The Bank	
	Current Financial Quarter 30/9/2013 RM'000	Previous Financial Year-End 31/12/2012 RM'000
Cash line	200,342	187,020
Term financing		
- House financing	1,665,187	1,511,961
- Hire purchase receivables	1,729,605	1,438,230
- Syndicated financing	263,543	259,993
- Other term financing	1,591,063	1,458,138
Bills receivables	2,694	390
Trust receipts	17,244	28,445
Claims on customers under acceptances credits	130,284	133,577
Staff financing (of which RM Nil to Directors)	11,341	10,899
Revolving credits	253,234	184,734
Gross financing, advances and other financing	5,864,537	5,213,387
Less:		
Allowance for impairment		
- Individual	(34,671)	(35,095)
- Collective	(35,263)	(34,936)
Total net financing, advances and other financing	5,794,603	5,143,356

(ii) By maturity structure

	Economic Entity/The Bank	
	Current Financial Quarter 30/9/2013 RM'000	Previous Financial Year-End 31/12/2012 RM'000
Maturing within one year	625,783	565,710
One year to three years	524,117	354,583
Three years to five years	826,855	770,713
Over five years	3,887,782	3,522,381
	5,864,537	5,213,387

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MFRS 134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2013**13 FINANCING, ADVANCES AND OTHER FINANCING (continued)****(iii) By contract**

	Economic Entity/The Bank	
	Current Financial Quarter 30/9/2013 RM'000	Previous Financial Year-End 31/12/2012 RM'000
Bai' Bithamin Ajil (deferred payment sale)	1,938,475	2,223,828
AITAB	1,729,605	1,438,230
Murabahah (cost-plus)	676,545	248,623
Others	1,519,912	1,302,706
	5,864,537	5,213,387

(iv) By type of customer

	Economic Entity/The Bank	
	Current Financial Quarter 30/9/2013 RM'000	Previous Financial Year-End 31/12/2012 RM'000
Domestic non-banking institutions		
- Others	177,822	310,059
Domestic business enterprises		
- Small medium enterprises	390,339	427,991
- Others	1,561,339	1,326,600
Government and statutory bodies	11,343	21,662
Individuals	3,345,971	2,916,350
Other domestic entities	258,976	85,726
Foreign entities	118,747	124,999
	5,864,537	5,213,387

(v) By profit rate sensitivity

	Economic Entity/The Bank	
	Current Financial Quarter 30/9/2013 RM'000	Previous Financial Year-End 31/12/2012 RM'000
Fixed rate		
- House financing	75,643	83,011
- Hire purchase receivables	1,729,605	1,438,230
- Other fixed rate financing	568,159	662,096
Variable rate		
- BLR - plus	2,567,308	2,395,805
- Cost - plus	923,822	634,245
	5,864,537	5,213,387

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MFRS 134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2013

13 FINANCING, ADVANCES AND OTHER FINANCING (continued)

(vi) By economic purpose

	Economic Entity/The Bank	
	Current Financial Quarter 30/9/2013 RM'000	Previous Financial Year-End 31/12/2012 RM'000
Purchase of securities	15	34
Purchase of transport vehicles	1,728,188	1,438,181
Purchase of landed property of which:		
- Residential	1,678,477	1,601,485
- Non-residential	934,025	865,774
Fixed assets other than land and building	48,381	65,883
Personal use	31,313	39,854
Consumer durable	10	17
Construction	389,641	214,075
Working capital	1,040,149	981,028
Others	14,338	7,056
	5,864,537	5,213,387

(vii) By geographical distribution

	Economic Entity/The Bank	
	Current Financial Quarter 30/9/2013 RM'000	Previous Financial Year-End 31/12/2012 RM'000
Perlis	52,095	9,337
Kedah	301,001	275,950
Pulau Pinang	118,180	90,357
Perak	304,743	249,961
Selangor	2,036,211	1,854,322
Wilayah Persekutuan	1,580,873	1,417,487
Negeri Sembilan	123,143	98,342
Melaka	81,879	55,684
Johor	233,597	181,161
Pahang	251,272	250,096
Terengganu	378,006	354,214
Kelantan	193,015	195,746
Sarawak	28,326	26,755
Sabah	88,216	53,344
Labuan	95	7
Outside Malaysia	93,885	100,624
	5,864,537	5,213,387

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MFRS 134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2013**13 FINANCING, ADVANCES AND OTHER FINANCING (continued)****(viii) Movements of impaired financing**

	Economic Entity/The Bank	
	Current Financial Quarter 30/9/2013 RM'000	Previous Financial Year-End 31/12/2012 RM'000
At beginning of the financial period	129,792	172,344
Classified as impaired	50,527	67,040
Reclassified as non-impaired	(33,390)	(80,004)
Amount recovered	(10,241)	(21,384)
Amount written-off	(4)	(8,204)
At end of the financial period	136,684	129,792
Ratio of gross impaired financing, advances and other financing to gross financing, advances and other financing	2.33%	2.49%

(ix) Movements in allowance for impairment on financing

	Economic Entity/The Bank	
	Current Financial Quarter 30/9/2013 RM'000	Previous Financial Year-End 31/12/2012 RM'000
Individual impairment		
At beginning of the financial period	35,095	34,927
Provision for loan impairment	464	2,823
Amount recovered	(165)	(170)
Unwinding of discount of allowance	(884)	(2,485)
Exchange differences	161	-
At end of the financial period	34,671	35,095
Collective impairment		
At beginning of the financial period	34,936	60,709
Provision for loan impairment/(recovered)	327	(17,569)
Amount written-off	-	(8,204)
At end of the financial period	35,263	34,936

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MFRS 134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2013**13 FINANCING, ADVANCES AND OTHER FINANCING (continued)****(x) Impaired financing by economic purpose**

	Economic Entity/The Bank	
	Current Financial Quarter 30/9/2013 RM'000	Previous Financial Year-End 31/12/2012 RM'000
Purchase of transport vehicles	8,402	6,079
Purchase of landed property of which:		
- Residential	33,481	32,115
- Non-residential	398	560
Construction	65,376	61,296
Working capital	29,027	29,637
Others	-	105
	136,684	129,792

(xi) Impaired financing by geographical distribution

	Economic Entity/The Bank	
	Current Financial Quarter 30/9/2013 RM'000	Previous Financial Year-End 31/12/2012 RM'000
Perlis	63	-
Kedah	1,830	1,225
Pulau Pinang	1,706	1,342
Perak	2,502	1,484
Selangor	45,320	44,752
Wilayah Persekutuan	4,452	5,955
Negeri Sembilan	2,604	2,375
Melaka	417	237
Johor	2,503	2,116
Pahang	3,687	2,961
Terengganu	1,801	1,687
Kelantan	2,373	2,375
Sarawak	761	587
Sabah	1,290	1,400
Outside Malaysia	65,375	61,296
	136,684	129,792

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MFRS 134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2013**14 DEPOSITS FROM CUSTOMERS****(i) By type of deposit**

	Economic Entity/The Bank	
	Current Financial Quarter 30/9/2013 RM'000	Previous Financial Year-End 31/12/2012 RM'000
Non-Mudharabah		
Demand deposits	2,023,057	2,604,233
Savings deposits	222,239	221,111
Mudharabah		
Demand deposits	36,993	31,496
Savings deposits	120,981	112,378
General investment deposits	5,118,144	5,239,911
Special investment deposits	807,809	833,132
	8,329,223	9,042,261

(ii) Maturity structure of general investment deposits and NID

	Economic Entity/The Bank	
	Current Financial Quarter 30/9/2013 RM'000	Previous Financial Year-End 31/12/2012 RM'000
Due within six months	3,520,589	4,353,807
Six months to one year	1,596,270	874,676
One year to three years	1,183	11,227
Three years to five years	102	201
	5,118,144	5,239,911

(iii) By type of customer

	Economic Entity/The Bank	
	Current Financial Quarter 30/9/2013 RM'000	Previous Financial Year-End 31/12/2012 RM'000
Government and statutory bodies	2,385,578	2,941,589
Business enterprise	3,395,242	3,302,604
Individuals	923,664	845,270
Others	1,624,739	1,952,798
	8,329,223	9,042,261

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MFRS 134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2013**15 INCOME FROM ISLAMIC BANKING OPERATIONS**

	Individual Quarter		Cumulative Quarter	
	Economic Entity/The Bank	Economic Entity/The Bank	Economic Entity/The Bank	Economic Entity/The Bank
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2013	30/9/2012	30/9/2013	30/9/2012
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	108,162	116,131	315,924	344,475
Income attributable to depositors	(68,226)	(74,544)	(195,136)	(222,345)
Income derived from investment of shareholders' funds	7,378	6,277	22,107	16,686
	47,314	47,864	142,895	138,816
of which:				
Profit earned on impaired financing, advances and other financing	103	857	601	1,189

16 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	Individual Quarter		Cumulative Quarter	
	Economic Entity/The Bank	Economic Entity/The Bank	Economic Entity/The Bank	Economic Entity/The Bank
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2013	30/9/2012	30/9/2013	30/9/2012
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
- General investment deposits (i)	68,112	85,560	199,917	228,869
- Other deposits (ii)	40,050	30,571	116,007	115,606
	108,162	116,131	315,924	344,475

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MFRS 134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2013**16 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS (continued)****(i) INCOME DERIVED FROM INVESTMENT OF GENERAL INVESTMENT DEPOSITS**

	Individual Quarter		Cumulative Quarter	
	Economic Entity/The Bank		Economic Entity/The Bank	
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2013	30/9/2012	30/9/2013	30/9/2012
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Financing, advances and other loans	43,120	46,740	124,069	122,469
Financial investments available-for-sale	8,179	10,124	25,865	26,943
Financial investments held-to-maturity	866	-	894	-
Money at call and deposits with other financial institutions	14,315	24,137	41,645	62,849
Total finance income and hibah	66,480	81,001	192,473	212,261
Accretion of discount less amortisation of premium	(16)	1,327	1,655	7,550
	66,464	82,328	194,128	219,811
Other operating income				
Fee income				
Commission	190	254	503	769
Service charges and fees	592	926	2,156	2,461
Guarantee fees	235	350	850	773
	1,017	1,530	3,509	4,003
Income from financial instruments				
Gains on arising on financial investments available-for-sale:				
- net gain on disposal	53	1,171	508	3,680
	53	1,171	508	3,680
Other income				
Foreign exchange profit:				
- realised	274	127	528	201
Other non-operating income	304	404	1,244	1,174
	578	531	1,772	1,375
	68,112	85,560	199,917	228,869

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MFRS 134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2013**16 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS (continued)****(ii) INCOME DERIVED FROM INVESTMENT OF OTHER DEPOSITS**

	Individual Quarter		Cumulative Quarter	
	Economic Entity/The Bank Current Financial Quarter 30/9/2013 RM'000	Preceding Year Corresponding Quarter 30/9/2012 RM'000	Economic Entity/The Bank Current Financial Quarter 30/9/2013 RM'000	Preceding Year Corresponding Quarter 30/9/2012 RM'000
Finance income and hibah				
Financing, advances and other loans	25,344	16,926	71,994	61,861
Financial investments available-for-sale	4,817	3,630	15,009	13,610
Financial investments held-to-maturity	503	-	519	-
Money at call and deposits with other financial institutions	8,416	8,776	24,166	31,746
Total finance income and hibah	39,080	29,332	111,688	107,217
Accretion of discount less amortisation of premium	(3)	121	960	3,813
	39,077	29,453	112,648	111,030
Other operating income				
Fee income				
Commission	111	82	292	388
Service charges and fees	350	332	1,251	1,243
Guarantee fees	138	140	493	391
	599	554	2,036	2,022
Income from financial instruments				
Gains on arising on financial investments available-for-sale:				
- net gain on disposal	33	370	295	1,859
	33	370	295	1,859
Other income				
Foreign exchange profit:				
- realised	160	57	306	101
Other non-operating income	181	137	722	594
	341	194	1,028	695
	40,050	30,571	116,007	115,606

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17 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	Individual Quarter		Cumulative Quarter	
	Economic Entity/The Bank Current Financial Quarter 30/9/2013 RM'000	Preceding Year Corresponding Quarter 30/9/2012 RM'000	Economic Entity/The Bank Current Financial Quarter 30/9/2013 RM'000	Preceding Year Corresponding Quarter 30/9/2012 RM'000
Finance income and hibah				
Financing, advances and other loans	4,674	3,428	13,720	8,929
Financial investments available-for-sale	884	742	2,860	1,964
Financial investments held-to-maturity	96	-	99	-
Money at call and deposits with other financial institutions	1,551	1,770	4,605	4,582
Total finance income and hibah	7,205	5,940	21,284	15,475
Accretion of discount less amortisation of premium	(4)	98	183	550
	7,201	6,038	21,467	16,025
Other operating income				
Fee income				
Commission	21	19	56	56
Service charges and fees	63	68	238	179
Guarantee fees	25	26	94	57
	109	113	388	292
Income from financial instruments				
Gains on arising on financial investments available-for-sale:				
- net gain on disposal	5	86	56	268
	5	86	56	268
Other income				
Foreign exchange profit:				
- realised	30	10	58	15
Other non-operating income	33	30	138	86
	63	40	196	101
	7,378	6,277	22,107	16,686

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18 ALLOWANCES FOR LOSSES ON FINANCING

	Individual Quarter		Cumulative Quarter	
	Economic Entity/The Bank	Economic Entity/The Bank	Economic Entity/The Bank	Economic Entity/The Bank
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2013	30/9/2012	30/9/2013	30/9/2012
	RM'000	RM'000	RM'000	RM'000
Individual impairment				
- made in the financial period	302	1,331	625	1,476
- written-back	(122)	(13)	(165)	(28)
Collective impairment				
- made/(written-back)	242	(3,389)	327	(19,763)
Bad debts on financing				
- recovered	(143)	(246)	(819)	(481)
- written-off	4	58	4	76
	283	(2,259)	(28)	(18,720)

19 INCOME ATTRIBUTABLE TO DEPOSITORS

	Individual Quarter		Cumulative Quarter	
	Economic Entity/The Bank	Economic Entity/The Bank	Economic Entity/The Bank	Economic Entity/The Bank
	Current	Preceding Year	Current	Preceding Year
	Financial	Corresponding	Financial	Corresponding
	Quarter	Quarter	Quarter	Quarter
	30/9/2013	30/9/2012	30/9/2013	30/9/2012
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- Mudharabah	46,058	56,857	133,941	154,578
- Non-mudharabah	8,013	7,314	23,898	21,349
Deposits and placements of banks and other financial institutions				
- Mudharabah	13,020	8,808	33,843	43,566
Others	1,135	1,565	3,454	2,852
	68,226	74,544	195,136	222,345

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20 PERSONNEL EXPENSES

	Individual Quarter		Cumulative Quarter	
	Economic Entity/The Bank Current Financial Quarter 30/9/2013 RM'000	Preceding Year Corresponding Quarter 30/9/2012 RM'000	Economic Entity/The Bank Current Financial Quarter 30/9/2013 RM'000	Preceding Year Corresponding Quarter 30/9/2012 RM'000
Wages, salaries and bonuses	12,739	11,912	37,714	35,589
Defined contribution plan ('EPF')	2,071	1,947	6,125	5,800
Other personnel costs	1,649	1,562	4,657	4,545
	16,459	15,421	48,496	45,934

21 OTHER OVERHEADS AND EXPENDITURES

	Individual Quarter		Cumulative Quarter	
	Economic Entity/The Bank Current Financial Quarter 30/9/2013 RM'000	Preceding Year Corresponding Quarter 30/9/2012 RM'000	Economic Entity/The Bank Current Financial Quarter 30/9/2013 RM'000	Preceding Year Corresponding Quarter 30/9/2012 RM'000
Establishment costs				
Rental of premises	1,062	949	3,029	2,857
Equipment rental	10	10	33	26
Repair and maintenance	1,128	807	3,235	3,076
Depreciation of property and equipment	199	298	599	853
Amortisation of intangible assets	198	200	597	598
IT consultancy fees	2,022	1,937	6,392	5,833
Dataline rental	151	137	383	425
Security services	653	619	1,925	1,647
Electricity, water and sewerage	413	394	1,162	1,124
Licence fee	47	46	144	146
Insurance/takaful and indemnities	57	26	117	92
Other establishment costs	884	907	2,594	2,825
	6,824	6,330	20,210	19,502

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21 OTHER OVERHEADS AND EXPENDITURES (continued)

	Individual Quarter		Cumulative Quarter	
	Economic Entity/The Bank Current Financial Quarter 30/9/2013 RM'000	Preceding Year Corresponding Quarter 30/9/2012 RM'000	Economic Entity/The Bank Current Financial Quarter 30/9/2013 RM'000	Preceding Year Corresponding Quarter 30/9/2012 RM'000
Marketing expenses				
Business promotion and advertisement	372	79	529	294
Entertainment	165	146	335	310
Traveling and accommodation	327	236	902	772
Other marketing expenses	131	78	336	291
	995	539	2,102	1,667

	Individual Quarter		Cumulative Quarter	
	Economic Entity/The Bank Current Financial Quarter 30/9/2013 RM'000	Preceding Year Corresponding Quarter 30/9/2012 RM'000	Economic Entity/The Bank Current Financial Quarter 30/9/2013 RM'000	Preceding Year Corresponding Quarter 30/9/2012 RM'000
Administration and general expenses				
Telecommunication expenses	230	207	669	593
Auditors' remuneration	110	64	281	205
Professional fees	182	145	672	743
Mail and courier charges	143	175	397	475
Stationery and consumables	584	565	1,692	1,588
Commissions expenses	58	51	149	153
Brokerage expenses	29	20	83	81
Directors' fees and allowances	395	187	1,342	702
Donations	24	9	52	105
Settlement, clearing and bank charges	95	72	266	237
Stamp duties	1	1	2	2
Operational and litigation write-off expenses	-	45	-	45
Other administration and general expenses	35	52	109	147
	1,886	1,593	5,714	5,076
	9,705	8,462	28,026	26,245

22 COMMITMENTS AND CONTINGENCIES

	Current financial quarter ended 30/9/2013			Previous financial year ended 31/12/2012		
	Principal Amount RM'000	* Credit Equivalent RM'000	* Risk- weighted Amount RM'000	Principal Amount RM'000	* Credit Equivalent RM'000	* Risk- weighted Amount RM'000
Economic Entity/The Bank						
Direct credit substitutes	8,487	8,487	6,888	9,374	9,374	7,732
Transaction-related contingent items	118,019	59,010	56,892	130,067	65,034	63,374
Short-term self-liquidating trade-related contingencies	265,234	53,047	15,700	237,199	47,440	11,535
Irrevocable commitments to extend credit:						
- Maturity less than one year	887,154	177,431	143,466	811,391	162,278	139,768
- Maturity more than one year	350,416	175,208	156,477	381,912	190,955	175,291
	1,629,310	473,183	379,423	1,569,943	475,081	397,700

* The credit equivalent amount and risk-weighted amount is arrived at using the credit conversion factor as per Bank Negara Malaysia Guidelines.

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MFRS 134 INTERIM FINANCIAL REPORTING - 30 SEPTEMBER 2013**23 CAPITAL MANAGEMENT**

With effect from 1 January 2013, the total capital and capital adequacy ratios of the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework (Capital Components) dated 28 November 2012.

The Bank is currently adopting Standardised Approach for Credit Risk and Market Risk, the Basic Indicator Approach for Operational Risk. In line with the transitional arrangements under the Bank Negara Malaysia's Capital Adequacy Framework (Capital Components), the minimum capital adequacy requirement for Common Equity Tier 1 Capital Ratio ('CET 1') and Tier 1 Capital Ratio are 3.5% and 4.5% respectively for year 2013. The minimum regulatory capital adequacy requirement remains at 8.0% (2012 : 8.0%) for total capital ratio.

The Bank has adopted and to comply with the Guidelines and are subject to the transition arrangements as set out by BNM.

The Bank's objectives when managing capital, are:

- To comply with the capital requirements set by the regulators of the banking markets where the entities within the Bank.
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

The Bank maintains a ratio of total regulatory capital to its risk-weighted assets above a minimum level agreed with the management which takes into account the risk profile of the Bank.

The table in Note 24 below summarises the composition of regulatory capital and the ratios of the Bank for the financial quarter ended 30 September 2013.

24 CAPITAL ADEQUACY

The capital adequacy ratios are as follows:

	Economic Entity		The Bank	
	Current	Previous	Current	Previous
	Financial	Financial	Financial	Financial
	Quarter	Year-End	Quarter	Year-End
	30/9/2013	31/12/2012	30/9/2013	31/12/2012
	RM'000	RM'000	RM'000	RM'000
Paid-up share capital	360,000	360,000	360,000	360,000
Retained profits	170,075	148,950	170,725	149,390
Statutory reserves	164,786	143,451	164,786	143,451
Unrealised gains and losses on AFS	(3,239)	-	(3,239)	-
	691,622	652,401	692,272	652,841
Less:				
Deferred tax assets *	(559)	(600)	(559)	(600)
CET1 Capital	691,063	651,801	691,713	652,241
Tier 1 Capital	691,063	651,801	691,713	652,241

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23 CAPITAL ADEQUACY (continued)

	Economic Entity		The Bank	
	Current Financial Quarter Financial 30/9/2013 RM'000	Previous Financial Year-End Financial 31/12/2012 RM'000	Current Financial Quarter Financial 30/9/2013 RM'000	Previous Financial Year-End Financial 31/12/2012 RM'000
Collective impairment ^	21,220	23,782	21,220	23,782
Less:				
Investment in subsidiaries/associates/ jointly controlled entity	(650)	-	(650)	-
Tier II capital	20,570	23,782	20,570	23,782
Total Capital/Capital base	711,633	675,583	712,283	676,023
CET1 capital ratio	13.909%	-	13.923%	-
Tier 1 capital ratio/Core capital ratio	13.909%	14.610%	13.923%	14.620%
Total capital ratio/Risk-weighted capital ratio	14.323%	15.150%	14.337%	15.160%
CET1 capital ratio (net of proposed dividends)	13.909%	-	13.923%	-
Tier 1 capital ratio/Core capital ratio (net of proposed dividends)	13.909%	14.610%	13.923%	14.620%
Total capital ratio/Risk-weighted capital ratio (net of proposed dividends)	14.323%	15.150%	14.337%	15.160%

* Deferred tax assets exclude deferred tax arising from AFS revaluation reserves.

^ Qualifying collective impairment is restricted to allowances on unimpaired portion of the financing, advances and other financing.

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24 CAPITAL ADEQUACY (continued)

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

	Economic Entity		The Bank	
	Principal Current Financial Quarter 30/9/2013 RM'000	Principal Previous Financial Year-End 31/12/2012 RM'000	Principal Current Financial Quarter 30/9/2013 RM'000	Principal Previous Financial Year-End 31/12/2012 RM'000
0%	4,050,990	5,290,465	4,050,990	5,290,465
10%	-	-	-	-
20%	813,016	1,083,348	813,016	1,083,348
35%	1,232,542	839,987	1,232,542	839,987
50%	212,744	290,780	212,744	290,780
70%	-	-	-	-
75%	1,938,636	1,863,854	1,938,636	1,863,854
100%	2,370,623	1,962,728	2,370,623	1,962,728
150%	55,257	79,084	55,257	79,084
Total risk-weighted assets for credit risk	10,673,808	11,410,246	10,673,808	11,410,246

	Economic Entity		The Bank	
	Risk-Weighted Current Financial Quarter 30/9/2013 RM'000	Risk-Weighted Previous Financial Year-End 31/12/2012 RM'000	Risk-Weighted Current Financial Quarter 30/9/2013 RM'000	Risk-Weighted Previous Financial Year-End 31/12/2012 RM'000
0%	-	-	-	-
10%	-	-	-	-
20%	162,603	216,670	162,603	216,670
35%	431,390	293,995	431,390	293,995
50%	106,372	145,390	106,372	145,390
70%	-	-	-	-
75%	1,453,976	1,397,891	1,453,976	1,397,891
100%	2,370,623	1,962,728	2,370,623	1,962,728
150%	82,886	118,626	82,886	118,626
Total risk-weighted assets for credit risk	4,607,850	4,135,300	4,607,850	4,135,300
Risk-weighted assets for market risk	26,246	1,782	26,246	1,782
Risk-weighted assets for operational risk	334,199	323,284	334,199	323,284
Total risk-weighted assets	4,968,295	4,460,366	4,968,295	4,460,366

Effective 1 January 2008, the Bank's capital ratios is being computed in accordance with the RWCAF (Basel II - Risk Weighted Assets Computation) or Capital Adequacy Framework for Islamic Banks (CAFIB). The Bank has adopted the Standardised Approach for credit risk and market risk, and Basic Indicator Approach for operational risk computation.

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25 REVIEW OF PERFORMANCE OF THE BANK

(Analysis of financial performance of current quarter comparing to previous year's corresponding quarter)

During the 3rd quarter of 2013, the Bank registered a profit before tax of RM20.7 million as compared to the previous year's corresponding quarter of RM26.2 million, a decrease of RM5.4 million or 20.5%.

This was due to:

- i) lower income derived from investment of depositors' funds and others by RM8.0 million.
- ii) lower net writeback of allowances for losses on financing by RM2.5 million.
- iii) higher operating expenses by RM2.3 million.

The above was off-set by:

- i) higher income derived from investment of shareholders' funds by RM1.1 million.
- ii) lower income attributable to the depositors' funds by RM6.3 million.

26 COMMENT ON FINANCIAL RESULTS

(Analysis of financial performance of current quarter comparing to immediate preceding quarter)

The Bank's profit before tax for 3rd quarter of 2013 stood at RM20.7 million as compared to RM23.0 million reported in the 2nd quarter of 2013, a decrease of RM2.3 million or 9.9%.

Decrease in profit before tax as compared to immediate preceding quarter due to:

- i) higher income attributable to the depositors' funds by RM5.3 million.
- ii) lower income derived from investment of shareholders' funds by RM 0.1 million.
- iii) higher other operating expenses by RM1.0 million.
- iv) lower allowances for losses on financing by RM0.8 million.
- v) higher in share of jointly controlled entity by RM0.1 million.

The above was off-set by:

- i) higher income derived from investment of depositors' funds and others by RM5.0 million

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27 PROSPECT FOR THE CURRENT FINANCIAL YEAR

In 2013, AFFIN Islamic will look into the following areas:

- Continue to increase business revenue:
 - Improve existing business by expanding existing successful business and improving underperforming business
 - Introduce new business/products
 - Improve profit margin and fee income growth
 - Value added product/ cross selling opportunities
 - Review product/pricing/package competitiveness against competitors
 - Step-up marketing and sales performance at both Head Office and branches
 - Capabilities and capacity building, including opening of new branches
- More efficient use of Group distributional channels and services.
- Continuous improvement in Financing assets portfolio.
- Closer synergy and teamwork with Parent Bank to drive Group Business goals and aspirations.
- Increase market visibility.
- Continuous migration towards globally accepted Shariah based products and practices.

AFFIN Islamic is confident that the business climate will be favourable in the coming year. Eventhough, the Bank is still relatively new and small, it is an advantage as it is able to move agilely and change accordingly to the needs of the market.

Being a wholly-owned subsidiary of AFFIN Bank, AFFIN Islamic believes that it will act as a catalyst to increase market share and create new business opportunities.

While there are synergistic and tangible benefits from the sharing of resources, branches as well as people, the unity that is demonstrated by close collaboration will ensure that AFFIN Islamic will have the opportunity to be a meaningful contributor to the Group as the growth of Islamic banking in Malaysia is on the rise.

Furthermore, the strength and capabilities of the Bank in promoting its Islamic banking products and services will place the bank in good standing not only in Malaysia but in the region.

AFFIN Islamic anticipates that 2013 will provide growth opportunities in various business segments especially within the ASEAN region. The Bank will seek to leverage on these opportunities and will play a catalytic role to ensure that it remains a significant and relevant entity to the growth of Islamic banking throughout.

28 VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

The Bank's profit before tax registered a favourable variance of RM9.0 million. The main contributing factors are follows:

Net income and other operating income

The net income and other operating income showed a favourable variance of RM40.0 million.

Other operating expenses

Operating costs showed an adverse variance of RM24.5 million.

Allowance for losses on financing

Allowance for losses on financing showed an adverse variance of RM6.5 million.